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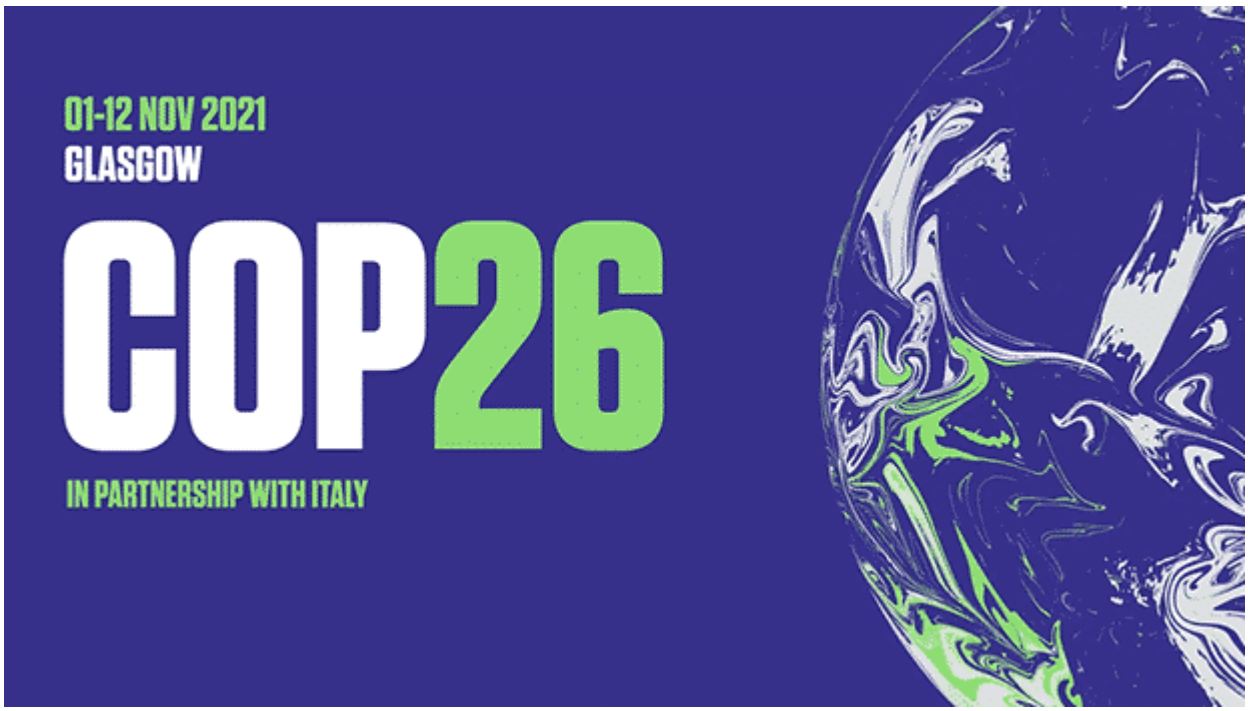
https://carboncredits.com/what-is-cop26-the-most-important-conference-for-carbon/

What is COP26? The Most Important Conference For Carbon



COP26, short for Conference of the Parties 26, is the 26th annual United Nations Climate Change Conference.

It will take place this year in Glasgow, Scotland, between October 31 – November 12 2021.

The "Parties" involved are all the signatory parties of the **United Nations Framework Convention on Climate Change (UNFCCC)**, an international treaty formed to combat the threat of human-driven climate change.

This framework was first established in 1992 at the United Nations Conference on Environment and Development, and signed by 154 countries. The COP is the supreme decision-making body of the UNFCCC, and annual COP meetings are held to check up on each member's progress in meeting the targets laid out by the convention.

The first conference, COP1, was held in 1995, and one has been held every year since with the exception of 2020, due to the global pandemic.

Under the UNFCCC, signatory countries are split into different categories: **Annex I, Annex II, Least-developed Countries (LDCs), and Non-Annex I.**

Annex I countries consist of the most developed countries in the world such as the U.S. and the E.U., as well as a number of Economies in Transition (EITs) like Poland.

Annex II is a subset of Annex I that doesn't include any of the EITs – in other words, Annex II comprises only countries with the most industrialized and well-established economies. Annex II countries have the additional responsibility of providing financial support as well as technical expertise to other parties of the UNFCCC, on top of their own emissions reduction commitments.

Least-developed countries are among the poorest and least-developed countries of the world, and the size of their economies and extent of their infrastructure is such that their emissions, as well as their ability to effect changes to their emissions, are limited. These countries are given special statuses under the UNFCCC.

Finally, Non-Annex I countries cover all the remaining parties that are neither Annex I countries nor LDCs. These consist of most of the world's developing economies.

Initially, the aim of the framework was for all Annex I countries to stabilize their greenhouse gas emissions at 1990 levels by the year 2000.

However, at the first COP meeting in 1995, it was determined that the goals originally set out by the UNFCCC were insufficient to combat the effect of climate change caused by human activity.

Eventually, this would lead to the establishment of the **Kyoto Protocol** in 1997, an extension of the UNFCCC's original framework.

What's the Kyoto Protocol?

The **Kyoto Protocol** was an extension of the United Nations Framework Convention on Climate Change (UNFCCC) that was first signed in Japan in 1997.

Originally implemented because the UNFCCC's greenhouse gas emissions targets were deemed insufficient to counteract the effects of human-driven climate change, the Kyoto Protocol was ratified late in 2004 and came into force in 2005.

The Kyoto Protocol laid out both emissions reduction targets for all its participating countries, as well as a timeline for achieving said reductions. The Kyoto Protocol also formed the first basis for a global **carbon credit** market by implementing a mechanism that would allow for signatory countries polluting over their targets to offset their excess emissions by purchasing allowances from other countries. Participating countries could also offset their excess emissions by funding emission reduction projects in other countries.

A total of 37 countries, including nearly all Annex I countries, participated in the first commitment period running from 2008-2012. Notably, the U.S. did not ratify the Kyoto Protocol, and Canada initially did but later withdrew from the treaty in 2011 without meeting its target.

Of the remaining 36 countries, all of them were able to meet their emissions reduction goals, though 9 of those 36 had to rely on offsetting mechanisms in order to do so.

Still, despite these efforts, global emissions of carbon dioxide rose 60% between 1990 and 2013.

At the end of COP18 in 2012, an amendment to the Kyoto Protocol was agreed upon, which created a second commitment period that would run through the end of 2020. However, at this point the Kyoto Protocol was a 15-year-old treaty and criticized as being outdated; the second commitment period only covered approximately 11% of global greenhouse gas emissions.

While the Kyoto Protocol had indeed resulted in a reduction in greenhouse gas emissions in several countries, it was considered insufficiently binding and not adequately effective in meaningfully reducing global emissions. At the same time that an extension to the Kyoto Protocol was decided upon, an agreement was also reached that a successor to the Protocol was needed.

A deadline of 2015 was set for this new agreement to be adopted. And in 2015, at COP21 held in Paris, France, the **Paris Agreement** would come to supersede the Kyoto Protocol.

What's the Paris Agreement?

The **Paris Agreement**, also known as the **Paris Climate Accords**, is the most recent international climate change treaty. Drafted at the end of 2015 and first signed in April 2016, the Agreement became effective in November 2016.

As of October 2021, only five countries in the world have yet to ratify the Paris Agreement: Eritrea, Iran, Iraq, Libya, and Yemen. While the U.S. under President

Trump briefly withdrew from the Agreement in 2020, the country rejoined under President Biden in 2021.

Though the Paris Agreement is considered the successor to the Kyoto Protocol, it's a separate entity from the Protocol, which expired at the end of December 2020.

One marked distinction between the Paris Agreement and the Kyoto Protocol is that instead of just Annex I countries, every country must submit a plan to reduce its emissions – a **Nationally Determined Contribution (NDC)**. As a result, even developing, non-Annex I countries must submit emissions reduction plans under the Agreement.

Unlike the Kyoto Protocol, the Paris Agreement doesn't cover specific commitment periods, but instead operates on rolling five-year cycles. The first cycle began in 2020, with 113 NDCs submitted, and new NDCs must be submitted every five years. Each subsequent NDC must also contain more aggressive emissions reduction targets than the last.

However, currently there's no legally binding component of the Agreement that forces countries to set a certain target level for their emissions reductions. As a result, it's currently projected that the world will not reach the Paris Agreement's max 2°C temperature increase goal based on the current submitted NDCs.

While there is a mechanism in the Agreement to increase emissions reduction targets over time, one criticism of the Paris Agreement is that like its predecessor, the Kyoto Protocol, it doesn't do enough. Still, it's definitely a significant step forward in the fight against climate change, and already the Paris Agreement has been used in legal action, most notably in the Netherlands.

One Article of the Paris Agreement that hasn't been fully implemented yet is **Article 6**, which governs the structure of carbon credits and carbon offsets. Article 6 is at the top of every country's agenda at COP26. Once realized, Article 6 would solidify the foundation for an international carbon credit market that was first laid out in

the Kyoto Protocol, leading to the establishment of a UNFCCC-compliant regulated carbon market.