

Accounting could be the key to survival when it comes t...

Published: January 13, 2026, 6:04 am

As the [Guardian](#) reports this morning:

Joe Biden, the US president, is hosting more than 40 world leaders virtually over the next two days to discuss ways of fulfilling the [2015 Paris climate agreement](#), and to encourage leading economies to bring forward [plans for cutting greenhouse gas emissions in the next decade](#).

Biden does, then, continue to be more radical than anyone really expected. As surprises go, he has been a big one.

But, and it's a massive but, holding meetings is the easy bit of any process. The stage where it's agreed that '*we've got to get around to it*' is important, and that's where he's at. The awareness of the need for action has to proceed anything happening. But what really matters is how long the delay is between awareness and action, and then the delay between initial action and the actual required scale of action to tackle the issue.

In the case of the climate crisis nothing is going to really happen until three pre-conditions are met.

First, governments with the resources of the scale required to tackle this issue have to mobilise them.

Second, they have to be willing to share that capacity with developing countries, because this is a global crisis.

Third, they have to compel business to engage, whether voluntarily or otherwise, in the process, because this cannot happen without radical reform to the world's private sector.

Right now no government is mobilising sufficient resources to address this issue.

And resources are not being shared with developing countries.

Whilst so far all requirements of business are voluntary, and the degree of compliance on offer is pitifully low, and the rate of progress towards compulsion is far too slow.

Of course, I should hope that this conference changes that. And I certainly welcome it. But to make the big change requires the governments present to act. And it requires that business be compelled to change.

I remain worried that almost all proposed business change does not require that business put the proposed cost of their necessary transformation onto their balance sheets now. It is still the case that [sustainable cost accounting](#) *is the only serious proposal to do that. It is making progress, I think. And I am grateful to those who are willing to take about it - as it seems an increasing number are, behind the scenes. But such a move has to be taken seriously by regulators, government and business itself.*

Accounting for climate change on a drip-feed basis, as cost is incurred, which is what most proposals now on the table entail, does not meet the needs of society now. That is because what we need to know is who might, and might not, be able to manage the process of change in which they are engaged. Only with this information available upfront, as sustainable cost accounting requires, will capital be properly allocated to those best able to use it. That is what accounting data is meant to enable. Nothing else but upfront provisioning can deliver that result.

Accounting could be the key to survival when it comes to the race to tackle climate change. But when will it be given the opportunity to deliver what it is capable of? Right now, any change seems far too remote. And the need is urgent.