



## Post-COP25 News Update: 2020 is the year to signal enhanced ambition

**COP25** is an example of why companies and civil society need to engage in national discussions about innovation. At the COP negotiations which are in their 25<sup>th</sup> year, governments failed to make progress on key negotiation points and deferred to **COP26**. This included vital decisions on finance, loss and damage, adaptation on markets (article 6) and has therefore heightened the importance of COP26, which is to be hosted in Glasgow by the United Kingdom in November 2020. The legacy of COP26 must be agreed rules and an enhanced ambition, otherwise it is hard to imagine a development trajectory that keeps us below 3 degrees globally. The key message from COP25 is probably that 2020 is the year to signal enhanced ambition.

There is some positive progress in countries and companies committing to net carbon neutrality by 2050, with the most prominent being the European Union members and the United Kingdom. The conversations, at least at side events were far more practical as was the case in Climate Week New York in September, and entities are clearly trying to get to grips with the challenges of transition. If we were to analyse a word cloud of the conference, the dominant words would certainly be 'ambition' and 'just transition'. The COP Presidency also presented the renewed [Climate Ambition Alliance](#), launched at the UNSG Summit in September, that now counts 73 countries, 14 regions, 398 cities, 786 businesses and 16 investors working towards achieving net-zero CO2 emissions by 2050. While this is good news for the ambition of non-state actors, only 14 new countries have committed, since September.

While ambition within countries especially in Europe, is improving, the key sticking points remain derivatives of Common but Differentiated Responsibility. Given the shift to the right and depressed global economies, the developed world is reluctant to meet their commitments around finance, trade, capacity development and intellectual property. This makes it challenging for developing countries to meet their existing commitments and it curtails ambition.

There is a real need for enhanced ambition and political support from non-state actors around the world and in South Africa. We as South African business need to discuss how we see a low and zero carbon development trajectory and use that insight to guide local and international policy discussions. One must bear in mind that the science (get a summary from the **NBI Climate mApp**, available from your app store) suggests some catastrophic futures for South Africa exist if we don't enhance global ambition to limit warming to 1.5 degree).

Collaboration on our long-term economic planning considering climate change, the 4<sup>th</sup> Industrial Revolution and other global trends emerged as an imperative from the discussions that we started at COP25. These partnerships need to involve all stakeholders (academia, civil society, labour, business and government) and build trust through strong data and positive action. The partnership between government and business at COPs continued this year with our joint hosting of the South African pavilion and several side events during COP25, including ones by the South African government, by the **National Business Initiative (NBI)**, the youth, by other countries and global partners. Topics comprised blockchain, offset schemes, national greenhouse gas monitoring systems, transition risk, just transition and energy.

The NBI partnered with the World Bank Carbon Pricing Leadership Coalition, the International Energy Agency and the B-Team to host several panels and round table discussions on transition and energy transition risk, as well as on just transition. Guests included government officials, international experts, parliamentarians and NBI member companies. These conversations were a great start to collective planning that we need to do in earnest in the build up to COP26.

The NBI team also participated in several meeting and panels relating to investment in Africa, Science Based Targets, Reporting and ambition, often with our global partners: We Mean Business (WMB), The World Business Council for Sustainable Development (WBCSD) and CDP.

The highlight event, as it is every year, was the official opening of the **South African pavilion**. We were privileged to have the Minister of Environment, Forestry and Fisheries Ms Barbara Creecy, the South African Ambassador to Spain, Her Excellency Ambassador Thenjiwe Mtintso, MECs, Members of parliament & MMCs, Negotiators, Members of the Media, a range of people from other countries and citizens of the rugby world cup champion country, present.

As COP26 takes place in just 12 months, the NBI invites you to join us in our programmes that we will hold in 2020 which will be designed to advance our ambition and build trust within South African stakeholders. Due to COP26 being such a big political moment we also plan to increase our pavilion presence and hope that more NBI member companies will join us in hosting this important programme. A huge thank you to the **Development Bank of Southern Africa (DBSA)**, **Exxaro** and **Sasol** for their 2019 sponsorship of the very successful South African pavilion and to the **Department of Environmental Affairs**, our key partner in hosting the pavilion.

The NBI will hold a detailed feedback on COP25 and the progress made, in early January 2020 where we will invite the key negotiators from DEFF and from DIRCO.

#### Key reports and announcements to note:

- Germanwatch's [Global Climate Risk Index](#) published last week and the [2020 Climate Change Performance Index](#).

- The **European Commission releasing its “Green Deal”**. The [Communication](#) consists of a set of **economic, social and fiscal reforms and measures** to get Europe underway to becoming the first climate neutral continent.
- The PRI released a [new report](#) stating that oil and gas companies could lose up to 31% of their current market share as measures to reduce carbon emissions continue and accelerate.
- Mike Bloomberg [presented](#) a report from America’s Pledge’s. The message, going to the national electorate, is clear with a new President in November 2020, the US would be back as part of the solution.
- New analysis [shows](#) that **Japan is set to spend US\$4.8 billion on new coal plants in Indonesia, Bangladesh and Vietnam**, alongside national plans to build 15 [new coal plants](#).
- The Powering Past Coal Alliance (PPCA) [announced 6 new members](#) (national, subnational and non-state) **have joined the commitment to phase out unabated coal for electricity production**.
- A report by Urgewald and Bankwatch called ‘[Banks and Investors against the Future](#)’ shows that the **top 3 lenders for new coal power developers** are **Japanese banks** Mizuho, Mitsubishi UFJ Financial Group and Sumitomo Mitsu Banking Corporation; **followed by European banks** Citigroup and BNP Paribas.
- The **Coalition of Finance ministers** (having grown to 51 ministers) met in Madrid to launch the **Santiago Action Plan** for elaborating and implementing the [Helsinki Principles](#) agreed earlier in the year.
- Guenther Thallinger (CEO for Allianz Group) representing the [Net-Zero Asset Owner Alliance](#), said the Alliance launched in New York is **aiming to gather more asset owners to reach 10 trillion** and more assets under management at COP26.
- A new study published by IUCN this weekend [adds](#) to a dire diagnostic of the impacts of climate change on oceans.
- **Denmark adopted a climate law on Friday with targets of 70% carbon emissions reduction by 2030** (one of the strongest 2030 targets to date) and net-zero carbon emissions by 2050 at the latest.
- Back from Madrid and following her COP25 visit, **US Speaker Nancy Pelosi announced that a bipartisan climate bill will be passed in 2020**.
- The EU [adopted](#) a rule book on sustainable investments last Thursday. This represents the first detailed taxonomy of what counts as a sustainable activity, or “green” product.
- Climate Action Tracker (CAT) launched its new “[Climate Target Update Tracker](#)”.
- A new partnership between TED and YouTube was [launched](#) on Wednesday in New York City. [TED Countdown](#) will aim to bring individuals, businesses, policymakers, and celebrities together to put forward climate solutions in five specific sectors (power, built environment, transport, food, nature), to be showcased through on-line videos.
- Unsettling [findings](#) by the World Meteorological Organization (WMO) show 2019 marks a decade of exceptional heat characterized by a **more frequent occurrence of events which used to be “once in a century”**; heatwaves, floods, fires and droughts jeopardizing food security and increasing climate-triggered displacement.
- **The Global Carbon Budget report projects a global CO2 emissions rise of 0.6% in 2019**.

Prior to the COP, UNEP launched the [Emissions Gap Report 2019](#) which for the first time, looks at how large annual cuts would need to be from 2020 to 2030 to stay on track to meeting the Paris goals.

Please contact [Steve Nicholls](#) for further information on COP25.



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The National Business Initiative (NBI) is an independent and voluntary coalition of South African and multinational businesses launched in 1995 by the then President, Nelson Mandela

**Our mailing address is:**

NBI  
61 Katherine Street  
Dennehof  
Sandton, GP 2196  
South Africa

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