

# What is COP26?

COP26 refers to the 26th Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC); parties have met annually since 1995 (COP1) to assess progress in dealing with climate change.

COP26, originally due to be held in November 2020 but postponed due to the Covid-19 pandemic, will be held in Glasgow, UK; some 25,000 people are expected to attend from Oct 31 to Nov 12.

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PHOTO: BLOOMBERG

### WHY IT MATTERS:

COP26 has taken on a particular urgency, with the effects of climate change – such as floods and forest fires – intensifying.

COP26 builds on the Paris Agreement that came out of COP21 (2015); 196 parties agreed to limit global warming to between 1.5 and 2 degrees Celsius, compared to pre-industrial levels, by cutting their greenhouse gas emissions until they reach net-zero emissions by 2050.

But, such plans – known as Nationally Determined Contributions (NDCs) – have not been effective in keeping the world on track towards achieving its goal. A number have updated their plans with more aggressive action, just ahead of COP26 – and the conference will likely see others following suit. Changes include:

- Quicker coal/fossil-fuel phase-out
- Reducing deforestation even further
- Speeding up the switch to electric vehicles (EVs)

Any commitments made could affect the way organisations operate and the way people live.



PHOTO: REUTERS

### WHAT TO WATCH OUT FOR:

- How countries balance their Covid-19 recovery plans and their green commitments
- China and India’s commitments to phase out coal, cut emissions
- Efforts made by developed nations to support developing nations and those most vulnerable to climate change
- Developments on carbon markets and climate finance



PHOTO: AFP

### HOW CLIMATE FINANCE & THE INVESTING COMMUNITY CAN PLAY A PART:

The road to net-zero will be costly and require substantial financial commitment on the part of governments and financial institutions around the world.

- The OECD estimates US\$78.9bn of climate finance was mobilised in 2018
- Developed countries must now deliver on promises to raise at least US\$100 billion every year in climate finance to support developing countries
- Jurisdictions have to work towards releasing the estimated trillions of dollars in private and public sector finance that are needed

Regulators, corporations and investors have to align their actions with net-zero goals.

- Companies have to be transparent about the risks and opportunities that climate change and the shift to a net-zero economy pose to their business
- Banks, insurers and investors need to ensure their investments and lending is aligned with net-zero goals
- Central banks and regulators have to support the transition and ensure their financial systems are able to withstand the impacts of climate change
- They can signal their commitment through alliances such as “Race To Zero”, which is the world’s largest net zero alliance, with over 3,800 members - representing over 15 per cent of the global economy, 1 billion people, and 21 per cent of the world’s biggest companies - committed to achieving net-zero emissions by 2050