

UNFCCC COP 25

Concept Note Industry Action Event

Systems transformation: Key enablers for 1.5°C aligned ambition in Industry

Marrakech Partnership for Global Climate Action

Friday, 6 December 2019
10:00 – 13:00

Organised by the World Business Council for Sustainable Development (WBCSD)

Supporting Organizations:

ICC, We Mean Business, CDP, WEF, BSR, UN Global Compact, IRENA, The Climate Group, The B Team

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MPGCA Industry: Systems transformation: Key enablers for 1.5°C aligned ambition in Industry

Description

The science is clear: nothing short of system-wide transformation at the global level is needed. Limiting global warming to 1.5°C will require rapid and far-reaching transitions in energy, land, urban and infrastructure (including transport and buildings) and industrial systems.

Industry related emissions are expected to be responsible for nearly 50% of cumulative emissions through 2050. It is therefore essential to urgently transform the energy and industrial systems with the objective of achieving net-zero carbon emissions by mid-century.

The Industry Action event will convene key industrial players and stakeholders to emphasize the need for leadership in ambition across public, private and civil society actors to drive industrial transformation.

Emphasizing the importance of adhering to the recommendations of science, the Industry Action event will be framed in the context of ambition to limit global warming to 1.5°C, in accordance with the findings outlined by the IPCC. The event will provide tangible examples of ambitious commitments and implementation action by industry players to achieve alignment with 1.5°C.

Focusing on major industrial and hard-to-abate sectors, the event will also stress the need for key policy enablers that must be implemented by governments to unlock the barriers to achieve the highest level of ambition, with particular focus on financial instruments and carbon pricing.

Businesses look to governments for long-term, clear policies on climate and energy that give them the clarity and confidence they need to invest in technologies and markets for a net-zero future. Such a positive feedback loop, or “Ambition Loop”, in which bold government policies and private sector leadership reinforce each other, takes climate action to the next level.

Meanwhile, the impacts of climate change are already being felt extreme weather events are affecting the operations and competitiveness of companies around the world. Companies need to prepare for the physical impacts associated with climate change as well associated transitional risks on the path towards a carbon neutral global economy. Understanding these impacts and risks is crucial for economic development and will help ensure that industrial sectors make a just transition.

Objective of the event towards the following issues:

Pre-2020 action:

- *What are the current challenges, opportunities and metrics (such as data and analysis) for pre-2020 actions to realize the transition using technology, innovation and finance for this thematic area?*

As the demand for materials, products and services continue to increase over time, the private sector is increasingly realizing that taking more ambitious climate commitments makes business sense, reduces climate risks and ensures long term stability of their operations. Businesses are now committing to ambitious climate action aligned with the pathways to achieve 1.5°C and climate neutrality.

Digitalization and other technological advancements are **revolutionising processes** across entire industries, having significant impacts across sectors and geographies. Meanwhile, **circular economy applications** are creating further value across systems and value chains. Increasingly these industries are taking the steps to recognise what these impacts may be on their workforce, and to ensure their industry makes a **just transition** in striving for a 1.5 degree and climate resilient future.

Additionally, companies are leveraging the **recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)** to deliver better financial information to drive corporate change and financial reporting on climate risks and opportunities. As the role of nature becomes clearer, industry is also tapping into the unique opportunity of nature-based solutions to accelerate ambitious climate actions and the quest to achieve climate net-zero emissions.

However, commitments from industry leaders will require enabling policy environments to provide clear, long term signals and incentives for companies to strengthen their markets in a low-carbon future while avoiding stranded assets.

- *What are the pre-2020 actions that have been implemented that accelerates systemic transformation, including changing behavioural patterns and leapfrogging conventional development paths? What needs to be improved or enhanced?*

Over 1050 companies, representing nearly \$19.3 trillion - or one quarter of global GDP - are taking bold climate action **through the We Mean Business Coalition's Take Action campaign**. Other major industry initiatives include **Low Carbon Technology Partnerships initiative (LCTPi), Science Based Targets Initiative, RE100, Business Ambition for 1.5°C pledge, Mission Possible Initiative** and many others.

Beyond commitments from multinationals, there has been an unprecedented grassroots mobilization of local businesses and chambers of commerce in support of ambitious climate action through the International Chamber of Commerce's (ICC) **Chambers Climate Coalition**, which saw over 2,100 chambers of commerce, representing over 10 million businesses worldwide, committing to set climate targets across operations aligned with limiting global temperature rise to 1.5°C above pre-industrial levels and reaching net-zero emissions by no later than 2050.

While several industrial leaders are embarking on ambitious journeys to address the climate challenge, there are key milestones that will need to be achieved on the pathway to net-zero.

Climate Action Pathway/Yearbook of Global Climate Action/Global Climate Action portal (NAZCA)

- *How does the future need to look like in 2050 in order to reach the 1.5-degree, net-zero, resilient goal and how we are moving towards this future?*
- *What are the systemic transformational actions and solutions to transition to this future, providing evidence that is science-based?]*

The vision of the future needs to be one that supports a prosperous, competitive and climate neutral economy that puts people and communities at the centre. Industries will need to source all their energy from renewable electricity, have improved energy efficiency, enhanced circular economy and material efficiency to achieve net-zero emissions and climate resilient infrastructure, services and products. Through public-private collaboration, sustainable infrastructure has been established and financial investments made at scale for technological innovations that have reduced the abatement costs in these sectors.

Industries will also need the enabling policy frameworks such as consistent carbon pricing and incentives to support and accelerate the transition towards carbon neutrality.

The event will therefore aim to highlight these key enablers that are set to play a crucial role in driving transformation across the global economy.

2019 United Nations Climate Action Summit

- *How can the transformational outcomes of the UN SG Summit be taken forward and scaled up to accelerate the transition?*

At the UNSG Climate Summit, the business community came together to deliver strong signals of hope. Business leaders delivered concrete actions to align with the Paris Agreement targets and speed up the just transition towards a net-zero economy. This includes asset-owners holding over \$2 trillion in assets and leading companies with combined value also over \$2 trillion as well as an unprecedented mobilisation of local business leaders and high-emitting sectors.

The event will build on the strong momentum showcased by business at the UNSG Summit while continuing to beat the drum for:

- greater ambition for industry players;
- regulatory and policy frameworks that enable companies to accelerate the just transition towards climate-friendly business practices, processes and products; and
- developing partnerships of shared ambition between business and government.

Types of speakers:

High-level speakers from Industry

High-level representatives from National Governments

High-level speakers from NGOs and Civil Society

High-level Champion for Global Climate Action