LIGHTS AND SHADOWS OF COP26

LATINDADD’s POSITION ON THE RESULTS OF CLIMATE CHANGE NEGOTIATIONS
Lights and Shadows of COP 26

EDITED BY:
RED LATINOAMERICANA POR JUSTICIA ECONÓMICA Y SOCIAL - LATINDADD, 2021 Jr. MARISCAL MILLER 2622, LINCE, LIMA – PERÚ
PHONE: (51)(1)711-1914
LATINDADD@LATINDADD.ORG
WWW.LATINDADD.ORG

LATINDADD’S GENERAL COORDINATION:
CARLOS BEDOYA

COORDINATOR:
PATRICIA MIRANDA

ELABORATION:
CAROLA MEJÍA SILVA

COMMENTS AND CONTRIBUTIONS:
PATRICIA MIRANDA
RODOLFO BEJARANO
MARIO VALENCIA

DESIGN AND LAYOUT:
JOSÉ LUIS MANCILLA

PUBLICATION DATE:
NOVEMBER 2021
# TABLE OF CONTENTS

1. Why was COP26 called “the least inclusive COP in history”?  5
2. About the participation of Latin American countries  6
3. Main results: Will the Glasgow Pact be able to respond in a timely manner to the climate crisis?  7
   3.1 Progress related to mitigation  7
   3.2 Advances in adaptation to climate change  9
   3.3 Advances in climate finance  9
   3.4 Loss and Damage Disappointment  11
   3.5 Other important announcements and commitments made during COP26  11
4. What are the next steps?  12
By Carola Mejía – Climate Finance Analyst, Latindadd

Between October 31 and November 12, 2021, the 26th Conference of the Parties on Climate Change (COP26) was held in the city of Glasgow, Scotland, chaired by the government of the United Kingdom in collaboration with Italy. The event was attended by heads of state, ministers, environmental experts and representatives of non-governmental organizations from the 197 countries that are currently part of the United Nations Framework Convention on Climate Change (UNFCCC).

In 2020, COP26 was suspended due to the Covid-19 pandemic, generating much expectation about the results of the negotiations on climate change this year. These would be essential to conclude the Paris Agreement (PA) Rulebook that would allow global agreements to be translated into concrete actions to stop global warming in a timely manner. It must be considered that science has established a threshold of less than 10 years to carry out unprecedented transformations in current production models, which will drastically reduce the burning of fossil fuels. Likewise, adaptation measures to climate change must be adopted, mainly in the most vulnerable countries that are also the least responsible for this global problem.

During the first week of the summit, several presidents of the world participated. The clamor from island states like Barbados was also heard, as these are highly vulnerable to climate change. Justice and financing were demanded to face adaptation, as well as to cover damages and losses. It was suggested that USD 500 billion equivalent in Special Drawing Rights (SDRs) could be issued annually for 20 years, for a fund that can combat climate change and finance transition, not just adaptation.

Another shocking message was sent by the Minister of Tuvalu, who gave his speech virtually with sea water up to his knees, to draw attention to the rise in sea levels, as an irreversible consequence of climate change, which puts people from islands and coastal countries at high risk of disappearance.

Although there was some progress in the negotiations, the results of COP26

1  https://www.youtube.com/watch?v=PN6THYZ4ngM
were highly insufficient considering the short time humanity has to deal with the current climate crisis in a timely manner. The main positive and negative aspects that can be rescued from a balance of what happened at COP26 are described below.

1. Why was COP26 called “the least inclusive COP in history”?

During the event, civil society criticized the lack of participation of observers from non-governmental actors (NGOs, youth groups, indigenous communities, academia, etc.) in the negotiation meetings.

They also criticized various logistics problems that led to 1 to 2 hour waiting lines for people who wanted to enter the events, with very few biosecurity measures both on and off the site.

For all this and because of the restrictions that were placed on 57 countries on the “red list” before the event and that required quarantines of several days for both vaccinated and unvaccinated people, which were later suspended by the organizers due to criticism, civil society called COP26 as “the least inclusive COP in history.”

The degree of repression of the security officers was criticized in the face of the demonstrations of various civil society activists, mainly young people, indigenous communities and representatives of NGOs who participated in various marches and protest actions during the 2 weeks. One of them was the massive mobiliza-
tion within the framework of the Global Day of Action for Climate Justice\textsuperscript{3} last Saturday, November 6.

Despite the repression and little participation, voice and demands were present in the actions and interventions, mainly of young people, whose struggle has been fundamental in the framework of the demand for climate justice. There was also the presence of indigenous leaders, who raised their voices in defense of forests and their livelihoods, demanding climate justice and actions that stop the deterioration of the planet in the name of “economic growth.”

\section{2. About the participation of Latin American countries}

The presidents of Colombia, Ecuador, Bolivia, Argentina, Costa Rica and Honduras, from Latin America, participated in the opening sessions. The absence of the president of Brazil was widely criticized, since in the region it is one of the main emitters of greenhouse gases (GHG) leading to climate change and that in recent years has relaxed many policies to the detriment of environmental care.

Among the main announcements from Latin American countries, the following can be mentioned:

- The president of Argentina announced a millionaire green hydrogen project in the country, requested financing for the climate and the reduction of the debt of developing countries, suggesting the use of swaps of debt for climate and debt for nature\textsuperscript{4}, the payment of ecosystem services and a new allocation of Special Drawing Rights (SDR) to address environmental issues.

- On the other hand, the Bolivian president criticized the market mechanisms, mainly the controversial carbon markets proposed in the framework of Article 6 of the Paris Agreement that are proposed to combat climate change, observing that these mechanisms failed before and were widely criticized.

\textsuperscript{3} \url{https://www.dw.com/es/una-gran-manifestaci%C3%B3n-en-glasgow-pide-justicia-clim%C3%A1tica/a-59741042}

\textsuperscript{4} \url{https://dialogochino.net/es/comercio-y-inversiones-es/47862-que-son-los-canjes-de-deuda-por-naturaleza/}
• The president of Ecuador announced the creation of a new 60,000 km² marine protected area around the Galapagos Islands, to be financed through a debt-for-nature swap.

• The president of Colombia announced the creation of an interconnected marine zone between Colombia, Ecuador, Panama and Costa Rica that will be a free fishing corridor that will cover more than 500,000 km². He also announced a decarbonization plan for Colombia. However, activists from that country criticized that Colombia has not ratified the Escazú Agreement, it is the country with the most deaths of environmental defenders and continues to promote projects in extractive sectors such as mining.

• During the first week of the event, it was also criticized that three representatives of soybean unions participated in the Paraguayan delegation and that no spokesperson for indigenous peoples, peasant communities or youth organizations was included. Likewise, Paraguay’s denialist stance regarding the impact of cattle raising and agrochemicals on the environment was criticized.

• During the second week of the event, a very positive aspect was the launch of the “Beyond Oil and Gas Alliance” (BOGA) led by Costa Rica and Denmark to end the exploration and exploitation of oil and gas.

3. Main results: Will the Glasgow Pact be able to respond in a timely manner to the climate crisis?

As a result of the negotiations carried out in the framework of COP26, a document called the Glasgow Climate Pact was delivered, approved on November 13, 2021. Some of the most relevant aspects in terms of mitigation, adaptation, financing, damages and losses and other agreements and initiatives are analyzed below.

3.1 Progress related to mitigation

Although, following the recommendations of science, the goal of focusing mitigation efforts to limit the increase in temperature to 1.5°C, and not 2°C as initially determined by the Paris Agreement, was kept alive, the president of the COP26, Alok Sharma, acknowledged that the pulse to achieve this is still quite weak.

This is related to the insufficient level of ambition that is reflected in the climate commitments established in the Nationally Determined Contributions that countries have presented in 2015, including their updates in 2020, according to what establishes the UNFCCC.⁷

---

⁶ https://unfccc.int/sites/default/files/resource/cop26_auv_2f_cover_decision.pdf
⁷ NDCs must be updated every 5 years and must show an increase in climate ambition.
In fact, the content of recent reports from the UNFCCC and the Climate Action Tracker is quite worrying, which reveal that if all climate commitments were met, we would still be on a trend related to an increase in temperature of at least 2.4°C by 2100, when the objective would be to limit this increase to 1.5°C until the end of the century. It must be remembered that current development models based on the burning of fossil fuels, high levels of pollution in the atmosphere and high rates of deforestation have caused that, to date, the average temperature of the earth increased by 1.1°C since the pre-industrial era. This, in turn, has also increased the temperature of the sea, with very negative consequences for marine ecosystems and for maintaining balance in the global climate.

Although the Glasgow Climate Pact calls on all countries to present more ambitious NDCs in 2022, instead of doing so in 2025 as planned in the framework of updates, the language used in the document does not enforce this to materialize.

To initiate a rapid reduction in GHG gas emissions, it is essential to aim at eliminating the use of fossil fuels in key sectors such as energy and transport. However, during COP26, countries such as Saudi Arabia and Australia positioned themselves as opponents of the permanence of the paragraph on fossil fuels in the final document of the conference, which caused the final document of the Glasgow Climate Pact to include a weak call to the Parties to gradually promote the elimination of fossil fuels. While it was a great achievement that fossil fuels were mentioned within the Agreement, no deadline was set to eliminate the use of these fuels, no specific measures were specified, and no appropriate language was used to make it a priority issue for the countries.

Another highly criticized aspect was that at the last minute, China and India managed to make a minimal wording change in the text of the document, which will have negative implications for curbing climate change. Specifically, it was possible to change the word “phase out coal” by “phase down coal” in reference to the burning of coal, which, together with fossil fuels like gas and oil, it is one of the main responsible for climate change.
Another term highly criticized within the final text of the Glasgow Pact was the one that refers to the need to withdraw subsidies for “inefficient fossil fuels”, since it is not possible to understand what it refers to and leaves open the possibility of maintaining some subsidies, when in fact, all should be removed to slow climate change in a timely manner.

3.2 Advances in adaptation to climate change

A highly criticized issue before and during COP26 was the imbalance in the financing of mitigation and adaptation actions since, according to 2019 data, adaptation measures only received ¼ of the total financing for climate change.

Therefore, something positive to highlight about the Glasgow Pact is that this imbalance is recognized and the most developed countries are urged to double this financing. The bad thing is that 2025 is set as a deadline to achieve this, which, from the perspective of many environmentalists, would be too late. Another big problem that we perceive from Latindadd is that climate financing, both for mitigation and adaptation, is channeled mainly through credits that increase debt levels, increasing the risks of debt unsustainability in the countries of the region.

Another important aspect is related to new commitments to mobilize 356 million dollars for the Adaptation Fund.8

It should also be noted that the Glasgow Pact establishes a critical path to setting a global adaptation goal.

3.3 Advances in climate finance

A very important issue in the negotiations is undoubtedly financing, since without economic resources it will not be possible to achieve the transition to low-carbon and climate-resilient development models. Although the goal of mobilizing USD 100,000 million annually from 2020 had been established since 2009, this goal has not been met by the northern countries, giving the green light to various claims and campaigns from the countries of the global south, demanding climate justice, the fulfillment of commitments and the payment of an historical climate debt, under the principle of “common but differentiated responsibilities”.

On the subject of the financing goal, it is important to mention that, before the COP, Germany and Canada presented a “Delivery Plan”9 which stated that developed countries will be able to mobilize USD 100 billion only by 2023.

Given the financing needs of developing and least developed countries, which are highly vulnerable to climate change, the announcement of a new financing target higher than the initial one was expected, which was not materialized. However, the process began to set a new higher goal until 2025.

Another important element was the recognition that access to climate finance, which is currently highly centralized, must be improved; however, there was no solution to the issue of growing debt in developing countries, because, as mentioned before, most of the climate finance is channeled to the region through loans, mainly from multilateral banks.

Another complex but important issue to finish the rulebook that will govern the Paris Agreement was to reach agreements on Article 6, which addresses the controversial issue of carbon markets, among other issues. Although during COP6 the rulebook was completed, there are criticisms of the agreements around the commercialization of carbon dioxide (CO2) emissions and the possible problems of double accounting identified in the past, within the framework of the Clean Development Mechanism established as part of the Kyoto Protocol. However, the recognition and inclusion human rights issues, mainly those of vulnerable groups, does stand out, with a focus on minimizing the possible impacts of projects linked to carbon markets.

It is important to mention that, for many climate justice activists, carbon markets, as well as the concept of “net zero in GHG emissions until 2050\(^{10}\)” are considered “false solutions” to the climate crisis.

---

\(^{10}\) Net zero in carbon emissions means that what is emitted can be absorbed through: a) CO2 capture by forests; b) offset through investment in projects that have the capacity to reduce CO2 emissions in the future, or c) captured through technologies that are currently being developed and that are based on the capture and storage of CO2 in capsules that are buried in deep geological formations or under the sea (CCS). These technologies have received much questioning and criticism from environmental activists as they require a lot of energy to function and may not be real long-term solutions.
3.4 Loss and Damage Disappointment

One of the pending issues in the negotiations on climate change is related to the “damages and losses” that are mainly faced by the most vulnerable countries, which ironically are the least responsible for the GHG emissions that cause climate change.

It was expected that at COP26 progress would be made on this issue, since although there is the Warsaw mechanism that was created a few years ago, it has not materialized into a mechanism to provide financial support to the countries most affected by the negative impacts of climate change. That is, some type of compensation for what is already happening, rather than climate financing for adaptation. Unfortunately, despite the demands of the countries of the global south and the proposal of the G77+China to generate such a mechanism, the great world powers, led by the United States and the European Union, opposed and managed to take the issue out of the final text of the Glasgow Pact. At least, the Santiago Network was launched, which will mainly provide technical support to the most vulnerable countries, but not the financial support that was being demanded to compensate all the damages and economic losses that they are facing, and that in many cases must be covered with an increase in their levels of debt.

This is quite discouraging, mainly because there was political will from countries like Scotland to leverage resources to address the issue of damages and losses (it offered £ 2 million)\(^\text{11}\) and from philanthropic institutions that offered a contribution of USD 3 million\(^\text{12}\) as seed money for the mechanism, which unfortunately was not created.

3.5 Other important announcements and commitments made during COP26

In addition to the Glasgow Pact, several informal announcements were also made during the event, such as the signing of the Glasgow Leaders’ Declaration on Forests and Land Use\(^\text{13}\), in which more than 100 countries commit to “stop and reverse” deforestation by 2030, and developed countries promise funding to support this commitment. The list of signatories includes Argentina, Costa Rica, Ecuador, Mexico, Peru, Colombia, Chile and, above all, Brazil, whose deforestation rate has increased greatly in recent years.

The following initiatives were also announced:

- The commitment to reduce methane gas emissions by 100 countries.\(^\text{14}\)
- The commitment of at least 25 countries and financial institutions to curb public financing of coal.\(^\text{15}\)


\(^{12}\) [https://docs.google.com/document/d/1xePvzKFNEaC6-QN1qKTknwMA88cSwFa/mobilebasic?urp=gmail_link](https://docs.google.com/document/d/1xePvzKFNEaC6-QN1qKTknwMA88cSwFa/mobilebasic?urp=gmail_link)

\(^{13}\) [https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/](https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/)

\(^{14}\) [https://www.dw.com/es/cop26-cien-paises-se-comprometen-a-disminuir-emisiones-de-metano/a-59700872](https://www.dw.com/es/cop26-cien-paises-se-comprometen-a-disminuir-emisiones-de-metano/a-59700872)

More than 20 countries pledged to stop all funding for fossil fuels abroad.

- Commitment to promote clean technologies.

- Declaration\textsuperscript{16} to end the sale of new fossil fuel-based vehicles by 2035 in developed markets and, by 2040, in the rest of the world, signed by countries, cities and private companies. Among those subscribed in LAC, Mexico, Argentina, Chile and Paraguay stand out.

- The “Beyond Oil and Gas Alliance”\textsuperscript{17} (BOGA) was another important agreement involving 11 countries, including Costa Rica as the only LAC country, which aims to put an end to exploration and oil and gas exploitation.

- The signing of a cooperation agreement between the United States and China\textsuperscript{18}, the main responsible for climate change, to limit the increase in global temperature through measures on clean energy, clean coal and the reduction of methane.

\section*{4. What are the next steps?}

Although in general there were some advances and positive results derived from COP26, these are still highly insufficient considering the short time that humanity has to combat the current climate crisis. It will take a lot of political will and greater climate ambition for the commitments to be translated into real solutions and implemented through concrete actions. For this reason, it will be very important to promote local actions to promote profound transformations and paradigm shifts in current development models, to seek a development that is low in carbon, climate-re-
silent, fairer and that respects planetary limits, as well as local solutions from a Latin American perspective, focused on rights and people, listening to the voice of the people and rescuing the ancestral knowledge of our communities. As the pandemic revealed, we must put life and the most vulnerable groups at the center of decisions.

It will also be very important not to lower our guard, to carry out exhaustive monitoring and demand clear actions by our governments, as well as comprehensive policies, consistent with current climate commitments and with the 2030 Sustainable Development Agenda, so that the agreements are translated into concrete and timely actions to stop climate change and do not remain in simple speeches and good intentions.

It will also be important that large corporations, which are not part of the climate change negotiations in the COPs, assume their great responsibility in the emission of gases that generate this global problem, and move towards new business models, based on renewable energies, greater efficiency in the use of resources, more responsible investments with the planet and people, and that guarantee the minimization of socio-environmental impacts derived from the implementation of projects and other activities.

Finally, it is also important to reflect on the need to reform the current financial architecture to guarantee better access to financing at all levels and sectors of society, and so that it is channeled through instruments that do not increase current levels of indebtedness of the countries of the region and put debt sustainability at risk. On this point, it will be essential that the financial sector and, mainly, multilateral development banks stop financing polluting industries and use instruments other than credits to finance mitigation projects and, especially, adaptation to climate change that benefit the countries of the region.

There is much to do and little time, so there is an urgent need for collective and immediate action by everyone, especially the most responsible.