

# COP26: What happened, what does this mean, and what happens next?

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# **Key findings**

- Raising the ambition of national emission reduction targets (nationally determined contributions - NDCs) was a critical task for COP26. On this front, governments fell short: although over 120 parties have submitted new or updated NDCs, the new targets only narrow the gap to 1.5°C by 15-17 per cent, and are, if fully implemented (and this is far from certain), projected to result in warming of 2.4°C by the end of the century. If we are to limit warming to 1.5°C above pre-industrial levels, additional emissions reductions before 2030, over and above current NDC pledges, will need to equate to reducing emissions by the equivalent of two years of current annual emissions. To keep warming to 2°C, the equivalent reductions would be needed of one year's total emissions.
- The Glasgow Climate Pact the main political outcome of COP26 requests governments to revisit and strengthen their NDCs before the end of 2022 to bring these in line with the Paris Agreement's temperature goal. To keep 1.5°C within reach, it will be absolutely essential that governments return to the table with significantly enhanced offers ahead of COP27, which will take place at Sharm El-Sheikh, Egypt, in 2022. Another key feature of the Glasgow Climate Pact is the reference to 'accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies'. Although the language was watered down over the course of the negotiations, COP26 marks the first time ever reducing fossil fuels is mentioned in a COP decision.
- Discussions around climate finance, adaptation, and loss and damage were centre stage in Glasgow, and were critical points of contention. Although the Glasgow Climate Pact urges developed countries to 'fully' deliver on the \$100 billion annual climate finance pledge through to 2025, it remains unclear when this sum will actually be raised in full - and if a total of \$500 billion will be mobilized between 2020 and 2025 to make up for initial shortfalls. And while the Pact urges developed countries to double their adaptation finance by 2025, and establishes a dialogue on loss and damage finance, much more will need to be done to address the needs of climate-vulnerable developing countries.
- COP26 saw a flurry of plurilateral deals on key issues such as phasing out various forms of fossil fuels and ending deforestation. These initiatives have the potential to accelerate decarbonization, but monitoring their implementation and holding governments and other institutions to account will be critical. Future COPs provide a platform for doing this, and governments should seek to incorporate the pledges made outside the formal remits of the UNFCCC process in their NDCs.
- While some progress was made at COP26, the next 12 months will be crucial in determining if the formal agreements reached in Glasgow provide grounds for optimism that 1.5°C remains firmly in sight, and are sufficient to build trust between countries and between citizens and governments.

### Introduction

COP26, convened in Glasgow, Scotland, on 31 October and eventually running to 13 November 2021,¹ was the most important UN climate change meeting since the Paris Agreement was adopted at COP21 in 2015, and took place in the context of an increasingly urgent climate crisis. With warming currently at 1.1°C above preindustrial levels, all regions of the world are already experiencing increasingly destructive climate impacts,²,³ and scientists are warning of far greater destruction in the near future.⁴,⁵ The window of opportunity for avoiding the most disastrous impacts is closing quickly: to limit warming to 1.5°C, global emissions must be reduced by 45 per cent by 2030.⁶

COP26 was a potentially pivotal moment in global efforts to combat the threat of climate change. The first round of national emission reduction targets (nationally determined contributions, or NDCs) would, if implemented, have resulted in warming of around 3°C by the end of this century<sup>7</sup> – with disastrous consequences for the planet. The Paris Agreement includes a five-yearly 'ratchet mechanism', designed to increase ambition over time, and ahead of COP26 governments were expected to come forward with new and more ambitious NDCs.

The Glasgow summit was also a crucial opportunity for enhancing ambition on climate finance, adaptation, and 'loss and damage',<sup>8</sup> as well as for finalizing the rules governing the implementation of the Paris Agreement. Given the accelerating climate impacts already being experienced across the world, there has never been a more urgent need for international finance and cooperation to manage and build resilience to climate change impacts. This is especially true for developing countries and the most vulnerable regions, where cascading climate impacts are most likely to materialize in the next decade,<sup>9</sup> with severe implications for the security, health and wellbeing of citizens.<sup>10</sup>

 $<sup>^{1}</sup>$  As has often happened in previous years, this COP did not finish as originally scheduled, on 12 November, but continued through to the following day.

<sup>&</sup>lt;sup>2</sup> The World Meteorological Organization has said that the last seven years are on track to be the seven warmest on record, and that 'extreme events are the new norm'. World Meteorological Organization (2021), 'State of Climate in 2021: Extreme events and major impacts',

https://public.wmo.int/en/media/press-release/state-of-climate-2021-extreme-events-and-major-impacts.

<sup>&</sup>lt;sup>3</sup> Quiggin, D., De Meyer, K., Hubble-Rose, L. and Froggatt, A. (2021), *Climate change risk assessment 2021: The risks are compounding, and without immediate action the impacts will be devastating*, Research Paper, https://www.chathamhouse.org/sites/default/files/2021-09/2021-09-14-climate-change-risk-assessment-quiggin-et-al.pdf.

<sup>&</sup>lt;sup>4</sup> United Nations (2021), TPCC report: 'Code red' for human driven global heating, warns UN chief', UN News, 9 November 2021, https://news.un.org/en/story/2021/08/1097362.

<sup>&</sup>lt;sup>5</sup> Quiggin et al. (2021), *Climate change risk assessment 2021*.

<sup>&</sup>lt;sup>6</sup> Compared with 2010-levels. Source: IPCC (2018), Summary for Policymakers. In: Global Warming of 1.5°C, https://www.ipcc.ch/sr15/chapter/spm/.

<sup>7</sup> UN Environment Programme (2016), Emissions Gap Report 2016, https://www.unen.org/resources/emissions\_gap\_report\_2016

https://www.unep.org/resources/emissions-gap-report-2016.

<sup>&</sup>lt;sup>8</sup> This term refers to harms and destruction caused by climate change impacts that cannot be averted though adaptation or mitigation.

<sup>&</sup>lt;sup>9</sup> Quiggin, D., Townend, R. and Benton, T. G. (2021), What near-term climate impacts should worry us most? Supporting the most exposed and vulnerable societies to reduce regional and global climate risks, Research Paper, https://www.chathamhouse.org/sites/default/files/2021-10/2021-10-19-what-near-term-climate-impacts-should-worry-us-most-quiggin-et-al\_0.pdf.

<sup>10</sup> Ibid.

# Mitigation targets

#### **NDCs**

Given the urgency of the climate crisis, and the inadequacy of the first round of NDCs, it was critical that governments should dramatically increase ambition in their second NDCs. The ultimate benchmark for success in Glasgow would have been NDCs embedding 2030 targets collectively ambitious enough to put the world on track to limit warming to 1.5°C. According to UNEP, ambition would have needed to increase by 30 per cent relative to the 2015 NDCs to be consistent with a 2°C pathway, and by 55 per cent to align with 1.5°C.11

Many governments did submit new and more ambitious NDCs in advance of COP26, showing the ratchet mechanism was working to increase ambition. However, UN assessments of progress revealed that the new targets fell far short of closing the gap to 1.5°C. Despite 116 new or updated NDCs having being submitted by mid-October 2021, global emissions were projected to rise by 16 per cent by 2030 (relative to 2010 levels). Such a rise may lead to catastrophic warming of 2.7°C by the end of the century.12

Several new NDC submissions13 were made in the immediate run-up to COP26, and during the summit itself. Updated UN analysis released on 4 November showed that, even with full implementation of existing and new NDCs, emissions will still rise by almost 14 per cent by 2030.14 Climate Action Tracker notes, moreover, that the second round of NDCs, if fully implemented, will only reduce the gap to 1.5°C by 15-17 per cent (relative to 2015 commitments), and that the world will still be on course for warming of 2.4°C.15

To put the emissions gap between NDCs and ambition into context (Figure 1), eight years remain of this decade. If we are to limit warming to 1.5°C, emissions will need to be further cut by the equivalent of two years of current annual global emissions, 16 over and above the current actions promised in the NDCs. If we are to accept warming of 2°C, reductions equivalent to one year's total emissions, <sup>17</sup> on top of current NDCs, will still be needed.

<sup>&</sup>lt;sup>11</sup> UNEP, UNEP DTU Partnership (2021), Emissions Gap Report 2021, https://www.unep.org/resources/emissions-gap-report-2021.

<sup>&</sup>lt;sup>12</sup> UNFCCC (2021), Nationally determined contributions under the Paris Agreement: Revised synthesis report by the secretariat, https://unfccc.int/sites/default/files/resource/cma2021\_08r01\_E.pdf.

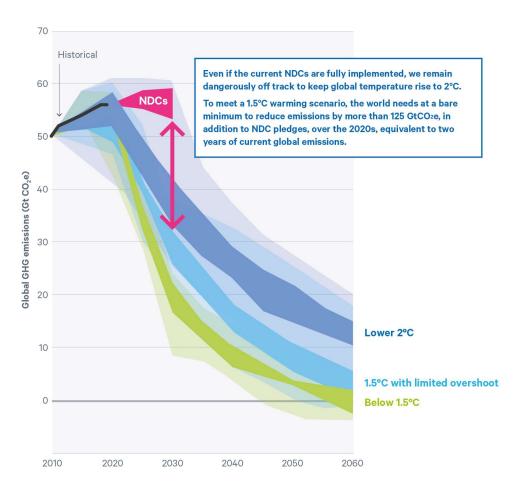
<sup>&</sup>lt;sup>13</sup> Argentina, Australia, Bahrain, Brazil, Chad, China, Ghana, Iraq, Japan, Nauru, Pakistan, Saint Kitts and Nevis, Saudi Arabia and Uzbekistan formally submitted updates to the UNFCCC.

<sup>&</sup>lt;sup>14</sup> United Nations Climate Change Secretariat (2021), Message to parties and observers: Nationally determined contribution synthesis report,

https://unfccc.int/sites/default/files/resource/message\_to\_parties\_and\_observers\_on\_ndc\_numbers.pdf. 15 Climate Action Tracker (2021), 'Glasgow's 2030 credibility gap: net zero's lip service to climate action', https://climateactiontracker.org/publications/glasgows-2030-credibility-gap-net-zeros-lip-service-toclimate-action/

<sup>&</sup>lt;sup>16</sup> Global emissions will need to be reduced by >125 GtCO2e, relative to NDCs pledged, equivalent to two years of current emissions.

<sup>&</sup>lt;sup>17</sup> Global emissions will need to reduce by >58 GtCO2e over the 2020s, relative to NDCs pledged, equivalent to one year's emissions.



**Figure 1.** Global emissions under IPCC scenarios compared with global emissions resulting from NDC commitments as of 2 November 2021.

Source: Adapted from United Nations Climate Change Secretariat (2021), 'Message to Parties and Observers: National determined contribution synthesis report', 4 November 2021, https://unfccc.int/sites/default/files/resource/message\_to\_parties\_and\_observers\_on\_ndc\_numbe rs.pdf.

#### Net zero targets

Over the past two years, many countries have made 'net zero' or 'carbon neutrality' pledges: almost 90 per cent of global emissions are now covered by such commitments. During COP26, the IEA published analysis suggesting that if all NDCs, net zero/carbon neutrality pledges, and other commitments made at the summit are implemented, warming could be limited to 1.8°C. This is significant, as it marks the first time ever that national pledges take emissions projections below 2°C, but the credibility of these commitments is very far from complete. Many pledges are not backed up by comparably ambitious NDCs, and/or are built on the very uncertain

 <sup>18</sup> Climate Action Tracker (2021), 'Glasgow's 2030 credibility gap: net zero's lip service to climate action'.
 19 Birol, F. (2021), 'COP26 climate pledges could help limit global warming to 1.8 °C, but implementing them will be the key', IEA, 4 November 2021, https://www.iea.org/commentaries/cop26-climate-pledges-could-help-limit-global-warming-to-1-8-c-but-implementing-them-will-be-the-key.
 20 Ibid.

foundations of technologies yet to be deployed at scale – or, in some cases, yet to be developed.

Indeed, throughout COP26, the predominant framing was on science and technology solutions to climate change, rather than changed behaviours, exemplified, at the launch of the Glasgow Breakthrough Agenda (a collaborative commitment to accelerate development and deployment of clean technologies), by the UK prime minister's assertion that his vision of the future is for 'guilt free' flying.<sup>21</sup> While science and innovation are hugely important, to rely on unproven technology, developed at pace and scale, without deeper systemic change is an inherent risk to delivery of climate targets.

#### Coming back to the table earlier

Under the Paris timetable, the next revision of NDCs is due in 2025 – leaving little time in this decade for implementation of the highly ambitious emissions cuts that will be needed if the emissions gap is to close. The Paris Agreement states, however, that a party can strengthen its NDC at any time, 22 and a crucial element of the Glasgow Climate Pact is the request for governments to revisit and enhance their 2030 targets before the end of 2022, to bring them in line the with Paris Agreement's temperature goal. This echoes calls made during the COP26 World Leaders Summit, as well as in statements by the High Ambition Coalition 23 and the Climate Vulnerable Forum. 24

The Glasgow Climate Pact also urges parties that have not yet communicated a second NDC and/or a long-term low greenhouse gas emission development strategy to do so ahead of COP27, while requesting the UNFCCC secretariat to provide an annual update of the ambition of NDCs. Furthermore, it includes a decision to establish a work programme 'to urgently scale-up mitigation ambition and implementation in this critical decade'. The UK and Italy retain the presidency until the start of COP 27, and will have a vital role to play – along with Egypt, which will host the next summit at Sharm El-Sheikh – in encouraging all countries – and particularly the G20 – to deliver on their NDC review and scale up ambition to close the gap to 1.5°C.

Another critical element of the Glasgow Climate Pact is the reference to 'accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies'.<sup>25</sup> Although the language was diluted over the course of the negotiations, including in the hours before the Pact was adopted in order to secure

<sup>&</sup>lt;sup>21</sup> Prime Minister's Office, 10 Downing Street and the Rt Hon Boris Johnson MP (2021), 'PM address at COP26 Accelerating Clean Technology Innovation and Deployment Event: 2 November 2021', https://www.gov.uk/government/speeches/pm-address-at-cop26-accelerating-clean-technology-innovation-and-deployment-event-2-november-2021.

<sup>&</sup>lt;sup>22</sup> UNFCCC (2015), The Paris Agreement, https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement.

<sup>23</sup> High Ambition Coalition (2021), 'High Ambition Coalition COP26 Leaders' Statement', 2 November 2021, https://www.highambitioncoalition.org/statements/cochair-summary-april-2021-9n7c5-z7kxl-733k4-49h35.

 <sup>&</sup>lt;sup>24</sup> Climate Vulnerable Forum (2021), 'Dhaka-Glasgow Declaration of the Climate Vulnerable Forum', 2
 November 2021, https://thecvf.org/our-voice/statements/dhaka-glasgow-declaration-of-the-cvf/.
 <sup>25</sup> UNFCCC (2021), 'Glasgow Climate Pact. Decision -/CMA.3', Advance unedited version, https://unfccc.int/sites/default/files/resource/cma3\_auv\_2\_cover%20decision.pdf.

the buy-in of India and China,<sup>26</sup> COP26 marks the first time ever reducing fossil fuels is referred to in a COP decision.<sup>27</sup>

In the second week of the conference, the US and China, to the surprise of many, released a joint statement outlining areas in which the two largest emitters will cooperate to accelerate climate action in the 2020s.<sup>28</sup> Although it would have been desirable to see greater ambition in the actions listed, the fact itself that these two countries did come together at a time of heightened mutual geopolitical tensions is of great significance to international efforts to tackle climate change.

# Campaigns, sector deals and initiatives

Ahead of COP26, the UK presidency launched politically led campaigns on clean energy, clean transport, nature-based solutions, adaptation and resilience, and finance.<sup>29</sup> These campaigns aimed to catalyse global collaborative action for transitioning to a net zero world. Partly as a result, COP26 brought a large number of plurilateral deals and initiatives, including on transitioning away from coal; phasing out oil and gas production; ending finance for fossil fuels overseas; halting and reversing deforestation; tackling methane emissions; and greening the international financial system.<sup>30</sup> Some of these initiatives and commitments could make a significant contribution to accelerating decarbonization, but it will be critical to track progress and hold governments – and other relevant stakeholders – to account, including at future COPs. Governments should also seek to incorporate the pledges they have made outside the formal remits of the UNFCCC into their NDCs, as they revise these in preparation for COP27.<sup>31</sup>

## **Finance**

Climate finance is a core priority for developing countries, which often lack the domestic financial resources to reduce emissions and support sustainable development, and which face a disproportionate share of climate change impacts. It is a key sticking point in the climate negotiations, with a clear North–South divide.

In 2009, at COP15 in Copenhagen, wealthy countries pledged to mobilize, by 2020, \$100 billion a year in climate finance for developing countries, from a range of public

 $<sup>^{26}</sup>$  Bishop, K. (2021), 'China, India will have to explain themselves on coal, COP26 president says', CNBC, 14 November 2021, https://www.cnbc.com/2021/11/14/china-india-will-have-to-explain-themselves-on-coal-cop26-president.html.

<sup>&</sup>lt;sup>27</sup> Harvey, F. (2021), 'COP26 draft text annotated: what it says and what it means', *Guardian*, 10 November 2021, https://www.theguardian.com/environment/ng-interactive/2021/nov/10/cop26-draft-text-annotated-what-it-says-and-what-it-means.

<sup>&</sup>lt;sup>28</sup> Governments of China and the United States (2021), 'U.S.-China Joint Glasgow Declaration on Enhancing Climate Action in the 2020s', https://www.state.gov/u-s-china-joint-glasgow-declaration-on-enhancing-climate-action-in-the-2020s/.

<sup>&</sup>lt;sup>29</sup> UNFCCC (2020), 'COP Presidencies Speak at Launch of Race to Zero Campaign', 5 June 2020, https://unfccc.int/news/cop-presidencies-speak-at-launch-of-race-to-zero-campaign.

<sup>&</sup>lt;sup>30</sup> UK Government (2021), 'COP26 outcomes', https://ukcop26.org/the-conference/cop26-outcomes/.

<sup>&</sup>lt;sup>31</sup> Tubiana, L. (@LaurenceTubiana) (2021), 'Paris is working. Despite the COVID-19 crisis, we have accelerated action, the COP has responded to the IPCC's call to close the gap towards 1.5, and coal is in the text. But there is a lot more to do. #COP26', tweet, 13 November 2021, https://twitter.com/LaurenceTubiana/status/1459611984299794433.

and private sources. While it has always been recognized that \$100 billion annually is insufficient to meet the mitigation and adaptation needs of developing countries, the fulfilment of this goal is crucial both for supporting those at the front lines of climate change and for maintaining trust. However, a delivery plan for the \$100 billion released by developed countries shortly before COP26 showed that this figure would likely only be reached in 2023.<sup>32</sup>

At COP26, developing countries expressed their disappointment, frustration and anger at the delay in meeting this goal, and underscored that trust had been severely eroded. They also emphasized the need to increase climate finance significantly beyond the \$100 billion pledge. While some developed countries did come forward with new commitments at COP26, it remains unclear when the goal will be met. The Glasgow Climate Pact notes 'with deep regret' that the \$100 billion has not yet been achieved, and urges developed countries to 'fully deliver' on the goal 'urgently and through to 2025'.

COP26 also saw the start of deliberations on a 'new collective quantified' climate finance goal for the post-2025 period. It was never the aim to complete the process at the Glasgow summit, where parties agreed to launch a work programme for 2022–24 to continue the negotiations. A decision was also made to extend the 'long-term finance agenda' to 2027, which had been a key demand of developing countries, and the UNFCCC Standing Committee on Finance has been tasked with preparing a report ahead of COP27 on progress towards meeting the \$100 billion pledge.

While boosting public climate finance is essential, it will never be enough to fund the green transition. COP26 had a strong focus on mobilizing private finance. For example, the Glasgow Financial Alliance for Net Zero (GFANZ), launched in April 2021 at the Leaders' Summit on Climate Change, now includes 450 institutions – responsible for assets worth \$130 trillion – committed to supporting the transition to net zero.<sup>33</sup>

# **Adaptation**

Relative to climate change mitigation, adaptation has been overlooked in terms of its profile and financing. There are signs that a shift in thinking is under way, however, partly as climate change is starting to impact wealthier nations as well as developing countries. At COP26, climate-vulnerable nations called for greater support to address adaptation needs and deal with loss and damage. This was one of the main points of contention during the conference.

On adaptation specifically, developing countries managed to secure a paragraph in the Glasgow Climate Pact urging developed countries to collectively at least double

<sup>&</sup>lt;sup>32</sup> OECD (2021), 'Statement by the OECD Secretary-General on future levels of climate finance: Developed countries likely to reach USD 100 billion goal in 2023', 25 October 2021,

 $https://www.oecd.org/newsroom/statement-by-the-oecd-secretary-general-on-future-levels-of-climate-finance. \\ htm.$ 

<sup>&</sup>lt;sup>33</sup> GFANZ (2021), 'Amount of finance committed to achieving 1.5°C now at scale needed to deliver the transition', Glasgow Financial Alliance for Net Zero, 2 November 2021,

https://www.gfanzero.com/press/amount-of-finance-committed-to-achieving-1-5c-now-at-scale-needed-to-deliver-the-transition/.

the provision of adaptation finance by 2025 (with 2019 as the baseline). Several pledges were also made as the conference proceeded: \$356 million was raised for the Adaptation Fund,<sup>34</sup> and \$413 million for the Least Developed Countries Fund.<sup>35</sup>

Parties also agreed to set up a two-year work programme to operationalize and implement the Paris Agreement's 'global goal on adaptation',<sup>36</sup> the aim of which is to drive collective action on adaptation. This is important, as it has been unclear how the global goal is to be implemented and progress against it assessed.

# Loss and damage

Along with the challenges of mitigation and adaptation, there is the challenge of dealing with loss and damage arising from the impacts of climate change, which is growing in importance as climate impacts increase. Enhanced action to address loss and damage, including through the creation of a dedicated financing facility, was a key demand of developing countries at COP26. The discussions around loss and damage have been – and remain – highly contentious because of the inherent link to the historical responsibility of developed countries in causing climate change, and associated calls for compensation from developing countries. While developed countries came under significant pressure on loss and damage at COP26 – and, in a notable first, Scotland and the Wallonia region of Belgium both provided dedicated funds<sup>37</sup> – COP26 only made limited progress on advancing the loss and damage agenda.

At COP25, parties had agreed to set up the Santiago Network on loss and damage to provide technical assistance around this issue. Subsequent progress was made at COP26 in defining the network's form and functions, and the Glasgow Climate Pact also decided that it would be provided with funds. Decisions on the network's institutional arrangements were deferred until COP27.<sup>38</sup> The governance of the Warsaw International Mechanism for Loss and Damage, established in 2013 at COP19, also remains unresolved, with talks on this due to resume at COP27.<sup>39</sup>

On the bigger issue of funding, parties agreed to set up the Glasgow Dialogue in order to discuss how to fund averting, minimizing and addressing loss and damage. <sup>40</sup> The Glasgow Climate Pact also urges developed countries and relevant organizations to provide more support for loss and damage. <sup>41</sup> The call to set up a dedicated financing facility was, however, rejected. Developing countries made concessions on loss and

<sup>&</sup>lt;sup>34</sup> UNFCCC (2021), 'Adaptation Fund Raises Record US\$ 356 Million in New Pledges at COP26 for its Concrete Actions to Most Vulnerable', 9 November 2021, https://unfccc.int/news/adaptation-fund-raises-record-us-356-million-in-new-pledges-at-cop26-for-its-concrete-actions-to.

<sup>&</sup>lt;sup>35</sup> UNFCCC (2021), 'US\$ 413 Million Pledged for Most Vulnerable Countries at COP26', 9 November 2021, https://unfccc.int/news/us-413-million-pledged-for-most-vulnerable-countries-at-cop26.

<sup>&</sup>lt;sup>36</sup> UNFCCC (2021), 'Note by the facilitator: Work programme on the global goal on adaptation', 8 November 2021, https://unfccc.int/sites/default/files/resource/Note\_by\_the\_facilitator.pdf.

<sup>&</sup>lt;sup>37</sup> Robertson, D. (2021), 'Wallonia joins Scotland and dedicates one million euros to the "loss and damage" section', Positively Scottish, 13 November 2021, https://positivelyscottish.scot/top-news/wallonia-joins-scotland-and-dedicates-one-million-euros-to-the-loss-and-damage-section.

<sup>&</sup>lt;sup>38</sup> UNFCCC (2021), 'Warsaw International Mechanism for Loss and Damage associated with Climate Change Impacts', https://unfccc.int/sites/default/files/resource/cp2021\_L15\_adv.pdf.
<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

<sup>41</sup> Ibid.

damage to preserve the integrity of the Glasgow Climate Pact, while emphasizing that they would continue to push for a dedicated facility in the Glasgow Dialogue. 42

### The Paris Rulebook

The Paris Agreement sets out goals, targets and principles, but without details on how to achieve them. Shortly after COP21, governments began negotiating rules governing the implementation of the agreement - termed the 'Paris Rulebook'. While most of the rulebook was agreed in 2018, several issues were unresolved - most notably the rules governing international carbon markets (anticipated in Article 6), common time frames for NDCs, and transparency.43

#### Article 6

Article 6 of the Paris Agreement relates to the development of an international carbon market to help accelerate the energy transition and lead to an overall reduction in greenhouse gas emissions. Creating a transparent, trustworthy international framework can both enable trading and encourage more robust domestic markets, although national carbon trading can proceed without one.44

At COP26, progress was made in creating an international carbon trading framework, with the adoption of Article 6. While this encourages trading, it potentially enables 'greenwashing' through the use of less stringent credits in a two-tier system. 45,46 However, the issue of possible 'double counting' of carbon credits was addressed for both tiers, thereby tightening the system.

The interests of developed countries were met in that no quantitative limits were agreed on the proportion of NDC mitigation targets that can be met through carbon trading.47 Furthermore, the carry-over of 'old units' produced and traded since 2013 under the previous regime, the Clean Development Mechanism, will be allowed. 48 Importantly, 2 per cent of issued credits each year in multilateral carbon trading schemes will be automatically cancelled, contributing to overall emissions reductions.<sup>49</sup> Agreement was reached so that a proportion of the share of proceeds from multilateral carbon trading will be used for adaptation finance in developing countries.50

<sup>&</sup>lt;sup>42</sup> UNFCCC (2021), 'Informal stocktaking plenary by the President', https://unfccccop26.streamworld.de/webcast/informal-stocktaking-plenary-by-the-president-6 (0:08:45, 1:09:10). 43 World Resources Institute (2021), 'Navigating the Paris Agreement Rulebook', https://www.wri.org/paris-rulebook.

<sup>44</sup> Åberg, A., Froggatt, A. and Peters, R. (2021), Raising climate ambition at COP26, Research Paper, https://www.chathamhouse.org/sites/default/files/2021-10/2021-10-05-raising-climate-ambition-atcop26-aberg-et-al.pdf.pdf.

<sup>&</sup>lt;sup>45</sup> UNFCCC (2021), Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement',

https://unfccc.int/sites/default/files/resource/cma2021\_L19\_adv.pdf?fbclid=IwAR3NG9A0M5QNmY7dz5 HJAEbz-YZdzGNTpQanZD8HlGv29Td8SzZcbY4lLQw.

<sup>&</sup>lt;sup>46</sup> UNFCCC (2021), 'Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement'.

https://unfccc.int/sites/default/files/resource/cma2021\_L18\_adv.pdf?fbclid=IwAR1iqP2b5wE7JyeKGp4q -76YClro84takY2\_Pfnya4gDkeak-gVBp3G2AQU. <sup>47</sup> Ibid.

<sup>&</sup>lt;sup>48</sup> UNFCCC (2021), 'Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement'. 49 Ibid.

<sup>50</sup> Ibid.

UNFCCC civil society constituencies expressed concern that the weak integration of human and indigenous rights and gender considerations in Article 6 could undermine environmental and social safeguards in related activities (e.g. through land capture for afforestation).51 An independent grievance process was, however, established to address potential rights violations.52

#### **Common time frames**

Currently, the submitted NDCs do not have common reporting time frames. Common time frames would support the ratcheting up of mitigation ambition by creating opportunities to compare NDCs and track overall progress made towards limiting warming to 1.5°C.53 It was agreed in the final text that parties would be encouraged to set five-year time frames, so 2035 targets will be submitted in 2025.54 However, others are pushing for a more frequent update and appraisal requirement, especially as the emissions gap between NDCs and the 1.5°C goal remains so wide.55

#### Transparency framework

As the Paris Agreement is not legally binding, without corresponding enforcement mechanisms, transparency is critical to fostering trust and progress. Starting from 2024, the Paris Agreement requires each party to submit a biennial transparency report, with information on their greenhouse gas emissions and progress on their NDC. There was a requirement to reach agreement at COP26 on standardization for reporting on mitigation and finance, including specifying Common Tabular Formats and Common Reporting Tables.56 The final text notes that methodologies around the enhanced transparency framework were adopted.

# Inclusion and equity

Barriers to attendance at COP26, including costs of travel and accommodation, vaccine inequity and quarantine regulations, have undoubtedly limited participation from the Global South, especially the Pacific island states, as well as indigenous

The Glasgow Women's Leadership Statement called on parties to support women's leadership on climate change at all levels.<sup>57</sup> Gender balance was achieved in ministerial pairings announced by the presidency, with eight women and seven men

<sup>&</sup>lt;sup>51</sup> See for example Climate Action Network International (@CANIntl) (2021), 'People's Plenary', tweet thread, 12 November 2021, https://twitter.com/CANIntl/status/1459106470255943682; Women and Gender Constituency (2021), Key Demands for COP26, New York: Women and Gender Constituency,  $https://womengenderclimate.org/wp-content/uploads/2021/10/WGC\_KeyDemandsCOP26\_EN.pdf.$ <sup>52</sup> UNFCCC (2021), 'Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement'.
<sup>53</sup> Åberg et al. (2021), *Raising climate ambition at COP 26*.

<sup>54</sup> UNFCCC (2021), 'Common time frames for nationally determined contributions referred to in Article 4, paragraph 10, of the Paris Agreement', https://unfccc.int/sites/default/files/resource/CTF\_decision.pdf. 55 Hook, L. and Pickard, J. (2021), 'Countries battle over new climate targets in final days of COP26', Financial Times, 10 November 2021, https://www.ft.com/content/02676c89-5e81-4e26-90ac-

<sup>&</sup>lt;sup>56</sup> Huang, J. (2021), *Transparency of Action: Issues for COP26*, Center for Climate and Energy Solutions, https://www.c2es.org/wp-content/uploads/2021/06/transparency-of-action-issues-for-cop-26.pdf. <sup>57</sup> Scottish Government (2021), 'Gender equality and climate change: Glasgow Women's Leadership statement', https://www.gov.scot/publications/glasgow-womens-leadership-statement-gender-equalityclimate-change/.

appointed to co-chair the various negotiation strands. Parties recognized the importance of greater gender-responsive finance to support women's capacitybuilding and grassroots climate action in the decision on gender and climate change. 58 While some made financial pledges, including £165 million by the UK, 59 gender mainstreaming in climate finance remained limited.

The generational divide on climate ambition drew significant attention. Over 40,000 young people expressed their priorities through the 16th Climate Change Conference of Youth (COY16) Global Youth Position Statement and the Youth4Climate manifesto. 60,61 Some concerns were addressed, as future COP presidencies were invited to host an annual climate forum between parties and youth. 62 However, young attendees drew attention to what many termed 'youthwashing': despite praise for their activism, especially from the Global South, young people lacked a seat at the decision-making table. Youth activists including Greta Thunberg expressed their lack of faith in COP26 and filed a legal petition against the UN Secretary-General to declare the climate crisis a Level 3 Emergency.63

While civil society presence both at and outside the conference has been vibrant and vocal, the number of observers allowed in negotiating rooms was significantly restricted. In some cases, observers were limited to a maximum of two tickets to represent the interests of the diverse 14,347 observers actually registered.64

# Looking ahead

Although progress has been made in many areas since the Paris Agreement was adopted at COP21, the formal agreements reached at COP26 do not provide good grounds for optimism that either the goal of 1.5°C remains firmly in sight (rather than a theoretical possibility), or that sufficient progress has been made on transparency and carbon markets. If there is to be any chance of averting the most disastrous impacts of climate change, it is vital that governments now go on to strengthen their NDCs ahead of COP27, and begin putting in place robust policies and regulatory frameworks to drive implementation. It is also crucial that the implementation of pledges made outside the formal remits of the UNFCCC - like those on reducing deforestation and phasing out various types of fossil fuels - is monitored. Delivery, implementation and accountability are key.

<sup>&</sup>lt;sup>58</sup> UNFCCC (2021), 'Gender and Climate Change: Draft conclusions proposed by the Chair', https://unfccc.int/sites/default/files/resource/sbi2021\_L13E.pdf.

<sup>&</sup>lt;sup>59</sup> Foreign, Commonwealth & Development Office, The Rt Hon Anne-Marie Trevelyan MP, The Rt Hon Alok Sharma MP, and Wendy Morton MP (2021), 'UK boost to advance gender equality in climate action', https://www.gov.uk/government/news/uk-boost-to-advance-gender-equality-in-climate-action. 60 COY16, YOUNGO (2021), The Global Youth Statement, https://ukcoy16.org/wpcontent/uploads/2021/10/Global-Youth-Statement.pdf.

<sup>61</sup> Youth4Climate (2021), Manifesto, https://ukcop26.org/wp-content/uploads/2021/10/Youth4Climate-Manifesto.pdf.

<sup>62</sup> UNFCCC (2021), 'Glasgow Climate Pact',

https://unfccc.int/sites/default/files/resource/cp2021\_L13adv.pdf.

<sup>63</sup> Kwai, I. (2021), 'Greta Thunberg and other activists petition the U.N. to declare a state of emergency on climate change', New York Times, 10 November 2021,

https://www.nytimes.com/2021/11/10/world/greta-thunberg-cop26-state-emergency.html. 64 Lakhani, N. (2021), 'COP26 legitimacy questioned as groups excluded from crucial talks', Guardian, 8 November 2021, https://www.theguardian.com/environment/2021/nov/08/cop26-legitimacyquestioned-as-groups-excluded-from-crucial-talks.

From the perspectives of developing countries, and for many civil society representatives, sufficient trust has not been generated to create global solidarity, particularly around financial flows for adaptation and for loss and damage. These issues will only increase in importance, and much more will need to be done to address the very substantial needs of climate-vulnerable countries.

One of the outcomes of Glasgow was confirmation that COP27 will take place in Egypt in 2022, and it was also agreed that COP28 will be hosted by the United Arab Emirates in 2023. While the agenda is largely set by the existing timetables and the parties, each COP presidency will shape the discussions, and as such over the next few years there is likely to be an increase in focus on adaptation, on loss and damage, and on international finance.

The next 12 months will see the completion of Sixth Assessment Reports (AR6) of the Intergovernmental Panel on Climate Change, with the Synthesis Report expected to be released ahead of COP27. The contributions to AR6 are expected to further detail the impacts, mitigation efforts and adaption needs of climate change, and give further evidence of the need to accelerate action in all these areas.

It was always going to be difficult for COP26 to achieve everything everyone wanted. As with any negotiation creating a text based on consensus among all parties, many have been left dissatisfied. The ultimate test of Glasgow will be in how (and whether) leaders go on to deliver on the promises made with substantive actions to ensure real progress before COP27.

Furthermore, the very visible disjunct between the outcomes set out in the Glasgow Climate Pact and the views of many of the civil society observers (exemplified by the observer walkout protest on 12 November), and the wider voices of citizens in Glasgow and beyond, may ramp up political pressure to accelerate progress. Over the next year, if the impacts of climate change become more visible, public concern is also likely to rise and the call for action become more acute.

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