

Someone once said; one small step for man, one giant step for mankind. COP26 might be seen as another small step, but the giant step for humankind (in COP language), of achieving the goal set by country Parties in 1990, in the UN Framework Convention on Climate Change, still seems far away.

The objective of the Convention is “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a timeframe sufficient to allow ecosystems to adapt naturally”.

The current scientific consensus, as evidenced by the International Panel on Climate Change (IPCC), 234 scientists from 66 countries, warned that human influence has warmed the climate at a rate that is unprecedented in at least the last 2000 years. It further warned that global warming of 2 degrees centigrade will be exceeded during the 21<sup>st</sup> century unless rapid and deep reductions in CO<sub>2</sub> and other greenhouse gas emissions occur in coming decades. The consequences in terms of extreme weather events would likely be devastating.

The imperative has been to keep warming at or below 1.5 degrees, yet increases of 1.1 degrees have already occurred.

Against this background, the outcomes document from Glasgow seems underwhelming. Efforts to get country Parties to agree to binding reductions were abandoned years ago. The last such agreement, with binding targets and which only applied to developed economies, was in 1997 at Kyoto (COP3). The challenge to include the major developing economies failed in Copenhagen in 2009 (COP15) and the alternative of voluntary commitments, within a legal structure, was adopted in Paris in 2015 (COP21). The outcomes resolution at Glasgow, now known as the Glasgow Climate Compact, is not legally binding.

## **Mitigation**

Nevertheless, at Glasgow, the 197 parties to the Convention, whilst reiterating the Paris goals, did resolve to pursue efforts to limit the temperature increase to 1.5 degrees and recognised that this would require, among other things, reducing CO<sub>2</sub> emissions by 45 percent by 2030 relative to the 2010 level and to net zero around mid-century.

For the first time, member Parties made specific reference to coal, when urging the rapid scaling up of clean power generation and accelerating the phasedown of unabated coal power. Parties also called for accelerating the phase out of inefficient subsidies for fossil fuels. It's worth noting that parties, agreeing by consensus, have never been able to address natural gas in the same way.

Importantly, parties emphasised the importance of protecting, conserving and restoring nature and ecosystems, including forests and other terrestrial and marine ecosystems, to help achieve the goal of the Convention by acting as sinks and reservoirs of greenhouse gases. Nature based solutions are back in vogue, which can only be a good thing as country Parties strive for net zero.

## **Climate finance**

Member states recognised that the impacts of climate change are already being felt in every region, and emphasised the urgency of scaling up action and support, including finance, capacity building and technology transfer, to enhance adaptive capacity, strengthen resilience and reduce vulnerability to climate change. The conference recognised that current finance

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for adaptation remains insufficient to respond to worsening climate change impacts in developing country Parties and urged a scaling up of contributions.

In particular, in relation to both mitigation and adaptation, it was recognised that the Paris Finance Delivery Plan pledges of US\$100 billion per year had not been met. The outcomes document urged developed countries to meet their commitment and stated that for the future there would need to be support significantly above that sum.

## **Loss and damage**

For the first time there is an acceptance that there must be a mechanism to address the loss and damage associated with the adverse effects of climate change in vulnerable developing country parties. A process to create such a mechanism has been agreed.

## **International carbon trading**

Article 6 of the Paris Agreement established a mechanism to allow for the use of internationally transferred mitigation outcomes towards nationally determined contributions. At Glasgow, six years later, the Rule Book was finally agreed. Whilst contentious, this is important, because it can facilitate mitigation actions in large developing countries, which will ultimately determine whether the goal of the convention is achieved.

## **Enhanced ambition**

The Glasgow conference stressed the urgency of enhancing ambitions. In Paris, Parties committed to the aim of reaching global peaking of greenhouse gas emissions as soon as possible. Developed countries would do this by undertaking economy wide absolute emissions targets and by continually enhancing mitigation efforts. Developing countries would enhance their mitigation efforts and were encouraged to move over time towards mitigation reductions. The mechanism would be progressive targets.

Paris pledges proved to be insufficient to meet the Convention goal, with scientists now predicting temperature rises of between 2.5 and 2.7 degrees by the end of the century. Furthermore, many Paris commitments, albeit volunteered, have not been met.

Now country Members have been asked by the end of next year to improve their 2030 national climate targets.

## **In the corridors**

Because the Glasgow compact is largely a statement of aspirations, what happens in the corridors might be just as important. This was the case at COP 26 where a number of side agreements and other political statements reflect changing political dynamics.

First, a bilateral agreement between the US and China to do more to cut emissions this decade. As the two largest emitters in the world, and given recent enmity, this could be very significant.

Secondly, a commitment by the leaders of 100 countries to end deforestation by 2030. Whilst there has already been pushback, if implemented, this could be the most significant breakthrough since the signing of the Convention.

Thirdly, more than 100 countries agreed to cut methane emissions by 30 percent by the end of this decade. Given the greenhouse potency of methane, this would also be very significant. Methane also gets its first mention in the Pact.

Fourthly, China which emits 30 percent of global greenhouse gasses, agreed to phase down coal starting in 2026. It had already set a net zero target by 2060.

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Fifthly, India the world's third largest emitter, set a net zero target by 2070 and pledged that half of its energy would come from sources other than fossil fuels by 2030. On the other hand, the Indian Prime Minister Narendra Modi called for financial contributions from the developed world to be substantially increased to contribute to the economic restructuring of developing nations. His demand for US\$1 trillion for India alone, underlines the continuing north/south divide on climate equity.

## Conclusions

Global governance, as evidenced by the challenge of moving 196 country parties, and the EU, in the one direction, at the one time, is challenging to say the least. When the challenge is the largest economic restructuring of the global economy since the industrial revolution, it might seem to be impossible. Yet one small step at a time, change is occurring. Glasgow was another step.

The problem is that the target is not static. The International Energy Agency's latest communication sees current forecasts for coal consumption bouncing back to record high levels. Natural gas is also at its high point and oil consumption will increase above pre Covid levels. Prices reflect this reality.

On the other side of the ledger, Bloomberg's New Energy Finance reminds us that since the Paris accord of 2015, more than US\$2.2 trillion has been invested in solar, wind, batteries and other renewable technologies. Moreover, Tesla is now worth more than US\$1 trillion, dwarfing the market value of the world's legacy carmakers.

Change is occurring. Even Australia, still one of the world's most carbon intense economies, has signed on to net zero by 2050. But the biggest challenge is not in the developed world. It's how the big developing countries can achieve the economic growth to which they reasonably aspire, from a model other than the one which has served the developed world so well.

COP27, Egypt, next year.



### **Hon Robert Hill AC**

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