

# COP26

Key takeaways  
from week 1



# COP26 in brief

COP26 is the 26<sup>th</sup> annual UN Climate Change Conference, which started in Glasgow on October 31 and will run until November 12. Dominating news headlines all this week, its purpose is to bring parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. The conference is covering a range of discussion areas across finance, energy, transport, nature and many more. The main priorities promulgated are: securing net zero by 2050, keeping the 1.5°C temperature increase within reach, working together to protect communities and natural habitats, mobilising finance and accelerating collaboration to ensure climate goals can be met, faster.

One hundred and ninety world leaders and tens of thousands of negotiators, government representatives, businesses and citizens have come together. Its deemed to be a summit of 'urgent importance'. From Heads of State and Heads of Banks to Prince Charles and David Attenborough, many have addressed the conference. We've heard lots of promises, ideas, plans and pleas. The conference has also delivered some negative headlines including protests, marches and rallies from multiple environmental groups, damaged train lines, inaccessible access for disabled attendees, overcrowding preventing important delegate entry and no shows by Xi Jinping, Vladimir Putin and Tayyip Erdogan.



# What are the key takeaways from week 1?

With the long-awaited and much anticipated first week of COP26 now behind us, what are the biggest takeaways so far?

## 1. Net Zero Pledges

90% of the world economy is now covered by net zero commitments which is a huge increase from the 30% level over a year ago. India has stated it will only reach net zero by 2070, which is two decades after the target. Despite this, various climate models have calculated that, based on the new pledges, we may now be on track to warming of 1.8 or 1.9°C as opposed to the previous 2.2 – 2.9°C estimates. This still falls far below the 1.5°C lower limit set out in the 2015 Paris Climate Agreement, and so many are hoping that throughout the course of COP26 China – and others – will make bolder statements to enable 1.5°C to be a legitimate goal.



## 2. New Pacts – The Global Methane Pledge, Glasgow Leaders' Declaration on Forest and Land Use and Global Coal to Clean Power

Nearly 90 countries comprising two-thirds of the global economy, and half of the top 30 major methane emitter countries – have joined the effort to slash emissions from methane greenhouse gases by 30% by 2030 (from 2020 baseline). This joint agreement by the EU and the US could be crucial in keeping the global temperature below 2°C given that methane is responsible for at least a quarter of today's global warming. Unfortunately, China, India and Russia have not yet joined the pact. Additionally, over 100 global leaders – covering 90% of the world's forests – have pledged to halt and reverse deforestation and land degradation by 2020 including China, Brazil and Russia. Thirdly, under the Global Coal to Clean Power statement, 77 signatories comprising 46 countries have joined together to accelerate a transition away from coal in a way that benefits workers and communities and ensures access to affordable, reliable, sustainable and modern energy for all 'as soon as possible'. Unfortunately, the 'as soon as possible' is a weaker target than the anticipated 2030 deadline and the US have so far failed to sign the agreement.



## 4. Funding

There have been several noteworthy announcements in relation to finances and funding this week including 450 of the world's biggest banks and pensions funds, with assets worth \$130 trillion, committing themselves to the goal of limiting greenhouse gas emissions. Additionally, Alok Sharma has claimed that the \$100bn climate aid target, which should have been met in 2020, will be met by 2022. Furthermore, over 20 countries have committed to halting all financing for fossil fuel developments overseas and diverting it to spending on green energy from next year (this excludes existing projects and fossil fuel project 'at home'). Finally, the US, UK, France, Germany and the EU have pledged \$8.5m to help South Africa finance a quicker transition from coal – although a positive development, this has led other countries such as Singapore to argue that they require similar financing.

## 3. Glasgow Breakthrough Agenda

Over 40 leaders have made a commitment to work together this decade to accelerate the development and deployment of the clean technologies and sustainable solutions needed to meet the Paris Agreement goals, ensuring they are affordable and accessible for all. Leaders that have signed up have also committed to discussing the global progress every year starting in 2022. The first five targeted breakthroughs are: clean electricity, electric vehicles, green steel, hydrogen and sustainable farming. There are several initiatives supporting each of these breakthroughs including GGI-OSOWOG – an initiative to mobilise political will, finance and assistance to interconnect continents and to maximise the power of renewable energies.







# What's next?

As anticipated the first week of COP26 has provided the opportunity for bold statements. The Energy Transition Commission has even finished the week by stating that the avalanche of commitments and initiatives seen – if fully delivered – would amount to 40% of the emissions cuts needed by 2030 to keep the world on track to a maximum of 1.5°C of global heating. However, the key will be when negotiations are finalised and actual outcomes are announced at the end of next week. In terms of the week ahead, we welcome the focus on: solutions and adaption to losses and damage from climate impact, gender equality, science and technology, transport and the built environment.

The conference finishes on Friday 12<sup>th</sup> November – carved out in the programme for 'closure of negotiations'. We are looking forward to hopefully reporting at the end of next week on several definitive, absolute and binding agreements ensuring a much greener, and sustainable, world for us as individuals and as businesses.

Are you keen to keep up-to-date and explore more about what COP26 means for your business? You can follow us at #DentonsRoadToCOP26 on LinkedIn and visit our **COP26** and **ESG** websites.

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