



## F20 Statement

### **COP 26 Outcome: Two Sides of the Same Coin - A Turning Point for Coal, but 1.5 Degrees Not Yet Within Reach**

**Glasgow, November 15, 2021.** G20 and G7 countries next year in the centre - ambivalent outcome of UN climate conference: strong momentum for coal phase-out and pressure on climate change hesitants - but China and U.S. need to urgently revise their climate targets to realise the 1.5 degree limit within reach.

Seen as “the world’s best last chance to get runaway climate change under control”<sup>1</sup>, the 26th World Climate Change Conference (COP26) held in Glasgow from October 31 to November 13, 2021, under the presidency of the United Kingdom in partnership with Italy was under high expectations to accelerate climate action.

Despite the momentum, this climate summit has on the one hand built a sound basis for a global phase-out of coal and more climate action, but on the other hand not set the course for keeping the below 1.5 degree limit within reach unless quick improvements to the targets of the biggest emitters are following.

"G7 and G20 have to show up with much more ambition towards COP27 in Egypt next year. However, this climate summit could one day be seen as a turning point for phasing out coal worldwide. This is despite the fact that the text on coal was weakened from 'phase out' to 'phase down' by some influential countries in the G20 context at the last minute," concludes Klaus Milke, Chair of Foundations Platform F20.

In addition, the U.S. prevented another important step in the joint fight against the climate crisis and for improved climate adaptation. The U.S. blocked a clear financial pledge by the industrialised countries to mobilise a total of \$600 billion for climate protection and adaptation in poorer countries between 2020 and 2025. In the absence of the original pledge of \$100 billion by 2022, the new pledge would automatically mean increased climate finance for the upcoming years.

Nevertheless, progress on the coal phase-out should not be underestimated. The pressure on industrialised countries such as the G7 to phase out coal and fossil fuel subsidies and international financing by 2030 will steadily increase after this global climate conference. The pressure will come from other countries, the financial market, the judiciary and civil society. In fact, international coal financing for all countries will end as early as the end of this year. Financing and subsidies for oil and gas are now also coming under intense scrutiny.

Another good result of COP26: those countries that have not presented any or sufficient climate targets for 2030 are expected to present a new target not in five years' time, but as early as next year. India and China are particularly relevant here if 1.5 degrees is to come

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<sup>1</sup> <https://ukcop26.org/uk-presidency/what-is-a-cop/>



within reach. However, also further countries such as Australia and Brazil will come under immense pressure in this regard.

Moreover, progress has been made regarding the adaptation to the consequences of the climate crisis. Increased negotiations on a global adaptation target planned for the next two years set up an important step for a global adaptation target as counterpart to the temperature target for climate action.

### **Disappointment on Loss & Damage**

By contrast, the negotiations on how to deal with damage and loss must for the most part be considered as a huge failure. The achieved procedural results will foreseeably not lead to the appropriate support for the affected states and people. Around the world, the people who have contributed little to the climate crisis are receiving the least support while facing increasingly severe disasters. Countries like the U.S., Japan, China and France are blocking progress here quite fundamentally, mainly out of fear of liability consequences.

### **Rulebook on the Paris Climate Agreement completed**

The outstanding elements of the Rulebook to the Paris Agreement were finalised. In the market mechanisms under **Article 6** of the Paris Agreement, the largest loopholes of double counting were avoided, but at the same time the acceptance of certificates issued from 2013 under the old rules of the Clean Development Mechanism was allowed. Estimates vary on the extent of this loophole. The number of certificates that will thus enter the system without additionally serving the climate is not precisely known. The announced expert group of the UN Secretary General on the accountability of announcements by non-state actors must establish clear rules to avoid that companies stock up on second-rate certificates in order to meet their climate neutrality targets on paper. On the positive side, however, 5 percent of the revenue from allowances under the new mechanism will go to the Adaptation Fund and another 2 percent of allowances will be cancelled, benefiting the climate.

The second important decision on the rulebook is the agreement on an expanded transparency framework, including reporting formats. The aim of the transparency framework is to build mutual trust between the parties with progress reports that must be submitted every two years. The reports not only form the basis for the Global Stocktake but also provide information on critical market mechanisms. An asset in reporting is the addition - on a voluntary basis - of information on climate-related damages and losses.

For regular submission of national climate plans, the option of doing so only every ten years is off the table. All countries are "encouraged" to submit new plans every five years. The task now is to build up sufficient pressure for countries to comply with this encouragement.



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## **F20 in Glasgow**

Around this year's climate summit, the Foundations Platform F20 organised a [Climate Solutions Dinner](#) as well as a [virtual foundations gathering](#) in cooperation with Donors and Foundations Networks in Europe (Dafne), the European Community Foundations Initiative (ECFI), Foundation Scotland and Worldwide Initiatives for Grantmaker Support (WINGS) focusing on the role of philanthropy in galvanising local action for global impact at COP26. Besides taking a clear stand on the urgency of accelerating climate action in an inclusive way in the spirit of 'leaving no one behind', F20's attendance at COP26 focused on bringing together the discourses of the current Italian G20 Presidency with the upcoming G20 Presidency of Indonesia as well as the upcoming German Presidency of the G7.

Close cooperation between the countries of the Group of Twenty is of utmost importance to advance the outcomes of this year's climate summit and translate them into concrete actions in 2022 living up to the G20's responsibility.

The Foundations Platform F20 is an alliance of more than 70 foundations and philanthropic organisations from the G20 countries. The platform aims to further gather momentum to implement the 2030 Agenda via the 17 Sustainable Development Goals (SDGs) and support the Paris Climate Agreement in order to build bridges between different stakeholders, including the private and financial sector, politics and civil society. In total, the foundations represent a capital in the double-digit billion range (US dollars).

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