

Climate Emergency

A Call to Action

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A few days before the COP 25 (2-13 December 2019, Madrid)¹, the European Parliament declared a ‘climate emergency’ in the European Union (EU). This made Europe the first continent to take steps to, which although symbolic in part, put more pressure on governments to implement tangible solutions to combat climate change.

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The recent Emissions Gap Report², presented by the United Nations Environment Programme, warns that unless global greenhouse gas emissions reduce by around 7.6% per year between 2020 and 2030, the world will fall short of the Paris Accord commitment, which is to limit the average global temperature increase to 1.5°C. A huge effort is needed – around five times more – to achieve this, particularly as despite several international commitments and growing public awareness, new greenhouse gas emission records were set in 2018 and 2019 followed this trend.

In response, Ursula von der Leyen, newly-elected president of the European Commission, used her global leadership position to fight against climate change. At her inauguration, she presented a proposal³ (forming part of the European Green Deal), asking EU member states to commit to reduce their carbon emissions from a goal of 40% to at least 50% by 2030, and potentially by 55% in 2021. Europe would then become the first carbon-neutral continent by 2050.

This goal requires the urgent development of zero-carbon technology, energy production, transportation and construction, a transition to a circular economy model and the existence of a healthy terrestrial system that supports and protects vital ecosystems, ending pressure on wild habitats and biodiversity.

As key players in economies and societies, companies have a crucial role in bringing these goals to fruition. Understanding that value chains (vendors, logistics and sales) are global, as are the problems facing the world – climate emergencies, destruction of natural resources and social inequality – companies are increasingly committing to making their business models more sustainable. However it’s clear no company can tackle these challenges alone – partnerships are vital.

Similarly, governments worldwide have aligned their goals to limit any temperature increase to 1.5°C by 2050. Measures include: establishing carbon tariffs, developing guidelines for the transition to new sustainable economic models and creating resilience strategies to cope with the impact of climate change.

To achieve the goals of the 2015 paris agreement, governments must focus on the key issues:

1. A greater push towards a zero-carbon global economy

Countries must improve their actions to address the climate crisis and increase their national commitments to guarantee a zero-emission balance and create climate-resilient societies. Governments in developed economies, whose leadership is essential, must demonstrate their commitment to the Paris Agreement and set more stretching goals for their 2025 and 2030 Nationally Determined Contributions, while at the same time, work on clear long-term strategies to develop low-carbon economies and societies.

2. Corporate leadership

Governments must work in partnership with the private sector to create a positive climate framework and introduce policies to reverse climate change. This will give clarity and confidence to companies so they can invest in zero-carbon products, services and solutions.

3. Article 6 of the Paris Agreement and implementing a carbon tariff

Setting a carbon price and charging carbon emitters per ton for their emissions would be one of the most efficient mechanisms to decarbonise economies and societies. Considering the volume of current carbon emissions, and assuming a low price per ton, the tariffs charged could easily equate to 10-20% of global GDP. This money could be invested in the very things needed to support a transition to new economic and societal models.

Market-based policies make it possible to secure significant emission cuts while maintaining that competitive element, creating jobs, incentivising innovation, fostering investment and minimising social costs.

4. Resilience

Developing resilience strategies to cope with risks posed by climate change is vital. Companies are already developing strategies to include them in their risk management practices and growth/investment plans, and governments should also endeavour to implement measures to promote community resilience.

5. Sustainable funding

In order to move to a low-carbon economy, markets need detailed information on climate risk and the scope of its impact, plus there should be a political framework to support global investment in innovation, technology and carbon-neutral economic solutions.

6. Fair transition guidelines

Processes that transform economic models can have a high social impact. It is therefore necessary to develop guidelines to ensure a fair transition; ones that foster social cohesion with companies, workers and communities and guarantee ethical employment and retraining. Reintegration measures will also be needed for people affected by the transition.

7. The environment

Environmental mitigation measures, namely those reliant on fields and forests for carbon rebalancing, offer a unique opportunity to keep the world below the 1.5 degree threshold. Given the fragmentation and fragility of current policies to regulate soil use and protect natural resources, it is necessary for leading private sector companies to work more closely in partnership with each other.

As detailed in the 2018 Intergovernmental Panel on Climate Change Global Warming Special Report, we can still meet that 1.5°C goal. To do so, a radical, urgent transformation must take place, involving all economies on an unprecedented scale. This in turn demands a better understanding and appreciation from everyone: governments, cities, companies, investors, universities, societies and citizens.

If we are to successfully implement the many national and international commitments to prevent global warming increasing beyond a 1.5°C mean temperature, we must all pursue bold ambitions; change our habits and innovate processes. Should we fail, before this century ends, the results will be dramatic and widely-felt. ●

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has a degree and a masters in business administration and management from Catholic University, Portugal, and has held numerous management and leadership positions in the public, private and voluntary sectors. These include chairman of TESE, a development-focused NGO operating in Portugal and Portuguese-speaking African countries, coordinator of GABIP Mouraria at Lisbon city council, a secretary of state for youth and sports in the 21st Portuguese constitutional cabinet and more recently, general manager of an investment fund for angel investors and a start-up incubator for the Porto Business School at the University of Oporto. He is currently secretary general of BSCD. João has also been a visiting professor in two Portuguese universities for 10 years.

- 1 United Nations Climate Change Conference COP 25
- 2 Available <https://www.unenvironment.org/resources/emissions-gap-report-2019>
- 3 Available at https://ec.europa.eu/commission/sites/beta-political/files/political-guidelines-next-commission_en.pdf