Natixis’ Green & Sustainable Hub created this table summarizing the main commitments or made at the COP26. Pledges are spread across the four official objectives of the COP26:

1. **Mitigation**: Secure global net zero by mid-century and keep 1.5 degrees within reach
2. **Finance**: Mobilise finance
3. **Adaptation**: Adapt to protect communities and natural habitats
4. **Collaboration**: Work together to deliver

Summary

1. **Secure global net zero by mid-century and keep 1.5 degrees within reach**
   a. Keep “1.5°C agreement alive”
   b. Parties to update their 2030 targets
   c. Accelerate the phase-out of coal
   d. Speed up the switch to electric vehicles
   e. Launch of the Global Methane Pledge

2. **Mobilise finance**
   a. Increase the amount of finance committed to achieving 1.5°C
   b. Resolve the issues around transparent reporting

3. **Adapt to protect communities and natural habitats**
   a. Halt and reverse forest loss and land degradation
   b. Reform the global trade in agricultural commodities
   c. Discuss the report of the Adaptation Committee
   d. Progress towards the $100 billion target

4. **Work together to deliver**
   a. Cooperation to develop green technologies
   b. Paris Agreement’s – Finalise the Paris Rulebook
   c. Loss and Damage

1 - Secure global net zero by mid-century and keep 1.5 degrees within reach

AREAS	PRE-CONFERENCE EXPECTATIONS & CHALLENGES	COP26 STATES-RELATED OUTCOMES	PRIVATE SECTOR OR CIVIL SOCIETY RELATED OUTCOMES	"GLASS HALF-FULL"	"GLASS HALF-EMPTY"	SUSTAINABLE FINANCE SPILL OVERS EFFECTS
Description	Diagnosis made by actors before the Glasgow conference and objectives.	Governments' commitments as part of the official negotiations or side event initiatives.	What has been pushed forward or committed from non-governmental actors, especially financial institutions.	Positive outcomes or signals	Shortcomings or loopholes.	What could be next, with what consequences?
Temperature	Keep "1.5°C agreement alive"	The Glasgow Climate Pact states in its §15: "*Reaffirms the long-term global goal to **hold the increase in the global average temperature to well below 2 °C above pre-industrial** levels and to **pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels**, recognizing that this would significantly reduce the risks and impacts of climate change*".	The Science Based Targets Initiative launched the first Net-Zero Corporate Standard to provide the guidance and tools companies need to set science-based net-zero targets.	The 1.5°C is still "alive" although largely theoretical (see next column).	**New NDC commitments lead to a 2.4°C** scenario by 2100 vs. 2.7°C Pre-Conference (Climate Action Tracker). (Link). COP26 climate pledges could help **limit global warming to 1.8 °C** if all the measures announced at the Conference including but beyond the NDCs are implemented (IEA). (Link).	Companies with near-term below 2°C approved SBTi targets will be incentivized to upgrade them to 1.5°C pathway The "action gap" between the overall economy temperature increases induced (TII) and NDCs is likely to spur scrutiny on allegedly 1.5°C financial portfolios. Action blueprints and implementation efforts to become key credibility items.
Nationally Determined Contribution (NDC)	Parties to update their 2030 targets ("Ratchet Mechanism")	More than 150 States have submitted a new NDC including more stringent targets (Link).	The UN Secretary will establish a High-Level Expert Group to scrutinise private-sector pledges.	Under the Paris agreement, countries are supposed to submit new or updated NDC every five years. There is a push to reduce this time lapse– so that countries would be required to step up their NDC ambitions every two years. Parties have now agreed to revisit their commitments, as	According to the UNFCC, despite NDCs the GHG global emissions are to increase by 13.7%, in 2030 compared to 2010. The IPCC estimates that limiting global average temperature increases to 1.5°C requires a reduction of CO2 emissions of 45% by 2030 or a 25% reduction by 2030 to limit	Sovereign Green Bonds (see our article) issuers will be challenged to demonstrate the contribution of their green funding programs to their NDC implementation. Greenwashing allegations (see our article) could increase for countries, with

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				necessary, by the end of 2022 to put us on track for 1.5°C of warming, maintaining the upper end of ambition under the Paris Agreement. Under the Glasgow Climate Pact all countries will be required to report against a common framework by 2024, making verification and assessment of progress on pledges a much less complicated task.	warming to 2°C (Baseline year 2010).	potential cases brought before Courts. Towards new skills and criteria around the assessment of gaps between commitments and actions ("action gap").
Fossil fuel	Accelerate the phase-out of coal	The Glasgow Climate Pact states (§20) "*accelerating efforts towards the **phase-down of unabated coal** power and **inefficient fossil fuel subsidies** […], recognizing the need for support towards a **just transition***".	Major international banks commit to effectively end all international public financing of new unabated coal power by the end of 2021 (Link). At least 25 countries and public finance institutions commit to end international public support for the unabated fossil fuel energy sector by the end of 2022 (Link).	The first explicit mentions of fossil fuels in an official UN climate agreement, since the Kyoto Protocol in 1997. The first reference to "phasing down" a specific fossil fuel, namely coal. The same paragraph also recommends "*support toward a just transition*," referring to a need to help workers in polluting industries move to new careers.	The wording was watered down throughout the negotiations — with the introduction of "unabated" for coal power generation and "inefficient" subsidies. The expression "phase-down" also replaced "phase out".	"Fair transition" finance products and initiatives are likely to multiply (see our article on the topic). An increasing number of counterparties will look at the Global Coal Exit List (GCEL) and the Global Oil & gas Exit List to assess the sustainable strategy coherence of some issuers, investors, banks …

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				Asia's pipeline of proposed coal-fired power plants is expected to shrink from 65 gigawatts to 22 gigawatts following China's pledge to put an end to the financing of overseas projects. (Global Energy Monitor & Centre for research on energy and clean air joint declaration).	The overt attention to coal hides the dependence of much of the developed world on the major cause of emissions: oil and gas.	
				28 new members in the Powering Past Coal Alliance (PPCA), raising the total PPCA membership to 165 countries, cities, regions and businesses.		One expects a tightening of coal divestment or exclusion measures Financial sector could be the key following the example of the Bank of England's coal exclusion from its corporate bond purchase scheme (CBPS).
Transport	Speed up the switch to electric vehicles	Representatives of governments, businesses, and other organisations commit towards all sales of new cars and vans being Zero emission globally by 2040, and by no later than		Some major carmakers were signatories, including Ford, General Motors, Jaguar Land Rover, Mercedes-Benz and Volvo. Governments that signed up included Canada, Denmark,	The US itself, which is the biggest car market, remained off the list. China, which is the second-largest car market, was also absent. Germany, the largest car market in the EU, did not	The Declaration should develop the green bond market of the sector.

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		2035 in leading markets. (Link)		India, Ireland, Mexico, the Netherlands, New Zealand, Sweden, and the UK. Some US cities and States put their names to the list, including New York and California. Investors including Aviva and NatWest, and fleet owners including supermarkets Sainsbury's and Tesco also signed up.	sign up either. The world's largest car Manufacturers, VW and Toyota, were not on the list, alongside rival car giants Renault-Nissan and Hyundai-Kia.	Historical Green Bond issuers not signatories of the declaration could be challenged by investors (VW, Toyota, Hyundai…) The share of EV or FCEV in sales can underpin SLB issuances from car-makers, it is a well benchmarkable and material KPI
Methane emission	Launch of the Global Methane Pledge (Link)	Participants joining the Pledge agree to take voluntary actions to contribute to a collective effort to reduce global methane emissions by at	Major foundations and philanthropic groups pledged over US 328 million to help countries and industry dramatically reduce	States followed IPCC latest recommendations: "strong, rapid and sustained reductions in CH4 emissions would also limit the warming effect".	China, Russia, Australia, and India covering up to 25% of methane emissions did not sign off (Source IEA)	The European Bank for Reconstruction and Development, the European Investment Bank, and the Green Climate Fund have committed to support the Pledge through both

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		least 30 percent from 2020 levels by 2030	methane emissions from multiple sources.	105 countries have pledged to curb emissions of methane, which is 80 times more potent than carbon dioxide over a 20-year span.	Methane emission measurement and reporting tool reliability are limited and need massive investment especially in terms of [satellite]().	technical assistance and project finance.
				Methane is a greenhouse gas (GHG) that, despite being short-lived, has more heat-trapping power than carbon dioxide, trapping 84 times more heat over 20 years.	Some major polluters will only focus on methane reduction t while continuing to grow fossil fuels output.	Increase of methane emission targets in future O&G SLB
				Cutting methane emissions, at least from fossil fuel producers, is relatively straightforward. Leaky pipes can be fixed, valves can be closed, and oil rigs capped with existing technology.		

2 - Mobilise finance

<table>
<tr><th>AREAS</th><th>PRE-CONFERENCE EXPECTATIONS & CHALLENGES</th><th>COP26 STATES-RELATED OUTCOMES</th><th>PRIVATE SECTOR OR CIVIL SOCIETY RELATED OUTCOMES</th><th>“GLASS HALF-FULL”</th><th>“GLASS HALF-EMPTY”</th><th>SUSTAINABLE FINANCE SPILL OVERS EFFECTS</th></tr>
<tr><td rowspan="2">Finance</td><td rowspan="2">Increase the amount of finance committed to achieving 1.5°C</td><td rowspan="2">European Commission pledged €1 billion in funding for the Global Forests Finance Pledge</td><td>Over 450 firms across 45 countries have committed to the Glasgow Financial Alliance for Net Zero (GFANZ).</td><td>Capital committed to net zero now at over $130 trillion.</td><td>The signatories to GFANZ have not targeted decarbonising all their assets so far.</td><td rowspan="2">GFANZ Members’ roadmaps to reach net zero to be highly scrutinized.</td></tr>
<tr><td>Presentation of the Race to Zero Financing Roadmaps.</td><td>To support the deployment of this capital, the global financial system is being transformed through 24 major initiatives (Link).</td><td>Major banks from some of the some of the largest emitting countries— China, India and Russia — are not part of the agreement.</td></tr>
<tr><td rowspan="3">Transparency</td><td rowspan="3">Resolve the issues around transparent reporting to build confidence in the system and support all countries to meet their commitments</td><td rowspan="3">Negotiations on the Enhanced Transparency Framework were concluded, providing for agreed tables and formats to account and report for targets and emissions</td><td rowspan="3">The IFRS Foundation announced the formation of the International Sustainability Standards Board (ISSB).</td><td>The IFRS Foundation published the prototype for the climate disclosure standard, which it said will be finalised in 2022, as well as a separate prototype for "general sustainability disclosures".</td><td rowspan="3">-</td><td rowspan="3"></td></tr>
<tr><td>International Sustainability Standards Board (ISSB) to develop globally consistent climate and broader sustainability disclosure standards for the financial markets.</td></tr>
<tr><td>Clear standards ensure that information is transparent, comparable, and thus useful for analysts, auditors, investors, lenders, regulators, and company managers.</td></tr>
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3 - Adapt to protect communities and natural habitats

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Forest	Halt and reverse forest loss and land degradation	Glasgow leader's Declaration on Forests and Land Use commits countries to work collectively to halt and reverse forest loss and land degradation by 2030 while delivering sustainable development and promoting an inclusive rural transformation.	12 donor countries pledged to provide $12 billion of public climate finance from 2021 to 2025 to a new Global Forest Finance Pledge.	141 countries have already signed the declaration.	There is not any clarity, or alignment between the countries that just signed. There is no framework on how they will meet their targets.	Development of Natural Capital finance to support sustainable investments.
			14 country and philanthropic donors also pledged at least $1.7 billion from 2021 to 2025 to advance Indigenous Peoples' and local communities' forest tenure rights and support their role as guardians of forests and nature.		In 2014, the New York Declaration on Forests also set a target of no deforestation by 2030, with an interim goal of a 50% reduction by 2020. A 2019 study found that rates of forest loss were 41% higher in the years after that Declaration than in those preceding it, and that an area the size of the United Kingdom was being lost annually.	
			In addition, at least $7.2 billion of private sector funding has been mobilised.	90.94% of forest covered by endorsers.	Two days after the declaration was announced, Indonesia—one of the most heavily forested countries—seemed to walk back its commitment.	

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			12 country and philanthropic donors pledged at least $1.5 billion to protect the forests of the Congo Basin.			
			CEOs from more than 30 financial institutions with over $8.7 trillion of global assets have committed to eliminate investment in activities linked to agricultural commodity driven deforestation.	Brazil signed on to the agreement.	Since President Jair Bolsonaro took office in 2019, deforestation rates in the country have reached a 12-year high.	
Agriculture	Reform the global trade in agricultural commodities	The Global Action Agenda on Transforming Agricultural Innovation is supported by 19 countries.	The Global Action Agenda on Transforming Agricultural Innovation has secured more than 160 allies.	The potential impact is significant as the agriculture, forestry, and land use sector is responsible for over 18% of the world's greenhouse gas emissions.	The estimated gap between global agricultural land area in 2010 and the area required in 2050 is 593 million hectares (Mha), an area nearly twice the size of India (WRI).	Future investment by the sector in sustainable activities.
		45 Governments pledged urgent action and investment to protect nature and shift to more sustainable ways of farming.	95 high profile companies from a range of sectors commit to being 'Nature Positive', agreeing to work towards halting and reversing the decline of nature by 2030	The conclusions proposed by the chair of the Koronivia joint work on agriculture recommend a draft decision for consideration and adoption by the Conference of the Parties at its twenty-seventh session (November 2022)".		

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Adaptation	Discuss the report of the Adaptation Committee	Climate Glasgow Pact §18. "Urges developed country Parties to at least double their collective provision of climate finance for adaptation from 2019 levels by 2025."		40 countries are now members of the state-led coalition Adaptation Action Coalition that is working to achieve a more climate resilient world.	-	SSA, government related entities to update their Framework to add some use of proceeds dedicated to adaptation.
		All countries should produce an 'Adaptation Communication'.				By 2025, developed countries should mobilise $40bn in adaptation funding.
Adaptation	Progress towards the $100 billion target.	COP26 delivered an action plan to provide $ 100 billion per year to support in developing countries with climate change adaptation.		The UK presidency released a "delivery plan", based on OECD analysis, to "provide clarity on when and how developed countries will meet the $ 100 billion climate finance goal". In 2019, finance instruments were mainly grants (16.7%) and loans (44.5%) in 2019.	OECD agrees that richer nations have failed to reach the $100bn target.	Public development bank should increase their funding toward developing countries.
					Bloomberg reported that rich countries reckon they had raised 88-90 billion, as of October 2021.	

4 - Work together to deliver

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Green Technologies	Cooperation to develop green technologies	The Breakthrough Agenda launched by more than 40 countries		The commitment to work together internationally this decade to accelerate the development and deployment of the clean technologies and sustainable solutions, ensuring they are affordable and accessible for all. 42 Countries including the US, India, EU, China have signed the agreement	The management of Covid vaccine between rich and poor countries could lead to serious doubts about this agenda.	It will stimulate investment in green technologies. According to the Agenda, these commitments could create 20 million new jobs globally while boosting the world's economy by $16 trillion.
Carbon market	Paris Agreement's Article 6	Countries reached a deal on Article 6 prohibiting double counting and limiting number of certified emission reductions only produced between 2013 and 2020 under the Kyoto CDM.	-	Efforts to address double counting are increased. 3.7 billion of carbon credit issued under the Kyoto Protocol have been deleted. Old credit transferred into the new program will be discounted by 2%. Countries agreed to a 5% fee for new credits issued under Article 6.4 emissions, to be put on an "Adaptation Fund" for developing countries.	The Agreement still allows around 300 million of credits (over a total of 4 billion) of poor quality without any additionality neither environmental integrity to be transferred to the Paris Agreement.	The new technologies that could grow as a result include renewable reforestation tools and engineering services that ensure emissions reductions.
Loss and Damage	Commitment from developed countries to compensate the poorest ones for climate change related damages	Scotland to contribute £2 million to a loss and damage Fund, making it the first country to chip in. Wallonie earmarks one million euro as well. Donors governments pledge $413 million to help most vulnerable cope with climate crisis	-	The Executive Committee of the Warsaw International Mechanism for Loss and Damage presented its action plan to a loss and damage mechanism. Some progress about the operationalisation of the Santiago Network will be presented during the COP27.	Strong opposition from rich countries saw the issue largely delayed until next year. While billions are deemed necessary only few millions have been raised. Failing to help developing nations cope with climate change consequences could create legal liabilities to developed countries and undermine international negotiations.	Litigation risks could increase (see our article on reparation and climate lawsuits)