The *Climate Paradox* by TBI: a dog that growls, but fails to bark

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Abstract

In a paper published April 2025, *The Climate Paradox: Why We Need to Reset Action in Climate Change*, the Tony Blair Institute for Global Change (hereafter TBI) argues that current policy approaches to the achievement of the Paris Goals have lost credibility among the public at large, and have failed to deliver on the promises of job creation through green growth. To this extent the TBI is a dog that growls, but ultimately doesn't bark, for one over-riding reason: it clings to the assumption, now untenable, that public finances directed toward carbon dioxide (C02) abrogation projects will catalyse private finances in the same direction and at the required scale. TBI relies too heavily upon the idea of a catalytic leverage of maybe 4:1 or even as high as 10:1, an argument that is virtually meaningless when applied to North-South (to EMDEs) financial flows. This is the Neo-Liberal paradigm that is simply not working.

However, where the TBI is closer to the right track is when it argues for a new plurilateral approach with China and India playing leading roles; yet even here it is stymied by its adherence to market-led solutions, including excessive reliance upon a variety of expensive emerging technological solutions such as carbon direct removal (CDR) that lack scale, backed up by philanthropic initiatives. These emphases suggest the relationship to its sponsors is maybe clouding its judgement and interfering with its ability to change the very paradigm it criticises as failing. In this critique, I take the plurilateral approach in a different direction.

The Climate Paradox

The Tony Blair Institute for Global Change (TBI) paper in April 2025 starts with the paradox: "awareness of climate risks is at an all-time high, willingness to bear costs for solutions that don't appear to deliver is declining, leading us to the climate paradox." To resolve the paradox, a thoughtful publication by Lindy Fursman, Director of Climate and Energy Policy of the TBI, and with an Introduction by Tony Blair himself, was released: *The Climate Paradox: Why We Need to Reset Action in Climate Change.*[1] It is well-reasoned insofar as it recognises current policies to combat climate change through mitigation and adaptation are simply

not working. It follows that a constant repetition of achieving the Net Zero target by 2050 threatens, or has already, run out of credibility in the mind of the population at large. That carries the worrying implication that Net Zero should be shelved, not to say abandoned, and replaced by specific targets for GHG reductions, with an emphasis in the Blair report upon the role of carbon removal technologies. The advantages of the latter is that they can be monitored and related more directly to specific sources of GHGs. This is not to say that the TBI argues for the abandonment of Net Zero, rather "National net-zero targets remain crucial for giving businesses the certainty they need to invest in the development of clean solutions" and to focus upon the technologies that can "turbocharge our path to net zero." As a policy, it seems that net zero is better written in lower case.

The Remaining Carbon Budget

The TBI proposition can be married to the findings of the research team behind *Indicators of Global Climate Change 2024* in June 2025,[2] and to the supplementary data update provided by team-leader Piers Forster and his colleagues.[3] According to *Indicator's '*central estimate' there is a 50% chance of *avoiding* what is left of the carbon budget disappearing within 3 years of 2024, and the chance of *avoiding* it disappearing within 2 years of 2024 is no more than 67%, should emissions persist at 2024 levels. Contrary to most media that headlined the 3-year timeframe, *The Guardian*[4]*/France 24/AFP* headlined the 2-years, as explained in *ReportEarth* by Chris Mooney on *Substack* where he also notes estimated emissions in 2024 came to nearly 42 Gt C02 (42 billion tonnes),[5] of which according COP-29, 37.4 Gt C02 came from the burning of fossil fuels.[6]

The 'remaining carbon budget' (RCB) using the method developed by Joeri Rogelj in 2019 for the IPCC *Annual Review* (AR6),[7] is estimated by the *Indicators* research paper at 130 gigatonnes of carbon dioxide (130 Gt CO2). The *Indicators* paper states:

The RCB is estimated by application of the WGI AR6 method described in Rogelj et al. (2019), which involves the combination of the assessment of five factors: (i) the amount of human-induced warming for the most recent decade (given in Sect. 8); (ii) the transient climate response to cumulative emissions of CO_2 (TCRE), which quantifies the linear proportionality between cumulative CO_2 emissions and CO_2-induced warming; (iii) the zero emissions commitment (ZEC), representing the expected amount of additional (at present unrealised) warming caused

by past CO_2 emissions; (iv) the temperature contribution of future non-CO_2 emissions; and (v) an adjustment term for Earth system feedbacks that are otherwise not captured through the other factors. [Part 9: Remaining carbon budget]

As would be consistent with an interpretation of the TBI report as favouring specifically-targeted GHG reductions over a more general goal of Net Zero, the *Indicators* paper highlights the opportunity to annually reduce GHGs as "societal choices":

Human-induced warming has been increasing at a rate that is unprecedented in the instrumental record, reaching 0.27 [0.2–0.4] °C per decade over 2015–2024. This high rate of warming is caused by a combination of greenhouse gas emissions being at an all-time high of 53.6±5.2 Gt CO2e yr^{-1} over the last decade (2014–2023), as well as reductions in the strength of aerosol cooling. Despite this, there is evidence that the rate of increase in CO2 emissions over the last decade has slowed compared to the 2000s, and depending on societal choices, a continued series of these annual updates over the critical 2020s decade could track decreases or increases in the rate of the climatic changes presented here.

This argument shifts public policy towards the carbon budget itself. The longer-term Net Zero target is not abandoned in the sense that it remains the terminal benchmark for estimating the RCB. It amounts to a global average Earth surface temperature of no more than 1.5C (or as close to it as possible) and then seeing it plateau, if not actually reduce, over a subsequent period of no less than 20 years, the criteria used by the *Indicators* paper. At least this applies to mitigation efforts, whereas climate adaptation has to respond to whatever degree of global warming occurs. They are both existential in their own ways, but while adaptation may appear as being more local, even that is questionable since local disruptions to supply chains can still have regional and global consequences.

A Failed Paradigm

It is not an ideological statement to say that the Neo-Liberal paradigm of public sector finances acting as a catalyst for private sector finances has failed and continues to fail. According the Climate Policy Initiative's *Global Landscape of Climate Finance 2025*,[8] global finance for climate mitigation and adaptation in 2024 reached its highest level at USD1.74 trillion, yet the CPI estimates from 2031-2050 an average of USD 9.2 trillion *annually* will be needed. No one is forecasting that, or anything

close to it. The withdrawal, for the second time in 2025, of the USA from the Paris Agreement and from the UNFCCC funding mechanisms simply exacerbates the yawning funding gap.

While public investment in carbon abatement projects has risen slowly according to CPI data, private investment in domestic economies, notably in the Global North, is likely to continue its rise for a variety of reasons. The largest increase has been investment by households in areas such as heat pumps, better housing insultation and commercial building heating systems, and in the growing adoption of electric vehicles. There is an apparent growing emphasis upon the insurance costs of climate change that will feed into the sustainability aspects of business plans. All of this is evident in the more developed nations.

Among private-sector international corporations there are major purchases of carbon offsets, usually in nature-based projects (NbPs) such as forest reclamation or conservation, or in novel technologies such as Enhanced Rock Weathering (ERW).[9] Apart from the uncertain longevity or risk of impermanence associated with NbPs, as recognised by the TBI, current efforts represent a drop-in-the- ocean, of around 2 gigatonnes of C02 removal per annum, compared with estimates of the National Academy of Sciences that a removal of at least 10 GtC02 annually will be required by 2050.[10] Putting that into current perspective, the estimated gap in reduced carbon emissions *by 2035* based upon anticipated improvements in Nationally Determined Contributions (NDCs) for 2030, which are due this year (2025), is 26.1 GtCO2.[11] That represents an inconceivable challenge for offsets, and being offsets they don't directly address the carbon abatement problem; they simply buy time that is fast running out. Nevertheless, the TBI insists that "[w]e should put carbon capture … at the centre of the battle." But, unless these are funded directly by subsidies from already stretched state budgets rather than as commercial offsets, it is difficult to see this as a solution. The problem of these technologies is briefly discussed below.

As far as the commercial banks are concerned, the well-publicised withdrawal of North American banks from the Net Zero Banking Alliance (NZBA) under political pressure from U.S. Republicans is possibly less concerning than the continuing evidence of the commercial banking sector financing the production of fossil fuels. The 2025 report *Banking on Climate Chaos,* finds that 2/3rds of the 65 banks it surveyed increased their fossil fuel financing 2023-2024, and 48 increased fossil fuel expansion financing over the same period.[12]

Not surprisingly, the TBI observes that "The crisis is here, but action is stalling" and specifically notes that "Financing for clean solutions remains woefully inadequate." Yet projects that reduce C02 emissions need to encompass much more than investments in renewable energy sources; they also involve the upgrading and management of distribution grids and all additional necessary infrastructure, public and private, in addition to upgraded or transformed production processes that are more energy-efficient. [A more recent (October 2025) TBI publication 'Cheaper Power 2030, Net Zero 2050: Resetting the UK's Electricity Policy for the Future'[13] outlines the challenges of the grid and storage.]

The Catalytic Model in Crisis

The TBI paper is absolutely correct when it states:

Mitigating emissions – and preventing future emissions growth – in developing economies has been largely reliant on either aid funding or "blended finance" approaches which rely on public funding to attract private investment. However, confidence in both of these mechanisms is rapidly eroding, and growing emissions figures highlight the failure of either to deliver at the scale provided.

Over the past decade almost the entire edifice of climate finance under the United Nations *Framework Convention on Climate Change* (UNFCCC) has been predicated upon the prospect of private capital being catalysed into action by public capital outlays, the proposition being that investment risk would somehow be shared or risk reduced. In 2007 the concept was heralded by the International Finance Corporation(IFC)/World Bank's *Catalyzing Private Investment for a Low-Carbon Economy*.[14] According to a report from COP 27, the "IFC has catalyzed USD11 of commercial funding from sponsors and other lenders for every USD1 of blended climate financing deployed" and by reducing risk also encourages smaller investors to participate.[15] A report in 2019 suggests ratios ranging of 2:1 to 10:1, identifying five areas "as early warning systems, climate-resilient infrastructure, improved dryland agriculture, mangrove protection, and investments in making water resources more resilient." [16] However, also in 2019, according to the Overseas Development Institute (ODI),[17] each dollar invested by MDBs (Multilateral Development Banks) and DFIs (Development Finance Institution) mobilized on average only USD0.75 of private finance for developing countries, and less for lower income countries, concluding "Expectations that blended finance can bridge the

SDG financing gap are unrealistic: 'billions to billions' is more plausible than 'billions to trillions.'"[18] Chapter 6 'Green Finance' (John Ure, *Climate Change and Carbon Markets,* forthcoming, Springer Nature) provides a deeper dive into the financing of carbon projects, and in a moment of stark reality, the TBI remarks "Meanwhile, capital markets remain fixated on short-term gains, even in declining industries." When was this never the case; indeed, squeezing juice out of stranded assets is a speciality of parts of the capital market.

A New Financial Driver Needed

But what should follow the catalysis model, not necessarily to replace it or simply to supplement it, but to drive the next round of global finance? This is where the TBI paper comes up short in three respects: in terms of not letting go a failed Neo-Liberal paradigm despite a recognition (see above) that it is failing; in terms of a naïve focus upon the redeeming features of emerging but by no means established technologies many of which have serious problems in scaling; and in only half-baking ideas for a new internationalist approach to plurilateral cooperation. It is this plurilateral emphasis that needs the most development, because, it will be argued below, the real constraint on the abatement of climate change is not the lack of policy (e.g., carbon taxes) or as the TBI paper would have it, the lack of readily-available technological solutions, but the yawning gap in global climate-related finance.

Shortcomings of Neo-Liberalism and TBI

The Neo-Liberal approach to policy issues is to prioritise the role of markets, including if necessary the sacrifice of environmental and regulatory safeguards to free-up investments into business ventures. Periodically, this strategy is reversed whenever major environmental or economic crises arise, only to be relaxed again when things settle down 'back to normal', as if the recurrence of crises is not seen as part of the norm: in Neo-Liberal economics, say in contrast to Austrian and Marxist models, they are most definitively not. So, it is with the TBI paper:

There is a need for a much greater emphasis on how to finance climate-change action, including engaging politically to create the markets into which finance for proven renewable or abatement solutions can flow. The carbon market will help, but has yet to fulfil its promise even at the margin of what is needed. Yet it cannot be beyond the bounds of humanity to devise that system that can deliver the global economy's

full potential of finance to tackle the human-induced causes of climate change.

Fewer passages from the paper express the dilemma for the TBI paper more clearly than this one: the carbon market "has yet to fulfil its promise" although the Kyoto Protocol was agreed way back in 1997. By most estimates voluntary carbon markets today cover less than 1% of GHG (Green House Gas) emissions compared with mandatory (or compliance) markets operated by states which cover around 24%.[19] The marginal nature of credits was, according to a report in the *Financial Times*,[20] citing the *Ecosystem Marketplace*, in 2024 an offset 84 MtC02 compared with global emissions of around 40 GtC02.

But the plea that "it cannot be beyond the vast array of financial talent the world has at its disposal to devise that system so it can deliver its full potential" pretty much says it all. The current Neo-Liberal economy was a Bretton Woods post-World War 2 artefact, albeit shifting between Keynesian demand-management policies, to an ill-fated focus upon monetarism, and then onto deindustrialisation in the Global North in favour of the unhindered expansion of the financial sectors (in the UK, Mrs Thatcher's 1980s Big Bang), a policy continued and closely identified with Prime Minister Tony Blair himself. If that is not going to plan, at least with regard to public goods (bads) such as pollution and global warming, then at the domestic and state economy level, as the TBI acknowledges, climate policies come to be seen as "woke" and yet another cycle follows of lowering environmental and regulatory impediments to encourage private investment – a theme strongly reiterated in the TBI October 2025 report. While the TBI shies short of calling for a wholesale abandonment of environmental protections, swerving the issue by imputing that regulations can be equated with criticising people for their personal "consumption habits" - a complete *non-sequitur*. TBI nevertheless follows the traditional path that regulations inhibit investment and "Planning restrictions are a colossal inhibitor of clean energy growth." Herein lies a baked-in dilemma of the Neo-Liberal paradigm, how to regulate for public goods (bads) which are treated as exogenous variables in an economic system that is considered to be self-regulating and self-optimising. Needless to say, bureaucratic red tape is always to be abhorred, but TBI skips the dilemma of private interests entirely.

The irony is that in the USA pre-Trump, the interventionist Inflation Reduction Act (IRA) under the Biden administration did offer effective state initiatives in the form of funding for compliance regulations.

Bloomberg, admittedly with a pro-IRA stance, claimed that, if continued through to 2030, "the climate provisions of the IRA will reduce emissions by up to an additional 11% below 2005 levels as compared to the business-as-usual scenario. This leads to a reduction in total expected emissions of 35% to 40% below 2005 levels." One cannot help feeling that in earlier years TBI might have taken to the more interventionist Biden approach, but the wind now blows in a different direction, in a more Trumpian direction, in a direction that appears to co-exist with an abrogation of basic economics. No wonder TBI's cry seems somewhat in the wilderness.

Technological Indeterminism

While TBI's political economy appears to rely upon an almost mystical belief that markets, which by TBI's own account have failed, can somehow revive and revise themselves by drawing down on a wealth of "financial talent", TBI has an alternative focus: technology. Throughout the paper, TBI refers to the 'disruptive' role of technology as if disruptive is synonymous with any use of technology, yet technologies which are especially promoted by TBI, such as CCS (Carbon Capture and Storage) and DAC (Direct Air Capture) as a highly engineered-form of CDR (Carbon Direct Removal), are not disruptive. On the contrary, if they can be made cost-efficient, they are complementary technologies. They lower pollution levels and can thereby prolong the life of the coal, oil and gas sectors, which is why those lobbies support and advocate them. TBI, like many others, see them as win-win solutions. If they disrupt anything it is the move away from fossil fuels. Therein lies the dilemma with the advocacy of these technologies. Using them as an *emergency* response in the event of climate catastrophe may be helping to pave the way to that catastrophe. TBI is mute on this important point.

The TBI's roll of technologies is a familiar one, from afforestation and ERW which bolster carbon-sinks, to renewables of all kinds, to zero-emission technologies such as small modular nuclear reactors (SMRs), to the use of Artificial Intelligence (AI) – again the October 2025 TBI report usefully expands on this. Although currently AI development ('learning' and the drive towards 'General' AI) is widely acknowledged as using humungous levels of power, with similar claims being made for data centres, several recent papers, including one by Nicolas Stern et al. (LSE)[21] and another by Angel Melguizo et al. (University of Oxford),[22] have appeared claiming that sooner or later the spread of AI will begin to pay for itself, at least in terms of an extended carbon budget. This is most likely through the spread of 'AI agents' and the impact they may

have across the commercial and administrative world. However, it is the Global North that is most likely to experience the benefits, rather than the Global South where the *international* need is greatest, while rising temperatures across lands and oceans know no borders. TBI seem to miss this point entirely.

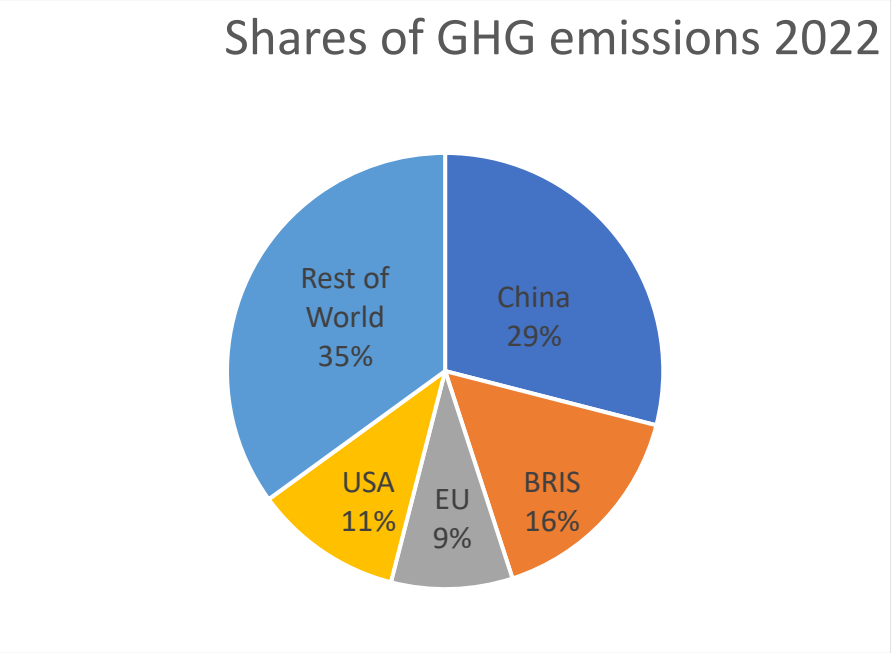
TBI's reliance upon a variety of mostly expensive and difficult to scale CCS and CDR technologies is problematic – and the October 2025 TBI report hints at a recognition of this. Notably, they need to be tailor-made according to each application or production process and location, such as the distance from each production process and disposal C02 point, which the Kleinman Center notes requires "vast amounts of land" and in 2023 estimated "that DAC will cost USD400-USD1,000 per metric ton of CO2 in the near term..."[23] This has been well documented by Akshat Rathi (2023),[24] a technology journalist at Bloomberg. Perhaps as a nod to its sponsors, TBI also gives surprising prominent in technological research and development to the role of philanthropic capital, which according to the Clean Air Fund, provides less than 2% of global green capital.[25] The proactive work of Bill Gates comes to mind, notably his support of SMRs, and the assumption has to be that TBI has in mind start-up capital (angel, venture, accelerator). But given the indeterminate prospects of investments in these emerging yet difficult-to-scale technologies, they seem to be an unreliable and risky bet to combat climate change.

A New Plurilateral Paradigm

Despite the weak underpinnings of many of TBI's arguments, the paper is on-the-money when it asserts that at the international and intergovernmental level "The COP process will not deliver change at the speed required" and "the reality is that it is the decisions of the large countries, and the policy direction they give towards the technology and financial flows, which can in truth solve the climate issue." Whether they are sufficient to "solve" the climate issue is highly questionable, but because the outcomes of COPs (Conference of Parties) is by consensus rather than a vote,[26] and no funding country would ever agree to be held to account through a vote, it is the Global North in general that calls the shots. The main benefit of the bickering and horse-trading that is COP is not policy-making, but the opportunity for smaller countries and NGOs to raise their voice and promote their various agendas.

If the power lies with the Global North, the challenges lie mostly in the Global South where the problem is development and to what extent can

that be decoupled from GHG emissions. The IEA (International Energy Authority) for 2024 provides some evidence of decoupling as renewables make an impact,[27] that GDP growth has begun to outstrip GHG growth, although others have suggested there maybe 'large economy' rebounds.[28] The question is therefore how to bridge this divide. The starting point has to be, as the TBI rightly points out, where the problem of emissions is greatest, namely in what the World Bank terms the EMDEs (Emerging Market Developing Economies) – "those with even a cursory knowledge of the facts understand that in the future the major sources of pollution will come principally from the developing world." Figure 1 shows the global share of GHG emission for 2022.



Source: Author, data from Joint Research Centre (JRC), the European Commission (2023)[29] and *Climate Change and Carbon Markets* (forthcoming)

Two things follow from this. First, programmes such as the UN's *Just Transition* are greatly needed to assist EMDEs in leap-frogging a dependency upon intermediate fuels such as LNG (Liquid Natural Gas) on their way to industrial development. Arising from this came the *Just Energy Transition Partnerships* (JETPs) to boost the supply of renewable energy, but one of the first decisions of the Trump administration was to cancel the Biden-era JETPs with Indonesia, the Philippines, Senegal and Vietnam. Second, a recognition that while emission levels are actually

falling in advanced developed economies such as the USA, the EU countries and Japan, where smoke-stack industries have been largely replaced by high-tech sectors relying increasingly upon renewable energy sources, and where electricity is having an impact on cleaner-greener means of transport and ways to heat and to cool buildings, the greatest *growth* in GHGs comes from the EMDEs that lack the resources, and in too many cases a capacity of governance, to implement green growth policies.

This is where the TBI is on stronger ground, highlighting that 2/3rd of GHGs come from China, India and Southeast Asia. Despite the problems of implementation, the answer would seem obvious: focus financial resources as far as possible on the EMDEs, with prominent roles for China and India. The question is how to bring about this focus on EMDEs, and what concrete steps are necessary to move towards this objective. TBI has already ruled out, almost certainly correctly, COPs as a viable mechanism for this to happen. TBI propositions that:

A new cooperative approach to technological solutions could be a galvanising next chapter – focusing political and real capital on alternative fuels and carbon-capture technology, including financing, development and R&D. And this "includes an imperative for China and India – two countries that hold the keys to the world's climate future. As such, the creation of new plurilateral solutions co-designed by these countries are needed to sit alongside any wider multilateral process."

Whilst it would be nit-picking to unscramble this high-level vision in too much detail, it is worth noting that yet again this is expressed in terms of privileging carbon capture technologies, and notably avoiding policies such as carbon taxes or Cap-'n-Trade, and perhaps less forgivable in its own terms, it ignores the *intermediary* manufacturing, production and process technologies that will drive the use of renewable energy. Yet, unavoidably, the devil lies in the detail. This applies in particular to TBI's vision of plurilateral vs. multilateral.

The world needs a new approach to multilateralism that either sits beside or replaces the UN/FCCC/COP process, and China and India need to be the focus of this approach. This solution thus may lie, as outlined by the TBI, in smaller plurilateral groups, co-designed with China and India, but also others, at their helm.

On the one hand this is a very sensible approach, grounded in the realities of climate change. On the other it threatens a fragmentation of spheres of influence that could rapidly morph into (at least) two

competing world orders. The question is then: how to avoid the balkanisation of the fight against climate change?

A Global Green Bank – or barking up the wrong tree?

TBI stops short of taking the next logical step which is to call for an independent internationally-supported Green Bank in which China and India are leading members alongside other nations willing to participate. This is where TBI is a dog that growls, but does not bark. A bark would use the undoubted global influence of the TBI to make such a call, to prod nations into a specifically-focused achievement, the creation of an International Green Bank (IGB). Further, an IGB with an *exclusive* focus upon where the finances need to go, to EMDEs and LDCs.

It would mean, for example, that the Green Bank could become an independent arm of the World Bank or even a joint-venture between IDBs (International Development Banks), but a genuinely independent and stand-alone bank could be the preferred option. Stand-alone, but supported possibly by a network of national green banks (NGBs) who know their country and carbon landscape. How it is set up institutionally should be less of an issue than its policy focus (its function) and its financial backing (its shareholders). Bretton Woods was an opportunity missed, but given the circumstances of the time, never a likely opportunity. Now however, when there is a common enemy, global warming, the time might be right for creating a IGB supported by a common basket of international trading currencies: the USA and a post-Putin Russia would be invited to join when they are ready. Green bonds supported by these currencies would be raised to finance aid between member states and EMDEs and LDCs, where LDCs include Small Island Economies (SIEs) but not between member states themselves which would be left to normal trading agreements. The focus would be 100% on the Global South, even if definitions of 'Global South' need some negotiation.

The returns on bonds could incorporate carbon credits as administered under Article 6 of the Paris Agreement where additionality and permanence are credibly certified. But in addition, the International Green Bank could administer a subsidised quota system for technology and knowledge transfer from member states to EMDEs/LDCs. If necessary, it could extend to under-writing concessionary finance. China, for example, might be given a quota for infrastructure projects such as power-grid construction, India for solar farms, Norway for hydro schemes, and so on. Other projects, such as AI agents, Internet support

and cloud computing for the management of power stations, distribution and network usage could be joint ventures between member states and include Big Tech companies as partners. In each and every one of these technology transfer projects, there would be space for the private and the philanthropic sectors to play their part. In the interests of international politics and trade, projects of policy implementation, such as carbon taxes, might need to remain outside of the International Green Bank sphere and be catered for instead through other channels, such as bilateral assistance, although policy issues would undoubtedly influence risk analysis. For the same reason, the International Green Bank would be exclusively focused upon EMDEs/LDCs/SIEs and would use a carbon budget in its assessment of progress.

It is a pity the TBI did not take this opportunity to explore the idea of an International Green Bank, for two reasons. First, its standing in the world as an influential think tank helps set the agenda. Second, because there are some indications that China and India would be responsive. For example, in an interview in May 2025, China's Ma Jun, President of the Beijing-based Institute of Finance and Sustainability responded to a question about China's role following the withdrawal of the US from global efforts to combat climate change, saying China "should rightly play a stronger role … by working together with partners such as the EU and BRICS, and to leverage more private sector capital to address climate change." [30] China already works closely with the EU and Singapore to create a *Common Ground Taxonomy* (CGT)[31] as a mean of trading green bonds, and is extending these efforts to create a *Multi-jurisdictional Common Taxonomy* (MCGT).[32] Ma Jun's "idea is to design an Asia-based green trade bloc that includes China, Japan, Korea, ASEAN countries, as well as Australia and New Zealand" based upon the *Regional Comprehensive Economic Partnership* (RCEP). He explained in March 2025:[33] "But implementation on a global scale may prove challenging. Utilizing existing regional trade agreements, such as the Regional Comprehensive Economic Partnership in the Asia Pacific, could demonstrate the economic benefit to all member states, encourage green foreign direct investment, and promote a more inclusive approach to a "just" climate transition."

Ma Jun's vision adds substance, and he would say realism, to the TBI proposal, but it remains cautious and fragmented by region. Another case of China expressing interest in exploring cooperation over the financing of climate abatements was the first *annual China-UK Climate*

Ministers' Dialogue in June 2025, when Ed Miliband, the UK Secretary of State for Energy and Climate Change, met Huang Runqiu, head of China's Ministry of Economy and Environment (MEE).[34]

Post Note: The above is a very slightly revised version of the original which was drafted in July 2025. I subsequently (October 2025) presented a PPT to the Hong Kong University of Science & Technology (also on this webpage) and then discovered that Hafez Ghanem, former VP of the World Bank, in 2023 had given eight reasons to create an International Green Bank.[35] Also President Ruto of Kenya as reported in Forbes magazine, also in 2023.[36] Others have argued for and against mandating their central banks into embracing green lending policies. The arguments usually revolve around competing national mandates, such as monetary and inflationary policies, and from a more radical perspective the argument of ex-Greek Finance Minister Yanis Yarfoufakis who dismisses the idea that a central bank could ever play such an independent role.[37] For these very reasons, a separate International Green Bank without any conflicting mandates but with widespread geo-political support could be the way forward. It is simply difficult to see any other meaningful and effective way forward. It an IGB is what is needed then however many road blocks there are (mainly geo-political) it remains necessary. The fact that the roadblocks are mainly geo-political in a sense is good news, because it means policy decisions can make a difference.

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