(Summary: "Making the Idea of Climate Clubs a Reality")

- We have failed to make serious progress on emissions, and the pandemic rebound is a reminder of how far we must go;
- Countries are not equal in terms of their impact on emissions and in terms of their contribution to the solutions—in particular solutions that come from innovation. One reason for failure in finding solutions is that we have sacrificed the ability to work with the most relevant countries to the altar of the need for consensus among all nations.
- When you look inside countries—inside industries—you see that lots of different sectors account for emissions. And the industrial needs and politics of creating serious solutions vary by sector.
- All this adds up to the need to work in much smaller groups—with lead governments and firms—that develop and test solutions bespoke to each sector. This requires incentives for these groups to form—sticks and carrots—and for these "climate clubs" to succeed.
- The best news I see in climate diplomacy is that exactly this shift is under way. There's still a big role for global consensus agreements and summits, but most of the real action is happening in ways led by sector-specific climate clubs. That's what Glasgow showed—with clubs emerging in steel, light duty vehicles, shipping and many others. The size of the clubs depends on the degee of disruptive change needed—very disruptive changes call, at first, for small clubs of highly motivated pioneers. Less disruptive changes and technologies that are more mature require bigger (and expanding) clubs—such as the deployment and buyers clubs in light duty electric vehicles or in deployment of renewables. [here I will adjust comments depending on what Rob says first about Glasgow. And some of my views about this are here, recently published in Foreign Affairs.].
- The logic of clubs I find compelling, but it is important not to take it too far. Ultimately we need pervasive solutions and we need global engagement. Going too fast and hard on clubs can undermine that—something we also saw at Glasgow and will see even more starkly, I suspect, at COP27. So you need a marriage of club-based approaches to push new technological frontiers and broader, inclusive programs—including well designed broad based market mechanisms—to get those solutions more widely applied. Club design—making clubs, in effect, open plurilateral agreements—can help.