

The Prime Minister's UN Speech

Four Priority Areas

Background

On 22 September 2021, the Prime Minister outlined in his UN General Assembly speech the four key areas that must be prioritised at the November COP26 environmental summit in Glasgow. These areas are 'coal, cars, cash and trees'.

ClientEarth has engaged across these four areas in its UK and international work and would urge UK parliamentarians to use their platforms to amplify the message to act in these four key areas to both the government and beyond, ahead of the UK's hosting of the COP26 meeting.

This November will shine an international spotlight on the UK's leadership on tackling climate change, and provide a rare chance for the government to make its ambition for a green recovery post-COVID a reality.

Coal

Coal-fired power stations currently account for 30% of global CO₂ emissions, and some countries are still planning to increase the amount of energy generated from coal. The UK government is pushing for a global commitment to phase-out coal power at COP26, with no new coal plants built anywhere, and all coal power phased out in developed countries by 2030 and in developing countries by 2040.

As of 2019, there remain over 200 coal plants left in Europe alone.

ClientEarth has worked with local communities to fight and win against polluting coal companies across Europe and has begun working with partners across Asia to highlight the ongoing environmental, financial and legal risks of continuing to invest in coal. In Germany, a new coal plant, Datteln IV has been built in the direct vicinity of a children's hospital. Pollution from the plant poses major risks to the health

of local residents, from cancer to neurological disorders. Despite successes against the plant in court in the planning stages, and the unit being constructed just after Germany agreed its coal exit law, the project went ahead. ClientEarth is now focused on shortening the lifespan of the project.

Major Polish energy firms Enea and Energa announced that they would now suspend funding to, and construction of, the country's last planned new coal plant, Ostroleka C, over economic concerns. This follows ClientEarth's groundbreaking shareholder lawsuit over the indefensible risks of going ahead with the project. This decision demonstrated to the global market that companies must now take note of the risks of fossil fuels in today's world.

As a result of ClientEarth's advocacy against coal operators in Bulgaria, the Pernik power plant withdrew its investment proposal to burn waste alongside coal. The Bobov Dol and Brikel plants had turned into dumping grounds, with local residents being able to smell burning plastic throughout the night.

Cars

The World Health Organization ('WHO') has already recognised air pollution to be the greatest global environmental health risk, estimated to cause up to 40,000 early deaths annually in the UK alone.

In December 2020, a Coroner's Court in London found that air pollution above legal limits and the WHO guidelines 'made a material contribution' to the death of nine-year-old Ella Adoo-Kissi-Debrah. She became the first person to have air pollution listed as a cause of death.

The social cost of air pollution to individuals and the NHS has been estimated to be over £20bn annually in the UK. At the same time, according to research by CBI Economics, simply meeting the 2005 WHO air quality guidelines in the UK would result in a £1.6bn economic benefit per year, and a gain of an additional three million working days by reducing morbidity associated with poor air quality.

The Environment, Food and Rural Affairs Committee has already called on the government to address levels of poor air quality across the country, highlighting a 'strong and established' case that air pollution disproportionately affects those from lower socioeconomic backgrounds.

Following ClientEarth's three legal challenges, the UK government has directed over 60 English councils to identify local solutions to reduce pollution to within the legal limit for nitrogen dioxide, a toxic gas, in the shortest possible time. The devolved administrations are responsible for taking action in their respective jurisdictions.

The government's own research shows that Clean Air Zones ('CAZs') are the best way to rapidly reduce illegal levels of air pollution across our towns and cities. In fact, the then Mayor of London, Boris Johnson, first approved plans for the Ultra Low Emission Zone ('ULEZ') on which CAZs are based, and this has already been shown to have reduced illegal levels of nitrogen dioxide by 37% during the 3-month period before the first Covid-19 lockdown. A number of CAZs are already currently being rolled out across the country and it is crucial that these are underpinned by support from government to help constituents and businesses shift to cleaner forms of transport.

CAZs could be harnessed by government as a crucial foundation to set a path for zero emission road transport networks across our towns and cities.

The Environment Bill, which is hoped to receive Royal Assent before COP26, presents an opportunity to support the long-term drive towards Net Zero, whilst ensuring that the health benefits of reducing air

pollution are brought forward. There has been significant interest from health communities and members of the public for the UK government to show international leadership by setting a commitment in the Bill to meet the 2005 WHO air quality guideline for fine particulate matter, one of the most harmful pollutants, by 2030 at the latest.

Cash

Developed countries committed in 2010, and reaffirmed in the 2015 Paris Agreement, to provide at least \$100bn every year in climate finance from 2020, to support developing countries adapt to climate change. A year on from the 2020 deadline, this initial commitment has stalled, only reaching \$78.9bn.

The scale and speed of the changes required will require public and private finance. Public finance will develop the infrastructure needed to transition to a greener and more climate-resilient economy. Private finance will fund technology and innovation, and help transform the billions of public money into trillions of total climate investment.

The UK is aware that developing countries in particular need financial support to build new markets for adaptation and mitigation, as well as improving the quantity, quality and access to finance to support communities around the world desperate to take action on their changing climate. The UK government has stated it intends to double its International Climate Finance commitment to support developing nations with £11.6bn over the next five years to 2025/26. We are keen for as many countries as possible to follow the UK's lead and increase their own commitment through to 2025.

To unleash the trillions in private finance that will transform our economies to net zero by the middle of the century, future financial decisions must take climate change related risks, impacts and opportunities into account. This includes not just all private investment decisions, but also the spending decisions that countries and international financial institutions make. Companies need to be transparent about the risks and opportunities that climate changes poses, banks need to stop financing companies' activities that are incompatible with keeping warming below 1.5°C, insurers need to stop underwriting such activities and central banks and regulators need to use their tools to support the net zero transition and ensure that our financial systems remain resilient in the face of climate change.

Climate change remains a systemic financial risk. ClientEarth's climate finance team is working to protect the resilience of the global economy by analysing the legal implications of climate change-related financial risks for a wide spectrum of market participants, including companies, financial institutions, investors, company directors, professional advisers and regulators. As part of this work, we are successfully leveraging corporate and financial law to hold financial and corporate actors, and their regulators, accountable for inaction on climate change, with the ultimate goal of driving finance flows, at a minimum, in line with Paris Agreement goals.

Our research this year, however, found that the majority of top UK-listed companies are still not adequately reporting on climate risk, as they are already required to by UK law. This means that investors often work with incomplete or potentially misleading information when making investment decisions. We have been calling on the UK government and UK regulators to put in place stronger frameworks that ensure businesses and financial institutions not only provide more meaningful disclosures but also implement strategic plans, so they can best manage the transition to net zero. Alongside better transparency and implementation of strategic plans we have been calling for improved accountability and robust enforcement when disclosures fall short. As we have highlighted this year in

recent [company referrals](#) and our [letter to the Financial Conduct Authority](#) on its role in protecting the UK's financial system, investors are not yet receiving the granularity of information on climate change they need and are entitled to expect to make informed decisions.

Trees

The UK market is a significant consumer of 'forest risk commodities' like beef, soy, palm oil and cocoa, and UK supply chains of these commodities, and of products made from them, have been linked to deforestation around the globe. Global deforestation and the loss of biodiverse and carbon-rich ecosystems such as peatlands, wetlands and grasslands are inextricably linked with the global climate, nature and biodiversity crises. Commercial agriculture is the largest global driver of deforestation and ecosystem conversion, accounting for more than 80% of deforestation in the tropics, and is the largest driver of terrestrial biodiversity loss. Deforestation also has a dramatic impact on the livelihoods of some of the world's most vulnerable people, who rely heavily on forest ecosystems and the services they provide. Deforestation also detrimentally impacts the rights and survival of the world's Indigenous Peoples.

The UK Government has proposed a new legal framework to tackle the UK's contribution to global deforestation in Schedule 17 of the Environment Bill. However, that proposal regrettably falls short of the ambition needed to prevent global deforestation, or fully address the changes needed to address the UK's own deforestation footprint. The Government's proposed approach – addressing only deforestation that is treated as 'illegal' under the laws of countries exporting 'forest risk commodities' to the UK – undermines the purpose of the proposal and remains out of step with similar legislation being developed by both the US and EU.

More importantly, pushing ahead with an approach that ignores deforestation permitted by third country laws and that ignores the rights of Indigenous Peoples and other forest defenders, despite a wealth of evidence highlighting their importance, risks damaging the UK's credibility on the world stage at COP26. The UK's own collaboration with the Bolsonaro administration under its FACT Dialogue while the Brazilian government is simultaneously proposing a suite of legal reforms that will legalise millions of hectares of deforestation in the Amazon and Cerrado. This will push them towards dangerous tipping points, as well as legalise additional land-grabbing in Indigenous territories and violate the rights of Indigenous Peoples. This poses a direct credibility risk to the UK government's environmental leadership and the ambition it intends to set for its new deforestation law. Indeed, the Brazilian legal reforms, if enacted, would render the UK's new law effectively meaningless in terms of stopping products linked to the destruction of the Amazon from ending up on UK supermarket shelves. By adopting an approach that ignores 'legal deforestation', the UK government risks signalling its approval of environmental, biodiversity and human rights impacts that are – or are made – 'legal' by countries exporting products to the UK. Instead of the bold and ambitious leadership the UK hopes to show, this approach would instead risk legitimising the 'legal' destruction of nature, and undermine wider global efforts to raise ambition on binding deforestation, biodiversity and climate standards.

Conclusion

ClientEarth is keen to work with the UK government to bridge the gap between the Prime Minister's ambition and the current reality. Clear and ambitious goals have been set by the government ahead of the COP26 meeting to secure global net zero by mid-century and keep 1.5 degrees within reach, as well

as to protect natural ecosystems and the rights of local communities. It is essential, however, that action is taken in all four areas outlined above, in particular the mobilising of \$100bn of climate finance each year, to help support the goal of keeping the planet's warming to 1.5 degrees.

If there is anything that you would like to discuss with our legal experts on the issues above, please do get in touch.

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