ENGINEERS AUSTRALIA

COP26 climate negotiations: week two overview

A summary and analysis of climate discussions and negotiations at the 26th Session of the UN climate change negotiations (COP26).

Curtain goes down in Glasgow

In the early hours of Sunday, 14 November Australian time, the197 countries serving as the parties to the Paris Agreement formally welcomed in the '*Glasgow Climate Pact*'.

It took a day longer than the 12 scheduled to conclude the business of COP26. But Engineers Australia's climate change team, who observed negotiations virtually, describe the outcome as being far from perfect but sufficiently balanced to secure the necessary consensus on all 209 agenda items considered. Civil society and businesses will deliver a wide range of assessments on progress made at COP26. But in the context of its primary goal of keeping the 1.5°C warming goal 'alive and within reach', the pact and other outcomes reached at the conference should be received as fruitful outcomes from an extraordinary fortnight.

Historic turnout

UN climate change conferences are invariably high stakes affairs - for the health of the planet and the rules-based multilateral system that aims to reduce emissions and safeguard the most vulnerable from the worst impacts of climate change. COP26 was attended by over 44,000 registered participants – a figure on par with the COP21 in 2015, which ushered in the Paris Agreement. It commenced with the World Leaders Summit, attended by 120 heads of state. This, too, represented one of the largest gatherings of world leaders on any issue.

Civil society also engaged en masse, with some 250,000 people marching on the streets of Glasgow at the midpoint of negotiations. This extraordinarily mobilisation reflects the singular importance of the climate challenge. Two years ago, around 30% of the world's GDP was covered by countries with net zero emissions commitments. This figure now stands at over 90% - an outcome largely attributable to ordinary citizens calling for change. Shifting economics have also been a driving force; it's worth noting that countries responsible for 80% of Australia's export income have now adopted net zero pledges.

The Glasgow pact: Progress, pressure, and politics

The Paris Agreement has arguably been successful in uniting developed and developing nations to move in the same direction on climate goals. However, the agreement reflects the highly complex and diverse interests of its signatory nations. As a result, it was never intended to prescribe with certainty how or when global warming would be halted.

The same is true of the COP26. There was never a realistic expectation that the conference could or would deliver all the decisions and actions needed to meet the Paris Agreement's objectives – and, clearly, it hasn't.

It has, however, provided a platform to apply increased pressure on countries to ratchet up their ambitions as the science requires. It will also support enhanced scrutiny on the sufficiency and accountability of countries' commitments. This is reflected clearly in the *Glasgow Climate Pact*, which requests that all countries revisit and strengthen their 2030 emissions reduction targets (affirmed in 'Nationally Determined Contributions' or 'NDCs') by the end of 2022.

The pact also recognises the best available science, noting with "alarm and utmost concern" that 1.1°C warming has occurred since pre-industrial times. It recognises that "limiting global warming to 1.5 °C requires rapid, deep and sustained reductions in global greenhouse gas emissions, including reducing global carbon dioxide emissions by 45 per

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cent by 2030 relative to the 2010 level and to net zero around mid-century, as well as deep reductions in other greenhouse gases" (paragraph 22).

Some of the pact's provisions were subject to intense negotiations. Most prominent was a dispute around whether the pact should 'request' or 'urge' countries to revisit 2030 targets next year. As noted, 'request' prevailed – though this seemingly milder phrasing is considered stronger in the relevant parlance. Elsewhere, the pact calls for "accelerating efforts towards the phase-down of unabated coal power and inefficient fossil fuel subsidies". That this call relates only to 'phasing down' rather than 'phasing out' coal and includes qualifiers around 'unabated' power and 'inefficient' subsidies, reflects a compromise. They are the result of intense lobbying led by China and India. Nonetheless, it marks the first mention of fossil fuels in any final communique from a COP meeting. While it may not go far enough for many, it does set a starting point for future negotiations on a global commitment to end the fossil fuel era.

For Australia's part, the government could be judged very harshly if it fails to submit a more ambitious 2030 target next year. Its goal remains a 26%-28% reduction on 2005 levels by 2030. Despite much increased pressure, Australia released a statement after COP26 affirming that it has no intention of revising this target.

Unprecedented collaboration

COP26 may be remembered for the coming together of some of the largest public private partnerships ever announced to address climate change. These collaborations cover all sectors, a multitude of technologies, and a range of issues and concerns.

Importantly, emissions mitigation ambition is not represented solely by countries' NDCs. Many other agreements reached between states, companies and others at COP26 have accelerated this agenda. One landmark partnership was the US-China *Joint Glasgow Declaration on Enhancing Climate Action in the 2020s* - establishing an enduring framework of collaboration between the world's largest emitters and strategic rivals.

Other important agreements include the *Global Methane Pledge*, *Leader's Declaration on Forests and Land Use*, *Glasgow Breakthrough Agenda*, *First Movers Coalition*, *Green Grids Initiative*, *Global Coal to Clean Power Transition Declaration*, *Beyond Oil & Gas Alliance* (BOGA), *High Ambition Coalition*, and *Glasgow Financial Alliance for Net Zero* (US$130T into net zero assets).

For more information on COP26 agreements beyond the *Glasgow Climate Pact*, see our report on the first week of discussions.

Key outcome now in sight?

If all updated NDC pledges and other agreements announced at COP26 can be delivered on time (a big if), modelling from the International Energy Agency and other reputable sources indicates that the world is, for the first time, on track to halt warming to well below 2°C by the end of the century. The IEA concludes, "our updated analysis of these new targets – on top of all of those made previously – shows that if they are met in full and on time, they would be enough to hold the rise in global temperatures to 1.8 °C by the end of the century."[1] This would represent the realisation of a key objective of the Paris Agreement.

However, should commitments not be met, global emissions could actually grow by about 14% on 2010 levels by 2030, giving way to 2.7°C of warming by 2100.

Paris rules take shape

Beyond the headline pledges emanating from UN climate conferences are further negotiations over discrete concerns. One such matter at COP26 involved finalising the Paris Agreement 'rulebook' – key provisions detailing how the agreement is to operate. The conference achieved this outcome with the adoption of several outstanding elements. These include Article 6 (relating to international carbon markets, a new sustainable development

[1] https://www.iea.org/commentaries/cop26-climate-pledges-could-help-limit-global-warming-to-1-8-c-but-implementing-them-will-be-the-key

mechanism, and non-market approaches), a 10-year timeframe for all NDCs pledges (e.g. NDCs submitted in 2025 must include a 2035 target), and enhanced transparency framework.

Transparency remains the backbone to achieving the goals of the Paris Agreement, and other outcomes from COP26 will dramatically enhance it. For instance, the UN Secretary-General will establish a group of experts to propose clear standards to measure and analyse net zero commitments from the private sector. There will be an annual report on progress made towards NDC commitments and their aggregate impacts. Preparations also commenced to support the global stocktake on implementation of the Paris Agreement, scheduled for 2023.

Finance chasm must be closed

COP26 saw the establishment of a formal process to track financial flows from developed to developing countries to support adaptation and loss and damage linked to climate change. One estimate of the gap between finance provided to developing countries and what is needed sits between US$3 trillion to $US5 trillion over the next 30 years.

While this gap is by any measure large, it is arguable that balance sheets do exist to meet it. This makes operationalising Article 6 critically important. This could support the private sector to mobilise and invest trillions of dollars into least-cost low, zero and negative emissions assets. It would also incentivise the exit of high-emitting assets, as well as mitigate an increasing dependency on voluntary carbon markets that complicates any linking of national markets.

Just transition

COP26 highlighted the importance of a just transition as being applicable to the developed world as it is to developing countries. At the launch of the *Global Coal to Clean Power Transition Declaration*, COP Climate Champion, Nigel Topping, commented that "… some of the best examples existing of a just transition being managed are in Australia".

Outlook

The multitude of pledges and collaborations emerging from COP26 represent real progress in the global effort to address climate change. The road ahead remains difficult and highly uncertain. But with increased ambition, urgency, and even a measure of optimism, it is possible that the conference could come to be seen as a turning point.

In addition to ensuring that promises made at COP26 are fulfilled, attention will also turn to COP27 - to be hosted by Egypt around this time next year.

As the lights go out in Glasgow, it also remains clear that delivering proven and accessible climate solutions will require engineers to both construct affordable and realistic designs and inform high level decision-making. Climate change is at its core a systems problem; who else is better placed to lead than engineers? Responsibility for an efficient and effective transition rests with our profession, in partnership with governments, the private sector, and the wider community.

For Engineers Australia's summary of agreements and discussions in week one of COP26, see here.