



A news update from the NBI on its programmes, business leadership and issues on sustainable development.

6 October 2015

NBI Feedback from Climate Week New York - South African Corporates Need to Set Tougher Targets

South African companies are at least on a par if not ahead on understanding climate risks and opportunities as compared with American and international counterparts. In many ways they more intimately understand the real challenges of transitioning to a low carbon economy. However their level of ambition falls short of the targets and intentions that companies at Climate Week in New York were declaring. If we are going to achieve the transition we need South African companies to set ambitious targets first and then work out how to achieve them.

It is always encouraging to attend international events and Climate Week in New York was no different. Although not in the way you might expect. During our attendance of various events and in numerous conversations with business from around the world, we were pleased to note that South African businesses are at least equal to their peers in understanding the threat and opportunity of climate change as well as in the sophistication of their response. South African companies are doing great things.

On top of that a lot was achieved - not the least of which was the adoption of the Sustainable Development Goals (according to Ban Ki-Moon, the product of the most inclusive process ever run by the United Nations, and he should know). There were reports on carbon pricing, adaptation, mitigation and climate and development finance. And seemingly endless announcements of commitments and actions to be taken by companies.

There was a sense of optimism and excitement that COP21 in Paris will be a success and that “sub-national government” and the private sector are forging ahead. However, for a while we were left with a sense of slight disquiet. Perhaps Jim Yong Kim who leads the World Bank described it best when he said that every leader he talks to has perfectly reasonable and perfectly rational reasons for their actions and yet their actions fall short of what is required. Jim Yong Kim concluded: “All that rationality will lead to is complete disaster”.

We fear that we in South Africa seem to be falling into the same trap. Within the confines of existing policy, exciting competitive environments, existing rationality and reasonableness, South African and global companies are doing amazing, impressive things. Yet our national and global efforts still fall short of delivering an economy that provides for the needs of our people and our environment.

So, where did this sense of optimism that was so evident in New York come from? A sense of optimism prompted Christiana Figueres (executive secretary of the UNFCCC) to comment that she was so excited about what business was doing that it was hard to stick to the script. We believe this optimism is due to the ambition that businesses were publically displaying in their commitments and implementation plans. The panel with Stephen Howard, Chief Sustainability Officer (CSO) of IKEA, Bill Bien, Head of Strategy at Phillips, and Niall Dunne, CSO at BT, summed this up well. We have to set targets and make commitments that we don't yet know how to achieve. This unlocks the innovation of business and gives your staff a reason to come to work each day.

We saw first-hand the value of commitments for both governments and businesses who were using bold commitments to strengthen their positions. The We Mean Business network, of which the NBI is a part, released a two page spread in the Financial Times that got enormous coverage with evident excitement and gratitude. It was obvious that the commitment and support mattered to negotiators. The role of ambitious commitments which ultimately drive internal action and partnerships was repeated by countless CEOs talking about setting goals that they didn't know how to meet and yet they achieved them ahead of schedule and were now setting tougher targets.

The challenge is now up to South African businesses. Let's sign the [We Mean Business commitments](#), even the ones that make us uncertain, and let us join our international counterparts and use that as the impetus for action.

For more detail please see:

- The NBI Twitter feed as the NBI was tweeting from the event, including on commitments made and reports released.
- The official [Sustainable Development Goals](#) website.
- The latest [NBI We Mean Business Newsletter](#) (where this commentary is also listed) which also has a CEO Opinion from Lonmin's CEO Ben Magara and more information on the We Mean Business campaign, including company commitments.
- The [We Mean Business](#) website.

For more information, please contact [Steve Nicholls](#)

www.nbi.org.za

Follow us on:   

Shaping a Sustainable Future

The National Business Initiative respects your right to privacy, if you do not wish to receive any further Quick Briefs from the NBI, please click [here](#) and your name will be removed from the mailing list.