

## An Inside View from COP26— Week One

To BCG's network around the world,

I've been on the ground in Glasgow for the past week at COP26, a pivotal gathering of world leaders, companies, investors, and civil society meant to get the world on a better, faster, and more inclusive pathway toward net zero. [Our BCG team](#) has been quite active, supporting the [UNFCCC High-Level Climate Champions](#), the UK COP Presidency, and the launch of the [First Movers Coalition](#) (FMC), as well as serving as a founding partner of [Breakthrough Energy Catalyst](#) and participating in many panels and senior leader dialogues.

There's so much to report from the first week of the conference, and I will get to that. But first, I want to share the moment that inspired me the most. Vinisha Umashankar, a 15-year-old from India and an Earthshot Prize finalist, was introduced by Prince William at the World Leaders Summit and gave a beautiful and inspiring [five-minute speech](#). I highly recommend that you watch it, ideally with your child or a young adult, and then decide what you will do to match her passion and innovative spirit to change your organization and influence the world around you. As Vinisha so eloquently put it: "*You* are deciding whether my generation will get to live in a habitable world; *you* are deciding whether we are worth fighting for...."

Here's my take on the week—what has given me the most hope, along with some of the most important questions and challenges.

### Seven Points of Light

**1. The Private Sector Steps Up.** Every longtime COP attendee I have spoken to shared that they've never seen the private sector participate with the level of energy

and commitment it has shown this year. For many, this engagement is the biggest highlight of COP26 so far.

In the runup to the conference, we saw more than 5,000 businesses sign up to join the [Race to Zero campaign](#), a commitment to the 1.5° pathway. John Kerry and the US State Department, in partnership with the World Economic Forum, announced that 34 companies have joined the First Movers Coalition, aimed at accelerating demand for clean advanced technologies—and I expect many more firms will follow. And Breakthrough Energy Catalyst, a Bill Gates initiative now with ten founding partners, is focused on rapidly scaling these critical climate technologies. “If we’re going to scale the innovations that get us to zero,” Bill said, “we need to reduce the cost difference between things that emit and things that don’t.... The cost of the transition must be low enough that the whole world can afford it.”

**2. India’s Climate Plan.** India’s commitment to a 2070 net-zero GHG emission goal may be more than it appears on the surface, particularly when combined with its commitment to transition to 50% renewable power and reduce carbon intensity by 45% by 2030. Prime Minister Narendra Modi was an important force in week one on this and on other important issues in technology and a global electricity grid.

**3. A Just Transition Fund for South Africa.** An \$8.5 billion fund has been put together by the Just Energy Transition Partnership, an initiative from the UK, the US, France, and Germany, to finance an inclusive energy transition in South Africa, supporting a plan that BCG was honored to help create. I hope this is the start of a fast-moving trend in which high-income countries step up to accelerate the decarbonization and just transition of lower- and middle-income countries.

**4. A Big Financial Sector Commitment.** Nearly 500 financial institutions, representing 40% of financial assets globally, have committed to a pathway using science-based targets to reach net zero by 2050 and pathway-aligned reductions by 2030—a huge step forward compared with the last COP. The commitment does not mean that the headline \$130 trillion is ready for deployment now, but it does show that many banks, asset owners, and asset managers are on board for net zero and ready to take responsibility for measuring and reporting progress.

**5. A Global Methane Pledge.** More than 100 countries, including the US, Japan, and Canada, and the EU, have agreed to slash methane emissions—responsible for one-third of current global warming—by 30% by 2030, relative to 2020 levels. Rapidly reducing methane, with its major greenhouse gas effects, is one of the most effective short-term measures we can take.

**6. Glasgow Breakthroughs Agenda.** More than 40 countries, including the UK,

the US, India, and China, have signed on to this critical framework aimed at developing and deploying clean technologies, initially focusing on making electric vehicles more affordable, expanding clean energy, scaling low-carbon hydrogen, and pushing steel production toward near zero by 2030. The initiative is supported by the private sector and is synergistic with key programs, such as the FMC and Breakthrough Energy Catalyst.

**7. Innovation Where We Need It Most.** Some of the most energizing conversations I had last week were private discussions about the advanced technologies that are achieving or will soon achieve major technical milestones, including digital and AI optimization of a renewable grid infrastructure, nuclear technologies, and direct air capture. They're unlikely to change the trajectory much this decade but could have a huge impact in the 2030s and 2040s. Innovations that deliver lower-cost solutions remain our biggest upside to meet the 2050 goals, as we have already seen in solar, wind, and batteries.

## **Five Big Uncertainties**

While there's encouraging news across many fronts, five uncertainties loom particularly large for me:

**1. Protecting Nature.** It was encouraging to see the reforestation pledge, with more than 100 world leaders signing on to end and reverse deforestation by 2030. But the challenges involved in turning these commitments into tangible results remain large. It will take just as much effort in planning, resourcing, executing, and measuring our efforts to protect and restore nature as it will to transform industry.

**2. A Price on Carbon.** Getting a price on carbon has been the single biggest ask from CEOs in so many conversations between business leaders and public officials. This topic is of central importance in the US right now and may still stand a chance to be included in the Build Back Better legislation. The voice of business must stay loud on this topic around the world.

**3. From Commitment to Action.** Many of the commitments this past week from the public and private sectors were encouraging, but the proof is in the pudding (appropriate for a UK COP). Progress will hinge both on policies and on operational elements, such as reducing the permitting delays for upgrading the grid that occur in so many countries and communities. Another major factor will be the role that multilateral development banks, such as the World Bank and IMF, will play in de-risking investments to unlock the private sector's large financial commitments. Finally, both private and public actors will need to translate their commitments into credible plans with tangible nearer-term targets and transparent reporting if they are

to (re-) earn the trust of society.

**4. Support for Developing Countries to Adapt.** This remains a central part of the global climate journey, and the commitments to date are still not where they need to be. Will high-income countries step up to this need and responsibility to help the parts of the world that did not create this climate crisis but will feel the most impact and are least equipped to deal with its potentially catastrophic effects?

**5. COP26 Week Two.** Where will we be at the end of this week? The UN Framework Convention on Climate Change established an indispensable process of climate negotiations, but negotiators have a challenging week ahead. Will they agree on rules for carbon trading and find ways to accelerate the process by which countries raise ambitions?

**My Favorite CEO Quote.** At the FMC launch, Anna Borg, CEO of Swedish power company Vattenfall, put into clear focus how high the stakes are for business leaders everywhere: “This is about competitiveness and building the business models of tomorrow. The largest risk is to not transform. The customer demand will change so much faster than industrial processes. **To be early will be challenging, but to be late will be devastating.**”

I found myself more optimistic at the end of week one than I expected to be, given the skeptical buildup. But there’s still so much work to do in week two and far, far beyond.

Until next week, when I’ll send a full wrap up of the event,



Rich Lesser  
Global Chair

---

**Further Reading**



## **BCG at COP26**

As the exclusive COP26 consultancy partner, BCG will work alongside companies and governments to identify ways to mitigate global climate change.

[READ MORE →](#)



## **The So What from BCG**

In one of the first episodes of this new podcast series from BCG, award-winning British journalist Georgie Frost interviews BCG's Jens Burchardt, who argues that saving the planet does not have to break the bank.

[READ MORE →](#)



## **Delivering on Net Zero: Moving from Commitments to Actions**

BCG and the UK government hosted a panel—moderated by BCG's Michel Frédeau—to discuss the challenges, requirements, and opportunities facing businesses on their journey to net zero.

[READ MORE →](#)