

OUTCOMES OF THE UN CLIMATE CHANGE CONFERENCE IN GLASGOW

26th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26)

October 31 – November 13, 2021



SUMMARY

At the 26th annual UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) in Glasgow, Scotland, governments struggled bitterly over the final text of an agreement, including how to deliver on “ambition,” the phasing out of coal and fossil fuel subsidies, and aid for developing countries. While compromise language was found in these areas that moves things forward, these outcomes do not meet pre-COP expectations for a clear and unambiguous response to get on track to limit global warming to 1.5 degrees C.

The main outcomes of the Glasgow Climate Pact—the phrase used to label the main formal outcomes coming out of Glasgow—represents a hard-fought and delicate balance of linked priorities, and includes:

- completion of the Paris Agreement rulebook
- a request for countries to come back to the table next year to revisit their climate targets sooner than they would otherwise have done, together with the launch of a process to look at the ambition of 2030 targets
- the first explicit references in the UNFCCC to addressing coal production and fossil fuel subsidies
- the launching of a process to define the global goal on adaptation
- urging developed countries to double adaptation finance
- a process to define the post-2025 climate finance goal
- operationalization of the Santiago Network on Loss and Damage (L&D), and a greater focus on L&D within the UNFCCC process

- a two-day World Leaders Summit that featured over 100 high-level announcements
- “Improved Marrakech Partnership for Enhancing Ambition” plan and relaunch of the Global Climate Action Portal in relation to the private sector and other non-state actors

BACKGROUND AND CONTEXT

COP26 was originally scheduled to be held in 2020 but was postponed due to the COVID-19 pandemic. Despite calls to further postpone or limit numbers and enable remote participation, the UK Presidency committed to hosting an in-person event and accepted the challenge of managing the politics and logistics of a COP amid a pandemic: providing vaccines by request, requiring daily COVID testing, and enforcing social distancing, cleaning, and maximum capacity protocols. Though advertised as an inclusive COP, civil society criticized a chronic lack of access to both the venue and negotiation rooms due to these protocols.

Because the COP was delayed by a year, Parties had engaged in no formal negotiating sessions under the UNFCCC since December 2019. While Parties engaged in a number of virtual climate summits, events, and sessions over the past two years, the pandemic and ensuing delay presented a major challenge to the conference delivering on mandates for 2020 as well as 2021. The pandemic also delayed the submission of new or enhanced nationally determined contributions (NDCs), due at the end of 2020.

Despite these challenges, Glasgow succeeded in adopting the Paris Agreement implementing guidelines for international carbon markets and the enhanced

transparency framework, both critical to facilitating enhanced ambition and holding countries accountable to promises they have made. These successes, together with the wider outcomes of the conference, provide the political signal, building blocks, and the solutions to further transition away from a focus on negotiations and setting targets on paper toward implementing those targets in the real world. But ultimately whether COP26 can be viewed as a success in significantly accelerating that transition will only be known some time down the road.

COP26 was also the first UN climate summit since the United States rejoined the Paris Agreement under President Joe Biden. Much of the world, still struggling with COVID and climate disasters and leery of broken climate finance promises by major economies, expected the United States and others to back their lofty rhetoric on ambition with credible policies and financial contributions. The U.S. administration did not come unprepared. Biden arrived in Glasgow able to boast of the newly passed Bipartisan Infrastructure Deal and stacked a series of new announcements and goals atop it over the following two weeks. This was capped by a joint announcement from the United States and China on climate cooperation, which offered more than expected and was a welcome respite from the tension between the two countries in recent months.

The United States also had a sizeable and prominent delegation at the COP. Special Envoy for Climate John Kerry had a strong presence; and dozens of senators, members of Congress, cabinet members, and even former President Barack Obama made appearances to demonstrate America's return to a climate leadership role. It is clear that U.S. engagement had a positive impact on the conference's outcome—but the eyes of the world will be watching for the United States to put in place solid policies consistent with a pathway to net zero emissions by 2050, as well as to pay its fair share in global climate finance.

MAJOR OUTCOMES

One of the major achievements of COP26 was the completion of the Paris Agreement's implementing guidelines for three major elements: the enhanced transparency framework; Article 6, or the international emissions trading system under the Paris Agreement; and the common time frame for Parties NDCs. Each of these are critical to the maximal operationalization of the Paris

framework, particularly as the enhanced transparency framework is set to be fully implemented beginning in 2024.

The Glasgow cover decision requested that Parties revisit their 2030 NDCs by the end of 2022 and strengthen them as necessary to align with the Paris Agreement's temperature goal. Parties also established a work program that will scale up mitigation ambition and implementation before 2030. These two processes will be critical in a decisive decade where global emissions must be reduced by 45 percent if we are to remain on track to limit global heating to no more than 1.5 degrees C. COP26 clearly established 1.5 degrees C of global warming as the limit all countries will need to work toward, reflecting the widespread embrace of the Intergovernmental Panel on Climate Change's (IPCC) findings.

Developed and developing countries alike struggled to finesse historic language on "phasing out coal and fossil fuel subsidies." China and India surprised and dismayed many in the final minutes of agreement by watering down the language to "phase down" "unabated" coal and phase out "inefficient" fossil fuel subsidies. Nevertheless, the language as it stands is a significant achievement by the process.

The Paris Agreement's global goal on adaptation aims to enhance adaptive capacity, strengthen resilience, and reduce vulnerability, but Parties have yet to elaborate how they will track progress against it. The process to further define the global goal on adaptation was launched in Glasgow, which will be a critical step in elaborating what effective adaptation action means.

Urging developed countries to double adaptation finance against a 2019 baseline was another significant outcome of the conference that was not predicted at its start. Over the conference, Parties committed \$356 million to the Adaptation Fund, more than tripling the \$116 million it raised a year ago, and breaking its previous mobilization record of \$129 million, reached three years ago at COP24 in Katowice, Poland.

Climate finance was a key struggle late into the closing hours of COP26. One key outcome was that Parties launched a process to define the post-2025 climate finance goal, which will be instrumental in operationalizing the alignment of financial flows with low emission climate-resilient development pathways and the so-called "shifting of the trillions" of dollars in finance needed for

both mitigation and resilient development. In addition, a record 16 leaders committed to closing the climate funding gap with new finance pledges, edging Parties closer to delivering on a promised \$100 billion a year in climate finance. Twelve donor Parties pledged \$413 million in new funding for the Least Developed Countries (LDC) Fund. Scotland and Wallonia made historic, first-ever loss and damage contributions of 2 million pounds and 1 million Euros, respectively.

Developing countries were disappointed that a proposal to stand up a loss and damage finance facility became a dialogue process to discuss such arrangements. But those negotiations and the operationalization of the Santiago Network on Loss and Damage represent a significant shift toward taking loss and damage more seriously within the UNFCCC process.

A two-day World Leaders Summit kicking off the COP helped set an ambitious tone for the two weeks. The Glasgow conference was in many ways defined less by the announcement of new and enhanced NDCs, but by the unprecedented wave of concrete commitments across sectors, including heavy industry, by major emitters.

The elements of the UNFCCC that oversee civil society engagement were also enhanced and extended, as Parties approved an “Improved Marrakech Partnership for Enhancing Ambition” plan, and the relaunch of the Global Climate Action Portal, which developed progress metrics with a community of data and analytical experts in order to track the progress of voluntary climate actions made by stakeholders.

THE PARIS RULEBOOK

COP26 finally resolved outstanding issues related to the Paris rulebook, adopting important rules and guidelines for (1) international carbon markets; (2) the reporting and review of the Parties’ greenhouse gas emissions and their progress towards the achievement of their NDCs; and (3) common time frames.

CARBON MARKETS UNDER ARTICLE 6

Ending years of disagreement since COP21 in Paris over the implementing rules, Parties finally resolved the tangled mix of technical and political issues to adopt international rules for a carbon market (often just referred to as Article 6 of the Paris Agreement).

The Paris Agreement recognizes that some countries will use international emissions trading to achieve their NDCs. Article 6.2 of the agreement requires “robust accounting” to avoid double counting of internationally transferred mitigation outcomes (ITMOs). Article 6.4 establishes a centrally managed mechanism, similar to the Kyoto Protocol’s Clean Development Mechanism (CDM), to generate tradable emissions offsets.

The first key issue has been whether corresponding adjustments by the host Party for emission reductions generated outside of the scope of its NDC should apply. Parties finally agreed to require corresponding adjustments on all authorized ITMOs, which rules out the possibility of double-counting emissions credits generated outside of the scope of a Party’s NDC.

A second issue was whether pre-2020 emission reduction units under the Kyoto Protocol can be carried over and applied toward countries’ NDCs. In Glasgow, Parties adopted guidance allowing some of those units to be carried over and applied toward countries NDCs under the following conditions:

- the project was registered after 2012
- they are identified as pre-2021 emission reductions
- they are only used toward a Party’s first NDC

CDM projects may transition to the Article 6.4 mechanism upon approval by the country in which the project takes place (the request must be submitted by 2023 and approval given by 2025).

A third issue was whether the “share of proceeds” that the Paris Agreement applies to units generated under the Article 6.4 mechanism to support an Adaptation Fund for developing countries should also be applied to units traded under Article 6.2. Under the Article 6.2 guidance adopted in Glasgow, Parties and stakeholders are strongly encouraged to “contribute resources” for adaptation—in particular, through contributions to the Adaptation Fund—to assist developing countries, and to report on those contributions.

While the carbon market rules did deliver the necessary framework to avoid double counting, ensure that the use of ITMOs are subject to international review, and outline important principles and safeguards for these markets, some Parties and stakeholders have raised concerns that these outcomes do not go far enough to ensure environmental integrity. The new Article 6.4 mechanism will issue two types of carbon credits: those

that are authorized and backed by corresponding adjustments, and those that are not. Whether non-authorized units can be used domestically on the voluntary carbon market for offsetting, for example, raises questions around double-counting. Other concerns center around the use of the “averaging” approach (whereby the average number of ITMOs transferred or used over the NDC implementation period [e.g., 2026 to 2030] is counted in the target year [e.g., 2030]), which could be problematic when carbon credits are used by airlines under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) adopted by the International Civil Aviation Organization (ICAO), effectively enabling double-counting.

Parties will aim to complete remaining technical work through a work program starting in 2022.

TRANSPARENCY

A key outstanding element of the Paris rulebook are the detailed instructions to Parties for reporting on:

- their greenhouse gas inventories
- their progress in implementing their NDCs
- the support—financial or otherwise—they have provided or received

The enhanced transparency framework under the Paris Agreement provides for “flexibility” for those developing countries “that need it in light of their capacities,” and the rulebook generally identified where and how such flexibilities could be applied. Parties have differed over precisely how the flexibilities should be reflected in the “common” tables and forms Parties will use to report their emissions and progress, with the level of flexibility applied and formats used affecting levels of consistency, comparability, and transparency of data.

At COP26, Parties adopted the common tables, formats, and outlines needed to report on their emissions and on progress toward their targets. Parties also adopted strong guidelines on reporting that clarified how developing countries in need of flexibility can, for example, use notation keys and collapse relevant rows, columns, or tables to facilitate reporting. With Parties due to submit their first biennial transparency reports under the Paris Agreement starting in 2024, the decision on transparency was critical, given the preparatory work required to build the software needed and for Parties to prepare their national reporting systems.

COMMON TIME FRAMES

Yet another rulebook-related issue was establishing common time frames—or standardizing the timeframe for Parties’ future NDCs. Parties decided at COP24 to apply common time frames starting in 2031 but set no deadline for determining them. A year later in Madrid, they remained deeply divided on whether to establish a five-year or 10-year timeframe. In Glasgow, Parties were encouraged to set out an NDC with a ten-year end date, every five years starting in 2025.

Main outcome:

- completion of the Paris Agreement rulebook

MITIGATION AMBITION

The Glasgow cover decision requested Parties to revisit their 2030 NDCs by the end of 2022 and strengthen them as necessary to align with the Paris Agreement’s temperature goal. Parties also established a work program that will scale up mitigation ambition and implementation before 2030.

During the conference, six Parties submitted updated NDCs and over a dozen countries made net-zero pledges. According to the UNFCCC secretariat, as of November 2, 2021, 166 of the latest available NDCs communicated by 193 Parties to the Paris Agreement, including 124 new or updated NDCs communicated by 151 Parties, cover over 94 percent of the total global emissions in 2019. More than 70 Parties have also submitted long-term net decarbonization strategies.¹

As new national commitments came in, experts were quick to update current analysis. An updated NDC synthesis report took into account the latest NDCs received since the end of October, which still showed a sizable increase in global GHG emissions in 2030. Raising the mood of the conference, the International Energy Agency’s updated analysis showed that if all targets were met in full and on time, they would be enough to hold the rise in global temperatures to 1.8 degrees C by the end of the century.² Just as quickly, new analysis by Climate Action Tracker, considered that the most optimistic scenario and pointed to a credibility gap in pledges, indicating that current 2030 targets, without long-term decarbonization strategies, puts the world on track for a 2.4 degrees C temperature increase by 2100.³

The fight for ambitious language on the enhancement of mitigation and adaptation action and increased climate finance in the cover decision text, which provides the political framing for the decisions adopted in Glasgow, reflected the dynamics in many of the negotiating rooms over individual issues. Parties clashed over the inclusion of language on the phase-out of coal and fossil fuel subsidies, with some (led by China and India) asking for the lines to be deleted and changed at the last moment. Ultimately, Parties settled on text calling for the “phase down,” rather than phase-out of “unabated” coal, and the phase out “inefficient” fossil fuel subsidies.

But in the end, the mitigation section of the final text sends a fairly clear signal for all Parties to enhance ambition in line with the 1.5 degrees C limit of the Paris Agreement.

Main outcomes:

- a request for countries to revisit their climate targets sooner than they would otherwise have done, together with the launch of a process to look at the ambition of 2030 targets
- the first explicit references in the UNFCCC to phasing down coal production and fossil fuel subsidies

ADAPTATION

Article 7.1 of the Paris Agreement established, for the first time, a global goal on adaptation that would aim to enhance adaptive capacity, strengthen resilience, and reduce climate-induced vulnerability. Increasing pressure to further define the global goal on adaptation since COP21 culminated in Parties agreeing in Glasgow to launch a two-year “Glasgow-Sharm el-Sheikh” work program.

Since the 2009 Copenhagen Accord, developed countries committed to provide new and additional climate finance, with a balance between mitigation and adaptation finance. But this balance is yet to be achieved, with about one-quarter of financing going to adaptation, which in part due to the difficulty of financing adaptation in the private market.

New adaptation finance contributions were a highlight of the conference. Besides Parties’ historic contribution to the Adaptation Fund, 12 donor Parties pledged \$413 million in new funding for the LDC Fund, the dedicated fund for the 46 LDCs. Parties in Glasgow urged

developed countries to at least double climate finance for adaptation by 2025 from 2019 levels.

Developing countries also achieved a partial win for adaptation finance through carbon credits generated under Article 6 of the Paris Agreement. A 5 percent share of units generated under Article 6.4 go to the Adaptation Fund (“share of proceeds”); and for units generated under Article 6.2, Parties and stakeholders are encouraged to contribute resources for adaptation, particularly to the Adaptation Fund.

Main outcomes:

- the launching of a process to define the global goal on adaptation
- urging developed countries to double adaptation finance

CLIMATE FINANCE

Under the 2009 Copenhagen Accord, developed countries committed to jointly mobilize \$100 billion a year by 2020. At COP21 in Paris, Parties extended the goal beyond 2020 to 2025 and urged developed country Parties to scale up their financial support with a “concrete road map” to achieve the goal of jointly providing US\$100 billion annually by 2020 for mitigation and adaptation, while significantly increasing adaptation finance from current levels and to further provide appropriate technology and capacity-building support.

Prior to COP26, analysis showed that Parties were unable to meet the \$100 billion goal, and some recent analysis indicated that the goal is not likely to be reached until 2023.⁴ Developing countries have been looking to developed countries to make up for the gap as a show of good faith and trust, particularly at the outset of negotiations in Glasgow. According to U.S. Special Envoy for Climate John Kerry, Japan’s commitment to deliver \$10 billion (\$2 billion a year for five years) could, if leveraged well, bring the goal within reach a year earlier, in 2022.

At COP17, Parties established a work program on long-term finance to inform developed country Parties’ efforts to identify pathways for mobilizing the \$100 billion climate finance target, which formally launched at COP19. With the program due to end in 2020, at COP24 Parties built upon elements of the program under Article 9.5 of the Paris Agreement. But at COP25, Parties were unable to agree on whether and how the long-term

finance program should continue post-2020 and whether to bring it under the CMA.

Parties in Glasgow decided that discussions on long-term climate finance would conclude in 2027, with high-level ministerial dialogues on climate finance in 2022, 2024, and 2026. They also tasked the Standing Committee on Finance (SCF) with continuing its work on definitions of climate finance and mapping available information related to financial flows aligned with “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development,” and will present their research at COP27. The SCF will also prepare a report in 2022 on progress toward achieving the goal of jointly mobilizing \$100 billion year in climate finance.

At COP21, Parties to the Paris Agreement set a new collective quantified goal from a floor of \$100 billion per year, taking into account the needs and priorities of developing countries. At COP24, Parties further agreed to initiate deliberations on setting the new goal in Glasgow. At COP26, Parties established a work program that will run from 2022 to 2024, host four technical expert dialogues per year, produce an annual report on its work, and lead high-level ministerial dialogues. Parties will continue deliberations on setting a new collective quantified goal for the next three years and invite Parties, bodies under the Convention and Paris Agreement, climate finance institutions, and observers, particularly from the private sector, to submit their views on the objectives of the new finance goal.

Main outcome:

- a process to define the post-2025 climate finance goal

LOSS AND DAMAGE

In 2013, Parties established the Warsaw International Mechanism (WIM) for Loss and Damage to address climate impacts resulting from slow onset event such as sea-level rise, as well as sudden events such as hurricanes. Vulnerable developing countries dealing with the mounting costs of addressing these climate impacts in recent years have raised the profile of L&D, calling for closure of both the emission and climate finance gaps.

Parties agreed in Paris to incorporate the WIM into the Paris Agreement but also agreed—at the insistence

of the United States and other developed countries—that this not provide any basis for establishing liability or compensation. At COP25, Parties raised the question of the WIM’s governance; specifically, whether it should operate solely under the Paris Agreement or if it should also continue under the UNFCCC, where there is no explicit exclusion of liability and compensation. For a second time, Parties have been unable to agree, deferring the issue to COP27.

At COP25 in Madrid, Parties established the Santiago Network to catalyze technical assistance for developing countries that are particularly vulnerable to climate change to help avert, minimize, and address L&D. In Glasgow, Parties decided that the Santiago Network would be funded to support technical assistance to address L&D. Parties established the Glasgow Dialogue, to take place every year at the subsidiary body meetings to discuss funding arrangements through June 2024.

Developing countries pushed to ensure L&D finance be reflected in Parties’ transparency reports and the post-2025 climate finance goal. They also revived their call to establish a L&D finance facility, with five philanthropies offering to contribute \$3 million if such a facility is agreed to. However, the COP26 decision urges developed countries to offer “enhanced and additional support” for L&D and to contribute to funding the technical assistance under the Santiago Network. First Minister of Scotland Nicola Sturgeon made the first ever L&D finance pledge of £2 million, followed with a contribution of €1 million by Wallonia.

Main outcome:

- operationalization of the Santiago Network on Loss and Damage
- a greater focus on L&D within the UNFCCC process

WORLD LEADERS SUMMIT

The first two days of COP26 featured over 100 high-level announcements and speeches during the World Leaders Summit, setting the tone for the negotiations over the next two weeks. Highlights included:

- Prime Minister Narendra Modi announced that India will aim for net-zero emissions by 2070 and significant near-term commitments to work toward that goal.

- The Global Methane Pledge, launched by the United States, the European Union, and their partners in September, announced more than 100 signatories to the agreement to reduce methane emissions, covering half of global methane emissions and 70 percent of global GDP.
- U.S. Special Envoy for Climate John Kerry launched the First Movers Coalition to decarbonize heavy-emitting industries by greening private sector supply chains by 2030, initially targeting four hard-to-abate sectors: aviation, shipping, steel, and trucking, which collectively make up at least 20 percent of global emissions. Members include over two dozen major companies.
- Launched by the UK Presidency, the Glasgow Breakthrough Agenda is a clean technology plan to help keep 1.5 degrees C in reach. It provides a framework for countries and businesses to strengthen their actions every year across five key economic sectors that together represent more than 50 percent of global emissions, and to make clean technology and sustainable solutions as affordable, accessible, and attractive as possible before 2030.

Main outcome:

- over 100 high-level announcements featured at the two-day World Leaders Summit

CIVIL SOCIETY

In Madrid, the COP decided to continue appointing two High-Level Climate Champions until 2025; requested the Champions explore how to improve the work under the Marrakech Partnership for Global Climate Action, which engages non-state actors in enhancing ambition; and requested the secretariat to enhance the effectiveness of the Non-State Actor Zone for Climate Action platform, including the tracking of voluntary action. In Glasgow, the COP welcomed the Champions' "Improved Marrakech Partnership for Enhancing Ambition," a 5-year plan under a 10-year vision. Parties also welcomed the relaunch of the Global Climate Action Portal, which developed progress metrics with a community of data and analytical experts aimed at tracking stakeholders' voluntary climate actions. There are currently over 26,300 companies, investors, organizations, cities, regions, and country governments recorded in the portal.

The Doha Work Program, which guides countries' implementation of climate education and training activities through the UNFCCC and the Paris Agreement's Action for Climate Empowerment program, was due for review in 2020. Parties at COP26 extended it for ten years in adopting the Glasgow Work Program on Action for Climate Empowerment.

Main outcome:

- "Improved Marrakech Partnership for Enhancing Ambition" plan
- relaunch of the Global Climate Action Portal in relation to the private sector and other non-state actors

OTHER MATTERS

- Turkey and Iraq ratified the Paris Agreement during the COP, leaving four countries who have yet to ratify: Libya, Iraq, Eritrea, and Yemen.
- COP26 brought huge numbers to Glasgow, despite the pandemic. COP26 was one of the largest COPs ever, with more than 40,000 registered participants. Additionally, more than 100,000 demonstrators marched in the streets of Glasgow in heavy rain.
- Swedish youth activist Greta Thunberg led the youth protest, criticizing world leaders and calling the conference a "failure." A few days later she petitioned UN Secretary-General Antonio Guterres to declare a climate emergency.

FUTURE SESSIONS

- Negotiations will resume at the annual mid-year meeting of the UNFCCC subsidiary bodies, to be held June 6-16, 2022, in Bonn, Germany.
- COP27 will be hosted by Egypt in Sharm El-Sheikh on November 7-18, 2022.

ENDNOTES

1 UNFCCC, “MESSAGE TO PARTIES AND OBSERVERS: Nationally determined contribution synthesis report” (Nov. 4, 2021), https://unfccc.int/sites/default/files/resource/message_to_parties_and_observers_on_ndc_numbers.pdf.

2 Fatih Birol, International Energy Agency, “COP26 climate pledges could help limit global warming to 1.8 °C, but implementing them will be the key” (Nov. 4, 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>.

3 Climate Action Tracker, “Glasgow’s one degree 2030 credibility gap: net zero’s lip service to climate action” (Nov. 9, 2021), <https://climateactiontracker.org/press/Glasgows-one-degree-2030-credibility-gap-net-zeros-lip-service-to-climate-action>.

4 OECD Secretary-General, Statement by the OECD Secretary-General on future levels of climate finance: Developed countries likely to reach USD 100 billion goal in 2023 (Oct. 25, 2021), <https://www.oecd.org/newsroom/statement-by-the-oecd-secretary-general-on-future-levels-of-climate-finance.htm>.

Other C2ES Resources:

The Global Goal on Adaptation: Issues for COP26, October 2021.

Article 6: Issues for COP26, October 2021.

Loss and Damage: Issues for COP26, October 2021.

Climate Finance: Issues for COP26, June 2021.

Transparency of Action: Issues for COP26, June 2021.

Outcomes of the UN Climate Change Conference in Madrid, December 2019.



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