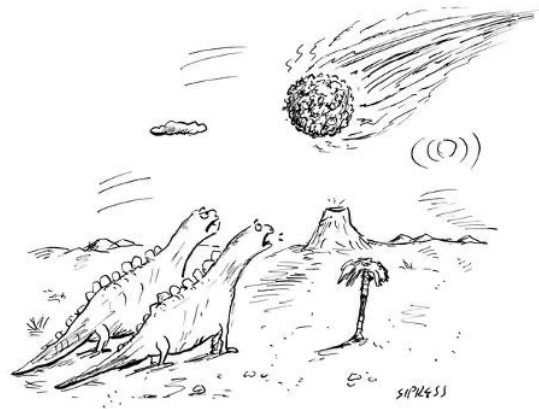


New climate announcements are coming thick and fast. In recent weeks dozens of countries including Nigeria and Malaysia have updated their mitigation plans, known as nationally determined contributions (NDCS) required under the Paris climate agreement of 2015. The deal obliges its signatories to increase the ambition of their NDCS every five years. So far, 58% of the 191 signatories have submitted new NDCS.



"Uh-oh—climate change."

Countries' climate targets come in many shapes and sizes. Around two-thirds of the planet is now covered by a pledge to achieve net zero emissions by around mid-century. The world's 20 biggest polluters account for 80 percent of global emissions. About half of them have climate targets that provide for their emissions to *grow* over the next decade -and all of those are considered emerging countries (notably China).

China is the world's biggest emitter with roughly a quarter of total emissions. It says it will cut the carbon-dioxide intensity of its GDP by over 65% by 2030, compared with 2005 levels. Yet its target allows it to emit slightly *more* pollution by the end of the decade than it does today. Similarly, Brazil submitted its updated NDC in December, where it pledged a 43% reduction in pollution by 2030, compared with 2005 levels. But tweaks to its carbon accounting mean that Brazil can emit a third more carbon over this time period.

Re-basing (changing the start date for the baseline) climate targets changes the relative ambition of rich countries too. On the face of it, the European Union's target of lowering emissions by 55% by 2030 is more ambitious than America's 52% cut. But the EU's goal is based on 1990 levels and its emission have already fallen from that point. By contrast, America's plan is based on 2005 levels, and its emission have fallen by less since. Once put on the same basis, the United State's goal is more laudable.

Rich countries should not feel smug about their efforts however. If Brazil's emissions rise in line with its pledge and America's fall to meet its goal, by 2030 the average carbon footprint of an American will still be twice as large as that of a Brazilian. With wildfires raging, lakes disappearing and temperatures rising globally, the bottom line is that more needs to be done to combat climate change around the world.

Be safe, be well!

Martin
First Capital Financial Corp.
1-519-546-5088

