

Quick Assessment of COP26 Outcome: progress or not?

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Like any multilateral process, the COP26 package is a compromised outcome that was agreed to by 195 Parties. There is no way any region or constituency would expect to get decisions ‘word by word’ as per their proposals. COP26 could have delivered more ambition should India and China not water down the specific decision on coal and fossil fuel subsidies in the last minute, but there was huge risk there would be no agreed outcome (like in Copenhagen in 2009) should India and China decided not to support. My personal assessment is that the COP26 outcome is a balanced package for all parties, and a strong collective package in response to Pacific SIDS priorities since COP21. **Rating: 7-8/10**, just below the Paris outcome at COP21 in 2015.

Key features:

1. **Paris Rulebook** is now finalised with the COP26 package, since COP24 in Katowice in 2018 when the Paris Rulebook was first adopted followed by no agreement at COP25.
2. The end goal of **limiting 1.5 degrees is widely accepted in the COP26 package**, including for the first time ‘all Parties welcoming the recent IPCC Working Group 1 report’, ‘deciding to establish a work programme on Mitigation to mobilise enhanced emissions reduction by 2030’, and ‘urging Parties that have not yet done so to submit their enhanced NDCs and net zero by 2050 commitments before COP27’.
3. First time for **Loss and Damage to feature prominently in any COP and now being part of the Subsidiary Body for Implementation agenda**, as demonstrated through the ‘establishment of the **Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of activities** to avert, minimize and address loss and damage with a deadline to conclude its work by June 2024; and ‘further operationalisation of the work of Santiago Network on Loss & Damage through funding support to mobilise necessary technical assistance’.
4. Although not an agenda in the UNFCCC COP, **first time for any COP cover outcome to have three decisions on Oceans**: (i) welcoming the reports by the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA) on the ocean and climate change dialogue convened in December 2020 as requested at COP25; (ii) inviting the relevant work programmes and constituted bodies under the UNFCCC to consider how to integrate and strengthen ocean-based action in their existing mandates and workplans and to report on these activities; and (iii) convening **an annual dialogue under SBSTA starting in June 2022 to strengthen ocean-based action** and to prepare an informal summary report for consideration at subsequent COP sessions.
5. On Finance, for the first-time developed countries have acknowledged their failure to deliver the USD100bn by 2020 and have agreed to correct that before 2023 through the ‘Climate Finance Delivery Plan’ jointly developed by Germany and Canada. In addition, the decision also called for ‘**doubling of adaptation finance**’. The COP decision also ‘urges the operating entities of the Financial Mechanism (GCF, GEF and Adaptation Fund), multilateral development banks and other financial institutions to further **scale up**

investments in climate action and calls for a continued increase in the scale and effectiveness of climate finance from all sources globally, including **grants and other highly concessional forms of finance**. Further, the Glasgow Pact establishes a **new Ad hoc Work Programme** to deliberate on the new collective quantified climate finance goal post-2025, complemented by **annual ministerial dialogue** to take stock of progress. Finally, there will be **continued discussions on long-term climate finance (delivery of USD100bn) up till 2027**.

6. Despite India watering down (in the last minute) the decision on coal changing from ‘phasing-out’ to ‘phasing-down’, and phasing out fossil fuel subsidies, this is the **first time for any COP decision to actually reference coal or phase-out of fossil fuel subsidies**. In past COPs there was no agreement on any specific reference to coal or phasing out fossil fuel subsidies.
7. This is the **first COP after 2015 in Paris (COP21) that the collective Pacific SIDS voices through our Leaders, Political Climate Champions and technical negotiators were loud in the negotiations, bilateral meetings, side events and plenary**. For example, the decisions related to Loss and Damage and Oceans were initiated by PSIDS. PSIDS voice across the range of Climate Finance agenda items was strong resulting in PSIDS texts being taken on board in the final COP outcomes on climate finance-related items. This is despite the fact our PSIDS negotiators and Ministers were significantly outnumbered by other developing country regions and by developed countries.

Annex 1. Summary of what we got out from COP26 based on agreed Pacific SIDS priorities

1. Oceans work to be advanced in the UNFCCC

| Key Asks | What we had prior to COP26 | What we got from COP26 |
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| <p>Proposal initiated by Fiji (Ocean Champion) and the Friends of the Ocean</p> <p>Requests the SBSTA Chair to hold a recurring dialogue, starting at [SB57] [COP27], to continue to strengthen ocean-climate action, and invites the SBSTA Chair to report back to the COP at the same session [at an informal event], as well as to provide a summary report on the dialogue considering also, as appropriate, submissions and other inputs from Parties and observers.</p> <p>Decides that the recurring dialogue mentioned above will be organized every year until [COP29][2024], in conjunction with the [Conference of the Parties][SB sessions], and that COP29 will consider its follow up modalities, on the basis of the relevant reports of the Chair of the SBSTA and other relevant inputs.</p> | <p>At the COP25 there was only 1 decision on Ocean.</p> <p>COP25 called for a one-off dialogue on Ocean-Climate nexus, which was conducted in December 2020</p> | <p>At COP26, there are three dedicated decisions related to Ocean in paragraphs 58, 60 and 61 of the COP26 Cover Decision.</p> <p>Invites the Chair of the Subsidiary Body for Scientific and Technological Advice (SBSTA) to hold an annual dialogue, starting at the fifty-sixth session of SBSTA (June 2022), to strengthen ocean-based action and to prepare an informal summary report thereon and make it available to the Conference of the Parties at its subsequent session.</p> <p>Fact: Fiji's proposal (with support from the Friend of the Ocean) has influenced this decision.</p> |

2. Dedicated financing for Loss and Damage & Operationalisation of the Santiago Network on Loss and Damage

| Key Asks | What we had prior to COP26 | What we got from COP26 |
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| <p>Proposal initiated by Tuvalu (Loss and Damage Champion) and Fiji with support from AOSIS and G77+China</p> <p>Call for dedicated financing facility for Loss and Damage</p> | <p>No dedicated financing window for Loss and Damage.</p> <p>No support from developed country Parties that financing for Loss and Damage should be separate</p> | <ul style="list-style-type: none"> Urges developed country Parties, the operating entities of the Financial Mechanism (GCF, GEF & Adaptation Fund), UN entities and IGOs and other bilateral and multilateral institutions, including NGOs and private sources, to provide enhanced and additional |

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| | from Adaptation financing, or even agreeing to a process to discuss this. | <p>support for activities addressing loss and damage.</p> <ul style="list-style-type: none"> Decides to establish the Glasgow Dialogue between Parties, relevant organizations and stakeholders to discuss the arrangements for the funding of loss and damage starting in 2022 and concluding its work in June 2024. |
| Full operationalisation of the Santiago Network and other governance arrangements related to the Warsaw International Mechanism on Loss and Damage | Santiago Network established at COP25 was basically a website | <ul style="list-style-type: none"> Decides on a process to further develop the institutional arrangements of the Santiago Network. Decides on the functions of the Santiago Network. Considerations related to the governance of the Warsaw International Mechanism will continue at COP27. Decides that the Santiago network will be provided with funds (funded by developed countries) to support technical assistance for the implementation of relevant approaches to avert, minimize and address loss and damage. <p>Fact: PSIDS leadership has resulted in the agreement for a process to start discussing dedicated funding arrangements for Loss and Damage.</p> |

3. Limiting Global Warming to 1.5 degree Celsius above pre-industrial levels (key part of Climate Ambition)

| Key Asks | What we had prior to COP26 | What we got from COP26 |
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| <p>Under the leadership of RMI (Climate Ambition Champion) and chair of the High Ambition Coalition</p> <p>1.5 degrees to stay alive</p> | No agreement that 1.5 degrees is the end goal to safeguard humanity. | <ul style="list-style-type: none"> Recognizes that the impacts of climate change will be much lower at the temperature increase of 1.5°C compared with 2°C and <u>resolves</u> to pursue efforts to <u>limit the temperature increase to 1.5°C.</u> |

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| <p>Welcome recent IPCC Working Group 1 report</p> <p>Urgency to for parties to submit enhanced NDCs and net zero by 2050 targets.</p> | <p>No agreement to ‘welcome’ previous IPCC reports (e.g., on 1.5C of warming etc.) except to ‘note’.</p> | <ul style="list-style-type: none"> • Welcomes the contribution of the IPCC Working Group 1 report. • Recognizes 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 <u>45 per cent by 2030 relative to the 2010 level and to net zero around mid-century</u>, as well as <u>deep reductions in other greenhouse gases</u>. • Decides to establish a work programme to urgently scale up mitigation ambition and implementation in this critical decade and requests the SBI & SBSTA to recommend a draft decision on this matter for consideration and adoption at COP27. • Requests Parties to revisit and strengthen the 2030 targets in their NDCs as necessary to align with the Paris Agreement temperature goal by the end of 2022. • Decides to convene an annual high-level ministerial round table on pre-2030 ambition, beginning at COP27. • Urges Parties that have not yet done so to communicate, by COP27 long term low greenhouse gas emission development strategies towards just transitions to net zero emissions by or around mid-century. • Calls upon Parties to accelerate the development, deployment and dissemination of technologies, and the adoption of policies, to transition towards low-emission energy systems, including by rapidly scaling up the deployment of clean power generation and energy efficiency measures, including accelerating efforts towards the phasedown of unabated coal power and phase-out of inefficient fossil fuel subsidies. |
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| <p>Under the leadership of FSM, proposal to include phase-out of methane</p> | <p>There was no specific decision related to the phase out of methane gas, second largest polluting gas in the atmosphere after carbon dioxide</p> | <p>Invites Parties to consider further actions to reduce by 2030 non-carbon dioxide greenhouse gas emissions, including methane.</p> <p>Fact: PSIDS leadership has led to COP26 delivering a package that will enable tracking of emissions reduction by 2030 towards 1.5 degrees. Additional GHGs such as methane are also included.</p> |
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4. Delivery of USD100bn, improved access to global climate funds, deliberation on new quantified goal post-2025 & increased financing for adaptation

| Key Asks | What we had prior to COP26 | What we got from COP26 |
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| <p>Under the leadership of Fiji and Palau (who made verbal interventions and written submissions in the finance negotiations) with remote support from Cook Islands, PSIDS texts (in support of AOSIS) have been taken on board in the final COP, CMA and CMP related decisions on Finance.</p> <p>Delivery of the USD100bn and ensuring the work programme on Long Term Finance which tracks the delivery of this finance goal is extended beyond 2020, which was the original deadline.</p> | <p>No acknowledgement by developed countries that the collective climate finance mobilised falls short of the promised USD100bn.</p> <p>No clear Delivery Plan</p> <p>No urgency in scaled up finance by developed countries.</p> <p>No agreement by developed countries to extend the Long-Term Finance programme post-2020.</p> <p>Developing countries pushing for the Long-Term Finance extension up until 2025.</p> | <ul style="list-style-type: none"> • Notes with deep regret that the goal of developed country Parties to mobilize jointly USD 100 billion per year by 2020 in the context of meaningful mitigation actions and transparency on implementation <u>has not yet been met</u>, and welcomes the <u>increased pledges made by many developed country Parties and the Climate Finance Delivery Plan: Meeting the US\$100 Billion Goal</u>. • Decides that continued discussions on <u>long-term climate finance will conclude in 2027</u>. • Requests the Standing Committee on Finance to prepare a <u>report in 2022 on progress towards achieving the goal of mobilizing jointly USD 100 billion per year</u> taking into account the Climate Finance Delivery Plan and other relevant reports, for consideration at COP27. • Decides to convene biennial high-level ministerial dialogues on climate finance in 2022, 2024 and 2026. |

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| <p>Deciding on an inclusive and transparent process (Adhoc Working Group instead of a small technical committee) to deliberate on the new collective quantified climate finance goal and to agree on the new goal by 2023.</p> | <p>There was no discussion on the new quantified goal at COP25, except at COP24 in 2018 which decided to initiate discussions on the new collective quantified climate finance goal at CMA3 in Glasgow.</p> | <ul style="list-style-type: none"> • Decides to initiate the deliberations on setting a new collective quantified goal and to conduct the deliberations in an <u>open, inclusive and transparent manner, ensuring participatory representativeness.</u> • Decides to establish an ad hoc work programme from 2022 to 2024 under the CMA to be facilitated by co-chairs, one from a developed country and one from a developing country. • Decides to conduct <u>four technical expert dialogues per year</u> as part of the ad hoc work programme. • Decides to convene high-level ministerial dialogues starting in 2022 and ending in 2024, ensuring effective political engagement and open, meaningful and robust discussion, to be informed by the reports of the technical expert dialogues. • Invites submissions from Parties and organisation on the key elements of the focus of the ad hoc work programme and scope of the deliberations on the new quantified goal by Feb and Aug 2022. |
| <p>Significantly increase adaptation finance & need to balance funding for adaptation and mitigation</p> | <p>There was acknowledgement on the need for developed countries to continue efforts to balance financing for adaptation and mitigation.</p> | <ul style="list-style-type: none"> • Urges developed country Parties to <u>urgently and significantly scale up their provision of climate finance</u>, technology transfer and capacity-building <u>for adaptation.</u> • Urges developed country Parties to at least double their collective provision of climate finance for adaptation to developing country Parties from 2019 levels by 2025. |
| <p>Adaptation Fund (PSIDS submission below):</p> <ul style="list-style-type: none"> • Welcome increase of country cap from USD10m to USD20m | <p>AOSIS does not have a collective position on the Adaptation Fund report. PSIDS never made any</p> | <ul style="list-style-type: none"> • New financial pledges to the Adaptation Fund equivalent to USD356 million – highest ever compared to previous COPs. |

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| <ul style="list-style-type: none"> • Welcome increase of NIE per country from one to two. • Defer decision on Adaptation Fund Board membership until the proceeds from the Markets Mechanism under Article 6 becomes available. • Welcome operationalisation of fast-tracking accreditation process, which resulting in SPC’s recent accreditation as a regional implementing entity to the Adaptation Fund and Micronesian Conservation Trust re-accreditation. • Finalisation of next resource mobilisation strategy to ensure assurance and predictability that the AF will still have funds for concrete adaptation. | <p>written proposal or verbal interventions on the Adaptation Fund in the past recent COPs.</p> | <ul style="list-style-type: none"> • Welcomes with appreciation the decision of the Adaptation Fund Board to increase the finance access cap per country from USD 10 million to USD 20 million and the number of accredited national implementing entities per eligible developing country Party from one to two (entire PSIDS text). • Requests SBI to continue its consideration of matters relating to membership of the Adaptation Fund Board and to forward a recommendation to the CMP at its next session in Nov 2022. • Welcomes the operationalization of the fast-track accreditation process on the basis of operational complementarities between the Adaptation Fund and the Green Climate Fund (PSIDS text). • Takes note of the findings from the midterm review of the Medium-Term Strategy of the Adaptation Fund for 2018–2022 and <u>underlines the relevance, niche function and ambition of the Adaptation Fund</u> in contributing to the implementation of adaptation action (entire PSIDS text). • Notes the importance of finalizing the draft resource mobilization strategy of the Adaptation Fund for 2021–2024 in order to encourage mobilization of resources for the Fund (entire PSIDS text). |
| <p>Green Climate Fund (PSIDS submission below):</p> <ul style="list-style-type: none"> • Simplified access and accreditation processes. • Strengthen access for local private sector organisations. | <p>There was no specific decision related to enhanced access for local NGOs and private sector.</p> | <ul style="list-style-type: none"> • Reiterates the request to the Board to <u>continue efforts to maintain the balance in the allocation of resources between adaptation and mitigation</u> (PSIDS text). • Encourages the Board to strengthen country ownership and <u>regional management</u> by |

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| <ul style="list-style-type: none"> • Balanced allocation for adaptation and mitigation. • Push for regional presence and management. • Inclusion of loss and damage support in both COP and CMA decisions, including using GCF readiness grants to assist developing countries to develop loss and damage related plans, guidelines and responses. • Ensure GCF financing for adaptation does not add further to country debt levels. • Recognise co-financing constraints of PSIDS. • Need for programmatic approach. <p>AOSIS was pushing for funding support for parametric insurance to address loss and damage, and a small grants facility for local NGOs and just workforce transition.</p> | | <p>proactively engaging national designated authorities in all aspects of the project and programme cycle (PSIDS text reflected).</p> <ul style="list-style-type: none"> • Provide financial resources for activities relevant to averting, minimizing and addressing loss and damage in developing country Parties consistent with the existing investment results framework and funding windows and structures of the Green Climate Fund, including through the Project Preparation Facility and the Readiness and Preparatory Support Programme (PSIDS text reflected in both COP and CMA decisions). • Urges the Board to prioritize closing the policy gaps as a matter of urgency, including updating the <u>accreditation framework</u> including approving the project-specific assessment approach, updating the <u>simplified approval process</u>, <u>approving the policy on programmatic approaches</u> (PSIDS text reflected). • Urges the Board explore diversifying its selection of financial instruments for addressing climate risk including <u>parametric insurance for climatic events</u>. • Invites the Board to consider ways of improving access to the Fund for <u>local non-governmental and private sector organizations</u> (PSIDS text to include local private sector organizations). • Requests the Board to continue to <u>enhance support for the implementation of adaptation projects and programmes</u>, in line with the governing instrument, informed by national adaptation plans and other voluntary |
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| | | <p>adaptation planning processes, adaptation communications including those submitted as components of NDCs as applicable, with a view to contributing to the global goal on adaptation to enhance adaptive capacity and strengthen resilience and reduce vulnerability to climate change and in line with the guiding principles and factors for determining terms of financial instruments¹ (PSIDS pushed strongly for this acknowledgement with pushback from African Group and USA).</p> |
| <p>Global Environment Facility (PSIDS submission below):</p> <ul style="list-style-type: none"> • Ensure co-financing is not a pre-condition for project approval by the GEF. • Enhanced access to the GEF Capacity Building Initiative for Transparency (CBIT). • Supported AOSIS push for a new SIDS funding window under the GEF, similar to the GEF LCD Fund. | <p>Co-finance proportion was 1:9.</p> <p>Only 1 PSIDS has accessed the GEF CBIT and the average time takes 14 months.</p> <p>There has never been any discussion on a SIDS funding window under the GEF.</p> | <ul style="list-style-type: none"> • New contributions made by developed country Parties to the <u>Least Developed Countries Fund</u>, amounting to USD 605.3 million. • Encourages the Global Environment Facility, as part of the eighth replenishment process, to duly consider ways to <u>increase the financial resources allocated for climate action, including the climate change focal area and climate co-benefit</u>. • Recognizes that the <u>Global Environment Facility does not impose minimum thresholds and/or specific types or sources of co-financing or investment mobilized in its review of individual projects and programmes</u> (PSIDS text reflected). • Invites the Global Environment Facility to consider <u>increasing the funding ceiling per project for its Small Grants Program</u> to provide adequate financial and technical support to <u>communities and civil society organizations</u>. |

¹ This is specific GCF Board decision that relates to ensuring adaptation financing does not add further to national debt. Contained in Green Climate Fund document GCF/B.05/07 Annex 3 Available at <https://www.greenclimate.fund/document/guiding-principles-and-factors-determining-terms-financial-instruments>

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| <p>Standing Committee on Finance (PSIDS submission below, noting AOSIS does not have a collective position on this):</p> <ul style="list-style-type: none"> • Need for an agreed multilateral decision on climate finance to make it easy for reporting and tracking developed country Parties' delivery of the USD100bn. • Developed country Parties to harmonise their reporting and tracking methodologies for the delivery of climate finance. | <p>COP25 requested the Standing Committee on Finance to seek Parties' inputs on the operational definition of climate finance. Unfortunately, there is not a common multilateral definition of climate finance.</p> | <ul style="list-style-type: none"> • Calls upon developed country Parties and other climate finance providers to continue to <u>enhance the harmonization of methodologies for tracking and reporting climate finance provided and mobilized</u> (PSIDS text reflected). • Requests the Standing Committee on Finance to <u>continue its work on definitions of climate finance</u>, taking into account the submissions received from Parties on this matter, with a view to providing input for consideration at COP27. |
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5. Environmental Integrity (relates to the Markets Mechanism in Article 6 of the Paris Agreement)

| Key Asks | What we had prior to COP26 | What we got from COP26 |
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| <p>Under the leadership of Palau (Environmental Integrity Champion) and AOSIS, some of the key issues were:</p> <ul style="list-style-type: none"> • Ensure the cooperative approaches agreed to in Article 6 increase mitigation ambition towards 1.5 degree Celsius and not compromise environmental integrity. • Avoid double counting. • No credit carryover from Kyoto Protocol. • Proceeds from sales of carbon credits to support the Adaptation Fund to fund concrete adaptation in vulnerable developing countries. | <p>At the COP25 there was no agreement on Article 6 related issues (one key outstanding element that delayed the finalisation of the Paris Rulebook).</p> <p>Only 2% of proceeds from the sale of Certified Emissions Reduction under the Kyoto Protocol Clean Development Mechanism goes to the Adaptation Fund</p> | <ul style="list-style-type: none"> • Decides that <u>double counting be avoided</u>. • <u>Ensuring environmental integrity</u> including: <ul style="list-style-type: none"> ○ That <u>there is no net increase in global emissions</u> within and between NDC implementation periods; ○ Through <u>robust, transparent governance and the quality of mitigation outcomes</u>; and ○ By minimizing the risk of non-permanence of mitigation across several NDC periods and when reversals of emission removals occur, ensuring that these are addressed in full. • 5% share of proceeds to assist developing countries that is levied shall be <u>delivered to the Adaptation Fund</u>. |