**Hello and welcome to Just Have Another Think, our monthly look at the ecological, environmental and social consequences of our twenty first century climate emergency.**

**I’m posting this video on Wednesday 27th October 2021, and, as I suspect you already know, in just 4 days from now one of the most pivotal climate events of our lifetime, a conference called COP26, is due to take place in Glasgow in Scotland.**

**And our esteemed leaders will certainly have plenty to talk about when they finally all get together in person, not least of which will be how to drastically improve on the woefully inadequate decarbonisation commitments, known as Nationally Determined Contributions or NDCs, that they, or their predecessors made as part of the apparently historic Paris Agreement in 2015. What we needed from that COP 21 meeting, was a set of binding pledges from each of the one hundred and ninety-six participating nations that would limit average global atmospheric warming to well below two degrees Celsius above pre-industrial levels, and ideally keep it below 1.5 degrees Celsius. And that’s because if the average temperature in our planet’s lower atmosphere goes past two degrees Celsius above pre-industrial levels, then all the wildfires, droughts, floods, food shortages, fuel crises, refugee migrations and regional conflicts that we’ve seen in the last few years will look like a walk in the park compared to what our civilisation will experience at those elevated temperatures.**

**They knew all that at COP21 of course, but back then, even though it was only 6 years ago, nature hadn’t quite yet begun to demonstrate the ferocity of its reaction to human induced atmospheric warming frequently enough to make the general public, and the politicians get a real visceral feeling for the urgency of the situation.**

**As a result of that abject policy failure, the average global atmospheric temperature now stands at 1.2 degrees Celsius above pre-industrial levels, and unless you live in a cave or you’re an as yet undiscovered stowaway on the international space station, it’s impossible to ignore the almost daily onslaught of news about an extreme weather event breaking a record somewhere on the planet. One point two degrees of warming means there’s already about eight percent more moisture in the atmosphere. And that moisture doesn’t spread itself smoothly across the entire face of the planet, it clumps together in different geographical locations as our weather systems move around. That’s why we’re hearing more and more headlines with phrases like “a month’s worth of rain in 24 hours causes record flooding”.**

**And in the same way, the temperature doesn’t spread itself evenly out either. One point two degrees of average global atmospheric warming can translate into more like seven degrees Celsius in inland areas. That means that what we regard as extreme record temperatures today causing multiple fatalities wherever they occur, will become commonplace in years to come. And because the arctic region is warming more than twice as fast as the rest of the planet, atmospheric systems like the jet stream and polar vortex are being severely disrupted, bringing massive arctic blasts further south, and great dollops of warm tropical air further north. So, we’re seeing extreme cold winters in places like North America, followed by unrelenting rains and floods in the springtime and extreme heatwaves during the summer, a combination of climatic events that is already starting to severely impact our global food production systems.**

**I could go on, but you get the idea.**

**Anyway, in light of this overwhelming evidence of just how deeply into the brown stuff we appear to have sunk, it’s arguably no exaggeration to suggest that COP26 in Glasgow represents the last real chance for our leaders to actually show leadership and put in place measures that’ll drag us out of our self-inflicted catastrophe as quickly as humanly possible.**

**Ahead of that event, many countries have already put their increased commitments on the table, and, sadly, one or two have stated that they won’t be altering their original contributions at all.**

**The chart of trajectory for global greenhouse gas emissions currently looks like this. Here’s where we’d got to by 2015 and here’s where we would have got to by 2050 if we’d changed nothing at all.**

**Then the Paris Agreement happened, and all countries submitted those NDCs I mentioned earlier.**

**Those commitments actually got nowhere near keeping us below one point five degrees Celsius. In fact, they put us on a path towards about three degrees Celsius of warming, which really would make it impossible to run our economies and societies in the way do today. But we took very little notice of those commitments anyway. Instead of plunging the curve dramatically downwards, nothing really happened until COVID hit us in 2020. For a year or so we all got giddy with hope that the seven percent decrease in greenhouse gas emissions marked a point of enlightenment for the human race. But twenty-twenty one brought an inevitable bounce back, and we’re now firmly back on course for future catastrophe.**

**So, surely these new commitments that have been made ahead of COP 26 will take up the slack and send that graph line plummeting by 2050.**

**Yeah, Nah**

**We’ve still got an emissions gap down here that’s almost as big as the Paris and Glasgow commitments combined. No less than sixty percent short of the 2050 net zero target.**

**So, challenge number one for our world leaders at COP26 is to get real, find some backbone and deliver a set of policies that can bridge that gap. According to the IEA that means an extra $4 trillion of investment just in the next decade alone. And it IS an investment not a penalty, because the return on that investment in terms of jobs, prosperity and the avoidance of catastrophic insurance and repair costs, not to mention collapsing economies, loss of livelihoods and loss of life, far outweighs the upfront capital outlay.**

**The Executive Director of the IEA, Fatih Birol, has called for the leaders of wealthier nations attending**[**COP26**](https://www.theguardian.com/environment/cop26-glasgow-climate-change-conference-2021)**to unlock the flow of money into emerging economies to ensure they develop with renewable technologies instead of fossil fuels.**

**In 2009, developed countries committed that by 2020 they would jointly mobilize a hundred billion dollars in climate finance every year to support developing nations in reducing emissions and adapting to climate change.**

**But the** [**The OECD**](https://www.oecd.org/newsroom/statement-from-oecd-secretary-general-mathias-cormann-on-climate-finance-in-2019.htm)[**recently estimated**](https://www.oecd.org/env/climate-finance-provided-and-mobilised-by-developed-countries-aggregate-trends-updated-with-2019-data-03590fb7-en.htm)**that developed countries only managed about eighty billion in 2019 and looked like missing the target in 2020.**

**According to new research by the World Resources Institute most developed countries are not contributing their fair share toward meeting the $100 billion goal, with seven nations stumping up less than half of what they should be giving, based on objective indicators like the size of their economies and their greenhouse gas emissions. One of the biggest problems here is the non-standardisation of the criteria and parameters for what constitutes Climate Finance.**

**For example, Japan counts money for what they call ‘more efficient coal power plants’ as legitimate climate finance. Which is not really getting into the spirit of the thing is it?**

**Some countries provide full grants while others like France, Germany and Japan again, only offer loans, which will have to be repaid.**

**If every developed country gave the same amount relative to the size of its economy, then the contribution from each nation would only need to be zero point two-two percent of GNI. Only France, Germany, Japan and Luxembourg reached this level between 2016 and 2018.**

**And if private finance stumped up twenty-billion of the one hundred billion then the public contribution would only need to be zero point one eight percent of GNI**

**The US was the lowest contributor of any developed nations, managing only zero point zero three percent of its GNI.**

**President Biden’s**[**recent pledge**](https://www.wri.org/news/statement-us-announces-new-finance-pledge-developing-country-climate-action)**to increase U.S. climate finance can help close the gap somewhat, but it’s unlikely to fully meet the country’s fair share of the effort towards the $100 billion goal.**

**So, here’s three concrete measures for COP26 financing pledges, as recommended by the World Resources Institute**

**First and most obviously, the majority of developed nations must increase their climate finance dollars so that they’re contributing their fair share of the effort.**

**Secondly, all countries need to improve the quality of the climate finance they provide. And that means focussing as much cash on adaptation as mitigation. The UN and the Paris Agreement state that it should be a 50-50 split but at the moment it’s more like seventy five percent mitigation and only twenty five percent adaptation. And if we don’t help those countries to rapidly adapt to the climate impacts that are already baked into our atmosphere then they will be spending more time and money on repairing infrastructure and relocating people, all of which will reduce their ability to invest in renewable technologies.**

**Thirdly and crucially, there needs to be a massive improvement in data reporting. There’s an old business cliché that says ‘What gets measured gets done” and never was that statement more apposite than in the murky business of climate finance.**

**The WRI report suggests that rectifying reporting ambiguities will increase accountability, transparency and trust. COP26 is an opportunity to agree a standard set of measuring formats that developed countries must use to report on financial support under the Paris Agreement’s**[**Enhanced Transparency Framework**](https://www.wri.org/paris-rulebook/enhanced-transparency-framework)**from 2024 onwards. If they can nail that down then it’ll close the gaps and loopholes and improve individual countries’ reporting.**

**And if our wise and wonderful leaders could push themselves to achieve just one more thing in Glasgow this November, then according to a group of global investment companies currently responsible for managing six trillion dollars of assets, that one thing must be to embed an internationally agreed global carbon price. It might seem counter intuitive for those financial hot shots to be calling for what is effectively an extra tax, but the reality is that those folks make it their business to get access to the most far reaching and accurate projections of future global trends available, and those projections tell them very clearly that if we carry on the way we are then they stand a good chance of losing a very substantial percentage of their portfolios. And nothing motivates a money manager more than the prospect of losing all their money.**

**The group is called The Net Zero Asset Owner Alliance. It has forty-three members including some of the world's biggest pension schemes and insurers.**

**At the moment there are sixty-four different carbon pricing instruments in use around the world.**

**According to the World Bank, those mechanisms only cover twenty one percent of global greenhouse gas emissions. And even within those schemes there’s a wild variation in pricing structures.**

**That makes it extremely difficult for these big global investors and companies to manage risk and plan over the long term, particularly in the development and adoption of new technologies needed to accelerate the low-carbon transition.**

**So, the Net Zero Asset Owners Alliance are proposing a sort of hybrid model between emissions trading schemes and taxes or levies.**

**Specifically, they are advocating for a minimum global price on carbon, which would increase year by year in a predictable way. That would give certainty to investors and provide a guard-rail against price crashes and a maximum price to protect against price spikes.**

**And we’re not talking about some penny-annie token gesture like ten or twenty dollars a tonne here, as has been suggested by some organisations in the fossil fuel industry.**

**According to the OECD, if we’re to stand any chance of reaching net zero by 2050 then the carbon price will need to hit one hundred and forty-seven dollars a tonne by 2030. That’s almost three times the current rate of fifty-nine dollars currently used by the EU Emissions Trading system.**

**In the words of the chair of the Net-Zero Asset Owner Alliance, Günther Thallinger**

**"Non-regressive and revenue-neutral carbon-pricing instruments – harmonised across borders – will not only unleash massive investment in renewable power systems globally, but boost sectors from construction to transport, which are in urgent need of transition."**

**So, there we are then folks. A little bit of extra food for thought as we enter COP26.**

**Let’s see just how brave our politicians really are eh?**

**Thanks for watching and I’ll see you next time.**