



## Policy Note

# COP26 outcomes

Patrick Geddis  
16 November 2021

# 2

## Contents

---

[Introduction](#)

[COP26 agreements: the Glasgow climate pact](#)

[1.5°C](#)

[Coal and fossil fuels](#)

[Funding](#)

[COP26 agreements: multilateral and country-level agreements](#)

[Deforestation](#)

[Coal and fossil fuels](#)

[India and net zero](#)

[Methane](#)

[US-China pact](#)

[Transport](#)

[Technology](#)

[Private finance](#)

[COP26 non-agreements](#)

[Loss and damage funding](#)

[Closing Kyoto loopholes](#)

[Definite targets on fossil fuels](#)

[1.5°C target](#)

[What happens now?](#)

[UK](#)

[COP27](#)

[EU-Africa summit](#)

# Introduction

After two weeks and one day of intense negotiations, COP26 leaders produced the Glasgow climate pact, with parties committing to keeping the goal of 1.5°C total warming alive.

The main sticking point of the past fortnight was finance for developing countries. The developed world will hit its \$100 billion target for finance three years late, which made it harder for western nations to gain concessions – the failing was largely been seen as indicative of a lack of credibility on the part of western leaders. Elsewhere, the absence of China's President Xi was seen as a lack of commitment on the part of his Government to take serious action.

Much of the final text was watered down as negotiators struggled to build consensus. The main agreements have largely come from bilateral and multilateral negotiations between world leaders, with declarations on coal use, electric vehicles, finance and deforestation all coming from negotiations away from the conference floor.

Conference attendees secured commitments to keep the target of 1.5°C global warming alive but critics have pointed out that the agreements will mean the world will likely fall short of that target.

# 4

## COP26 agreements: the Glasgow climate pact

---

### 1.5°C

Clause 20 of the pact commits parties to reaffirm their commitment to limiting global warming to 1.5°C above pre-industrial levels. This was the key part of the [Paris Climate agreement](#), and is widely seen as crucial to addressing the worst impacts of climate change.

### Carbon markets

Rules for a new [global carbon market](#) have been put in place six years after they were originally proposed in the Paris agreement. The so-called article 6 rules, which derailed the 2019 COP in Madrid, are intended to create a mechanism by which countries and companies can buy the right to pollute by paying for equivalent carbon capture and tree planting.

The new arrangements consist of a centralised system for public and private sectors, as well as a separate bilateral system that allows countries to trade credits to help meet their decarbonisation targets.

### Coal and fossil fuel use

The agreement commits countries to phase down (but not phase out) unabated coal emissions. While there has been much talk about the difference between the [phrases](#) “phase out” and “phase down”, equally important is the use of the word “unabated”. That allows countries to continue emitting carbon provided they can find a way to offset their emissions. Such an approach drew criticism in recent weeks, including from Carbon Market Watch, which [argues](#) that that it is not possible to fully offset fossil fuel emissions.

The same part of the text includes a commitment to phase out “inefficient fossil fuel subsidies”, although it is important to note that it does not set a deadline.

### Funding

Clause 44 notes regret at the failure so far to reach the goal of \$100 billion in annual funding for climate transitions in the global south. The target was missed in 2020 and has effectively been replaced by the [Climate Finance Delivery Plan: Meeting the \\$100 Billion Goal](#), by which the \$100 billion will be reached by 2023.

Meanwhile, more specific funding pledges were made, including the “Glasgow Dialogue between Parties”, which is intended to encourage developed countries to offer more funding for adaptation.

# Agreements at COP26: multilateral and country-level agreements

---

Throughout the conference, the most substantive agreements were made through bilateral and multilateral agreements away from the conference floor. Although key countries are absent from those commitments, substantive policy changes have been possible among large sections of the global economy.

## Deforestation

The [Glasgow Leaders' Declaration on Forests and Land Use](#) will see signatories "halt and reverse forest loss and land degradation by 2030". Those involved hold 85% of the world's forests and include Brazil and the Democratic Republic of Congo, homes of the Amazon rainforest and Congo river basin respectively, which are two of the world's most important carbon sinks. Separately to this agreement, the [European Union](#) pledged €1 billion for protection of the world's forests. India is notably absent from this agreement, and although [Indonesia](#) and [Brazil](#) have signed up, they expressed the belief that the deal is unfair, perhaps signalling that they won't live up to their commitments.

## Coal and fossil fuels

The [Global Coal to Clean Power Transition Statement](#) will see developed countries, including the UK and Germany, end unabated coal power generation in the 2030s, with developing nations following suit in the 2040s.

While a bold step forward, the agreement does not include the US, China, India or Australia.

The [Beyond Oil and Gas](#) partnership, which was launched at COP, intends to produce an international bloc to push for a post-carbon global economy. The group will be co-chaired by Denmark and Costa Rica and includes notable European economies Sweden and France. Wales joined the alliance, and [Nicola Sturgeon](#) is reportedly considering taking Scotland in.

## India and net zero

Although India has held up progress at COP26, it has made a commitment to reach net zero by 2070. Although that is far later than most experts would like, it is an important development that the world's third-largest emitter has, for the first time, made such a commitment.

# Agreements at COP26: multilateral and country-level agreements

---

## Methane

The global methane pledge – a US-EU led initiative – will see signatories take national-level measures to reduce methane emissions by 30% by 2030 (using 2020 levels as a baseline). So far, the most detailed plans have come from the US. Notably absent from the agreement are China and India, as well as Russia and Australia, where methane emissions from fossil fuel production have been identified.

## US-China pact

The US and China have signed a bilateral agreement, that expresses shared aspirations on climate change abatement. The bilateral agreement, which took most of the conference by surprise, commits China to produce a “comprehensive and ambitious national action plan on methane”, which is seen as a concession from Beijing after its refusal to join the global methane pledge.

## Transport

The [COP26 Declaration on the Accelerating the Transition to 100% zero emission cars and vans](#) ensures that all sales of new cars and vans will be “zero emission” (meaning they don’t produce exhaust fumes) by 2040, and by 2035 in advanced economies.

China and the US both refused to sign up to this agreement, as did major car producers Japan and Germany. Meanwhile, although the inclusion of major automakers such as Mercedes was much celebrated, the absence of Volkswagen and Toyota was seen as a disappointment.

## Technology

The [statement on international public support for the clean energy transition](#) will be seen as a good second-best to concrete actions on technology that were absent from the full text. Signatories will seek to share green technologies with developing countries, hopefully removing the increased cost associated with new, patented technologies. The US and Germany both signed up, but major tech developer Japan did not.

## Private finance

The [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) was launched at COP26 in partnership with the UN Race to Zero campaign. The initiative is intended to bring together national Governments and private financial institutions to incentivise private sector investment in net zero transitions. Members currently include over 450 financial firms across 45 countries responsible for assets of more than \$130 trillion.

# COP26 non-agreements

---

Although many issues were covered in the Glasgow climate pact or in multilateral and bilateral agreements, there were several issues were not addressed and hoped-for agreements remain outstanding.

## Loss and damage funding

Even if the world stopped all emissions tomorrow, vulnerable countries would still suffer from environmental destruction. This point was made throughout the conference, with President Surangel Whipps of Palau asking why major polluters didn't just "bomb us".

While the Glasgow Climate Pact does include calls for voluntary donations, yet there is no specific way to enforce funding for mitigation and abatement in vulnerable countries. Some states in the global south had hoped for a specific levy on carbon market credits, which would be used for this task.

## Closing Kyoto loopholes

Critics of the new carbon market system have warned that it will allow legacy credits which date back to the Kyoto protocol to continue being used. This includes the use of unproven carbon capture technologies that have in the past failed to actually offset emissions, as well as the rule that the burning of woody pellets is counted as carbon neutral. Another major loophole is the world's militaries, which are not counted in emissions statistics and which contribute 6% of global emissions.

## Definite targets on fossil fuels

It has been reported that in the closing hours of negotiations, China and India threatened to walk away from any agreement, unless language was softened to change the call for a phase-out of coal to a phase-down. While a subtle difference, this has meant that the COP26 conference has not produced a target date for the end of unabated fossil fuel emissions. This means that although Boris Johnson, the UK Prime Minister, has called the conference the "Death Knell for Coal Power", there is still no way enforcement mechanism.

## 1.5°C target

After the first week of negotiations, the International Energy Agency predicted that, if all agreements were implemented in full, the world would experience 1.8°C of total warming. By contrast, the Climate Action Tracker takes a more pessimistic view by looking at the timing of changes. By assuming that countries won't hit their targets until close to their deadlines, they predict total warming of 2.4°C. Regardless of who is correct, this means that enough wasn't done at COP26 to keep alive the goal of 1.5°C total warming.

# What happens now?

---

## UK

The final text of the agreement recognises the need to reduce emissions by 45% relative to 2010 levels, by 2030. Despite long-term commitments, short-term agreements have not been forthcoming. It is therefore expected that Alok Sharma will use the remainder of his presidency (which runs for the rest of the year) to lobby Governments for new pledges, with deadlines of 2030 or sooner.

While undeniably a difficult task, Mr Sharma's emerged from the conference with his reputation enhanced, with diplomats and negotiators impressed by his quiet, efficient approach and genuine strength of feeling.

## COP27

The Kyoto protocol included a provision that a "Conference of the Parties", or COP be held annually. The next conference will take place in Sharm El-Sheikh, Egypt, under the direction of President El Sisi, who earlier this month called on developed countries to meet their \$100 billion funding commitment. This has been a consistent theme throughout COP26, with developed countries asking the global south to pursue green development strategies, while being accused of hypocrisy for not agreeing to fund that development. It is therefore likely that in the coming months the willingness of developed countries to stick to their obligations under Climate Finance Delivery Plan: Meeting the \$100 Billion Goal will determine whether short-term commitments do in fact present themselves.

## EU-Africa summit

The issue of finance for the global south will persist for some time and is likely to be brought to the fore in February's EU-Africa Summit. The European Union has been accused of being the "missing leader" at COP26, but its success in securing the global methane pledge through bilateral negotiations with the US demonstrates its relative diplomatic clout. As the first international summit since COP26 that could address issues such as climate finance, it will likely be a useful indicator of whether or not the next year will see any of the much promised, but as of yet undelivered, success from multilateral climate negotiations.