



THE DUBLIN DECLARATION

PREAMBLE

The Dublin Climate Dialogues are a pre COP26 call to action. With more greenhouse gases going into the atmosphere and global temperature rising faster than at any time in human history we are conducting an unprecedented experiment with the only home we have, our planet.

Climate change is driving increased frequency and intensity of extreme weather-related events and is acting as a threat multiplier to our biodiversity and security. Planet Earth is perilously close to the abyss. Now is the time we must act together.

As United Nations Secretary-General António Guterres has urged: “Leaders everywhere must take action by building a global coalition for net-zero emissions by mid-century – every country, every region, every city, every company and every industry.”

All countries – starting with major emitters of carbon – need to submit new and more ambitious “nationally determined contributions” for mitigation, adaptation and climate finance; committing to actions and policies for the next decade, aligned with a 2050 net-zero emissions pathway.

The speed, scale and depth of the transition required is unprecedented and will yield many new opportunities. It will also require a just transition, locally and globally, committed to leaving none behind and one especially focused on protecting and assisting the most vulnerable, who have contributed the least to global warming but who risk suffering the most because of it. To succeed, collaborative engagement at every level of governance, public and private, has to be at the heart of this transformative transition.

2021 is the critical year in setting this new course for the planet. A new sense of urgency and accelerated action are needed to underpin the Paris Agreement aimed at avoiding catastrophic warming of more than 1.5°C this century. Many countries are committing to net-zero emissions and advancing plans to decarbonise their economies. This is a welcome trend, but overall the pace of change to date has been inadequate to meet the scale of the challenge.

As organisers of the Dublin Climate Dialogues, we have issued this Declaration as a distillation of the collective wisdom which emerged from our deliberations and as an input to the wider debate in the run up to COP26 in November 2021. The Declaration, solely the responsibility of the conference organisers, does not purport to represent the official position of any governmental or non-governmental participants or their organisations. It does, however, seek to capture the essence and tenor of the dialogues held and to whose contributors we owe a deep debt of gratitude.

Pat Cox, on behalf of the Dublin Climate Dialogues

OUR CALL FOR ACTION

Globally, nationally, locally, corporately, collectively, and individually it is not too late to choose. We each have a voice, a duty of care to act and a moral responsibility to make our world a better place to hand on to our children and future generations.

The last realistic chance to correct our shared global course will be the COP26 in November, requiring leaders to make their policy ambitions commensurate with and reflective of the promised aim of limiting global temperature rise to well below 2 degrees Celsius, and given the grave risks, to strive for 1.5 degrees.

THEREFORE, WE RECOGNISE:

The drastic urgency of dealing with climate change

The discussions at the Dialogues brought home the urgency of dealing with the issue of climate change. We emit 51 billion tonnes of greenhouse gases into the atmosphere each year. This needs to be reduced to close to zero.

In addition to the negative climate impacts, the toxic effects arising from the burning of fossil fuels cost USD 2.9 trillion per year in lost productivity and account directly for 4.5 million premature deaths annually. We are not on track to meet the necessary 2°C pathway, let alone a 1.5°C pathway to a sustainable global future. The key issue is not about acting but about acting fast enough.

The need for a just transition

Addressing the injustices driven by climate change through a just transition is imperative. The right to food, water, health, education, peace and security are human rights. These rights are diminished by the effects of global warming, making climate change a human rights issue.

Climate displacement of populations and climate migration are set to grow. The poorest on the planet who have contributed the least to global warming are among the hardest hit. Different pathways to development beyond fossil fuels must be afforded to developing countries in seeking to meet their needs and to fulfil the aspirations of their peoples. Small island developing states face unique vulnerabilities.

The global community, public and private, has failed on its promise to invest USD100 billion per annum by 2020 across the countries most at risk of climate change. This is an important symbol of trust. There is a need for a significant increase in climate finance, both in terms of post Covid recovery planning and in meeting longer-term climate policy objectives. The necessary finance will have to be mobilised from all sources.

The centrality of Public Policy

The Conference endorses the UNFCCC COP framework as the most effective vehicle to deliver global agreement to decarbonise. However, there are public policy reasons to encourage countries to accelerate their own transition to a low carbon economy alongside the COP process, both to deliver additional prosperity for their own citizens, and to work with other States to help them transition more speedily.

Options include the creation of national and regional carbon markets, the introduction of international carbon border adjustment mechanisms, and the introduction of carbon-tax or carbon-pricing systems with provision for rebates and dividends to encourage those who wish to move faster.

Opportunities should be found to champion countries that have found policy routes to a just transition from fossil fuels to low and zero carbon economies.

The advent of an enhanced electricity era

To reach a climate stable pathway, we must accelerate the electrification of the global economy. The International Renewable Energy Agency advises that a 1.5°C pathway will see up to 90% of global energy demand supplied by renewables in 2050. Half of all our energy will come directly from electricity, with more needed for heating and the creation of other energy vectors such as hydrogen.

To reach this goal we must at least treble, if not quadruple, the amount of annual investment in renewable energy, globally. Countries with abundant solar and wind resources will ship their electricity to customers across long distance high voltage grids, interconnecting countries, regions, and time zones. We will continue to need to innovate in energy efficiency and in better meeting unserved demand. All this must be planned, and the transition funded on a multilateral basis.

The vital role of technology

There has been significant and accelerated development in the technologies which underpin the transition to decarbonisation.

The cost of wind and solar technology has fallen dramatically over the last decade, and the cost reduction in lithium-ion storage is falling on a similar trajectory. Batteries and other forms of storage are essential technologies on our pathway to net zero.

There is sufficient wind, solar, lithium, capital, and human resource to accomplish the transition to a decarbonised electricity system, many times over.

The wider energy transition

New renewable fuels will help us to remove fossil fuels from the hardest to reach sectors of our economies.

Green hydrogen created by renewable energy has much to recommend it particularly in industries including chemicals, fertiliser manufacture, and steel production. It is potentially a viable fuel for long distance bulk transport, including shipping and aviation.

The production of hydrogen and other new renewable fuels will require the production of large amounts of renewable electricity. This will create new industries and new economic opportunities in countries with abundant solar and wind resources, many of which are currently peripheral to the global economy..

The benefits of investment in clean energy

Investment today to build the needed new energy systems will require very large amounts of capital but will see even larger returns on that investment. Estimates suggest that while USD130 trillion needs to be invested in the transition to a net zero economy by 2050, the long-run economic benefits for the whole world will be more than USD420 trillion by the end of the century.

We envisage the creation of new investment vehicles to incentivise the delivery of clean energy infrastructure, particularly grids. Climate and carbon bonds, new fiscal measures, government and World Bank investment guarantees, and cross border facilitation of investment are financial policy options that should be encouraged and championed by our multilateral Institutions this decade.

We concur with the conclusions of the recent US Climate Summit, hosted by the President of the United States of America, where participants agreed that climate action might represent the largest economic opportunity of this century.

We agree with the International Renewable Energy Agency that it is possible to increase the number of people employed in the global renewable energy sector from 11 million today to 30 million by 2030, with over 5 million new jobs created over the next three years.

We call on the multilateral development banks to rapidly scale up support for a green recovery, the building of climate resilience and the drive to net zero. This can be delivered through more effective use of their balance sheets to fund the market reform needed to crowd-in the private sector finance required to invest in the transition from fossil fuels to renewable energy.

The mobilisation of capital

Mobilisation of capital continues to be one of the key global challenges in the fight against climate change. The issue is not availability of capital nor is it the availability of projects for investors. Instead, the key issue is one of risk in that those parts of the agenda which require significant investment capital are also the areas of greatest risk. We need to address:

Technology risk

It is accepted that the world will not get to net zero without rapid acceleration of innovation across all relevant technologies. However, because of inherent technology risk, investors are not investing into this part of the agenda in sufficient numbers.

Emerging market risk

Here several specific risks act as barriers to the flow of investment capital. These barriers include political risk, currency, land ownership, entitlement to legal protection and other risks which prevent investment capital being used where it is most needed.

At COP26 and beyond, it is critical that there is a renewed focus on identifying a new layer of capital which is prepared to take on these high levels of risk where the returns will not always be commensurate. It is a form of capital that is patient and sees value in creating impact on the climate agenda as part of the overall return on the investment.

This concept is described as “Net Zero Equity” and is currently under active development. We recommend that COP26 supports the effort to develop this type of capital as it is required to help catalyse investment where it is most needed.

The significance of climate risk

Accurate and verifiable identification, quantification and reporting of climate risks and the mitigating actions being undertaken are of fundamental importance to meaningful climate action. Such mandatory measurement and reporting will lead to transformative decarbonisation strategies being adopted by countries and by corporations. It will accelerate opportunities for investment in clean energy and other climate-friendly sectors, and encourage financial institutions to align their portfolios with the Paris Agreement goals.

Failure to create such a reporting environment will leave investors and other market participants uninformed and this in turn may lead to financial crises once the capital markets appreciate that climate risk has not been correctly factored into asset and corporate valuations.

Climate risk management

Ensuring that climate risks are reflected in corporate asset and liability valuations will require them to be embedded and integrated into organisations’ broader governance and risk management and into decision-making processes, including capital allocation and investment decisions.

Companies will need to ensure they properly account for, and report on, climate-related risk and we encourage the adoption of mandatory sustainability reporting standards, with a particular focus on climate.

The Innovation Challenge

It is accepted that the world will not reach net zero by 2050 without an unprecedented level of new technology and business innovation on climate and sustainable energy. The reality today is that this innovation is taking place and a global ecosystem of climate innovators has emerged working in diverse areas including transmission, carbon capture, hydrogen, biofuels, and other critical areas. However, a failure to accelerate innovation remains one of the critical barriers to successful action on climate change.

There is a common set of challenges facing many of these innovators, including lack of funding with insufficient access to pools of capital, a lack of relevant commercial expertise to help them achieve full commercialisation of their innovations and to identify routes to market and a lack of appropriate industrial partners to trial and pilot these innovations (particularly innovations that need to be built at scale to prove their feasibility).

We recommend that COP26 consider creating a Global Decarbonisation Innovation Accelerator as continued failure to support innovators is a lost opportunity in the fight against climate change.

OUR CONCLUSIONS

Recognising the critical nature of the COP26 process and the determination of the Presidency and the participants to achieve meaningful conclusions in Glasgow we submit the following recommendations:

First

A commitment by the participants at COP26 to the rapid electrification of the global economy including the quadrupling every year of installed renewable energy generation.

A commitment to a just transition from fossil fuels, with a plan for every country in place by 2025 and execution through 2030.

A commitment to eliminating fossil-fuel subsidies in every country no later than 2025.

A commitment to phasing out coal power generation in every country by 2030 and natural gas power generation in that decade.

A commitment to ending export finance for fossil fuel projects, particularly coal extraction and the building of new coal and gas fired generation.

A commitment by our multilateral Institutions to the development of regulatory and funding solutions to enable the acceleration of new grid infrastructure to be the backbone of the transition to a global clean energy economy.

Second

A commitment to deliver a just transition by recognising and addressing the needs of poorest and most vulnerable who have contributed the least to global warming but who risk suffering its worst effects.

Third

A commitment to the rapid introduction of global reporting and accounting measures to best reflect the potential impact of climate risks to countries, communities, and companies. This includes stress-testing national and international Institutions on their response to systemic shocks to global and regional markets caused by increasingly significant climate damage.

A commitment by the world's multilateral financial bodies, the private sector and individual citizens to accelerate investment flows into communities that may struggle to transition from fossil fuels, coupled with a commitment to reduce the regulatory burdens on those State and non-State actors who wish to move further faster to build resilient communities powered by clean energy.

Fourth

A commitment to the delivery of public policy pathways that will enable countries who wish to accelerate their transition to net zero to do so, and further to enable and encourage those countries to mentor others, working with both State and non-State actors, to go further, faster.

A commitment to enable cross-border solutions including putting a strong price on carbon, the introduction of national and international carbon price floors and other mechanisms to incentivise the acceleration of transitions from fossil fuels, whether by governments, communities, or individuals.

A commitment to introduce border adjustments to further incentivise the transition from emissions-heavy manufacturing.

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