Move over COP...
here come the corporates
With the dust now settling on another COP (UN Conference of the Parties) and another deal agreed after the deadline - the Sharm-El Sheikh Implementation Plan - after fraught late nights and last-minute negotiations, Porter Novelli London has taken a look at what was agreed, shares perspectives from our UK and US colleagues on what politicians and business leaders make of it all in their regions, and considers whether COP needs to get better at its own PR.
So, what were the key take-outs?

With countries lagging on tightening emissions reduction pledges post Glasgow, and the war in Ukraine and energy security and affordability issues shortening priorities, even the most eternal of optimists would say that this wasn’t the greatest of lead ups for COP27.

A landmark agreement was however made - on a loss and damage fund for countries (most of which are developing) vulnerable to the effects of climate change. How much money will materialise is a ‘tbc’, but the fund does demonstrate the interconnectedness and global nature of the climate crisis.

Another positive was that agriculture and food had a substantially higher profile than at previous COPs, with recognition of the role farming and agriculture has in delivering climate change and a number of significant announcements to boot. Chief among them was the FAST (Food and Agriculture for Sustainable Transformation) initiative - a multi-stakeholder partnership which aims to unlock climate finance to decarbonize and increase the resilience of the food and agriculture sectors, especially in the world’s most vulnerable communities. In addition, an $18 trillion coalition of investors led by the FAIRR Initiative successfully mobilized the UN Food and Agriculture Organization (FAO) to establish a climate roadmap for the food and agriculture sector by next year’s COP. It will outline how the industry can stay within a 1.5°C pathway, be climate-resilient and address nature and food security goals.

Seen as big fails was the lack of agreement on building on the COP26 agreement to phase-down coal use (a precursor to broader fossil fuels use), whilst provisions to ensure global greenhouse gases peak by 2025 were removed at the last minute. This aligned though with the signaling that adaptation (rather than principally mitigation) to climate change is now the focus. A glimmer of hope is provided by accelerating government support for carbon capture and storage tech and innovations that will create pathways to net-zero and greater resilience building.
The politicians’ point of view

Often considered to be at the forefront of climate action, it’s perhaps no surprise that the mood of British and EU delegates coming out of COP27 was one of frustration.

Alok Sharma, COP26 President, perhaps best summed it up when he declared “I said in Glasgow that the pulse of 1.5C was weak. Unfortunately, it remains on life support”.

Despite the breakthrough with the loss and damage fund, the EU President, Ursula von der Leyen, said the deal was only ‘a small step towards climate justice’ and the conference had failed to go far enough. In her words, it ‘had treated some of the symptoms but not cured the patient of its fever’. Only a day before the conference ended, EU delegates had threatened to walk out of talks to secure a final deal, blaming Saudi Arabia and China of watering down commitments and insisting that China - the third-largest historical emitter of greenhouse gases - contributes to the loss and damage fund.

Yet, the deal on loss and damage was welcomed by most African delegations, who had been set on securing promises of compensation at the summit that had, after all, been billed as ‘the African COP’. “It is a victory, not only for Africa, but for developing nations,” said Ephraim Mwepya Shitima, the chairman of the African Group of Negotiators. “We will be going back smiling.”
Not everyone was as pleased. While many African countries were keen to use this COP as a platform to promote new oil and gas initiatives in their countries, Babawale Obayanju from Friends of the Earth Africa, said “The fact that the outcome only talks about ‘phase-down of unabated coal power’ is a disaster for Africa and for the climate.”

When it comes to the US, a welcome sight for many was stronger climate leadership from Biden than under the previous administration. The US government committed to become net zero by 2050 and announced a new plan to set science-based emissions reduction targets for federal suppliers. Called the Federal Supplier Climate Risks and Resilience Rule, the goal is to “reduce greenhouse gas (GHG) emissions by the US government and protect federal supply chains from climate-related risks.”

U.S. climate envoy John Kerry also unveiled a U.S. Carbon Trading scheme called the Energy Transition Accelerator, created in partnership with the Rockefeller Foundation and the Bezos Earth Fund, where companies voluntarily purchase carbon credits to offset their own GHG emissions and advance climate targets. The credits would then be used to help increase renewable projects in developing countries.
The corporate community

Throughout the conference, the business community was outspoken about its ambition to keep the dream of 1.5C alive. Companies including Unilever, BT and Ikea, which belong to the 1.5 Supply Chain Leaders platform, issued a declaration calling on other corporates to join them in a collective initiative to halve value chains emissions by 2030.

Despite their clear ambition, the corporate world’s commitment to climate action did not pass without scrutiny. At the start of the conference, the UN presented its findings from a report commissioned at COP26, which concluded that promises made by companies to achieve net-zero emissions often amount to little more than greenwashing. The report was intended to draw a ‘red line’ around false claims of progress in the fight against global warming and set out a list of recommendations that companies should follow to ensure their claims are credible. For example, a company cannot claim to be net-zero if it continues to build or invest in new fossil fuel infrastructure or deforestation.

Another ‘food for thought’ for every corporate leader was a report from the UK-based Purpose Disruptors who found that emissions generated as a result of advertising-driven consumption were adding an extra 32 per cent to the annual carbon footprint of every person in the UK. Jonathan Wise, co-founder of Purpose Disruptors, said he hoped the report, that had been launched at COP, would provide the necessary stimulus to address ‘the elephant in the room: advertising drives consumption and consumption drives carbon emissions.’
So what does this all mean for COP (and for you)?

A message that is coming through clear is that politicians at best can’t do this alone and at worst, aren’t the right people to be tasked with systems change in an attempt to save the planet from a future of deepening climate crisis.
Instead, step forward business.

It’s now about turning intent into action, which is something that business is skilled at.

Given the lack of progress at this year’s conference, many are wondering if the COP process has run its course and if it’s really fit for purpose. As The Times pointed out, ‘the only thing it really achieves is consensus on global goals...It’s now about how you get there.’ And that is where the corporate community can really take on the mantle of progress.

So, the pressure is now on for companies to set credible, substantiated and science-based net-zero targets that address scope 3 emissions. Regulators are increasingly setting tougher rules to crack down on greenwashing both in Europe and the US, but there are gains, both financial and reputational, let alone planetary, if companies can get this right.

This might involve driving innovation by investing in climate resilience projects and empowering R&D functions to create technology solutions. We are also already seeing examples such as carbon markets, where private and regional initiatives are flourishing, whilst governments drag their feet. Investment in green energy also surpassed that in fossil fuels this year, despite the short-term energy and political issues we face.

For COP, it’s on to the UAE in a year’s time. The criticism has already started, given the fossil fuel rich nature of the host. While potentially depressing news on the one hand, if corporates on the other continue to drive change alongside and outside the COP bubble - taking the targets set at COP and embedding them into their agendas via the World Economic Forum this January - there is potential that the pulse of 1.5C may strengthen.