

E3G Post COP 26 Briefing – November 2021



**UN CLIMATE
CHANGE
CONFERENCE
UK 2020**

Summary: What did COP26 deliver?



What did COP 26 have to do?

- **Glasgow was the first test of the Paris ‘ratchet’ ambition cycle** showing whether governments are taking their Paris promises seriously by **submitting new NDCs in advance of the conference**
- **Glasgow needed to respond to the IPCC’s ‘Code Red’ warning** which showed climate damages much higher above Paris “stretch” 1.5C target than previously believed – as shown by global climate disasters in 2021.
- **Glasgow needed to finalise key elements of the Paris Rulebook** to ensure integrity and transparency of country actions and emissions trading

What was agreed at COP 26?

- **Glasgow agreed a “Glasgow Climate Pact” of formal UNFCCC decisions which now become part of the UN climate regime:**
 - Rulebook and Article 6 of the binding Paris Regime
 - COP/CMA “Cover Texts” which are political declarations giving forward commitments of action on mitigation, adaptation and finance
- **Glasgow also saw groups of countries agree “plurilateral” initiatives** to accelerate action on coal phase out, methane reduction, stopping fossil fuel finance, stopping deforestation and ICE vehicle phase out.
- **Glasgow has set an aggressive agenda of work 2022 to (potentially) deliver at COP 27:**
 - Higher 2030 NDCs to show 1.5C is still possible
 - A global goal on adaptation – and a new post-2025 finance goal to be decided at COP 28
 - Potentially a global facility/financing on climate loss and damage



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Metrics of COP 26 Success?

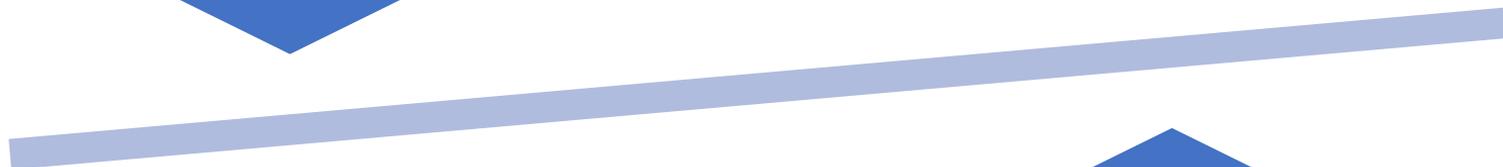
Glasgow \neq Paris



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Launchpad Moment:
Setting acceleration pathways into formal process and political direction that shapes economic and social trends far beyond the UNFCCC process.



Adjudication Moment:
Provide a political moment to challenge governments, especially those with limited civil society space and administrative attention on climate action within and outside UNFCCC process





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Three Big Benchmarks set by UK

1.

Increased commitments to ensure 1.5C is credibly “within reach” in 2020s

2.

Global finance package to deliver 1.5C and protect countries from climate impacts

3.

Global deals that “make coal history” & begin transition out of all fossil fuels

Cementing Credibility of Paris Climate Regime

- **With Leaders:** will they believe the Paris process is an effective & fair process for preserving prosperity and security? Does the regime have support of the major powers?
- **With Investors:** will they believe that the move to net zero global economy is inevitable? Will they believe that new fossil fuel investments will be stranded beyond 2025?
- **With the Public:** do they believe that Leaders are serious about limiting climate change to safe levels? Do they believe other countries will deliver their fair share of action & support domestic cuts?



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Did COP 26 deliver?

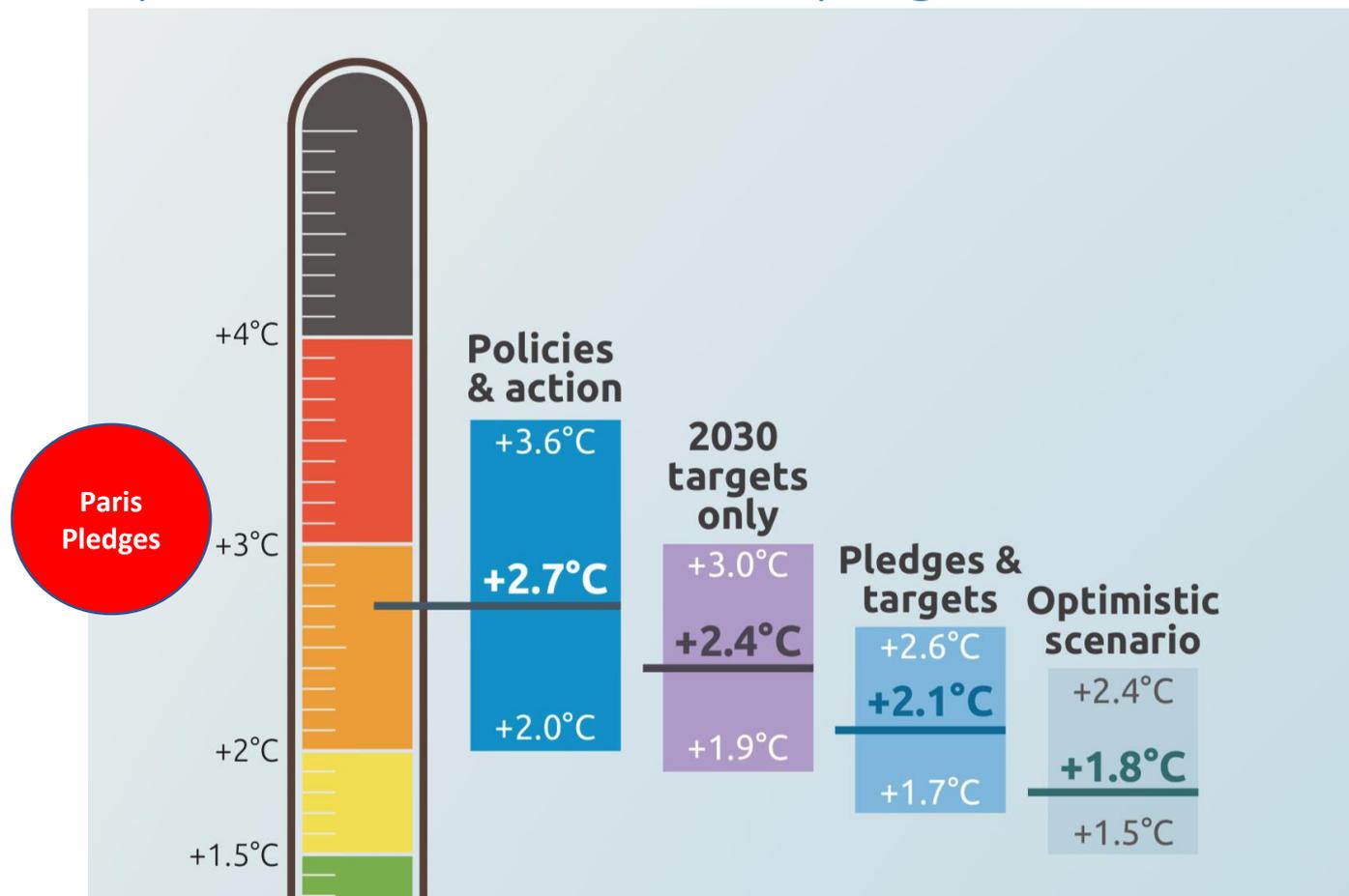
NDC Pledges into COP 26

- **Most developed countries** announced new 2030 targets broadly aligned with net zero by 2050
 - **Australia** announced a net zero 2050 goal with no plan and no credible 2030 target. **Brazil and Mexico** weakened 2030 targets.
 - **China** did not increase its headline Paris 2030 NDC which is incompatible with 2060 net zero goal but did publish some implementation plans
 - **India** announced stronger 2030 action and a net zero 2070 goal
 - **Nigeria and Kenya** announced net zero goals conditional on financing
- 90% global GDP now covered by net zero goals but very differing quality and 2030 targets mostly not strong enough to deliver them.**

Glasgow opened the door to “keeping 1.5C alive”



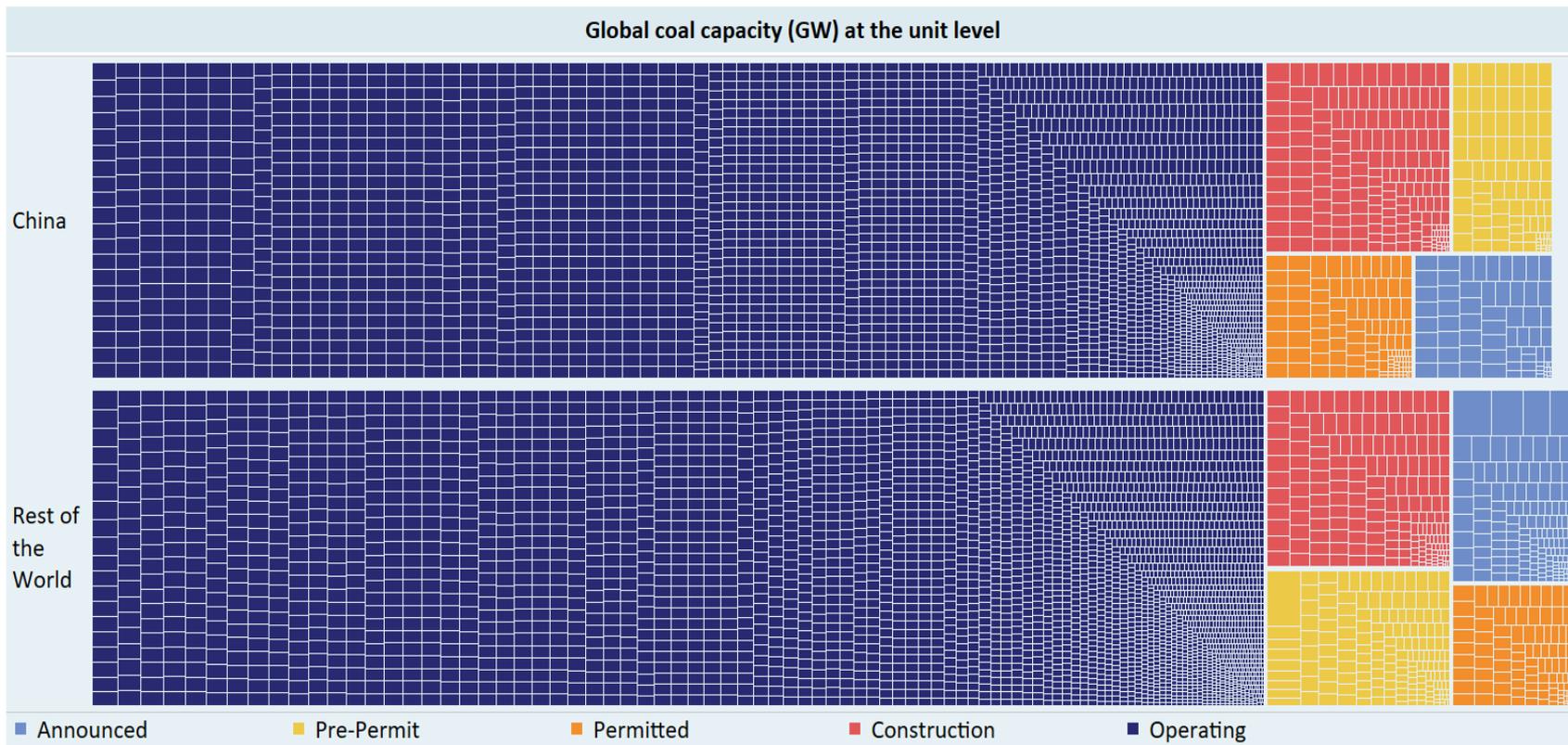
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Who had to make Coal History



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Did COP 26 Make Coal History?



- There has been a **76%** reduction in proposed coal power since the negotiation of the Paris Agreement in 2015.
- All G20 countries have agreed to stop financing international coal power; over **40GW** in **20** countries relied on Chinese finance.
- **Six** countries (China, India, Viet Nam, Indonesia, Turkey and Bangladesh) had **82%** of the remaining global pipeline of pre-construction projects; remainder spread over 20 countries:
 - Bangladesh, Pakistan, Sri Lanka and 40 other countries announced they would build no new coal in run up to Paris
 - South Africa agreed an \$8.5bn Just Transition package with UK, US, Ge, Fr to phase out coal power
 - Indonesia and Vietnam announced net zero goals which would phase out coal power if they received financing
 - India's new 2030 NDC has no space for new coal power if new renewables targets are delivered but needs finance
 - China has a coal consumption cap and has agreed to reduce coal use from 2025 but has not agreed an unabated coal phase out.
- Historic inclusion in Glasgow Pact of need to accelerate “phase down unabated coal power”
Overall Glasgow has made unprecedented progress which “de facto” makes coal history even if all countries have not definitively signed up. Focus now shifts to driving faster coal phase out.



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COP26 package responds to the IPCC “Code Red” Warning and keeps 1.5C alive

1. Deliver on Paris Promises

- Confidence on \$100bn - more to do on delivering roadmap
- Double adaptation finance by 2025
- Robust Paris Rulebook agreed
- New UNSG taskforce for environmental integrity in of business pledges

2. Increase Ambition

- NDC Increases well short of “well below 2C” let alone 1.5C

Sectoral Transformation

- Most of OECD agreed to phase out coal by early 2030s – Poland and S Korea backsliding?
- “No new coal” outside China
- 32 countries stop \$25bn a year in public fossil finance
- ICE phase out by 2035 in 25% of global markets
- Over 100 countries agree to reduce methane emissions 30% by 2030
- Major forest nations agree to halt deforestation by 2030

3. 1.5C Acceleration Package

- Stronger commitment to 1.5C aligned actions
- COP decisions on revisiting Net Zero strategies & 2030 NDCs in 2022
- Loss and damage “dialogue” to conclude in 2022 with decision?



Is 1.5 Alive?



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- NDC pledges at COP were well below the best case scenario - mainly because of China not moving
- Unexpected net zero announcements by other major fast growing MICs (India, Indonesia, Nigeria etc) offer hope but more 2030 action is dependent on increased financing as part of post-COVID recovery
- Clear that China does not yet accept 1.5C as primary Paris goal – despite US-China statement – but does accept the need for higher 2030 action. India’s position also unclear on 1.5C.
- Unprecedented - and very high risk for UK Presidency - decision to come back with revised NDCs in 2022 keeps the door open for 1.5C

Glasgow has set up a crunch moment in 2022





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What happens next?

POLITICAL DYNAMICS & PROCESSES GOING OUT OF COP



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- **Surprise US & China climate cooperation agreement** lowered geopolitical tensions & emerging blame game that had built during COP. Will give confidence that Paris Agreement won't be derailed by major power politics in the near future.
- **China is under significant pressure to do more** from developing countries following “end game” drama where they weakened coal phase out text.
- **Failure to deliver \$100bn on time undermined “High Ambition Coalition”** of developed (led by EU/UK) and developing countries. Trust partially rebuilt by agreement to double adaptation finance but progress on delivering this - particularly by US - must be tangible in 2022.
- **Loss and Damage emerged as a key end game issue** generating significant anger in Vulnerable countries - and climate justice activists - at lack of movement by EU, US & Japan on supporting a new financing facility. Support for new IMF trust fund with SDRs could help rebuild trust but **OECD countries need to have substantive positions on L&D by COP 27.**
- **Investor confidence in net zero trajectory strengthened** by COP 26 and strong the corporate presence and commitments. Big questions remain on the integrity of business targets and green washing was a key theme of COP 26. **UNSG Expert Panel a key innovation** to drive credible action in 2022.
- **Public views of COP 26 are very mixed** with Greta Thunberg calling it a failure and just “blah blah blah”. Calls for more radical direct action and rising despair among many groups.
- **Critical path to NDC increases in 2022 will be forging** big clean energy “deals” coming into COP with India, Indonesia, Vietnam etc building on South Africa model. Critical to this must be increased financial firepower from G7 and MDBs – this was a big focus for US, EU & US leaders – they must deliver progress in H1 2022. **German G7 will be a critical organising moment.**

COP 26 unique in driving “emergency plan” of action in 2022 which UK Presidency must lead but with more support from EU & US





About E3G

E3G is an independent climate change think tank accelerating the transition to a climate safe world.

E3G builds cross-sectoral coalitions to achieve carefully defined outcomes, chosen for their capacity to leverage change. E3G works closely with like-minded partners in government, politics, business, civil society, science, the media, public interest foundations and elsewhere. In 2018, for the third year running, E3G was ranked the fifth most globally influential environmental think tank.

More information is available at www.e3g.org