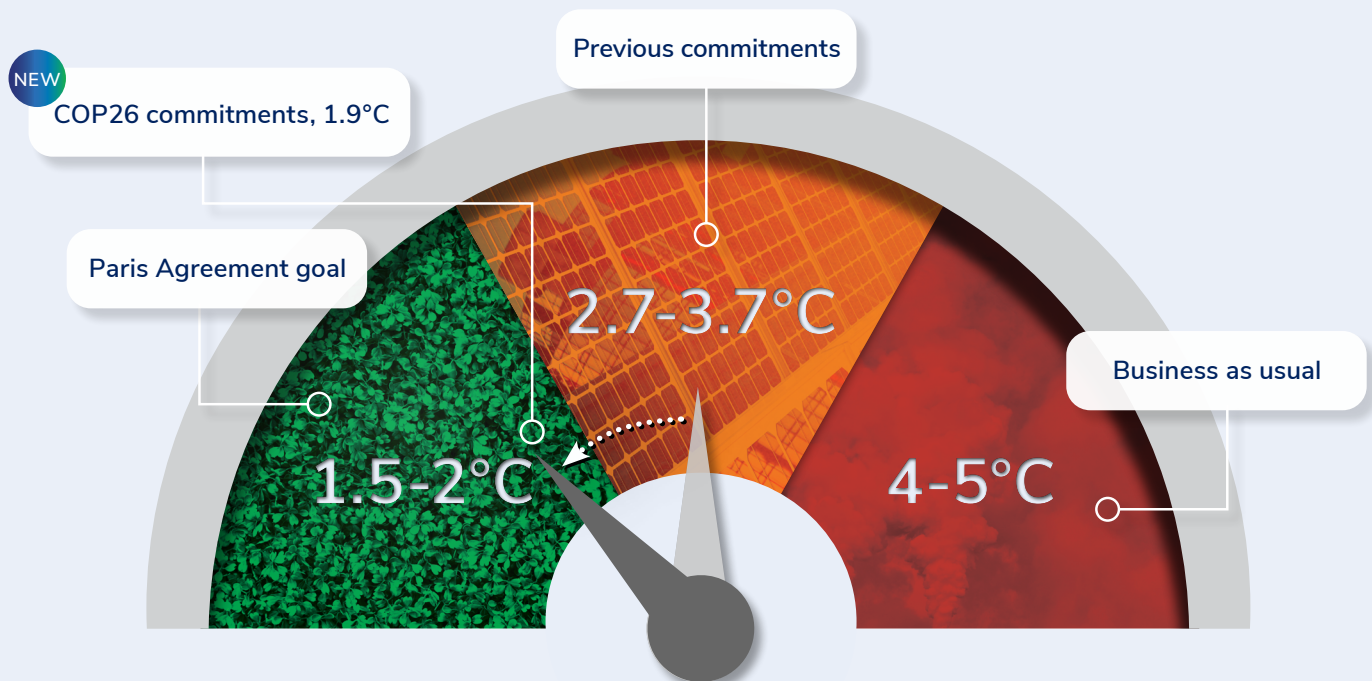


# COP26: Key outcomes and impacts

Politicians, environmentalists and youth activists came together at COP26 in Glasgow in November 2021, with the objective of getting the world on track to achieve the goals of the Paris Agreement. Several countries and organizations announced new initiatives to reach net-zero. The conference ended with a consensus to accelerate climate action in the next decade. COP27 will be in Egypt in 2022.

## New COP26 pledges could bring projected warming to below 2°C for the first time in history

If all pledges made at COP26 are kept, the estimated peak warming this century will be 1.9°C.<sup>1</sup> This is much more hopeful than the 2.7°C projected prior to COP26.



Estimated increase in global average temperature above pre-industrial levels (in °C) by 2100

**25x**  
Methane's  
comparative  
impact versus  
CO<sub>2</sub> over a  
100-year period,  
even though its  
lifetime in the  
atmosphere is  
much shorter.<sup>5</sup>

## Phasing out coal and its financing

The phase-out of coal is aimed for the 2030s for developed economies and the 2040s for emerging economies.<sup>2</sup> Major banks from around the world have committed to effectively ending all international public financing of new coal power by the end of 2021.

## \$130 trillion in capital committed to achieving 1.5°C

A total of 450 financial institutions representing US\$130 trillion in assets have committed to net-zero targets.<sup>3</sup> These commitments, across 45 countries, can deliver the estimated US\$100 trillion needed to finance the global transition to net zero over the next 30 years.

## Developed countries affirmed prior pledge of \$100 billion a year for five years

The prior pledge was a key part of the 2009 Paris Agreement, which would funnel US\$100 billion to developing countries, from 2020 to 2025.<sup>4</sup> It's worth noting that this goal wasn't met and is now set to be delivered in 2023. This is far below the needs of vulnerable countries to cope with climate change, but it has become a symbol of trust and fairness between rich and poor nations.

## The Global Methane Pledge

This pledge seeks to cut emissions by 30% from 2020 levels by 2030. Several major emitters of methane, that account for 70% of global emissions, committed to the pledge including six of the world's top methane polluters.

## Pledge to end deforestation and land degradation

Leaders from over 100 countries, including Canada, Brazil, China, Russia and the US, have pledged to end deforestation by 2030.<sup>6</sup>

Amount of global forest represented by pledges:

91%

## Acceleration of the development of clean technologies

Over 40 world leaders, including those from the US, China, EU countries and India, have pledged to deliver clean and affordable technology everywhere by 2030, and support the innovation and tools needed to transition to net-zero.<sup>7</sup> This support represents 70% of the world economy.

## COP26 global carbon market rules pave the way for emissions credits boom

As part of the Paris Rulebook, the global carbon market rules (Article 6) were finalized, which identify a framework for the trading of credits by those looking to focus efforts on their emission-cutting targets.<sup>8</sup> Article 6 creates a robust and transparent carbon market that can clear a path for channeling private green investment capital into developing countries. Because of this, carbon offsetting strategies are expected to soar in popularity going forward.

## Zero-emission vehicle pledges

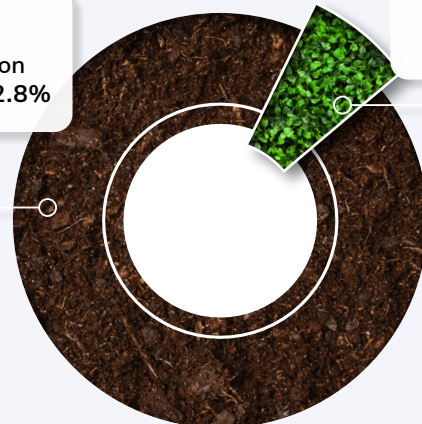
Several countries pledged to work together to make electric vehicles the new normal by making them accessible, affordable and sustainable, in all regions, by 2030 or sooner.

The Glasgow Declaration on Zero-Emission Cars and Vans will end the sale of internal combustion engines in leading markets by 2035 and worldwide by 2040. In June 2021, the Canadian federal government set a mandatory target of 100% of all new light-duty car and passenger trucks to have zero emissions by 2035.<sup>9</sup>

Electric vehicle (EV) % of global car sales<sup>10</sup>

Internal combustion engine 92.8%

EV 7.2%



# US-China climate deal breaks through superpower standoff

In one of the biggest surprises of COP26, China and the US vowed to work together to boost their climate efforts, which in turn, helped shift the mood in Glasgow. Both sides agreed to cut emissions (including methane) and tackle illegal deforestation.<sup>11</sup> It may be worth mentioning that it was a bilateral agreement between the US and China that paved the way for the Paris Agreement in 2015.

## COP26 closed with compromise deal on Glasgow Climate Pact

After two weeks of negotiations and an extended session into the weekend, the Glasgow Climate Pact was finalized, which encompasses all agreements made during COP26 and is supported by over 190 countries.<sup>12</sup> There was a last-minute change to the Pact from India and China about “the phase-out of unabated coal power and of inefficient subsidies for fossil fuels” that included revised language from phase-out to a softer phase-down.

Although many delegates and environmentalists present were disappointed that there was not stronger language in the final agreement, the Glasgow Climate Pact is the first international climate agreement to even mention fossil fuels and will hopefully speed up the pace of global climate action by 2030.

## Sources:

<sup>1</sup> **Climate Resource:** [1.9°C: New COP26 pledges bring projected warming to below 2°C for the first time in history](#)

<sup>2</sup> **United Nations:** [UN News](#)

<sup>3</sup> **GFANZ:** [Finance committed to achieving 1.5°C now at scale needed](#)

<sup>4</sup> **Reuters:** [Climate finance could make or break the COP26 summit](#)

<sup>5</sup> **EPA:** [Overview of greenhouse gases](#)

<sup>6</sup> **Forest News:** [Forest News: Deforestation pledge redux](#)

<sup>7</sup> **Race to Zero:** [World leaders join breakthroughs to speed up affordable clean tech](#)

<sup>8</sup> **Financial Times:** [COP26 global carbon market rules pave way for emission credits boom](#)

<sup>9</sup> **Clean Energy Canada:** [COP26 and the implications for Canada](#)

<sup>10</sup> **Bloomberg:** [Zero-Emission Vehicles Factbook](#)

<sup>11</sup> **Bloomberg:** [China reaches consensus with US on climate issues](#)

<sup>12</sup> **United Nations:** [COP26 closes with compromise deal on climate](#)