ECONOMY AND ECOLOGY 04.11.2021

How COP26 can keep its promises

COP26 is set to place profit over principles once more. Yet, it is not too late to turn the tide and create just, fair and equitable solutions for all

If there was an international court for climate change, one of its main tasks would be to ensure that ideas of justice, fairness, and equity in solutions to climate change are put into practice and hold those accountable who undermine basic virtues and values. In such a scenario, claimants would include 'over 900,000 people faced with severe food insecurity due to back-to-back droughts compounded by the Covid-19 pandemic' just this year alone. But alas, no such court exists.

Instead, the global climate summit has just kicked off in Glasgow. But COP26 may just be another Copenhagen, a fitting parallel as it was in that Nordic city during COP15 in 2009 when developed countries pledged to mobilise 'jointly USD 100 billion dollars a year by 2020 to address the needs of developing countries'. And they renegaded. Justice, equity, and fairness motivated that pledge, the values and virtues imbedded in the Paris Agreement's Common but Differentiated Responsibility principle. It simply means all countries are responsible for the climate, while some – developed countries – have more responsibility than others – developing countries.

Failure to deliver

The promise however was not charity, any more than one would consider a loan a handout. So by 2019, almost half of 62.9 billion raised went to developing countries as loans. This was supposed to help save lives in developing countries from ruin and destruction because of climate change impacts. Yet, they contributed 'only 5 per cent to global emissions', but are the most vulnerable.

Ironically, the failure to deliver is now replaced with a so-called 'Delivery Plan', more than eleven years after the initial promise. It should be unnecessary to say that developing countries don't need a plan that effectively kicks a broken promise down the road. When '13.6 million

people across 11 countries' struggle to feed themselves because of droughts we can believe were induced by climate change, the just and fair response should not be yet another promise for which there is now understandably little basis of trust.

By 2019, almost half of 62.9 billion raised went to developing countries as loans.

The UK cabinet minister, Alok Sharma, who will oversee negotiations in Glasgow, reportedly said, 'there is no excuse: delivering on the USD 100 billion goal is a matter of trust'. What he failed to mention and probably meant to was that developing countries have lost faith in pledges. When those who wrote the plan say 'we share the disappointment about' the failure, one hopes they did not mean to imply that flash floods across 10 countries in just the first three months this year, along with Tropical Cyclone Eloise causing 'death and damage in South Africa, Mozambique and Zimbabwe', were just a 'disappointment'. Such are the fatalities and destruction the promise was supposed to help reduce.

Back in 1997, the IPCC said 'under the assumption that access to adequate financing is not provided, Africa is the continent most vulnerable to the impacts of projected changes.' But 20 plus years later, Africa received only 26 per cent of monies raised towards the promise.

Can climate change be profitable?

Much of these failures result from a misunderstanding of the climate crisis as an economic riddle. Climate change is a global environmental catastrophe, but certain economists seem to have greater say in solutions. The urgency now is in reducing the import of neoliberal economic ideas on international climate change solutions and to avoid a repeat of earlier failures.

Unfortunately, it looks like that's exactly what is going to happen in Glasgow. The negotiating text of Article 6 of the Paris Agreement will most likely be taken up, following failures earlier to agree on its rules. As things stand, a version of the Kyoto Protocol's market-based Clean Development Mechanism (CDM) is being proposed.

Here's how the CDM works. Imagine a German firm or the UK government invests in a solar project in Sierra Leone. Under the CDM, the latter benefits with electricity and the former gains 'certified

emissions reduction (CER) credits' from the UNFCCC that they can sell to others or use towards emission reduction commitments.

However, by 2013, 'just a little more than two per cent of the 7000 registered CDM projects are in Africa.' With the 2021 CDM report registering 863 more projects, Africa, the most vulnerable continent, has only 3 per cent of 7,863 projects. That's the underwhelming performance of what the UNFCCC has called a 'great opportunity to further support developing countries'. This failure reveals, consistent with market ideas, that investors and their money naturally flow where profits are more than likely to be made.

By 2013, 'just a little more than two per cent of the 7000 registered CDM projects are in Africa.'

The so-called 'cooperative approaches' in Article 6 of the Paris Agreement allow for a similar scheme, a Sustainable Development Mechanism were CERs are replaced with internationally transferred mitigation outcomes (ITMOs), used to claim emission reductions in Nationally Determined Contributions. These are national climate pledges UNEP finds 'put the world on track for a global temperature rise of 2.7°C by the end of the century'.

By simply urging companies and governments to recognise the 'special circumstances' facing least developed countries and small island states, the negotiating text of Article 6 does not address this CDM failure, nor justice, fairness, and equity for which international markets have little concern. In fact, human rights protections in earlier versions were removed from this latest edition. If economic markets really would protect the right to life, this text would not have been written.

What needs to change?

There are two economically fashionable ways to stop burning carbon: put a tax or price on emissions. Both are market solutions that are unlikely to be fair and just for developing countries, yet some are angling for an international carbon market, which – if partnered on the European Union Emission Trading Scheme – gives right to burn carbon to the highest bidder. It would be a market scheme that forces Africans to pay to use carbon-based energy necessary for socio-economic developments. A fair, just, and equitable political decision looks different.

In Glasgow, Boris Johnson would do well first to shred the eleven-page 'delivery plan' his government asked for and instead offer as contrite an apology he can muster that includes: 'We're very sorry. We failed you'.

That won't hurt but help to restore trust as would delivering the balance of the promise now, and to the poorest countries in grants, not loans.

Johnson should lead a charge during Article 6 negotiations focused on ensuring basic virtues and values, justice, fairness, and equity. He must effuse more than air and refuse platitudes to clearly answer whether economic solutions can concurrently deliver on 'efficient solutions' or profit *and* moral principles and imperatives of global climate change mitigation.

We have been sufficiently socialised to believe that climate change solutions cost money. But we shouldn't succumb to accepting that climate change solutions are profit-making opportunities for multinational corporations. To solve a problem largely caused by capitalism with capitalist ideas is, by Albert Einstein's definition, pure insanity.
