



Quick Brief

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

3 December 2018

Global Climate Action Summit and Climate Week New York 2018

With COP24 in Poland upon us it is useful to reflect on the global conversations that will inform these critical, annual climate discussions. In partnership with We Mean Business, Steve Nicholls travelled to the [Global Climate Action Summit \(GCAS\)](#) in San Francisco, California (12 to 14 September 2018) and Joanne Yawitch travelled to New York for [Climate Week](#) (24 to 30 September 2018). While each event has its own character (California a centralized, very slick political statement and New York more contemplative, with events scattered throughout the city) there are several key threads that emerge from both occasions.

You can watch much of the [Global Climate Action Summit](#) and some of [Climate Week New York](#) on YouTube (including [the Climate Week summary video](#)). The National Business Initiative (NBI) also live tweeted from the events and our twitter feed (@NBISA) is a useful source of information. We make some references below to useful reports and links in the body of this Quick Brief and offer them as a holiday reading (and watching) list. The NBI also hosted feedback sessions in Durban, Cape Town and Johannesburg during the month of November. The presentations are available on our [website](#).

The political backlash against current US climate policy

As you would expect with both events hosted in “Blue States”, there was a lot of attention on the politics of climate change. High profile speakers called on the federal government to strengthen climate commitments and reiterated their commitment to the “[We are still in](#)” campaign, where states and regions are committing to the Paris Agreement independent of federal announcements. High profile political speakers were Governor Jerry Brown of California, Arnold Schwarzenegger (ex-Californian governor), Nancy Pelosi, John Kerry, Al Gore, Barack Obama and a host of other mayors, governors, CEOs and celebrities (Alec Baldwin, Jane Goodall, Harrison Ford). This resistance could be working as a few weeks later President Trump

started softening his position on climate change, acknowledging the influence of industrial emissions. Either way, there is a huge portion of the US economy that continues to transform their policies in line with the Paris Agreement which has implications for global markets and trade.

The amount of water in the glass

This year's debates are framed by two dominant perspectives, both true but in tension with one another. There is a growing belief that institutions which respond first to climate change will unlock significant opportunity and in fact that the climate transition debate should be framed in terms of this opportunity and not in terms of risk (glass half full). A key report to read in this regard is the work done by [The Global Commission on the Economy and Climate](#). On the other hand (glass half empty), the science community is becoming more and more agitated by the urgent need to change. The risks are better understood and more and more dire the more we investigate them. The Intergovernmental Panel on Climate Change (IPCC) recently released a report on [Global Warming of 1.5 °C](#) which is a must read. When considering risk and how we must transform our economies the various reports released by the [Task Force on Climate-related Financial Disclosures](#) (TCFD) are also important.

We are living in exponential times

One of the talks well worth listening to was the GCAS presentation by Johan Rockström and Christiana Figueres (you can find it at about 42 minutes into the [day one video](#)). The slick conversation between the two of them was focused on living in exponential times. Certainly, the risks are increasing exponentially, and they provide data on natural disaster frequency and their financial and social impact. But they also talk about the exponential response and how markets are changing with exponential growth across renewable energy and electric vehicles to name just two. Their belief is that we can transform our economy but that the decisions we make in the next few years are critical. Mistakes now could put us beyond tipping points in the future. We need bold and courageous leadership from all sectors.

The rise of commitments across broader business sectors and from local governments

In reaction to slow national government processes there has been a huge rise in private sector entities and local governments making bold climate commitments, essentially making the statement that through their behaviour they will alter markets and drive change. Our qualitative assessment is that initially these commitments were made by the food and fast-moving consumer goods (FMCG) sector, but over the past few years there has been a significant increase in commitments from other sectors (like fashion, information technology and communications - significantly through the [Step Up Declaration](#) - transport and buildings). Commitments from major emitters however, remain sparse and we need to include the heavy emitters in the conversations about transitioning our economies. Especially in developing economies, it is leadership from this sector that will support the transition of our economy with the minimum impact on jobs and our socio-economic health. Fortunately in South Africa, we have an active heavy emitting sector who have made bold commitments. Sasol was announced as one of the [EP100](#) signatories during the Global Climate Action Summit. Another significant commitment to note was that through a [C40 programme](#) the cities of Durban, Cape Town, Johannesburg and Tswane committed to set plans for carbon neutrality by 2050. This in fact represented a general theme. The emerging carbon neutrality date that most commitments are benchmarked against is 2050. Some are earlier, most notably Governor Jerry Brown committing the state of California to [net-carbon neutrality](#) by 2045. The 827 companies making 1347 [We Mean Business](#) commitments represent US\$16,9 trillion of market capitalisation, which is roughly 20% of the global economy. A full list of commitments made at GCAS can be found [here](#).

Other critical conversations included discussions on a just transition (the B-Team [pledge for a just transition is notable](#)), the role of finance (in New York, Moody's hosted a 4 hour session on integrating climate risk into credit risk – [find information](#)

[here](#)), the requirements of the TCFD, and carbon pricing and its role in competitiveness (lead by the [World Bank Carbon Pricing Team](#)).

What is clear is that even if we make little progress in Poland, the global transformation to a low carbon economy looks inevitable. In this context, the question for us to be thinking about is: *“What does a sustainable and competitive economy look like for South Africa”*.

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