Shake up the Systems – Key Actions for Change

Activity Recap:

- You will have 45 minutes in total for this breakout session
- The aim of this session is to think in detail about some of the crucial step changes needed for systems change for a fair climate future.
- Sustainability First have provided some example scenarios for you to use in your group, or you can use a scenario suggested by a member of your group. We recommend you spend no more than a few minutes deciding which scenario to focus on.

Step 1: Identify the step change you'd like to work through *(10 minutes)*
What is the situation today? How would the system have changed in your vision for the future?

Present issues

- Fossil fuels are still very well financed. Insufficient government / industry pressure to change. Insufficient investor activism.
- Far too much greenwashing. Potential credibility issues both for businesses that 'do the right thing', and those that don't.
- Very difficult investment landscape for private investors to navigate.
- Risk transfer is too biased towards the state.
- Lack of polluter pays-principles in policy and markets.
- Real lack of finance for private homeowners, also SMEs?

Step 2: What radical and practical actions are needed (short, medium, and long-term) – to get from the situation today to your vision for the future? *(20 minutes)*
What are the different areas in which action needs to happen? Think about the systems in which this step change is embedded, drawing on insights from the panel discussions over the past two days. Systems change takes place across different yet interconnected, nested levels of change (e.g. individual, community, ecological). Cutting across these are different flows and types of systems change (e.g. social, technical, political, financial).
What are the barriers and enablers of actions you've identified?

- Look at different financing models. Community wealth building etc. Can be driven locally – possibly via local government.
- State can and should be much more activist. COVID shows what's possible!

- Institutional investors are where it's at.
- Look at national and global tax system – carbon taxes? Moves towards polluter pays. Fuel duty an interesting one!
- More transparency on accounting standards.
- Poor sustainability criteria for e.g. COVID funding. Where is build back better? Compare with e.g. French government support for Air France.
- Science based targets and action plans for organisations in receipt of government funding currently lacking.
- Real need to ensure if markets move towards more of a polluter pays model that those unable to pay / just about managing are provided with appropriate financial support. Failure risks net zero being a concern of the better off and engaged and leaving lower SEGs behind.

Step 3: How do the different levels and flows of change interact in the actions you've identified? *(10 minutes)*
What actions could be taken to link different levels and flows of change?

- Understand winners and losers. Allows distributional impacts to be mapped and mitigations implemented.
- Connect local people with local and national policy.
- Better frameworks from government.
- More consistency in policy and investment cf. e.g. UKG overseas investment in fossil fuels vs local investment in renewables.

Step 4: Who needs to be involved to make this change happen? *(5 minutes)*
Think about who this change would affect, which actors would need to be involved, and what barriers might exist for actors to enable this change.

- Low income and vulnerable consumers / communities would be among those to suffer the most if markets and policy don't evolve to allow universal participation.
- Retail and institutional investors, but they need policy certainty.
- Central and devolved government – including on corporate tax liability.