

## **COP26 – progress or just more blah, blah, blah?**

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Every five or so years there is a COP, and every five years after the previous COPs the concentration of carbon in the atmosphere has gone up by 2 parts per million per year. For the last 30 years there has not been a blip. Unless you believe that it would have been even worse without the COPs, it is as if two parallel universes are in place.

The Paris COP was like this. The targets offered by the participants, even if met in full, would not have limited global warming to 2°C, so the participants thought it would be a good idea to ramp up the ambition to 1.5°C. And here we are in 2021 having added another 10ppm or so to the atmosphere, and with ever higher temperatures.

Every COP is associated with a lot of political posturing and every time we are told that world leaders have “turned the corner”. For COP26, ministers in the UK again anticipate that this elusive corner will be finally turned. At Glasgow, the legal requirement from the Paris Agreement to put forward – but not legally commit to achieve – new nationally determined contributions (NDCs) will coincide with the strong possibility that the 1.5°C target will be exceeded in the next five-year period.

It is easy to see why Greta Thunberg describes this process as “blah, blah, blah”. And in one sense she is right. The world leaders do not actually mean it: they will the ends, but not the means. They are not prepared to face up to do what it takes to seriously address climate change, and there is very little chance that after COP26 the increases in the concentration of carbon in the atmosphere will stop.

The inconvenient facts are in plain sight. Even in 2020 in the great lockdown during the pandemic, the concentration of carbon in the atmosphere went up by 2ppm, more of the Amazon rainforest was burnt, and the destruction of the Mekong continued. The great carbon sinks of the rainforest continued to be plundered, and the oceans and continental shelves are plundered too. Peat fires, soil carbon erosion and the burning of

coal continued as if little had happened. This year, without yet getting back to the economic output of the pre-pandemic, emissions are rising sharply again. 2022 will no doubt see more of the same.

The question for Glasgow is very simple: what impact will the declarations and agreements, as signed up to by the world leaders who turn up to the summit, have on the growth in parts per million of carbon in the atmosphere? Knowing that the world leaders do not have a convincing answer, the obvious step is to change the question. It is: how do we declare “a triumph of world leadership”, declare that “a corner has been turned”, and that “climate change is going to be cracked”?

### **The serious flaws in the Kyoto process**

To see why Glasgow is likely to be one more in a so far unsuccessful series of COPs, we need to go back to the architecture. It is unlikely that so many failed COPs – Copenhagen, Durban and Paris – are each separately and distinct failures because the participants did not manage to pull sufficiently together. More likely is the possibility that the process itself is flawed, and is unlikely ever to deliver a decisive turning point and lower the concentration of carbon in the atmosphere.

The architecture was set in motion in Kyoto in 1997. It had a UN context, and at its heart was a broader North–South focus all the way back to the Brundtland Report.<sup>1</sup> The idea then was that the rich developed nations would do the heavy lifting, and the developing countries would do their best, but not be required to have targets. There were two moral arguments in play: the developed countries are responsible for most of the increases in the stock of carbon in the atmosphere (they had had their industrial revolutions) and they are richer, and both should pay and have the ability to pay.

The trouble with this starting point is that there is little evidence that the main developed countries are prepared to follow through the Kyoto implications. As the UK has demonstrated in cutting its already very small overseas aid budget, the sort of

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<sup>1</sup> United Nations (1987), “Report of the World Commission on Environment and Development: Our Common Future”.

financial transfers that would be needed are not politically deliverable, and developed countries' electorates do not much care about poorer people in poorer countries.

The keen advocates of Kyoto were those countries that were deindustrialising and could expect emissions to fall anyway. With 1990 as the base year, and following conveniently the fall of the Berlin Wall in 1989, the next 30 years coincided with the great retreat from energy-intensive industrial production in Europe and the UK, the switch from manufacturing to services, and the great growth in world trade and the import of these energy-intensive products – like steel, aluminium, fertilisers, petrochemicals and even cement– from elsewhere, again conveniently not counting against the territorial carbon production targets that were and remain the core of the Kyoto and COP processes. That is why emissions could fall in the EU and the UK, and the ppm still go up at 2 per annum since 1990. The EU and the UK could proclaim their “world leadership” boost about their falling emissions and at the same time cause a lot of global warming. So keen was the EU that it agreed to support Russia’s application to the World Trade Organization in exchange for Russia joining Kyoto so that it could come into operation (even though Russia then did nothing additional to combat its emissions).

And then there was China. The US, having promoted the development of the Kyoto Protocol, did not in the end sign up. Bill Clinton could not muster any votes in the Senate to ratify it, and did not try. US politicians pointed out that there was little point in the US taking on board the costs if China did not play ball. And they were right: China has gone on to now be responsible for nearly 30% global emissions. Without China, no international COP agreement will make much progress. In the meantime, George W. Bush and especially Obama pushed hard to facilitate the great expansion of the US fossil-fuel production, taking oil production from around 7mbd to over 11mbd, joining the other big two – Saudi Arabia and Russia – neither of which has any serious interest in reducing their fossil-fuel industries. In 2020 coal, oil and gas still make up about 80% of global energy.

Whatever the gains in terms of the reduction in poverty, the great economic expansion of China has come at enormous national and global costs to the environment. China now has over half the world’s total coal burn, and it is responsible for quite a lot of

environmentally damaging projects elsewhere – for example, building dams on the Mekong, with all the consequences to the rainforest and thus a great carbon sink, and financing coal power stations including in Vietnam and Pakistan. It is building more new coal power stations in China than the US and the EU combined are closing . It plans to go on increasing its emissions until 2030, and then to take a further 30 years to achieve “carbon neutrality”.

The facts are clear. If the Chinese economy goes on growing in this decade at say 5–6% per annum, it will be almost twice its current size in 2030, and the emissions mountain will be all the bigger. The 1.5°C target could not withstand that, and neither can the 2°C target. With nearly 30% of world emissions, this is the key challenge at Glasgow. The top-down approach is not going to bridge this chasm.

China sees the Glasgow COP negotiations through the prism of its geopolitical competition with the US. It wants the US to stand aside as it takes over Taiwan. It wants the US Pacific fleet to keep out of the South China Seas, and it wants recognition for its great sea grab there. It wants the West to shut up about the Uighurs and the concentration camps and about Hong Kong and democracy. And it wants the US to keep away from tariffs and trade sanctions too. It is hard to see the US delivering any of this. We are back full circle to Clinton’s problem with Kyoto.

If the problem was just China, the difficulties of top-down COP processes might conceivably be surmountable. But there are other Chinas in the wings, which are already going down the rapid carbon-intensive economic growth path. The biggest is India; its population of over 1 billion is younger than the Chinese population; it has a much more open economy, more freedoms; and it is a democracy. It is very dependent on coal. Its energy minister (rightly) made clear this summer that if the rest of the world wanted to seriously engage with climate change then it should pay India to industrialise in a less carbon-intensive way. Since the developed countries had got all the benefits of economic growth and development, and in the process burnt lots of coal and then oil, why should India forgo the economic gains to its vast population?

What the architects of the Kyoto Protocol confronted remains stubbornly in place at Glasgow. There are three core problems: *the territorial carbon production targets do not measure the countries' carbon footprints*; there can be *no serious COP-style agreement without China and without China peaking well before 2030* (like now) and fast-tracking a reduction in its 30% contribution to global carbon emissions; and the *developed countries have to make very big financial transfers* to India, Africa, Latin America, Indonesia, the Philippines, and the Central Asia counties – indeed, to all the developing countries. When it is suggested that success at Glasgow equals lots of new NDCs, a \$100 billion a year funding of a climate fund, and a revision to the rulebook, it is hard to think that anyone really believes that this is going to stop the annual rise of 2ppm in the carbon concentration of the atmosphere.

### **The COP26 hosts – the UK**

None of this figures in the UK ministers' pronouncements ahead of COP26. If you believed the rhetoric, you would believe that the UK is the world leader in reducing emissions and that it is paving the way for others to follow the UK example. The PM boasts that the UK has cut its territorial carbon emissions considerably, and that it is on a path to net zero, which in due course will lead to lower energy bills for customers and ending its part in causing climate change. And all without cost, and without any impact on its citizens.

If only all this were true, and if only all those international leaders would just do what the UK is doing, then all will be well, climate change will be cracked, and the PM and his government will have saved the planet.

Greta Thunberg has punctured that combination of boast-ism, booster-ism and cake-ism. It all sounds too good to be true – and it is. Let's start with the reduction in emissions. The UK Committee on Climate Change (CCC) argues that when we get to zero then we will have stopped causing climate change. This is just plain wrong. We are not and should never get to zero, but rather net zero, and if we want to stop causing climate change, it should be *net zero carbon consumption* – our carbon footprint, not simply what is produced in the UK (which is 80% services) rather than imported. To see how

silly this is, think of how we could reduce the UK's carbon territorial production quickly. We just have to close down what is left of the fertiliser industry (and hope that recent gas price increases do the job), close down the remnants of the steel industry (ditto), close the petrochemical plants that remain, stop producing any cement in the UK and build all the new houses with imported materials. We should also hope that BREXIT will finish off the UK car industry. All of this would be a fantastic and rapid "success" in the UK's pursuit of its unilateral carbon territorial production targets, and would increase global warming since the imported substitutes would have higher associated emissions per unit of production.

We might also push on with trade deals which open up the UK to imports of cheaper beef from Brazil on cleared Amazon rainforest land, and reduce domestic UK meat production. Closing down UK agriculture, which is responsible for a measured 11% of UK territorial emissions, would greatly speed the path to the net zero territorial carbon production target, whilst increasing global warming by increasing the concentration of carbon in the atmosphere.

The UK is in fact a really good example to the rest of the world of the perils of unilateral carbon production targets, and of neglecting carbon consumption. It also illustrates two other points from which the rest of the world can learn. First, by getting out of coal rapidly (a good thing) and increasingly relying on intermittent wind generation, it has to have a strategy and policies to make sure that security of supply is maintained. It needs a fast-track solution to the challenges of low wind output from time to time and especially in the depths of winter. The fact that the UK has been (much) harder hit by the gas crisis is a salutary reminder that with intermittency but no storage, trading overwhelmingly on spot markets and reliance of liquefied natural gas (LNG) ships, the consumers will find that cake-ism is reversed.

The broader point is that it is a big illusion to think that all of this is costless, of which intermittency is a part. No "hairshirts", as the PM tells us. The argument is trotted out repeatedly, especially by the CCC, that all this great transformation is going to cost 1% of GDP, and might even, on the PM's reckoning, cost nothing at all as the benefits outweigh the costs. We are going to get to a 78% emissions reduction target by 2035

(14 years away) at negligible cost. This is both disingenuous and dangerous. It is disingenuous because it assumes that the government will get all its policies right. It assumes that there will be no government failure. And it assumes that the cost projections for wind, solar, electric cars, heat pumps and hydrogen are all to be believed. There is no recognition of the costs of Equivalent Firm Power, as per the 2017 *Cost of Energy Review*, no appreciation that intermittency is a cost to be borne by someone, and little or no real appreciation of the system costs and infrastructures this will all need.

But just suppose for a moment in reading this that you believe the 1% number and you think that renewables are, for example, already cost-competitive and electric cars will also be pretty soon. If this is what you believe then what follows is that renewables no longer needs subsidies and a protected market, and that we can withdraw all this public and customer expenditure really quickly. What is more, we will not need to support electric vehicle purchases for much longer. But there are as yet no renewables lobbyists outside Parliament with placards to demand an end to subsidies.

There is another narrative: that the costs of no longer causing climate change, of net zero carbon consumption on a unilateral basis, are likely to be high, but that it is our moral duty to pay them. It is analogous to changing a peacetime economy in, say, 1930 to a wartime economy to fight the Battle of Britain in 1941 (around the same length of time as the 78% target). Back then, it required a national effort, an extra savings surplus from the population, and planning and directing it to military production.

Decarbonisation is of course different, but nevertheless the analogy has potent messages for our unilateralism. However, it is not something that the PM would ever be willing to explain to the population, as his hero Churchill did. It just does not square with boast-ism, booster-ism and cake-ism.

### **The alternative: a bottom-up coalition of the unilateralist willing**

The above might seem a council of despair, but it is not. Recognising the facts, recognising what is going on in adding 2ppm per annum to the concentration of carbon

in the atmosphere, and refocusing the COP process on that concentration and hence on carbon consumption are the first steps to constructing an alternative path – one that might work.

If we are really serious about stopping our contribution to climate change, and doing so unilaterally, what is required is a coalition of the willing on a bottom-up basis. It works like this: the willing recognise that it is carbon consumption that matters and that only by reducing carbon consumption to net zero will we stop causing climate change. Setting a carbon consumption net zero target means treating imports on the same basis as domestic carbon production, recognising, for example, that it does not matter where the steel is made, but rather where it is consumed.

That means a carbon border adjustment mechanism (CBAM). We should treat beef from the Amazon, steel from China, and so on, on the same basis as if it was produced domestically. It should bear the costs of the pollution caused in producing it, and we would apply this at the borders. There should be a common domestic and border carbon price.

Suppose this is done. Suppose all those Chinese imports to the EU, the UK and the US pay a carbon border tax. Think through what the incentives would be on China. The obvious question for the Chinese exporters is how to get around this, to avoid paying what would be a high carbon border tax since its production is highly coal-intensive. China could avoid the carbon border tax if it had an equivalent carbon price at home. It could join the coalition of the willing in introducing common carbon pricing.

This really would change the game, and especially for China with about 30% global emissions.

This is what would have to happen at the Glasgow COP to “turn the corner”. It would not then be “blah, blah, blah”. It would finally start to make inroads into those annual increases in ppm in the carbon concentration in the atmosphere, and it would bear down hard on coal. China would have to take note if the US and the EU priced in the carbon pollution produced in China and consumed in the US and the EU.

It would be a start, after 30 wasted years. “Turning the corner” would also require a big transfer from North to South, not just a promised (but in the past undelivered) \$100 billion per annum. The developed world would have to meaningfully pay to protect the Amazon, the Congo and the Mekong, and to wean India and Sub-Saharan Africa off coal, and stop the haemorrhaging of carbon from the soils which intensive chemical farming is driving forward. To this, the sharing of new technologies would have to be much more ambitious than, for example, the sharing of the coronavirus vaccines.

This is all stuff that should and can be done now. The easy bit is promising to get to carbon territorial net zero in 30 years’ time, when many of the current world leaders attending the Glasgow COP26 will long have been out of office, and most will probably be dead. Imposing meaningful carbon taxes now both domestically and on imports, and raising taxes to transfer significant monies to the developing countries now, are examples of painful and difficult things that need to be done to “turn the corner” . Telling people that it is not going to cost, that they can have their cake, and that it will all be fine in 30 or 40 years’ time is the road to 3°C. That really is “blah, blah, blah” .



[Net Zero: How we stop causing climate change](#)

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