

COP26 and Global CCUS Developments

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COP26 – A QUALIFIED SUCCESS

- ✓ On track for 1.8 to 2.4 degrees rather than 2.7
 - *But more ambition needed for 1.5*
- ✓ Paris rulebook completed with Article 6, transparency and common time frames adopted in Glasgow
 - *Transfer of 2013-2020 period CDM credits up to 300 million tons*
- ✓ \$100 billion p.a. climate finance to developing countries still the goal
 - *Target was for 2020, but not achieved, now target 2025*
- ✓ Phase-down of unabated coal
 - *Not fossil fuels in general and not phase-out*



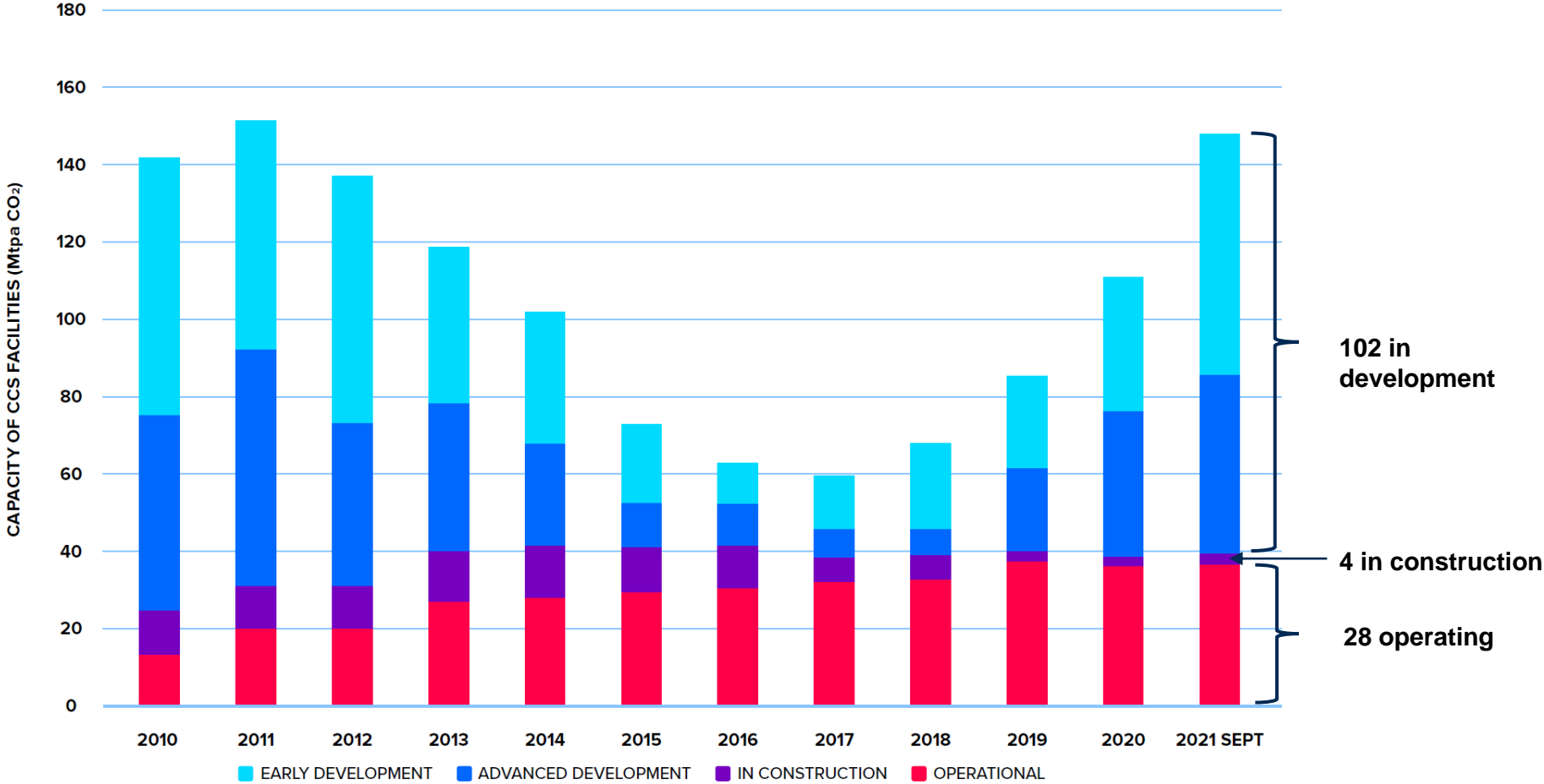
COP26 – POSITIVE FOR CARBON CAPTURE STORAGE AND REMOVAL

- Article 6 implementation details are finally, largely completed; technology-neutral; recognizes both CCS and CDR
- Plethora of side events on CCS, CDR
- US and China agree to cooperate on CCS and DAC
- New CDR mission under Mission Innovation Initiative
- US DOE announcement of Carbon Negative Earthshot



THE GLOBAL STATUS OF CCS IN 2021


FOUR YEARS OF GROWTH IN THE PROJECT PIPELINE.



* 135 total includes 2 facilities that have suspended operations – not shown on the chart



CCS FACILITIES AROUND THE WORLD



	OPERATING	IN DEVELOPMENT	SUSPENDED	TOTAL
North America	16	60	2	78
China	3	3	-	6
Europe	4	35	-	39
Gulf Cooperation Council	3	1	-	4
Rest of World*	2	7	-	9
Total	28	106	2	136



* Includes facilities in Australia, Brazil, New Zealand and South Korea

CCS IN COUNTRY CLIMATE PLANS UNDER THE PARIS AGREEMENT

Nationally Determined Contributions (NDCs) and Long-Term Low Greenhouse Gas Emission Development Strategies (LT-LEDs)

- NDCs: 18 include CCS
 - Some countries that have CCS facilities in pipeline don't have it in their NDCs (e.g. Malaysia, New Zealand)
 - Other countries that have CCS in NDCs don't have commercial CCS facilities in development (e.g. Egypt, Kuwait)
- LT-LEDs (mid-century): Almost 80% of submitted (>40) LT-LEDs have CCS

		1st NDC	1st NDC update	2nd NDC
1	Australia	✘	✓	
2	Bahrain	✓	✓	
3	Canada	✘	✓	
4	China	✓	✓	
5	Egypt	✓		
6	Iceland	✘	✓	
7	Kuwait	✘	✓	
8	Malawi	✓	✓	
9	Mongolia	✘	✓	
10	Norway	✓	✓	
11	Pakistan	✘	✓	
12	Qatar	-	✓	
13	Saudi Arabia	✓	✓	
14	South Africa	✓	✘	
15	Togo	✘	✓	
16	Tunisia	✘	✓	
17	UAE	✓	-	✓
18	United States	✓		

✓	NDC mentions CCS
✘	NDC does not mention CCS
-	not available



CCS: VITAL TO NET-ZERO

- Despite progress in 2021, to achieve net zero emissions, CCS capacity must increase by 100-fold by 2050.
- Between US\$655 - \$1,280 billion in capital investment is needed in the next three decades.
- Carbon markets (compliance and voluntary are a part of the answer)
- Stronger policy to incentivize rapid CCS investment is overdue.

Major growth in voluntary carbon markets in 2021



2022 – WHAT TO WATCH OUT FOR

- NDC updates ahead of COP27: Will they get us on track for 1.5 degrees?
- Supervisory Body (SB) for Article 6.4 will review CDM accreditation standards and procedures and establish new procedures and methodologies for the mechanism to replace the CDM.
 - Will CCS modalities be reviewed, and be included?
 - Will SB make recommendations on CDR?

Roadmap to COP27

Early 2022	IPCC WGII and WGIII reports published
2-3 March 2022	Middle East and North Africa Climate Week , United Arab Emirates
25 April - 8 May 2022	UN Convention on Biological Diversity COP 15 part 2 in Kunming, China
9-21 May 2022	United Nations Convention to Combat Desertification (UNCCD) COP 15 , Côte d'Ivoire
6-16 June 2022	UNFCCC UNFCCC intersessional meeting in Bonn, Germany
6-16 June 2022	Glasgow Dialogue on loss and damage to "discuss funding" at SBI session in Bonn
25 June - 3 July 2022	London Climate Action Week 2022
TBC	G7 summit, Germany
13-20 September 2022	UN General Assembly (UNGA77)
September 2022	New York Climate Week 2022
TBC	Conference of Youth (COY) 17
30-31 October 2022	G20 summit , Bali, Indonesia
TBC	Pre-COP
"In advance of" COP27	Parties that have not done so "urged" to submit "new or updated" NDCs
"Ahead of COP27"	Parties requested to submit adaptation communications
"By COP27"	COP decision to be drafted on scaling up mitigation ambition and implementation this decade
"By COP27"	Parties that have not done so "urged" to submit, or update, their long-term strategies
7-18 November 2022	COP27, Sharm el-Sheikh, Egypt

