



COP26 Demystified.

Unpacking the Glasgow Climate Pact

Key takeaways for Industry Associations and Professional Bodies.

November 2021

RACE TO ZERO

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After two weeks of fraught negotiation by almost 200 nations, a climate deal was finally agreed in Glasgow.

Known as the Glasgow Climate Pact, it is the first ever climate deal to include a commitment to limit coal use. It asks countries to re-visit emission-cutting plans next year to try to keep to the 1.5C warming limit target. And it promises more financial help for developing countries to adapt to climate change.

Developing nations were disappointed that the text contains little on compensation from wealthy nations for loss and damage due to climate change and the pledges don't go far enough to limit temperature rise to 1.5C.



Beginning of the end for coal.

The deal states that 'limiting global warming to 1.5C requires rapid, deep and sustained reductions in global greenhouse gas emissions.' This means cutting emissions by 45% by 2030 and net zero by 2050, compared to 2010 levels.

The Glasgow pact calls for a scaling up of clean energy and 'efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies'.

The direct reference to coal is a first.

Despite the final watered-down language from 'phase-out' to 'phase-down', many commentators consider this an important breakthrough, signalling the end of coal as a fuel.

Bringing forward revised climate plans.

Under the Paris Agreement, countries agreed to review and improve their climate plans every five years. COP26 was the first time since the Paris climate summit that countries had to submit their proposals.

The Glasgow Climate Pact 'requests' that all countries 'revisit and strengthen' their targets by the end of 2022. The promise by the 196 countries to do so offers a narrow window through which the 1.5C limit could be kept within reach. The wording sets a clear expectation that all countries will raise their game next year and puts diplomatic pressure on countries that fail to submit strong revised plans.

An aerial photograph of a city skyline, likely New York City, taken from a high vantage point. The image shows a dense cluster of skyscrapers, including the Empire State Building, under a sky with soft, colorful clouds in shades of orange, pink, and blue, suggesting a sunset or sunrise. The city is situated near a body of water, which is visible in the background.

Delayed climate finance payments.

Before COP26 started wealthy nations acknowledged that they had failed to deliver on a pledge to mobilise \$100 billion annually between 2020 and 2025 to help poorer countries and vulnerable communities cut emissions and cope with climate impacts. They are on track to pass the US\$100bn threshold in 2023 and promise to deliver US\$500bn over the period 2021-25. The Glasgow Climate Pact notes the 'deep regret' of countries that the finance goal had not been met.

The agreement lacks wording on making up the shortfall in the years 2020-2022 and no reference is made to 'compensating' nations that have been hardest hit over the last few years. But wealthy nations agreed to 'significantly increase support' for developing countries beyond the US\$100bn annual target.

Adaptation finance.

The Glasgow Climate Pact calls for a doubling of the current provision to help developing countries adapt to the impacts of climate change. This means that by 2025, developed countries should mobilise US\$40bn in adaptation funding. While a significant improvement it is a fraction of the amount that is needed. In another key development, wealthy countries pledged US\$356 million to the Adaptation Fund.

This fund has the advantage of being focused exclusively on adaptation projects and being 100% grant-based. Another notable inclusion is a decision to work out a global adaptation goal and finance for poorer countries after 2025.

Loss and damage.

Financial compensation for loss and damage was a contentious issue at COP26. This would cover payments for climate impacts such as rising sea levels and extreme weather. Vulnerable nations want support for people threatened by such impacts. Wealthy countries are opposed over fears they will be forced to pay compensation due to their historical responsibility for climate change.

A proposal for a new fund for loss and damage was blocked. The only financial demand that was agreed was support for the Santiago Network, a website set up to provide technical advice. The issue is likely to be revisited at COP27.

Transparency rules.

Transparency rules are about ensuring countries report sufficient and reliable information on their greenhouse gas emissions reductions. This helps determine whether the world is on track to reach its climate targets. It matters because weak carbon accounting can allow countries to cheat, particularly when it comes to forests and methane. The new agreed reporting framework means that most countries are now held to the same reporting standards. Developing countries with low emissions have been granted some flexibility in reporting if they don't have the capacity to meet all the reporting criteria. Countries are expected to use the new framework by 2024.

Common reporting timeframes.

One of the last unresolved issues from the Paris agreement was whether countries' climate plans should cover a 5 or 10-year period, or whether each country should be free to decide. The final text removes this flexibility and 'encourages' all parties to submit five-year pledges every five years. These start in 2025 covering the period from 2031-2035.

The watered-down language, however, allows nations like Russia wiggle room to determine the length of their next plans.

COP26 Highlights.

A range of announcements by leaders and industry during the conference

Surprise **US and China** announcement.

The world's two biggest emitters of carbon dioxide said they will work together to tackle climate change. The joint agreement calls for 'concrete and pragmatic' regulations in decarbonisation, reducing methane emissions and fighting deforestation. The announcement was broadly welcomed but experts warned that concrete action must be taken to deliver on the promises.



Deforestation pledges.

The *Glasgow Leaders' Declaration on Forests and Land Use* made a commitment to halt and reverse deforestation and land degradation by 2030. Over 130 countries representing 85% of the world's forests are signed up. The pledge included almost £14bn of public and private funds to protect and restore forests. In a further initiative, 30 financial institutions managing US\$8.7 trillion in assets, including Aviva, Schroders and AXA, also promised to end investment in activities linked to deforestation.

Global methane pledge.

109 countries signed up to a global methane pledge to cut emissions by 30% by 2030. They represent nearly half the global methane emissions. But some of the world's top methane emitters - Australia, China, India and Russia - were notably absent. China later agreed to a meeting with the US discuss how it might approach reducing methane emissions.

Phasing out coal.

47 countries pledged to phase out coal but significant users including China, India and the US did not sign up. The US, UK, France, Germany and EU announced £6.2bn for South Africa to end its reliance on coal and Michael Bloomberg started a campaign to close a quarter of the world's remaining coal plants and all proposed new ones by 2025.

Fossil-fuel financing.

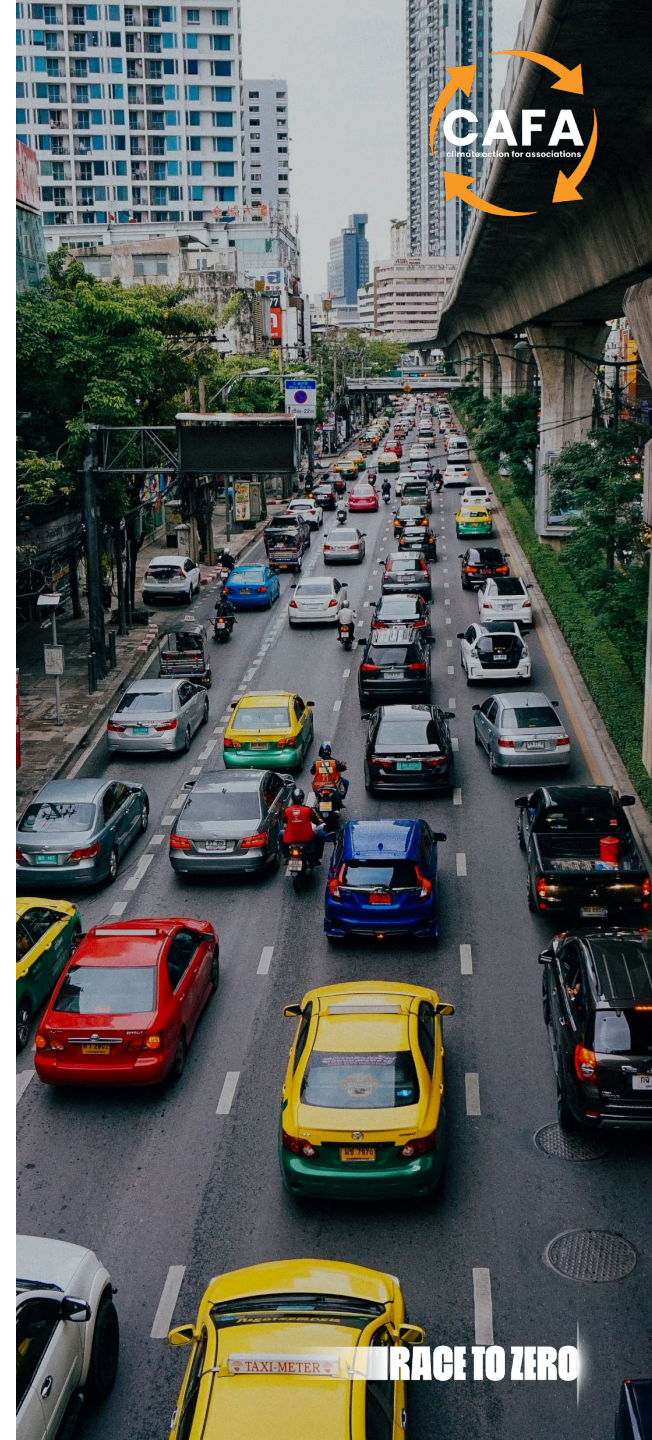
Over 30 countries and banks committed to halt all financing for fossil fuel development overseas. Spending will be diverted to green energy instead from 2022. Big fossil fuel funders China and Russia shunned the initiative. Several countries joined the [Beyond Oil and Gas Alliance \(BOGAS\)](#), promising to stop future oil and gas production within their borders. So far, no significant oil producing nations, including the UK, have signed up.

Zero emission cars.

A coalition of 24 countries and several leading car firms agreed to end the sale of new fossil fuel cars by 2040. Nations with large car industries such as the US, China, Japan and Germany remain absent from the deal.

Glasgow 'Breakthroughs'.

More than 40 nations backed the 'Breakthrough Agenda' launched at COP26. Countries and businesses will work together to align standards and coordinate investments to scale up production and reduce the cost of green technologies. Focussing on clean electricity, electric vehicles, green steel, hydrogen and sustainable farming, the aim is to make these affordable and available to all nations by 2030. The idea is to bring forward the tipping point at which green technologies are more affordable than fossil-fuelled alternatives. Delivering the breakthroughs could create 20 million new jobs globally and add over \$16 trillion across both emerging and advanced economies.



Finance.

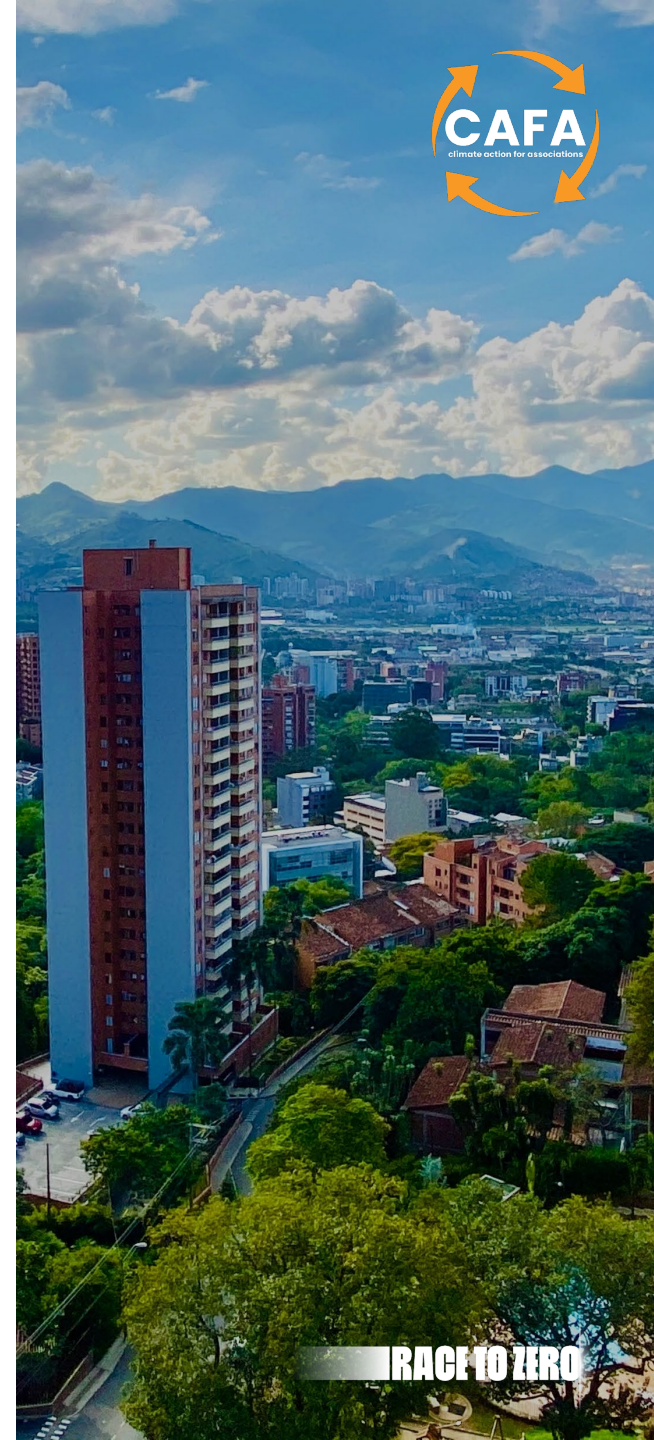
The Glasgow Financial Alliance for Net Zero (GFANZ) announced plans to transform the economy for net zero. Representing more than 450 finance institutions with over \$130 trillion of private capital, GFANZ could unlock \$1 trillion of additional annual investment in emerging markets and developing countries by 2025. UK financial institutions will need to demonstrate how they will decarbonise in line with the country's net-zero targets. The aim is to increase transparency and accountability, but net-zero commitments will not be mandatory.

Support for nature.

45 governments joined a nature action agenda committed to urgent action and investment to protect nature. The UK pledged £500m to help protect rainforest as part of its commitment to spend at least £3bn of international climate finance on nature and biodiversity. This will create jobs in sustainable agriculture and forestry and generate £1bn of green private sector investment. In the private sector almost 100 high-profile UK companies made a joint commitment to halt and reverse nature decline by the end of the decade.

Support for net-zero cities.

The UK announced £27.5 million in funding over the next four years for a new Urban Climate Action programme (UCAP). The initiative will support cities and regions in developing countries to take climate action. It will help them implement climate action plans to become carbon neutral by 2050 and prepare low-carbon infrastructure projects to reduce emissions.



Clean energy and energy access in developing countries.

A group of philanthropies and development banks launched [The Global Energy Alliance for People & Planet](#) (GEAPP).

It made an initial \$10bn commitment to accelerate and scale green energy transition and renewable power in developing countries worldwide. Over the next decade, GEAPP aims to mobilize \$100bn in public and private money. Its stated mission is to provide one billion people with reliable renewable electricity, avoid and avert four billion tons of carbon emissions, and create tens of millions of green jobs.

Boost for green hydrogen.

Green hydrogen is derived from electrolysis of water powered by renewable energy. It currently costs four times more to make green hydrogen than it does to make "grey" hydrogen which is derived using fossil fuels. The Green Hydrogen Catapult announced an increase in green hydrogen production targets; and a group of 28 companies representing different sectors from mining to energy, vehicle and equipment manufacturers, and financial services made pledges to accelerate the development of the hydrogen market.



Boost for solar power.

[The World Resources Institute](#) (WRI), in partnership with the [International Solar Alliance](#) (ISA) and [Bloomberg Philanthropies](#), launched a [Solar Investment Action Agenda](#). The aim of the initiative is to identify opportunities for scaling up solar energy and reach ISA's goal of mobilizing US\$1 trillion by 2030. The Action Agenda and Solar Investment Roadmap that will follow in 2022 will help governments and investors expand solar energy for households, electrical utilities and industry.

Boost for UK nuclear power.

The UK has committed £210 million to develop new nuclear reactors, matched by private sector funding of over £250 million. Nuclear power is considered by some as a key technology to achieve decarbonisation. The government is also trying to make nuclear cheaper with new legislation. The UK is investing up to £1.7 billion to bring at least one large-scale nuclear project to a final investment decision, and a new £120 million fund to provide targeted support towards further nuclear projects.

Green shipping.

20 countries agreed to establish 'green shipping corridors', covering both ports and vessels along which ships can travel burning zero-emissions fuels. The signatories to the Clydebank Declaration commit themselves to develop technology, expertise and port infrastructure as part of a strategy to decarbonise the entire industry by 2050.



Climate Action for Associations.

What climate action can your organisation take?

The announcements made by political leaders and what was finally agreed in the Glasgow Climate Pact show that progress has been made on tackling climate change, even if much more is required to keep warming to 1.5C.

This is only part of the story.

Perhaps the most successful outcome of the conference is the momentum it created for the transformation to a greener global economy. The investment pledges made by industry and creation of alliances and networks of the private sector and other organisations signals a significant shift.



Climate action & green opportunities.

Membership organisations are uniquely placed to accelerate sectors, influence systems and valuable supply chains.

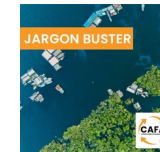
Associations can drive policy, advocate change, future proof sectors and ensure the training and qualifications exist to ensure your sector has the skills it needs to transition.

As independent organisations, associations can accelerate change by providing the information, guidance, resources and learning your members need to eliminate carbon.

Above all, membership organisations must be proactive and make the necessary changes to harness this potential and ensure you are on a carbon net-zero pathway.

Commit and become a part of the CAFA Collective today.

CAFA has the tools and resources to help your membership organisation to achieve this.



Climate Action Jargon Busters



Quick Wins To Reduce Your Carbon Footprint



Implement your Climate Action Plan



Greening Your Training and Events



Carbon Calculator

Our Carbon Calculator will help you measure your current emissions, so that you can set targets for future reductions.

About CAFA.

The influence membership organisations have over their sectors, professions, communities and stakeholder groups cannot be underestimated, or overlooked, as an accelerator for change.

At Climate Action for Associations we believe that membership organisations play a critical role in reaching the worlds net zero targets, **faster.**

Why: CAFA accelerates and multiply climate action in business and industry.

How: By helping the associations that represent different sectors and professions take proactive climate action.

What: We provide the resources, tools, guidance and peer to peer platform and network opportunities so associations can take climate action:

1. Internally
2. To proactively support the businesses, industries and professions they represent.

As a global accelerator to the Race to Zero, Climate Action for Associations encourages all associations to join the Race to Zero either as ambitious Actors, Members or Accelerators .



The 'RACE TO ZERO' logo is positioned in the bottom right corner. It consists of the words 'RACE TO ZERO' in a bold, white, sans-serif font. The text is set against a dark background that features a stylized, glowing blue and white graphic of ice or snow, which also serves as the background for the entire right side of the slide.



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CAFA Secretariat

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