

# What a two-track global climate system would mean for companies

By Pamela Wu, Esq., Morgan Lewis

FEBRUARY 13, 2026

In a letter issued in late January (<https://bit.ly/4rzIUJA>) as a follow-on to the United Nations Climate Change Conference in Belém (COP30), the COP30 president outlined a proposal that would adopt two complementary “speeds” of international cooperation going forward: one track anchored in consensus-based negotiations and the other focused on implementation by coalitions of countries and nonstate actors willing and able to move faster.

The proposal reflects lessons drawn from last year’s summit, where geopolitical tensions and divergent national priorities limited agreement on several key issues.

---

*Accelerated implementation raises several potential legal and compliance considerations. First, companies may need to reassess whether and how global policies and commitments align with local or country-specific obligations.*

---

As companies continue to assess and implement their climate strategies, they should bear in mind that a two-tiered framework could accelerate the execution of certain climate solutions by ready and able actors. If adopted, countries would continue to move in the same direction but may no longer proceed at the same pace.

Thus, for companies operating across multiple regions the impact of this proposal is less about the technical design of global climate governance and more about the practical impacts. Specifically, decarbonization and climate change efforts and related obligations, expectations, and commercial and stakeholder pressures may vary depending on the specific markets and regions in which companies do business.

## From uniform signals to differentiated pathways

The COP process has historically relied on consensus among nearly 200 countries to make decisions and establish a shared direction. While that approach remains central, the COP president’s letter suggests it may no longer be sufficient on its own.

In light of geopolitical and socioeconomic challenges, COP30 resolved to transition the climate regime from a negotiation phase to one focusing on accelerating the implementation of the Paris Agreement and COP decisions.

“[Climate] multilateralism must learn to operate at more than one institutional speed,” COP30 president André Aranha Corrêa do Lago wrote, calling for “two-tier multilateralism” that preserves consensus-based legitimacy while enabling faster action elsewhere.

Under the proposed approach, one tier would continue to focus on universal frameworks, setting common goals, rules, and reporting structures. This tier would ensure legitimacy, universality, legal clarity, and collective direction.

A second tier would emphasize implementation through voluntary coalitions, initiatives, and sector-specific efforts that are not dependent on full international agreement but that are directionally consistent with the consensus settled in the first tier.

This framework is intended to address a familiar tension: the need to move faster on deployment and investment without reopening debates already settled through negotiation. While it may lead to accelerated implementation in only some regions and a potentially more fragmented operating environment, this two-tier multilateralism framework should encourage those with resources to mobilize and solutions to deploy to proceed with demonstrating, integrating, and scaling climate solutions.

Importantly, the letter emphasizes that the second tier would not replace international law or consensus-based processes but would operate alongside them. It describes the faster tier as focused on the “rapid, large-scale mobilization, diffusion and deployment of resources” without reopening questions of direction already agreed.

## Why this matters for business planning

Many companies have already aligned their climate and transition strategies around global reference points such as nationally determined contributions, sectoral roadmaps, and international targets that, while varying in ambition, follow a common architecture. Adding an implementation-focused tier attempts to bridge the gap between achieving unanimity and executing climate solutions.

Countries with actors that are ready and able to accelerate the implementation of climate solutions may introduce more robust regulatory standards, stronger incentives, or market mechanisms tied to emissions reduction, energy transition, or resilience. At the same time, countries that do not engage in accelerated implementation may see more modest near-term policy change.

*If the two-tiered proposal is adopted and international efforts increasingly operate at different speeds, climate-related pressures will likely vary more by country, region, and industry.*

The result is not necessarily regulatory retreat, but divergence. Companies with global footprints may face sharper contrasts between jurisdictions that are accelerating implementation and those that are not, even where both remain formally committed to international frameworks.

The COP30 president frames this evolution as a shift from negotiation to execution, emphasizing that implementation “cannot wait for unanimity on every operational step.” This may resonate with governments and investors but could complicate planning for companies seeking consistency across markets.

## Legal and compliance considerations

Accelerated implementation raises several potential legal and compliance considerations. First, companies may need to reassess whether and how global policies and commitments align with local or country-specific obligations. A single global decarbonization target may no longer map cleanly given potential changes and expansions of applicable regulatory standards and requirements.

Second, disclosure and governance frameworks may have to be revisited if the applicable regulatory standards and requirements diverge. Companies may need to elaborate on how and why their commercial strategies and decisions differ across regions, particularly where stakeholders have been accustomed to consistency.

Third, contractual and supply chain arrangements may increasingly reflect shifting policy signals. For example, companies operating in faster-moving jurisdictions may push climate-related requirements down the value chain, even where local regulations lag.

The practical effects of a two-tier system are likely to vary by industry and geography. Energy, industrial, transportation, and land use-intensive sectors may more immediately see divergence in regulatory landscapes as coalitions pursue faster deployment of low-carbon technologies, infrastructure, or supply chain requirements.

Investors may view climate solutions from different lenses depending on whether a particular climate solution is based on consensus or driven by implementation coalitions. Multinationals may also see divergence in applicable regulatory frameworks and requirements and varied stakeholder pressures.

## What companies should be watching

If the two-tier approach is adopted, companies may face uneven climate-related pressures. One notable feature of the proposed model is the expanded role of nonstate actors. The faster tier is envisaged as a space where governments, companies, financial institutions, and other stakeholders can collaborate and carry out without waiting for universal agreement.

Companies will have to weigh whether participation in voluntary coalitions aligns with their geographic footprint, risk tolerance, and long-term strategy. They will also need to manage any differences between voluntary commitments and mandatory obligations across jurisdictions.

Key considerations include:

- **Geographic exposure:** Identify markets likely to actively participate in faster implementation coalitions and assess potential regulatory, financial, and commercial impacts.
- **Governance alignment:** Ensure board oversight and internal governance structures can accommodate differentiated strategies while maintaining enterprise-level coherence.
- **Disclosure and communications:** Prepare for questions about why approaches differ across regions, particularly from investors and stakeholders that may seek and be accustomed to comparability.
- **Contractual and supply chain risk:** Consider how counterparties incorporate climate-related expectations into agreements, taking into account regions that may move more quickly.

## Looking ahead

The COP30 president describes the current moment as one of institutional evolution rather than breakdown, noting that global climate governance has matured and must now adapt.

If the two-tiered proposal is adopted and international efforts increasingly operate at different speeds, climate-related pressures will likely vary more by country, region, and industry. Companies that recognize and plan for this divergence will be better positioned to implement climate strategies while

appropriately managing risk, allocating capital and resources, and responding to stakeholder expectations.

*Pamela Wu is a regular contributing columnist on energy and decarbonization issues for Reuters Legal News and Westlaw Today.*

## About the author



**Pamela Wu**, a partner at **Morgan Lewis**, represents companies in the energy industry in matters involving rates, market rules and regulation, and energy commodity trading before the Federal Energy Regulatory Commission (FERC) and Commodity Futures Trading Commission (CFTC). She advises clients seeking to reduce their carbon footprint through new infrastructure assets, clean energy technologies, and transacting carbon credits and carbon offsets. An active member of the firm's energy commodity trading and compliance working group, hydrogen working group, electric vehicles working group, and renewables working group, she is resident in the Washington, D.C., office and can be reached at [pamela.wu@morganlewis.com](mailto:pamela.wu@morganlewis.com).

This article was first published on Reuters Legal News and Westlaw Today on February 13, 2026.