

COP26: WHAT HAPPENED?

Member briefing – November 2021

A large, decorative graphic consisting of several overlapping, curved bands in shades of blue and yellow, sweeping across the middle of the page.

COP26

COP26 was held between 31 October and 13 November, in Glasgow, Scotland. Owing to its location, it attracted more business, political and media attention in the UK than previous COP events.

This briefing is divided into three parts:

- Purpose and structure of COP26.
- Key outcomes.
- Implications for ACE and EIC members.

Purpose and structure of COP26

COP26, hosted by the UK government in Glasgow, was the 2021 annual conference of parties (hence 'COP') to the UN Framework Convention on Climate Change (UNFCCC). It was the 26th such meeting, hence being almost universally known as COP26.

The core of each COP is negotiations between national governments, who often work together in groups (e.g. the Climate Vulnerable Forum – a coalition of 55 countries particularly exposed to climate change impacts) as a negotiating tactic. As international cooperation on climate change has developed under the UNFCCC framework, the main topics on which COPs seek to reach international consensus on are:

- **Emission cut pledges** – The pledges made by nations to cut Greenhouse Gasses (GHGs) which in aggregate are ultimately intended to be sufficient to avoid dangerous climate change.
- **Rules** – The often highly detailed and technical rules which govern the timing, format and content of these pledges.
- **Finance** – Agreements to ensure financial flows primarily from developed countries to developing nations to help them cope with, and adapt to, climate change.

In addition to these core topics each COP usually has an agenda of items that were discussed but not agreed in previous COPs, as well as a series of collaborative announcements between countries (and in some cases also including cities and/or major companies) designed to tackle particular policy or technology challenges.

Beyond the official sessions the COP fringe includes thousands of businesses, NGOs and civil society groups many of whom also make announcements and run campaigns.

This included the [Construction Leadership Council's \(CLC\) event which featured ACE and EIC members and which was fully supported by ACE.](#)

Discover a range of [COP26 related content on the ACE website.](#)

Sign-up for the **Infrastructure Intelligence** webinar on **Friday 26 November**, [Good COP, Bad Cop. What's next for COP26?](#)

Key outcomes

Glasgow Climate Pact

The Glasgow Climate Pact was a wide ranging political statement negotiated by the UK as COP President. Despite technically not being part of the formal mechanisms and processes of COP26, it was probably the most widely reported part of COP in the mainstream media.

The text of the pact requests countries to ‘revisit and strengthen’ their climate pledges by the end of 2022 and calls for a ‘phase down’ in the use of coal. In addition it sets up processes towards, deciding a global goal on adaptation; towards providing high levels of climate finance; and towards creating a mechanism for finance for loss and damage incurred by developing countries due to climate change.

Although there was much attention around the late change from “phasing out” coal to “phasing [it] down”, there was also recognition that this was the first time a COP conclusion has specifically included agreements around reducing the use of coal. As noted by [Carbon Brief](#), it “marked a shift in a language and specificity that countries were collectively willing to sign off compared to earlier COPs.”

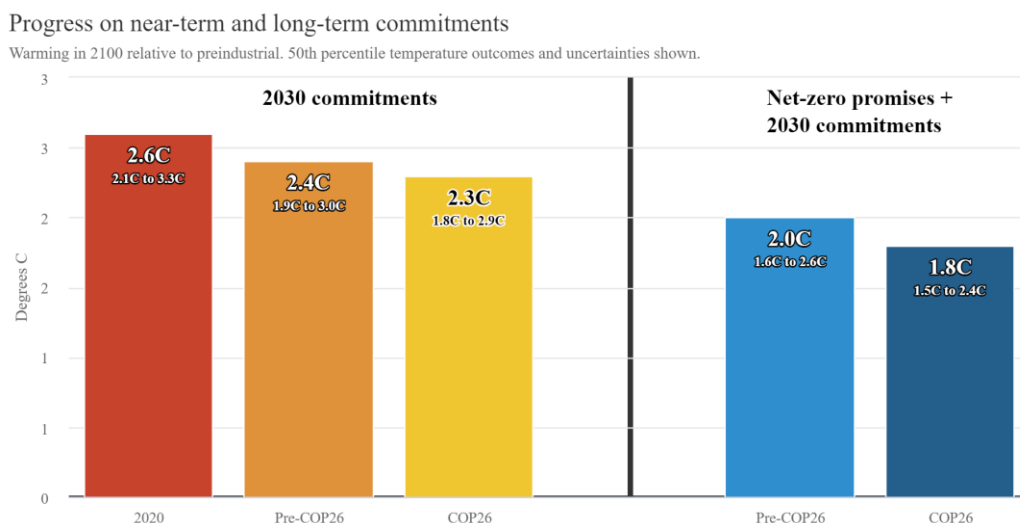
National emissions commitments

These commitments come in two forms:

- **Nationally Determined Contributions** – formal commitments under the UNFCCC process – at COP15 in Paris it was agreed that all countries would submit NDCs and revise them every 5 years. About 150 countries (out of the 190-odd which signed the Paris Agreement at COP15) have submitted NDCs.
- **Long term pledges** – usually to achieve Net Zero by a specific date some decades in the future, e.g. at COP26 India PM Modi committed to India reaching Net Zero by 2070.

In the run up to COP 26 there was strong pressure on countries to increase their NDCs to improve the chances of meeting the ‘well below 2 degrees’ or ideally 1.5C targets for global warming that came out of the Paris agreement (one of the main UK objectives at COP26 was ‘keep 1.5 alive’).

The chart overleaf shows the difference made in terms of projected global warming by the new commitments made in the run up to, and during, COP26.



Rules around NDCs

In many ways these are as important as the NDC's themselves as they determine the monitoring and transparency of the commitments countries make.

Ratchet mechanism

Given previous NDCs collectively have clearly been insufficient to get close to 1.5C there has been an agreement that a mechanism is needed to encourage countries to steadily increase their commitments.

Prior to COP26 countries were expected to revise their NDCs every 5 years, but in Glasgow it was agreed that countries should 'revisit and strengthen' their targets by the end of 2022, and every two years thereafter

Reporting

A credible reporting mechanism is vital. China for example has not formally reported on its emissions since 2014. At COP26 it was agreed that country must report every two years and their reports would be subject to a 'technical expert review'. Agreement was also reached on the format of reports (down to details such as which columns of the official Excel spreadsheets used for reporting countries could leave blank depending on their technical capability to produce analysis).

Finance

A perennial theme of COP meetings is the demands from less developed countries for wealthier countries, who tend to have been responsible for the majority of historical GHG emissions, to transfer funds to less developed countries to help them manage and address the impacts of climate change and help them transition to low carbon economies. It had previously been agreed that by 2021 richer countries (defined as those who were OECD members pre-1992) should pay \$100 billion a year for this purpose. This figure has not been reached (current totals are \$80-\$90bn) but at COP26 it was agreed to redouble efforts to meet and exceed this target and some additional funding was pledged.

Other collaborative commitments

Outside the official COP26 process a number of countries signed up to or made collaborative pledges. The key ones included:

US China joint climate declaration

Although it included little detail, the fact this happened at all and without much warning was seen as a positive development given the geopolitical hostility between the US and China. It primarily covered a commitment by the two largest global emitters to work together through 'this critical decade' in areas such as methane phasing down coal and protecting forests

Beyond oil and gas alliance

Week two of COP saw the launch of the Beyond Oil and Gas Alliance with a relatively small number of founding member countries (excluding most of the major oil and gas producers such as Russia Saudi Arabia and the US) committing 'to end new concessions licencing or leasing rounds in oil and gas and to set a Paris-aligned date for ending oil and gas production'

Glasgow leaders' declaration on forests and land use

Signed by more than 130 countries this was a commitment to work collectively to halt and reverse forest loss and land degradation by 2030.

Forest agriculture and commodity trade statement

This was jointly led by the UK and Indonesia. It was signed by 28 countries representing 75% of global trade in key commodities and includes a roadmap for action to reduce trade in commodities which contribute to deforestation.

Global methane pledge

Commits signatories to cut methane emissions by 30% 2020 to 2030 and to use 'best available inventory methodologies' to quantify methane emissions. 109 countries have signed up.

Coal commitments

Separate to the overall wording about 'phasing down' coal in the Glasgow Climate Pact a number of new pledges and revisions of existing pledges on reducing use of coal were made during COP 26 such as the 23 countries which signed the global Coal to Clean Power transition statement or the 28 new members who signed up to the Powering Past Coal Alliance.

Zero emission cars

The COP 26 Declaration on Accelerating the Transition to 100% Zero Emission Cars and Vans was signed by a number of countries (however not the leading car markets such as Germany China and the US) as well as some major car companies including Ford, GM, Jaguar Land Rover, Mercedes and Volvo. Signatories committed to working towards the end of sale of petrol and diesel cars and vans by 2035 or in some cases 2040.

Glasgow Financial Alliance for Net Zero Transition

Led by Mark Carney and Mike Bloomberg (both UN special envoys for climate action) this brought together 450 financial firms in 45 countries managing a total of \$130 trillion who committed to 'using science based guidelines' to reach zero missions by 2050 and provide 2030 interim goals.

'Glasgow breakthrough initiative'

Boris Johnson launched this during the leaders' summit part of COP. Under the breakthrough agenda more than 40 countries (including UK, US, China, Australia and India) agreed 5 goals focusing on the development and deployment of clean technologies.

These goals are:

- Renewable power to be the most affordable and reliable option for all countries by 2050
- Zero emission vehicles to be the new normal in all regions by 2030
- Near zero emission steel is the preferred choice in global markets by 2030
- Affordable, renewable and low carbon hydrogen is globally available by 2030
- Climate resilient sustainable agriculture it's the most widely adopted option for farmers everywhere by 2030.

Implications for members

The overall sense among commentators that COP26 was a qualified success but there are still huge challenges ahead. With the UK as host country the pre-COP period had already seen an unprecedented focus in Britain on Net Zero pledges and policy commitments – the outcome of COP means that this momentum around and that zero transition is likely to be maintained even as day-to-day coverage reduces. The fact that there are now a series of global milestones in the near future (e.g. the requirements on countries to strengthen their NDCs by the end of 2022 and the first global stocktake of progress in tackling climate change in 2023) is likely to keep a degree of pressure on politicians and major companies.

Specific implications for ACE and EIC members include:

- **Transparency** – COP 26 saw new rules on transparency agreed for country's reporting alongside growing concerns in the NGO debates around COP about whether the plethora of recent business pledges on Net Zero will stand up to scrutiny. This is likely to mean a trend towards businesses needing to be more thoughtful and rigorous in terms of understanding what they are pledging themselves to and to a desire for a rationalisation of the large number of different initiatives and pledge schemes.
- **Delivery** – While the national pledges made up to and during COP 26 still do not put us on a path to 1.5 degrees, most markets, sectors and supply chains in the UK are now covered by some form of Net Zero targets and road maps. BEIS ministers' and officials' thoughts are already turning to how this these road maps and initiatives can be delivered. This will put a huge premium in coming years to planning and coordination both geographically (especially at regional and sub regional level) and at sector/cross sector level. This will increase the demand for strategic advisory and analytical services from engineering and environmental consultancies. Likewise there will be a need for advice and design work on individual asset based projects to take account of wider Net Zero policy context. EIC environmental technology providers meanwhile, will have huge opportunities, especially where they can demonstrate that their technology can deliver decarbonisation in line with sectoral commitments and roadmaps. They will also benefit from the move (much clearer in Glasgow than at previous COPs) away from a narrow focus on carbon towards both other greenhouse gases and to the need to address wider environmental impacts such as air quality and restoring biodiversity.
- **Developing country markets** – If the financial pledges made a COP 26 come through, there are likely to be much larger flows of climate finance from wealthy countries to the developing world. This will increase markets for technologies and projects delivering either adaptation to climate change or transition to renewable energy (or technology such as carbon capture and storage). Developing countries are also now facing much tougher requirements in terms of monitoring and reporting their emissions and obligations to develop policies and plans to reduce emissions and are likely to draw on international consultancy expertise to support this.
- **Client engagement by consultancies** – Much of ACE's work on Net Zero has focused on the role of engineering consultancies in working with clients to deliver Net Zero projects. This is partly about gearing up to be able to deliver Net Zero projects effectively (for example through developing carbon literacy across all design related staff or being able to produce whole life carbon calculations in projects). Beyond this a debate has started over how should work with clients who are reluctant to embrace the implications of the Net Zero transition. For example whether consultants should not take commissions for projects they do not believe to be fully compatible with Net Zero or alternatively, if these projects are likely to happen anyway, they should work on them aiming to reduce the project carbon impacts as much as possible. This debate is likely to become more intense within the sector over the coming years. During COP ACE release data [add link] from its current benchmarking exercise that gives a high level picture of current trends on these issues.

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