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Headline: Different targets of developed and developing nations may cause hurdles at COP26: Grace Fu

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Countries are no longer disputing the reality or science of climate change, but roadblocks exist that could hamper an agreement from being reached at the upcoming United Nations climate change conference, said Minister for Sustainability and the Environment Grace Fu.

One key tension point will be the differing climate ambitions and targets between developed and developing countries, she said.

Developing nations would also need help with finances to build adaptation measures against floods or rising sea levels, she added on Wednesday (Oct 27) in a panel discussion at the 2021 Dentons Rodyk Dialogue.

Ms Fu was responding to a question about the outcomes she is expecting from the United Nations climate change conference, called COP26, that will kick off in Glasgow on Oct 31.

"Developed countries want ambition. They want to have targets, they want to look at net zero (carbon emissions) in 2050.

"At the same time, the developing countries will say: 2050 is the deadline for the world, shouldn't developed countries go ahead, and not expect developing countries to also reach net zero in 2050?" she said, about one potential roadblock to reaching a global consensus needed to put the Paris Agreement into effect.

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"This dichotomy between the developing and developed world remains. And this will continue to drive discussions, and will be a big factor."

The dialogue on Wednesday - a partnership between law firm Dentons Rodyk and the Singapore Management University (SMU) - saw faculty members and industry experts discuss issues surrounding corporate sustainability, green finance and innovation.

The COP26 meeting aims to finalise details of how the 2015 Paris Agreement can be implemented. The aim is to limit global warming to well below 2 deg C, preferably to 1.5 deg C, above pre-industrial levels to avoid harsher climate impacts, and to achieve net zero emissions by 2050.

Developing countries may argue that since the richer nations have gone ahead with economic progress and emitted more carbon dioxide into the atmosphere, they should help the poorer countries that are now inundated by floods and rising sea levels, she said.

"I think the recent energy prices will feature in the discussion, and again issues about (climate) adaptation finance. The responsibilities of developing countries will also continue to occupy most of the attention."

The Covid-19 pandemic has weakened the financial capabilities of many countries and governments, Ms Fu noted, and this is but one of many factors that may complicate negotiations at the conference.

She added that a lot of courage and political leadership are needed to overcome the challenges and form promising outcomes from the Glasgow meeting.

"I'm keeping my fingers crossed. We are working very hard to get the agreement going. It will not be easy. The positions, the differences are there, as I just described, but we will do our level best to see some agreements for this round."

Ms Fu will co-facilitate ministerial consultations on Article 6 of the Paris Agreement - which revolves around how countries can reduce their emissions using international carbon markets.

"Securing international consensus on Article 6 will provide a common framework for carbon markets, allowing nations to be more ambitious in their climate action whilst also promoting sustainable growth and environmental integrity," she said on Wednesday.

A key focus during the hybrid dialogue, which was hosted by SMU and drew over 750 virtual attendees from 25 nations, was on assessing the environmental, social and governance (ESG) impacts of business and investment.

One of the speakers, SMU Professor Dave Fernandez, said current metrics for ESG ratings are limited, and academics and practitioners have been studying alternative ways to measure the impacts.

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Prof Fernandez, who is the director of the university's Sim Kee Boon Institute for Financial Economics, said SMU and the Singapore Green Finance Centre have been focusing on an ESG impact measurement framework, which he said is more consistent and complete in measuring the outcomes and actual changes achieved by a company.