

‘COP26 needs to deliver for all countries’: UK Cabinet Office

12 July 2021 |

*Expectations about COP26 moving the needle significantly on the issue of Climate Change is gaining momentum. In an emailed response to R M Consulting, the **UK Cabinet Office** provides its views on how it would try to ensure that COP26 benefits developing countries also. **The UK holds the COP26 Presidency and the Rt Hon Alok Sharma MP is full-time President for COP26.***

Q. As COP26 nears and there is more talk on the Climate issue, do you feel that the voices of developing countries are increasingly getting drowned out with richer countries dictating the agenda more and more on Climate Change?

Ans. We know that approaching our Presidency in a fair, inclusive and balanced way will lead to the most sustainable outcomes. We will use our position as Presidency to empower and amplify the voices of those whose views are often most marginalised, addressing their needs and priorities in the run up to, and at the COP itself. We are clear that COP26 needs to deliver for all countries. We also recognise that COP26 is a critical moment to enhance support for developing countries. We are determined to work together to deliver a prosperous, zero carbon future for all. In order to help developing countries take action to tackle climate change and benefit from the opportunities of clean growth, the UK has committed to doubling our climate finance for mitigation and adaptation to £11.6bn from 2021-2025.

Q. Do you think that there is a need for greater discussion worldwide, especially in developing countries, on how the move to Net Zero could affect the jobs and livelihoods scenario in particular geographies? Considering that as part of their SDG commitments, countries are also bound to honor their obligations to SDG 8.

Ans. Many developing countries are already acting to seize the opportunities of clean growth. Renewables and low-carbon technologies have considerable economic and human health benefits. Solar and wind are already cheaper than coal power in two thirds of the world’s countries, and bring added benefits such as clean air; healthy communities; sustainable economic growth; energy security; and a safe climate. In many countries without an established grid, solar and other renewables offer the chance to ‘leapfrog’ grid technology. Solar plants can go up in weeks or months instead of years for big fossil fuel plants or large-scale hydro. Renewable technology is also scalable and therefore affordable for smaller economies. Over 100 countries have already pledged to develop a net zero plan. Some countries will get there faster than others but it is a path we must all take if we are to keep the temperature rise to 1.5 degrees.

Q. While many companies, including giant multinationals, have in recent times come up with their own Net Zero pledges, do you think that disclosures made by business enterprises on Climate risks are adequate? If not, do you feel that regulators should insist on more standardized reporting of Climate risks by companies?

Ans. Demand for the Taskforce of Climate-related Financial Disclosure (TCFD) reporting is significant: investors, banks, insurers and pension funds responsible for assets of over \$150 trillion are demanding that companies assess the risks and opportunities that climate change poses to their business models and disclose in line with TCFD. We need financial institutions to ensure that every decision they make takes climate change into account, by: improving the quantity, quality and comparability of climate-related disclosures; ensuring the financial sector can measure and manage climate-related risks; so that investors can make better informed decisions. The UK has published a pathway to mandatory TCFD disclosure by 2025, with widespread coverage by 2023; and G7 Finance Ministers are following the UK’s lead: they have committed to move towards mandatory disclosure and support the crucial development of a global baseline reporting standard (based on the TCFD framework) and developed by the International Financial Reporting Standards Foundation.