

COP26

101 GUIDE FOR BUSINESS

CMIA

Climate Markets
& Investment
Association



COP26 IS PIVOTAL TO DEMONSTRATE CLIMATE AMBITION

What is COP26?

COP stands for Conference of the Parties. These are the 197 countries (aka 'Parties') involved in decision-making around the United Nations Framework Convention on Climate Change (UNFCCC).

COP meets every year in different locations. This year will be the 26th meeting – hence COP26 – and it is happening in Glasgow from 1- 12 November.

“Finding holistic solutions is what COP should be all about.”

Greta Thunberg

Who will be there?

The climate talks will bring together heads of state, climate experts and campaigners to agree on coordinated action to tackle climate change.

There are **three categories of attendees** (known as 'delegates') permitted to attend COP26. These are:

1. Representatives from the 197 Parties to the Convention

2. Members of the press and media

3. Representatives of observer organisations

Individuals from private sector businesses are most likely to be able to attend **via the 3rd category** as a representative of an observer organisation. The Climate Markets & Investment Association (CMIA) is one such accredited organisation, see page 8 for more information.

COP is a big event. For example, at COP25 held in Madrid in 2019, the UNFCCC provisional list of participants registered was a grand total of 26,706! This breaks down into: 13,643 representatives from various Parties, 9,987 from observer organisations, and 3,076 journalists.

THE UK PRESIDENCY AT COP26

Alok Sharma, who is leading the UK Presidency at COP, has outlined **five priority action areas**:

N. 01

Adaptation and Resilience:

Helping people, economies and the environment adapt to and prepare for climate change impacts.

N. 02

Nature:

Safeguarding ecosystems, protecting natural habitats and keeping carbon out of the atmosphere.

N. 03

Energy transition:

Seizing the massive opportunities of cheaper renewables & energy storage.

N. 04

Accelerating the move to zero-carbon road transport:

By 2040, over half of new car sales worldwide are projected to be electric.

N. 05

Finance:

We need to unleash the finance, making all of this possible and power the shift to a zero-carbon economy by aligning financial flows with the Paris Agreement's targets.



WHAT ARE NDCs?

All Parties to the Paris Agreement are requested to submit updated pledges called Nationally Determined Contributions (NDCs) which set stricter targets for reducing emissions by 2030. NDCs are at the heart of the Paris Agreement. The sum of the NDCs equals the global commitment towards meeting the goals of the Paris Agreement. These material climate commitments set the direction of travel of countries, but they require investment plans and substantial financing.

OFFICIAL NEGOTIATIONS

These take place between government officials, including high-level Ministerial and Heads of States meetings. The most challenging issues of negotiations go to the Ministers to make the final negotiated decisions.

There are several issues to be negotiated at COP26, here's some highlights:

\$100 BILLION — WHERE'S MY SLICE OF THE PIE?

At COP16 developed countries committed to mobilising jointly USD 100 billion per year by 2020 to address the needs of developing countries. The mobilisation of climate finance from a wide variety of sources, instruments, and channels is required to meet the objectives of the Paris Agreement.

CARBON MARKET MECHANISMS — THAT PESKY ARTICLE 6!

Article 6 of the Paris rulebook is still not agreed and this article will set out the rules on how business can participate in the Paris Agreement. Carbon accountancy is just one of the sticking points. Stay tuned!

LOSS AND DAMAGE — WHERE'S THE MONEY?

There's no mechanism to fund responses when vulnerable countries experience loss and damage caused by climate change.

NATURE BASED SOLUTIONS — LET'S PROTECT MOTHER NATURE!

Considering how nature - such as forests, agriculture, and ecosystems - can be a climate solution for absorbing carbon and protecting against climate impacts.

WHAT COP26 HOPES TO ACHIEVE AND WHY IT MATTERS TO BUSINESS

As the host, the UK is committed to working with all countries and joining forces with civil society, companies and people on the frontline of climate change to inspire action ahead of COP26.

COP26 matters to business because to achieve substantive climate action and meaningful results in all these areas, government funding alone won't cut it. Governments need to access large untapped pools of private finance and shift the whole financial system. This requires ongoing collaboration between public and private actors.

While the challenge ahead is great, the costs of inaction to mitigate and adapt to climate change will be severe. An analysis of information submitted by 215 of the world's 500 biggest corporations found that these companies potentially faced roughly \$1 trillion in costs related to climate change in the decades ahead unless they took proactive steps to prepare¹.

We believe that Nationally Determined Contributions (NDCs) are not just survival strategies for countries; **they are survival strategies for businesses as well.**

The physical and transition risks of climate change are already impacting asset valuations, share prices, and the cost of capital.



¹ <https://www.nytimes.com/2019/06/04/climate/companies-climate-change-financial-impact.html>

WHAT IS THERE TO DO AT COP26?

The official negotiations attract a wide range of stakeholders to the venue, creating in effect a parallel conference and exhibition.

Don't worry if you can't attend for the entire two weeks. Many people just do one week or even a few days. However, if you can spare two weeks, there's plenty to keep you busy!

There are two official areas or 'zones' for side events and exhibitions, one on the inside of the negotiating halls, which is restricted to delegations – known as the 'Blue Zone' – and the other in the 'Green Zone', a more prominent space accessible to a greater number of delegates.

These are the kinds of things you'll find:

- Side events
- Country pavilions
- Observer and commercial exhibitions and events

Side events are a platform for representatives of admitted observer organisations, who have limited speaking opportunities in the formal negotiations, to engage with Parties and other participants for knowledge sharing, capacity building and networking.

At the vibrant pavilions, countries put on interesting exhibitions, have speakers, networking receptions, presentations, live music, and more. These are definitely worth a visit.

There is usually even a special day focusing on the role of business, aptly named **"Business Day"**.

Within the Green Zone, organisations and businesses can have their own pavilions, exhibitions or events to show what they are doing about climate change. The Green Zone attracts lots of attention from those that can't get into the Blue Zone, notably the media.



HOW CAN I ATTEND COP26?

Information about attendance can be found on the [COP26 website](#).

The **Climate Markets & Investment Association** (CMIA) is an accredited observer for COP as listed on the [UNFCCC website](#). CMIA will have a delegation on the ground at the conference comprised of some of our membership.

CMIA is an independent not for profit trade association providing leadership from the private sector in the delivery of climate investment policy and market mechanisms since 2008. Our mission is to stimulate a shift in the direction and scale of private and public financial flows into investments which are consistent with the objectives of the Paris Agreement.

CMIA and its members do this not only by developing the necessary investment opportunities but also by helping to establish the enabling environment needed to increase deal flow to this scale required.

COP26 presents an opportunity for businesses to showcase their readiness for the decarbonisation challenge, share ideas and collaborate with partners.

To find out more about CMIA and becoming a member, contact Executive Director Margaret-Ann Splawn at margaret.splawn@cmia.net

Hope to see you in Glasgow!