

November 17, 2021

## **Preliminary Reflections on COP26 and the Glasgow Climate Pact, Part 2**

**By:** David V. Wright

**Matter Commented On:** [COP26](#) (Twenty-sixth Conference of the Parties to the United Nations Framework Convention on Climate Change) and the [Glasgow Climate Pact](#) (Decision -/CMA.3)

### **Developments in UNFCCC & Paris Agreement Implementation**

This post is Part 2 of two posts presenting preliminary reflections soon after the conclusion of COP26 in Glasgow. In this part, I present and briefly discuss notable developments (or lack of) within the formal negotiations process with respect to the implementation of the Paris Agreement and United Nations Framework Convention on Climate Change (UNFCCC).

A key objective for this particular conference was to finalize the rulebook for implementation of the Paris Agreement (see this helpful [background document](#) on the Paris Agreement and rulebook). This did indeed happen, and most would agree that this constitutes a success even if there is discontent with some of the final features. It is a particularly significant step forward as there was a risk that Parties would not reach an agreement on the rulebook entirely, resulting in further delay in implementation (on top of losing a year due to a pandemic-induced postponement last year) and loss of confidence in the basic structure and approach of the Paris Agreement. The following discusses several of the notable developments on the rulebook front, as well as several other (but not all) matters.

### ***Mitigation Ambition***

Earlier this year, well before COP26 but formally within the ongoing Paris Agreement process to raise ambition in parties' respective "Nationally Determined Contributions" to reducing greenhouse gas (ghg) emissions, [Canada announced an updated emission reduction target](#) of 40-45% below 2005 levels by 2030. There was worry in the lead-up to COP26 that too few parties had taken a similar step. That amplified long-standing concerns around the persistent "emissions gap" between commitments under the Paris Agreement, most specifically to keep warming to 1.5 degrees, and actual measures that parties would take at the domestic level to implement Paris commitments (see this year's annual [Emissions Gap Report](#) by the United Nations Environment Programme). Many were watching to see whether fresh rounds of higher ambition pledges before and during COP26 would add up to emission reductions in line with the 1.5-degree goal.

In the end, that did not happen. However, during COP26 a number of parties did indeed announce more ambitious reductions commitments, and the Glasgow Climate Pact does reiterate the overarching goal of "holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above

pre-industrial levels” (at 20). The Pact also recognizes the need for “rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per cent by 2030 relative to the 2010 level and to net zero around mid-century” (at 22). Viewed at a high level, this was unofficially the ‘Net-Zero COP’, where much of the focus was on Parties making long-term commitments to net-zero emissions several decades from now. On that front, most developed countries have now committed to net-zero emissions by 2050, and other countries, including high-emitting states such as China, Brazil, Russia, and India, have also set a net-zero target, even though time horizons are further out. For example, [India](#) committed to net-zero by 2070, [China](#) by 2060, and [Russia](#) also by 2060.

To be clear, these announcements will not close the gap between Party commitments and the 1.5-degree objective, let alone the gap between party commitments and party action, sometimes referred to as the “[credibility gap](#).” As noted in a [COP26 side event presentation](#) by authors of the 2021 Emissions Gap Report, if all Parties follow through on their most recent commitments, the world would still be on track to 1.8 degrees warming (see also [this report](#) released partway through COP26 by Climate Action Tracker, which is more pessimistic). However, commitments announced at COP26 were steps in the right direction and the process remains open to parties increasing their ambition. On that specific point, the Glasgow Climate Pact “requests” that Parties “revisit and strengthen the 2030 targets in their nationally determined contributions as necessary to align with the Paris Agreement temperature goal by the end of 2022” (at 29). This is primarily directed to Parties who did not submit such updated commitments at COP26 or in the lead-up to COP, and it is a significant acceleration beyond the five-year cycles agreed to in the Paris Agreement, which now seems too slow and too out of line with staying on a 1.5 degrees pathway.

From a broader Paris Agreement implementation perspective, these are significant developments as Parties to the Paris Agreement essentially doubled down on the regime’s international peer pressure, trust-based approach to compliance (also sometimes called a “managerial model” for international treaty design - see detailed discussion [here](#)). In practical terms, that approach means the more contact between parties the better, and commitments and interactions at COP26 suggest that parties are on-board with frequent contact and stock-taking with their peers. Put conversely, there is and will always be a risk that Parties stall or reduce their ambition in isolation, risking a breakdown of the Paris Agreement architecture.

## ***Finance***

The perennially contentious issue of financial assistance to developing countries for mitigation and adaptation activities was very much alive at COP26. In a context where developed countries had fallen short on implementing finance commitments for many years, the latest episode has seen developed countries miss the annual \$100 billion by 2020 that was pledged in Paris. As such, trust was low going into COP26. Concern with this inadequacy is explicitly included in the Pact’s final text (at 14) and in the long-term climate finance decision document ([Decision - /CP.26](#) at 4). More notably, the final text “urges” developed countries to at least double the funding to developing countries for adaptation (Pact at 18). Parties did not, however, reach an agreement on financing beyond 2025. As such, expect this aspect of the negotiations to be front and center in COP27 next year in Egypt.

## *Loss and Damage*

Another long-standing contentious issue is how states most affected by climate change impacts will receive support from other states, particularly those countries with high historical and current emissions levels. As explained in this [excellent overview video](#) by Lind Siegele, this dimension has been developing for decades, particularly through the persistence of small island developing states. In short, parties to the UNFCCC process have never reached an agreement on the thorny issues of responsibility for historical emissions and the flip side of that issue, liability for associated damages caused by those emissions. As [previously quipped](#) by Professor Saleemul Huq, “loss and damage” has become a euphemism for “liability and compensation.”

In the COP26 context, the most significant development was that there was no big development. Parties achieved limited progress on this issue at COP26. Though parties did take one more small step in further formalizing and flowing technical assistance under what is called the “Santiago Network on Loss and Damage” (at 66 and 67), this is distinct and different from the “Glasgow Loss and Damage Facility” that many parties were calling for. The latter is envisioned as a new funding mechanism for loss and damage, but after COP26 it remains non-existent. Instead, the Pact only “[d]ecides to establish the Glasgow Dialogue” (at 73). So the only commitment at the moment is to more dialogue. In short, though vocal throughout the COP26, states most vulnerable to climate change impacts will be forced to pursue the issue in future negotiations, notwithstanding this being a multi-decade campaign in a context where impacts are intensifying.

## *Article 6*

Reaching agreement on the rules for implementing Article 6 of the Paris Agreement was one of the highest stakes issues at COP26. Article 6, which has the somewhat uninformative title of “Voluntary Cooperation”, contains provisions that provide for states to use market mechanisms such as emissions trading and offsets to achieve emission reduction commitments. The logic here, notwithstanding caveats and nuances, is that these market mechanisms will assist Parties in reaching emissions reduction commitments in a cost-effective manner. However, Article 6 provisions contain “constructive ambiguity” that left parties much more work to do, and left much potential for double-counting of emission reductions (see [this explainer](#) for context). Specifically, parties needed to wrestle long-standing technical issues such as those pertaining to baselines (i.e. starting point for calculating what constitutes an avoided emission in the future), ghg accounting (e.g. no double-counting of emission credits), environmental integrity (i.e. reductions on paper are actually reductions in the atmosphere and do not unduly harm other elements of the environment) and continuation of existing emission reduction credits. Additionally, parties were under increasing pressure to include explicit consideration of human rights and the rights of indigenous peoples in an effort to ensure that emission-reducing projects are not at the expense of populations already most vulnerable to climate change impacts.

In the end, Parties did indeed manage to finalize these rules at COP26. Comprehensive coverage and analysis is beyond the scope of this post as complexities will take time to parse and understand; however, in short, the following are initial high-level takeaways. The focus here is on Articles 6.2 and 6.4, which are of the highest consequence.

- Rules of implementation are now in place for Article 6.2, which provides for Parties to use “internationally transferred mitigation outcomes” (ITMOs) toward achieving Nationally Determined Contributions (NDCs – i.e. ghg emission reduction commitments). This is essentially a way for Parties’ emissions trading systems to link and to do so within the Paris Agreement system, complete with ghg accounting requirements. In addition to detailed rules on calculating and reporting ITMOs, notable features in the final text include safeguards against double-counting and net increases in emissions (primarily implemented through what are called “corresponding adjustments”), explicit requirements for Parties to ensure environmental integrity, and explicit requirements to consider and report on human rights, the rights of Indigenous peoples, gender equality, and intergenerational equity. The Article 6.2 guidance also strongly encourages Parties using ITMOs to “contribute resources for adaptation” with particular attention to Parties that are most vulnerable to climate impacts; however, there is no “share of proceeds” requirement for 6.2 as there now is for Article 6.4. Details are all set out exhaustively (and exhaustingly) in [Decision -/CMA.3 - Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement](#).
- Rules of implementation are now in place for Article 6.4, which provides for a new centralized UN mechanism that facilitates the trading of emission reduction credits generated by specific projects. This is the Paris Agreement’s iteration of the Clean Development Mechanism and Joint Implementation market mechanisms under the Kyoto Protocol. Many of the Article 6.2 safeguards and requirements summarized above are also present in the 6.4 rules agreed to at COP26 (though there are fewer requirements for emission reductions that will not be used toward achieving an NDC), all of which is overseen by a Supervisory Body with formal membership rules and rules of procedure. Unlike 6.2, any transactions under the mechanism in 6.4 requires that a “share of proceeds” of 5% go to vulnerable nations. Details are all set out exhaustively in [Decision -/CMA.3 - Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement](#).

### **Phasing... “down” of Coal**

Throughout the final stages of COP26 there was tension regarding the text in the cover decision, particularly with respect to whether and how to include explicit reference to fossil fuels, and attention to coal specifically. In the end, this aspect survived text-level negotiations but it was significantly watered down through one small change. On the last day (actually the additional overtime day), in the very final hours of COP proceedings, India led a forceful and eventually successful push to change text referring to a “phase-out” of unabated coal power to a “phasedown” (at 36). While in the long term this may have minimal impact on emission reduction trajectories and the actual time horizons for complete phase-out of coal, particularly given that India, China, and other coal-dependent nations have pledged net-zero commitments later this century, it was significant at this COP in two ways. First, on the process front, this was a *very* late text change to a provision that had been on the table for days prior and there was no longer any time or opportunity

for consultation on the change. Allowing this type of significant, extremely late intervention disrupts the existing process and norms of COP proceedings, and could set a destabilizing precedent from a negotiations process perspective into the future. What if many more Parties were to do similar in future COPs?

Second, and further to the above point that the Paris Agreement is structured on international peer pressure and trust, this change is likely to have a demoralizing effect on Parties most vulnerable to climate change impacts, for whom the phasing *out* of coal represents a key part of avoiding the existential threats posed by climate change. Time will tell whether this text change has any material impact on achieving the goals of the Paris Agreement, but an intuitive interpretation of this change suggests it envisions a slower and incomplete path away from coal-fired electricity generation. Having said this, the Pact does still have explicit reference to coal, and it did ultimately include reference to the “phase-out of inefficient fossil fuel subsidies” (at 36) which represent the first-ever explicit reference to fossil fuels. As such, this will be viewed by many as a step forward, even if the relatively weak wording will be disappointing for many others.

## **Concluding Reflections**

One need only look at the horrific extreme weather catastrophe unfolding in British Columbia at the moment to appreciate the importance of urgent, multilateral, global action to respond to the collective action problem that is climate change. Such action is particularly important from a nation like Canada who is a major current and historical ghg emitter that enjoys wealth accumulated through decades of disproportionate exploitation of the planet’s atmospheric carrying capacity. If Canada doesn’t do its fair share, no country can be expected to (see [this helpful explainer](#) for context on this point). And if too few countries act, then the collapse of the Coquihalla, incineration of Lytton, Calgary flooding, and Fort McMurray wildfires will be dwarfed around the world for decades to come. This is not alarmism. It is reality, no matter how hard that is to fathom, especially in Alberta.

In this context, the stakes were high for Canada and the rest of the world going into COP26. From my perspective, and notwithstanding the reality that no Parties or observers are completely content with the final outcomes, COP26 represents a qualified success. The summit was never going to accomplish everything. Finalizing the rulebook, strengthening the system for increased ambition, concerted steps on emission reduction initiatives, open discussion about the phasing out of fossil fuels, and a flurry of net-zero commitments from major emitters are all steps in the right direction. While tenuous, most would agree that the outcomes of COP26 keep the goal of 1.5 degrees warming within reach, even if just barely. That is very significant. What’s more, COP26 saw all parties meaningfully engage within the Paris Agreement paradigm, as opposed to stepping away in a fundamentally different or subversive direction. In this way, from my perspective COP26 had a net positive impact on trust in the system. And that is no small matter in a regime that has trust and international peer pressure at its core.

However, shortfalls on financial assistance, unresolved issues on loss and damage, persisting ambition and credibility gaps, devilish market mechanism implementation details, and ever delicate trust in the process, especially from major emitting developing countries and the most

vulnerable Parties, means that the work is far from over. The hard work is really just beginning, finally. Everywhere at the COP26 venue in Glasgow was signage with big block letters saying, “The Time Is Now.” The time to act was actually decades ago. Now will have to do, but now will only do if all Parties to the Paris Agreement get moving quickly to make up for lost time and inaction. The Glasgow Climate Pact and COP26 outcomes are steps in the right direction, but the pace needs to quicken dramatically.

---

This post may be cited as: David V Wright, “Preliminary Reflections on COP26 and the Glasgow Climate Pact, Part 2” (November 17, 2021), online: ABlawg, [http://ablawg.ca/wp-content/uploads/2021/11/Blog\\_DVW\\_COP26\\_reflections\\_part2.pdf](http://ablawg.ca/wp-content/uploads/2021/11/Blog_DVW_COP26_reflections_part2.pdf)

To subscribe to ABlawg by email or RSS feed, please go to <http://ablawg.ca>

Follow us on Twitter [@ABlawg](https://twitter.com/ABlawg)

