COP26: One Step Forward, Two Steps Back

Despite the significance attached to the UN Climate Change Conference (COP26) recently held in Glasgow - in particular, how it represents a major step forward from the Paris Agreement - the COP26 has not been able to produce a major, meaningfully actionable inter-state, multilateral consensus of global scale. Notwithstanding the critical nature of the issues facing humanity, the Glasgow summit, while it represents continuity of the global climate agenda, actually shows the lack, or extremely slow, pace of progress. In many ways, it represents retrogression rather than meaningful progression. For instance, on at least three major issues, the COP26 failed to develop a consensus. It includes (a) overcoming technical issues, including funding for loss and damage and carbon market mechanisms, which were originally carried over from the COP25, (b) ensuring the delivery and availability of SU$100 billion finance target and setting the next target for climate finance by 2025, (c) and generating support for establishing common time frames to check real-time progress on the commitments that states have been making vis-à-vis cutting carbon emissions and implementing ‘green’ models.

While the announcement by the US and China to collaborate on carbon emissions does represent a positive development insofar as it comes against the backdrop of both countries’ increasing geo-political competition, it remains that poorer countries, most of which, such as Pakistan, make less than significant contribution to greenhouse gas emissions but are facing dire climate challenges because of deteriorating climate conditions,
continue to be at the receiving end of global climate politics while big powers continue to shy away from contributing enough, or making credible commitments to, finance to help these states tackle the challenges caused by their production models.

For instance, the US and the EU were successful in blocking the effort for climate disaster funding, called “Glasgow Loss and Damage Facility, for underdeveloped and developing countries. While the G77, a UN coalition of 134 countries including China, did support this proposal, both the US and the EU squarely opposed the creation of this fund. At the moment, the US and EU are supporting an alternative network, Santiago Network, which currently consists of little more than a website.

Similarly, while much has been made of the Glasgow Financial Alliance for Net Zero (GFANZ), a global coalition of financial institutions that aims to accelerate the decarbonization of the economy, it remains that in the presence of various governments subsidising the fossil-fuel industry, GFANZ cannot produce any meaningful change. As recent estimates show, the global fossil fuel industry benefits from subsidies of US$11 million every minute.

However, while the GFANZ represents a pro climate coalition, many of the banks allied with this coalition are also key financiers of the fossil fuel industry. In 2020, Net Zero Baking Alliance (NZBA) provided US$575 billion in lending and underwriting fossil fuel industry that includes some of the biggest industrial houses. For instance, ExxonMobil, an American multinational oil and gas headquartered in Texas, happens to be one of the biggest beneficiaries of the NZBA as well. Bank of America, Citi Bank and J.P. Morgan each provided it with US$7.5 billion for its new projects. Besides it, Exxon is not only continuing exploring for new reserves, but it also has made no commitment to decrease production by 2030, and has made no commitment at all to end production in line with 1.5°C. Exxon’s anti-climate path represents how powerful the producers of fossil-fuel remain.

This is just not a coincidence that fossil-fuel industry had the largest delegation at the COP26. According to a calculation conducted by Global Witness, at least 503 lobbyists representing global fossil-fuel industry participated in the COP26, with such large presence completely outweighing those countries worst affected by climate changes. The same holds true to most western nations.

The UK government, which hosted the COP26, currently has 40 fossil-fuel projects in the pipeline. Although the UK government recently announced to end funding for overseas fossil fuel projects, it is still running at least 40 projects. As a recent report shows, these projects include 30 offshore oil and gas projects seeking or expected to seek approval between now and 2025, 7 onshore oil and gas projects, and 3 coal mines. These projects are antithetical to the spirit of the COP26. While the conference signifies a global effort to reduce fossil-fuel consumption and production, these projects represent, if nothing else, an enhanced supply to the global market, scaling up fossil fuel consumption while scaling down the commitments.

As the report further shows, even the UK’s climate change committee (CCC) does not see a strong justification for these new projects. The Chair of the CCC, Lord Deben, recently said “the justification for any new oil and gas exploration or production has to be very strong indeed, and I cannot say that I have seen that so far.” He also pointed out that allowing new projects sets an example to the rest of the world that they are acceptable.

Similarly, despite Australia’s various climate protection commitments, the nation’s 2030 targets remain the same as in 2015. Australia is also one of several nations that did not support an agreement at the COP26 talks requesting all countries to return to the negotiating table next year with stronger commitments to cut greenhouse gas emissions by 2030.

Elsewhere in Europe, the new Norway government has refused to cut fossil-fuel production. "The oil and gas sector will be developed, not dismantled," said the new coalition government.

Will these disagreements, duplicity and a series of counter-productive steps produce any meaningful change?

If nothing else, the continuing disagreements underlying the COP26 shows how the world is struggling, with some states even resisting establishing an alternative, climate friendly system of economic production and utilisation of natural resources. The different positions that major states continue to take vis-à-vis climate protection shows how their interests are underpinned more by a sort of economic and ‘climate nationalism’ than a globally shared vision of a better future.

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