

CLIMATE CHEATING

Political leaders of all parties may not yet understand the urgency of responding to climate change, but at least they understand that at the next general election there will be a race to turn carbon credits into electoral credits. Bless them.

The launch of the government's Draft Climate Change Bill, along with David Cameron's announcements from the Tories, should both be welcomed for their profile if not their depth. Neither scratches the surface of what we need to do and the urgency of setting ambitious targets right from the start.

There is no point in talking about five year commitments in a rolling 15 year programme. The trouble is that we have been making very little of our carbon reduction commitments and certainly are not on track for meeting the 2010 target.

As the government discovered in its commitments to eradicate fuel poverty in Britain by 2016, all the easy targets are going to be met in the early years. We ducked out of setting ourselves annual targets in terms of the fuel poor and now we're almost certain to miss the 2010 target for this too. There has been an institutional reluctance rooted deep inside the Treasury to block anything that looked as though it was going to set binding annual targets. This is the 'mind set' problem the government now faces. The more David Miliband wants to run with the issue, the more Gordon Brown slams on the brakes. The most serious issue of our time then gets locked into the politics of confusion and cowardice.

Parliament will have to set a minimum target of 3% carbon savings a year. A rolling five year programme should not be a problem because we're probably going to have to double this percentage in the early years just to break even when the going gets harder. The secret of getting there is to stay focussed on the big picture not the small one. Zero carbon standards for new homes in 2016 are fine, but even if we applied this standard now we are talking about 200,000 houses a year. The real problem is what we do with the 25 million homes we have today. Every time there were proposals to set binding targets for the renewal of existing properties (or the licensing of properties in the private rented sector) government officials have blocked the moves.

Germany has given us a great example of different starting point. Their cities have powers to set overall requirements that new developments generate their own energy or harvest and recycle their own rainwater. Such general powers to plan sustainably for a different century are being blocked for British cities at the behest of the building industry. Somewhere between Miliband and Brown this absurdity has to be overturned.

Most imaginatively of all, the Germans have changed their energy market rules. Energy companies are now required to pay citizens four times the market price for photovoltaic electricity supplied from the home. The result has been a cavalry charge of citizens wanting to put solar panels on everything that doesn't move. The price guarantee lasts for 20 years, adds £1 a month to the average household energy bill, doesn't put a penny in the chancellor's pocket and is a source of dynamic economic activity, rather than a burden.

By the end of last year over 200,000 people were employed in Germany's renewables industry. Their climate change contribution was to cut greenhouse gas emissions, in 2006 alone, by 97 million tons.

This is almost 10 times the combined savings of all UK schemes. It has a momentum driven by citizens rather than government.

In contrast, the UK obsession with emissions trading and carbon offsetting is no more than a flirtation with Mickey Mouse economics and Donald Duck accounting. If carbon trading was going to work, it would only be on the basis of a carbon allocation to every citizen. The current approach is simply bonkers. It gives credits to those who pollute, and none to those who do not. It creates a fictional commodity that then gets traded speculatively. Bankers love it, not least because they take between 8% and 30% for handling the transactions. Everyone else in the real economy hates the idea because it creates a volatile and insecure market against which you are asked to make investment decisions. For the public, it is simply a turn-off. You lose the will to live before understanding anything of how it is supposed to work.

Within our own history, there is a much better approach. In 1956 Britain introduced the Clean Air Act. We didn't mess about with soot-trading or breathing credits. We just told industry it had to change to smokeless fuel. There were claims that the economy would collapse, but it never did. And today's economy won't collapse if we make the shift into renewables.

Offsetting is even worse. Check out a website called cheatneutral.com and you will see why. It invites you, for a price of £2.50 to offset your infidelity by sponsoring someone else to remain faithful. You are then free to continue bonking, but with a clear conscience. It doesn't reduce the sum total of infidelity nor its consequential damage. All it offers is the spurious attraction of high moral tone that has become the zeitgeist of Downing Street policies.

Just for the record, we should waste no time with nuclear delusions. We could have a North Sea network of wind generators delivering more electricity than the entire nuclear industry. It would cost £2 billion, a fraction of the £76 billion it is costing to dispose of the waste from today's nuclear reactors. We could have cities with the same powers they have in the Netherlands, where energy is being generated from heat beneath the surface of roads. The Dutch are getting enough energy from every 1 kilometre of motorway to meet the needs of 400 houses. They are now applying the same technology to every school with a playground and office building with a car park. German cities are moving from incinerators to bio-digesters, whilst in Britain we could heat 2 million homes simply from the wood waste of construction and renovation.

In a remarkably short time we could create a genuinely sustainable Britain. We just have to find the courage to drop the platitudes and stop cheating on the future.