



INTERNATIONAL SUSTAINABLE FINANCE CENTRE

Post-COP26 briefing

A race against the clock



November 2021



Post-COP26 report: Race against the clock

This short report is ISFC's analysis of the COP26 negotiations and their outcomes. After an introductory brief analysis of the conference, individual sections present a shortlist of impressions, key takeaways, and interesting panel discussions that happened during the conference.

Aims of the conference

COP26, the fifth UNFCCC climate conference after the Paris COP21 in 2015, had the following [goals](#):

1. **Secure international commitment to reach net zero by mid-century and keep global warming to 1.5C**
Accelerate the coal phase-out / Curtail Deforestation (Article 6) / Scale up investment in electric mobility and renewables
2. **Adapt to protect communities and natural habitats**
Protect and restore ecosystems / Make infrastructure and agriculture resilient to avoid loss of livelihoods
3. **Mobilise finance**
Mobilise USD 100bn commitment for developing countries / Achieve greater commitments from the financial sector for the achievement of net-zero
4. **Work together to deliver**
Finalise the Paris Rulebook for limiting global warming to 1.5 degrees / Accelerate collaboration on phasing out gas and other issues

What happened at COP26 and what to expect next?

Overview

The UNFCCC's Conference of the Parties (COP26) in Glasgow was one of the largest COPs this far, bringing together over 40,000 people. It also reflected the growing realisation that the private sector will be crucial for achieving the economic transformation necessary to avert disastrous climate change effects. Unlike previous COPs, this meant that private sector perspectives and messages were dominant, with a lot less space for expert input from climate scientists and sustainability experts.

It also saw the launch of many new alliances, including the [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#), which adds to the myriad of existing emission reduction and net zero target initiatives, all of which use different arrangements. The sheer amount of private sector representatives at COP, including companies with heavy emissions, demonstrated the ongoing lobbying efforts that are at odds with what we need for meeting the Paris Agreement goals.

The main issue that was not resolved at COP26 is the fact that companies' emissions-cutting plans do not oblige them to change their behaviour any time soon, and that there are no mechanisms to hold senior executives accountable for decarbonisation performance. A detailed debate about what fundamental changes will be made by the pledging institutions or within the financial system was lacking, as was any in-depth discussion about what changes we will need in terms of the business models. Club of Rome describes this as a necessary shift from "financing change" to "changing finance".



The continuous focus on voluntary corporate and financial sector action has the risk of weakening the pressures for the badly needed government policy interventions. There is definitely more need for climate ambition and pledges to be accompanied by the introduction of more verifiable standards, mandatory and even audited reporting, as well as meaningful carbon prices. In addition, carbon offsets will need to be re-evaluated because of the current variability in standards and the fact that they allow companies to claim carbon neutrality without any change to their environmental performance in real time.

Some climate-vulnerable countries advocated for COP26 to create a new finance facility dedicated to the issues of loss and damage but developed countries such as the United States objected to such an arrangement. COP26 also showed a lack of trust between developed and developing nations. The loss and damages issues will grow in importance in future COPs. Developing countries will need significant financial resources to adapt and build their resilience to the impacts of climate change. National leaders agreed to mobilize USD 450 million for locally led adaptation initiatives in developing countries, while the Adaptation Fund raised USD 356 million in new pledges, including first-time contributions from the United States and Canada.

By the end of COP26, 151 countries had submitted new climate plans (NDCs) to curb their emissions by 2030. However, the United Nations has calculated that the current NDCs put the world on track for 2.5 degrees warming by the end of the century, not 1.5 degrees. The Glasgow Climate Pact did include the requirement for countries to consider actions to limit other non-CO2 gases such as methane. Coal was also an important discussion point, with a group of 46 countries, including the United Kingdom (UK), Canada, Poland and Vietnam, making commitments to [phase out domestic coal](#), while a further 29 countries including the UK, Canada, Germany and Italy committed to end new direct international public support for unabated fossil fuels by the end of 2022 and redirect this investment to clean energy.

Positive developments & future focus areas

- The launch of the International Sustainability Standards Board (ISSB) gives hope that some standardisation will be possible, eventually leading to harmonisation of rules and regulations that need to follow across different regions.
- The GFANZ pledges will create public pressure for the participating institutions to find ways how to meet the promises and decarbonise their portfolios. It offers an opportunity for non-governmental organisations (NGOs), activists and advocacy campaigns to name and shame the ones that are failing to meet their commitments, generating bad publicity and raising the pressure to improve performance.
- The drive towards the standardisation, measurement and data generation of environmental impact will also create pressures for greater transparency. Increasing attention will be paid to creating more transparency on supply chain impacts.
- There is a growing momentum that will eventually lead to the rise in capital costs and risks for carbon-intensive countries and companies amidst. This is happening due to greater investor activity, more corporate disclosure requirements, and developments in carbon trade instruments.
- The Glasgow Climate Pact which was signed at COP26 determines that revised or updated nationally determined contributions (NDCs) will be submitted as soon as possible before COP27, which will be hosted in Egypt in November 2022 – rather than every 5 years as originally envisioned.
- Climate justice will be an increasingly important topic going forward, as any raise in climate ambitions and implementable transition plans will require greater financial commitments to developing countries and the loss and damages issues will need to be addressed. Combined with new developments such as the EU's social taxonomy, there will be greater attention to tackling inequality and understanding social impact.
- Definitions of and review of what climate financing will be a major topic in the next few years, as a variety of actors will try to improve the environmental impact of their funding and investments.
- Non-financial data will be a major focus area, with new tech and consulting companies trying to help with non-financial reporting, data generation and analysis.

Banking and insurance

by David Němeček & Tushig Amarjargal

General impression

Private finance dominated COP26. It was the first COP which saw the presence of most major financial institutions from across the globe. The conference provided spotlight for a variety of announced alliances and initiatives aimed at achieving net zero or Paris alignment. The positive aspect of this proliferation is the fact that the pressure on large and often emission-heavy market participants will keep rising – financial regulation formed a core part of panel discussions. Unfortunately, although there was a rich civil society-led unofficial programme, the official agenda did not offer enough space for discussions about the role of civil society and its expert input into finance topics. Moreover, the conversation at COP was dominated by large financial institutions that have no operations in the Central and Eastern European region (CEE) – especially among banks (HSBC, Standard Chartered, BBVA), while not so much among insurers (AXA, Allianz). Also, no concrete attention was dedicated to the needs of the smaller clientele, such as SMEs and citizens – which is one of the key issues in the region. The conversation was predominantly on a macro level, failing to account for more regional or local contexts, and it did not offer a more granular analysis of issues and potential solutions.

Key takeaways

- **Concrete solutions ready for context-specific tailoring and implementation** – The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) published a high-level climate scenario analysis tool for banks and companies, the Glasgow Financial Alliance for Net Zero (GFANZ), the Prince of Wales' Sustainable Markets Initiative (SMI) and other initiatives are pushing for financial sector decarbonisation. Success will require the adjustment of the approaches and tools to the specific needs of individual countries and sectors, and their implementation by relevant institutions. At the same time, this effort should be coordinated across borders, well-structured (what Vang-Jensen from Nordea called “chopping up the elephant”), and evidence-led (Greek central bank established a platform of scientists to analyse the country's exposure to climate risks). Yet, in the CEE region, we still see a lot of fragmentation and a lack of willingness to take initiative. Currently, the Hungarian central bank is the most active central bank in the region when it comes to exploring “green” financing initiatives. A positive sign is also that regional branches of Erste, Société Générale and other commercial banks are trying to scale up climate-related work. Meanwhile, the Czech National Bank has not joined the NGFS, and KBC has not joined GFANZ yet.
- **Promising signs from the insurance sector on climate risk and decarbonisation** – Even though the biggest insurance companies (Aviva, AXA, Allianz, Generali) have announced pledges, there has not been enough ambitious action. Some exceptions are Swiss Re that applies the International Energy Agency scenario to its portfolios, and other active players, such as Scottish Windows or PensionBee, that have started divesting from emission-heavy assets. Willis Towers Watson has been working on creating new tools for measuring climate transition risk and value resilience, key for assessing transition efforts in the real economy and how institutional investors are deploying their money. Some voices raised the necessity to avoid the scenario of smaller insurance companies covering the gap after divestment. On a positive note, initiatives such as Insurance Development Forum prove that a broad consensus might be possible soon.
- **Questioning of divestment as an effective practice** – Even though the importance of divestment is emphasized by some experts, financial institutions have been questioning its effectiveness in decarbonising the economy. BBVA and Aviva argued that divestment is a measure of last resort, a stick when all other “carrots” have been ineffective. Divestment, from their standpoint, is a failure of engagement.

Banking and insurance

- Doubts about blended finance** – On the one hand, many private financing initiatives presented at COP their plan to scale up blended financing. On the other hand, some participants warned that the potential of this approach is often overestimated. Even successful development finance institutions have struggled to devise the optimal conditions for mobilising large amounts of private capital. This means that the strong messages about the need for public-private partnerships (PPPs) will need to be followed by rigorous debates about how to ensure that PPPs are well structured and deliver intended impact. The appropriateness of debt-financed solutions should be closely scrutinised since debt currently encumbers individuals and entire countries all over the world - including a growing number of citizens of the CEE region who are victims to the worsening energy poverty.

Key panels

Climate action in banking: sharing our progress, learnings, and challenges

Themes: Sustainability and banking, regulation vs. cooperative banking, financial sector shift, divestment vs. engagement

Speakers: Yannis Stournaras (Bank of Greece), Sandrine Dixson-Declève (Club of Rome), Nicolas Théry (Crédit Mutuel, European Association of Co-operative Banks), Alexandra Jour-Schroeder (DG FISMA), Carlos Torres Vila (BBVA), Frank Vang-Jensen (Nordea), Bill Winters (Standard Chartered), Andrew Bester (ING)

Link: [YouTube](#)

Laying the Foundations for a Net Zero Financial System

Themes: Financial supervision and regulation, reporting and disclosures, climate risk management, Paris-alignment

Speakers: John Glen (UK Treasury), Andrew Bailey (Bank of England), Nick Hill (UK Financial Conduct Authority), Erik Thedéen (Swedish Financial Supervisory Authority, International Organisation of Securities Commissions), Sarah Breden (Bank of England, NGFS), Andrew Baukol (US Treasury), Klaas Knot (De Nederlandsche Bank, Financial Stability Board)

Link: [YouTube](#)

The Insurance Industry: climate leaders or climate laggards?

Themes: Sustainability and insurance sector, coal phase-out, divestment, political influence

Speakers: Peter Bosshard (Insure Our Future), Joseph Sikulu (350.org), Lucie Pinson (Reclaim Finance)

Link: [YouTube](#)

Sustainable investing

by Julian Toth, Julian Stöckle & Kristína Černá

General impression

This year's COP extensively covered perspectives from investment professionals, gathering experts from the private sector and alliances as well as from public institutions. Asset managers and asset owners broadly recognised the need to rewire the global financial system to account for climate issues and natural capital. In particular, the role of global taxonomies and reporting standards in driving global market coherence was highlighted. A hot topic of debate was whether, how and to what extent governments, companies, and investors each can and should drive climate action. Even though the EU institutions were relatively strongly represented, especially through its own panels, representatives of the CEE region were vastly absent. Similarly, deliberations were often only remotely applicable to the CEE countries. Overall, the discussions were to a large extent fixated on the tremendous scale of assets committed to the net-zero and climate finance pledges, whereas debates about near-term action plans to accelerate the transition and methodologies to measure real impact were overshadowed or missing entirely.

Key takeaways

- **Concrete and effective action over pledges** - While the Glasgow Financial Alliance for Net Zero (GFANZ) represents assets worth \$130 bn and pledges to be able and willing to provide the necessary capital to finance the transition, its members must follow through with concrete and timely action steps. At the same time, clear and adequate frameworks must be put in place to ensure that capital is allocated where needed the most.
- **Financial system shift** - An overhaul of the global financial system is necessary to encourage sustainable investing. The announced International Sustainability Standards Board (ISSB), established by the International Financial Reporting Standards (IFRS) Foundation, will be working to provide a global baseline for sustainability disclosure standards. Its effect will depend on support from and application by the global community. So far, the ISSB is supported and planned to be implemented by the UK, but a broader buy-in from the EU, the US, Asian countries, and the Global South are imperative and at this stage, quite likely.
- **Global taxonomies** - In defining sustainable economic activities, the EU Taxonomy serves as powerful tool for investors to frame their investment objectives and for companies to leverage definitions as benchmarks for their sustainability strategy. To foster interoperability and comparability, the Common Ground Taxonomy evaluates Chinese and EU taxonomies. A forward-looking and goal-oriented design is just as crucial as internationally unified metrics.
- **ESG and impact investing** - The traditional risk and return framework must be complemented with suitable science-based, commonly applied impact measurements to avoid greenwashing. The traditional passive perspective to merely do no significant harm (DNSH) brings limitations to potential impact of the environmental, social and governance (ESG) investing in its current form. Policymakers must be aware of them and mandate consistent metrics. As impact data has become stock price sensitive, regulators must ensure that investors have access to verifiable data to enable more accurate market pricing.
- **ESG data and dynamic materiality** - The prevailing excessive abundance of unstructured ESG data has brought more accuracy, but problems of lacking timeliness, insufficient transparency, subjectivity and improper metrics still exist. ESG materiality needs to be dynamically measured in real time and individually for each company, as each firm has a unique signature that may rapidly change and determines its materiality. Dynamic materiality enhances currency, transparency and objectivity which means that companies can no longer control the narrative about materiality and that external stakeholders can influence markets' perception in company valuation.

Sustainable investing

Key panels

How can courageous companies and investors lead in the fight against climate change

Themes: Sustainable business and investment, climate Policies

Speakers: Fiona Reynolds (Principles for Responsible Investment), Andreas Ahrens (Inter Ikea Group), Günther Thallinger (Allianz Group & Net-Zero Alliance)

Link: [YouTube](#)

The role of taxonomies to drive market alignment with the Paris agreement

Themes: EU Taxonomy, Common Ground Taxonomy, green financial innovation, sustainability reporting

Speakers: Elisabetta Syracusea (EU Commission), Bertrand de Mazieres (EIB), Nathan Fabian (IPSF & PRI), Nadia Humphreys (Bloomberg), Carel Croneberg (EBRD), Daming Chen (CICC), Jose Luis Blasco (Acciona)

Link: [YouTube](#)

Dynamic Materiality: capturing and measuring unstructured ESG data signals

Themes: ESG materiality, ESG data, emerging technologies

Speakers: Shirley Birman (FactSet), Thomas Kuh (Benchmark ESG Consulting LLC), Andre Shepley (Nuveen)

Link: [YouTube](#)



Decarbonisation of industry

by Karel Voldřich

General impression

In the discussions about industrial decarbonisation, the most prominent presence was from the steel and cement sectors, the two of the most heavily emitting industries. Both represent about 8% of global emissions, with the potential to exceed the planet's carbon budget by themselves, unless production methods are substantially changed. Steel has attracted a lot of attention at COP, while discussions about cement remained slightly side-lined. In general, COP26 had a high level of attendance from the business – representatives of all major steel-making chains were present, which signals their concerns about future scrutiny of their business models and potential risk of policy or regulatory changes regarding carbon emissions. Even though the conference might have brought optimistic expectations, overall impact on industry decarbonisation will probably be minimal as no identifiable mitigations or concrete steps were agreed on. The CEE region, despite its high exposure to heavy industry, did not have active participants, and the region lags behind in terms of the decarbonisation discussion.

Key takeaways

- **Industrial decarbonisation will require clean energy** - All the new technologies in the pipeline for the decarbonisation of industry, such as steel, have a common denominator – the need for a clean energy supply. If we want to successfully decarbonise industry, vast amounts of clean electricity will be a must. This means that the energy transition in Europe and especially in the CEE region will be of critical importance to achieve decarbonisation of the economy and of industry.
- **Solutions must be scalable** - Prompt development of scalable green technologies is a crucial requirement. Since the lifecycle of production facilities is short-term, companies have to start planning for improvements within a very short timeline. Investment planning must take place before 2025 to enable producers to cut down emissions before 2030. Industry players will come under increasing scrutiny and pressure to do something about minimising their emissions, and it will be key to avoid short-term fixes such as carbon offsetting.
- **Long-term success possible only if markets shift** - The primary prerequisite for scaling up low-carbon technologies is a mobilisation of market demand for green products. Producers of those technologies have to be able to compete against their competitors who forego investing as many resources in making their production more sustainable. The playing field must be made level on an international scope using either bilateral trade agreements or one-sided measures like CBAM or trade credits.
- **Cement industry is developing at a slower pace** - While steel producers are clearly communicating their needs and asks, cement industry leaders have decided to hold off any announcements or pledges until mid-2022.
- **Main steps for decarbonising cement** – According to the World Cement Association, similarly to the steel industry, cement decarbonisation is possible if the essential steps are followed: promotion of sustainable cement by government procurement policies, review of product standards to allow wider use of carbon-free cement, creation and mobilisation of market incentives to support green production.

Decarbonisation of industry

Key panels

From the mine to steel to the end products: how to decarbonise an entire value chain

Themes: Energy, mining, steel, automotive, value chain decarbonisation, collaboration

Speakers: Neil Hume (Financial Times), Andreas Regnell (HYBRIT), Jan Mostrom (LKAB), Niklas Wahlberg (Volvo), Ovais Sarmad (UNFCCC), Araceli Fernandez (IEA)

Link: [YouTube](#)

Green business globally: Green technology solutions for climate friendly and circular business design

Themes: Green revolution, technology, solutions

Speakers: Anna Feldman (VDMA), Daniel Chatterjee (Rolls-Royce), Malte Lohan (Orgalim), Lu Ying (Future Urban Living), Vivek Bhatia (Thyssenkrupp), Andreas Nieters (GIZ)

Link: [YouTube](#)

Investing in a Green Future: Channelling the Flow of Export Credit into Paris-Aligned Projects in Developing Markets

Themes: Export finance, emerging markets, Paris alignment

Speakers: Louis Taylor (UK Export Finance), Mairead Lavery (Export Development Canada), Sijh Diagne (Credit Suisse), Anna-Karin Jatko (EKN), Paul Teboul (French Treasury)

Link: [YouTube](#)



Just transition

by David Murphy & Adam Pall

General impression

Just transition was a central, cross cutting issue at COP26 for facilitating the integration of social dimensions into climate policy. It was emphasized that the process is location-specific, and implementation of the concept depends on the needs and plans of impacted communities, among which the intensity of impact differs. This is particularly evident in the contrast between the developed and the developing world. Like the programme, the final communication of the COP focused on a “coal phase down” rather than a “fossil (including gas and oil) phase out”. The developed world is still dependent on gas and oil, while the developing world still depends on coal as the cheapest fossil fuel. The European Union profiled itself at COP as a global leader in just transition presenting both domestic and foreign policy and funding mechanisms to support just transition. Despite all the good practices and intentions presented at COP, just transition started to take on the feel of a buzzword.

Key takeaways

- **COP 26 Just Transition Declaration** – Fourteen governments and the European Commission signed up at COP26 to support a socially ‘Just Transition’ to net-zero emissions. The declaration supports six steps for a socially Just Transition including support for workers, social dialogue, green development beyond clean energy and reporting requirements in Biennial Transparency Reports and NDCs.
- **Financing the just transition** - Public government funding will play a catalytic role, but most investment will have to come from the mobilisation of private finance from various sources. These investments can have an elevated risk profile, as they will include investments in new technologies and in emerging markets.
- **Reporting impact and emissions** - Disclosure frameworks for reporting are essential. Just Transition should become part of the Task Force on Climate-related Financial Disclosures (TCFD) reporting. It is also relevant for investors focused on the E (environment) or the S (social) criteria as part of environmental, social and governance (ESG) investing. A better integration of social indicators would go a long way in addressing business social performance, while also improving investors’ engagement practices and their fund allocation.
- **North–South cooperation** – The Government of South Africa, several EU members states and the European Commission announced a new partnership to accelerate the just transition and develop new economic opportunities in South Africa. The EU also introduced Europe and Neighbourhood, Development and International Cooperation Instrument (NDICI) as the main tool for funding just transition in developing countries.
- **Comprehensive change** - Just Transition must go beyond climate security to include energy security, economic security, worker and community security. It is about modernising the economy, not creating low-carbon versions of current extractive economic models that have negative social externalities. Fear of change needs to be replaced by excitement about change based on social inclusivity and greater resilience.
- **Lack of strong commitment for a coal phase out** - The final COP communication COP focused on a “coal phase down” rather than a “coal phase out” at the insistence of China and India. Furthermore, there was no discussion of a fossil fuel phase out as oil and gas were excluded from debates. This contributes to a rift between developed and developing economies.
- **Lack of commitment to just transition policies** - Just transition, as defined by the International Labour Organization (ILO), is a framework that touches on 9 specific policy areas. Many companies and regions are not fully integrating the just transition framework into their transition plans.

Just transition

Key panels

Partnerships, policy and investment for a just transition

Themes: Just transition in the EU, business, labour and global south

Speakers: Cecile Billaux (DG INTPA), Nick Robins (Grantham Research Institute), Vicky Sins (World Benchmarking Alliance), Metta Grandgaardlund (ILO), Selien Fark (The African Climate Foundation)

Link: [YouTube](#)

Just Transition Mechanism as unique EU's approach towards climate-neutrality

Themes: EU, finance, just transition

Speakers: Myriam Bovéda (DG REGIO), Francisco Gabriel Tovar Rodriguez (Institute for Just Transition), Ellika Berglund Aas (IF Metall, Energy and climate policy), Katarzyna Smętek (Youth Climate Council Poland)

Link: [YouTube](#)

Mobilising Climate Capital by 2030 – Citizen and Institutional Action for a Just Transition

Themes: Public and private funding for just transition, role of government and the private sector

Speakers: Peter Jensen (Climate Investment Coalition), Pauline Becquey (Finance for Tomorrow), Mike Hayes (KPMG), Funke Adeosun (Net-zero equity)

Link: [YouTube](#)

Innovation

by Krzysztof Biliński & Julia Kuźma

General impression

During the COP26, the Gender, Science and Innovation Day touched upon emerging trends, technology and transformational changes in societal, economic and civic sphere. A diverse range of topics were discussed throughout the event, including individual and institutional behaviour shifts, community empowerment, disruptive technologies, and new paradigms for developmental, financial and economic models that unlock new ways of thinking and cooperating in multidisciplinary settings. On the downside, the structure of COPs might not be well-suited for finding solutions in the sustainable innovation field as it is organised in a classic, talking-heads format which provokes mostly generic and high-level statements. In terms of regional focus, there was a lack of European diversity; there was a noticeable absence of voices and perspectives from the CEE region. Also, urban agenda was prioritising big cities at expense of towns and villages. Finally, although the panels presented some innovative examples, there was no tangible evidence that they have caused/will cause disruptive or systems' change.

Key takeaways

- **Science and innovation alliance 'from research to idea' to keep 1.5°C alive** – The alliance of science, innovation and its enablers/founders will have a critical role to ensure that every country has access to the tools that it needs to reduce emissions in line with 1.5°C targets. Patrick Child, Chair of Mission Innovation and Deputy Director-General for Research and Innovation at European Commission stated that “Clean energy solutions must be cost-effective at scale and available everywhere if we are going to reach net zero. We must invest in innovation now to scale up these vital technologies and avoid a climate disaster.” To amplify this this ambition, intellectual property frameworks should address climate change and support diffusion of open-source technology and open innovation platforms which through their availability and accessibility would enable a speedier dissemination of inventions.
- **Coping and hoping for a net-zero future** – There are some novel post-COP26 initiatives supporting sustainable innovation including: Mission Innovation – a coalition of 23 governments that announced 4 new 'innovation missions' in which countries will work together to accelerate transformative change; the Adaptation Research Alliance (ARA) – a network of over 90 organisations across 30 countries. The ARA's Climate Adaptation and Resilience research programme (CLARE), jointly funded by the UK and Canada, is the first outcome of this initiative; the Industrial Deep Decarbonisation Initiative (IDDI) launched by UK, India, Germany, Canada and UAE to work together to create new markets for low carbon steel and concrete; the UK COP26 Presidency and Italy decided to scale up their initiative – the Futures We Want by turning it into a new global partnership to leverage the power of science and innovation. This platform has been designed to help countries to tackle specific challenges and opening up decision and policy-making processes to citizens.
- **Gender equality in climate innovations** – COP26 turned its focus to the disproportionate climate impacts suffered by women across the world and a necessity to boost their agency in developing climate solutions. According to UN Framework Convention on Climate Change (UNFCCC), 80% of people suffering from displacement caused by climate change are women and children. Danielle Nierenberg, Food Tank President said “climate change and poverty are inherently sexist”. Also, Nancy Pelosi, Speaker of the House of Representatives of USA, in her speech pointed out that climate change is a matter of “justice and equality”. For this reason, a fight against it needs to go hand in hand with empowerment and supporting marginalised voices and underrepresented people in their access to climate policy, climate decision-making and climate finance. It is a fundamental condition to unlock experimentation, demonstrations and impactful climate solutions across the globe.

Innovation

- Progressing with gender climate finance** - During panel discussions, it was brought up several times that programs offering climate finance for women cannot be designed as a supplement. Their scale is insufficient considering that, as it has been observed, 80% of available climate funds tend to be directed to men representing racially homogenous backgrounds. This disproportion is especially noticed in the Global South. This observation is aligned with a new initiative of the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB) and CDC Group, the UK's development finance institution. The institutions decided to close this knowledge gap by elaborating a toolkit titled the Gender-Smart Climate Finance Guide. It aims at providing information, tools and analysis and case studies to support investors in identifying investment opportunities and mitigating risk in gender and climate financing.

Key panels

**Presidency Event:
Accelerating Innovation:
collaboration for a net zero
future**

Themes: Innovation, clean energy, hydrogen, future of sustainable development, climate diplomacy

Speakers: Amanda Milling (UK Foreign Commonwealth and Development Office), David Turk (US Department of Energy), Mauro Petriccione (Climate Action European Commission), James Mnyupe (Breakthrough Energy Catalyst), Marguerite Catanzaro (Breakthrough Energy), Noe van Hulst (International Partnership for Hydrogen & Fuel Cells in the Economy), Julie Shuttleworth (Fortescue Futures Industries), Leonore Gewessler (Ministry for Climate Action, Environment, Mobility Energy, Innovation & Transport), Lee Rowly (UK Department for Business, Energy & Industrial Strategy)

Link: [YouTube](#)

**The Economics of Climate
Change**

Themes: Green Transition, sustainable technologies, green finance, climate intelligence

Speakers: Iggy Bassi (Cervest), Sam Gill (Silvera), Steve Whitehead (Infinite Power Company), Michael Naylor (Jupiter Green Investment Trust), Sam Roch-Perks (Simply Blue Group), Phill Davies (Magway)

Link: [YouTube](#)

**Gender-smart climate finance:
unlocking an inclusive and
sustainable future**

Themes: Climate finance, gender-finance, climate risk, investing

Speakers: Amal-Lee Amin (CDC Group), Barbara Rambousek (EBRD), Ambroise Fayolle (EIB)

Link: [YouTube](#)

New pledges, announcements and initiatives

The COP-26 pledges on methane, coal, transport and deforestation could get the world closer by 9% of emissions to stop global warming at 1.5C and meet the Paris Agreement, according to [Climate Action Tracker](#). The relatively low achievement of COP-26 does not satisfy climate activists and scientists. What other pledges, announcements and new initiatives came out of the conference? Here is what we think you should not miss.

New pledges and announcements

- **Deforestation** – more than 141 countries have announced to end deforestation and start supporting biodiversity and natural habitats restoration. This pledge includes Russia, Brazil, Canada and US who account for more than 50 percent of global forests. ([Source](#))
- **Coal phase out** – more than 40 countries have set a deadline for stopping relying on coal. 23 countries signed the COP26 Coal to Clean Power Transition Agreement, committing for the first time to stop constructing and issuing permits for new coal plants. ([Source](#))
- **Methane reduction** – more than 100 countries have signed the Global Methane Pledge. It aims to reduce global methane emissions by at least 30 percent from 2020 levels by 2030. However, the top three emitters of methane – China, Russia, and India – did not sign. ([Source](#))
- **Going net-zero** – in addition to numerous private companies, more than 137 countries announced their commitment to become net-zero. Not all of them aim to meet the 2050 deadline though. UK announced that London will become the world's first net-zero financial centre. ([Source](#))
- **Funding net-zero** - the Glasgow Financial Alliance for Net Zero (GFANZ) that includes more than 450 banks, insurers, pension funds, and other firms from 45 countries that collectively manage \$130 trillion committed to use their funds to reach net-zero emissions by 2050. ([Source](#))
- **Adaptation and climate finance** – in the Glasgow Climate Pact, governments agreed to set up a mechanism to help countries already suffering loss and damage due to climate change. The pact also urged developed countries to double their collective amount of funding by 2025 to help developing countries adapt to the effects of climate change. ([Source](#))
- **100 % Zero-emission cars and vans** - more than 30 countries, dozens of regional authorities and cities, and several automotive companies agreed to guarantee that new cars and vans sold are zero-emission by 2035 in leading markets and by 2040 globally. ([Source](#))

New initiatives

- **China–US climate cooperation** - The US and China – the two largest emitters of CO2 – signed an unexpected joint declaration promising to boost climate cooperation over the next decade. ([Source](#))
- **Climate Finance Delivery Plan** - the governments of Canada and Germany published a 'Delivery Plan,' commissioned by the incoming COP26 President, that outlines how developed countries plan to meet their joint commitment of mobilizing \$100 billion in climate finance for developing countries annually from 2020 to 2025. ([Source](#))
- **International Sustainability Standards Board (ISSB)** - the IFRS Foundation Trustees announced the creation of a new standard-setting board—the International Sustainability Standards Board—to help address the investors' need for high quality, transparent, reliable and comparable reporting by companies on climate and other environmental, social and governance (ESG) matters. ([Source](#))
- **Sustainable Infrastructure (SI) Label** - The FAST-Infra initiative launched the Sustainable Infrastructure (SI) Label – a consistent, globally applicable labelling system designed to identify and evaluate sustainable infrastructure assets. ([Source](#))



Get in touch

In case you have any questions regarding the outcomes of COP26, please get in touch with our team:



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WHO WE ARE

The International Sustainable Finance Centre (ISFC) is an independent, apolitical and impact-driven non-profit organisation whose aim is to carry out in-depth research on sustainable finance topics. The Centre uses expert insight and practical policy solutions to inform public debate and policymaking on sustainable finance, while also helping to build local expertise, networks and capacity on key topics, which include the EU's Green Deal, its Sustainable Finance Agenda and its post-COVID19 recovery packages.