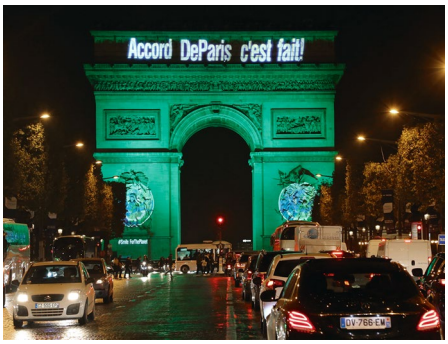
Rescuing Paris

To achieve the Paris climate goals, the private sector and sub-national governments need to fill the void left by unambitious national government efforts.

When the Paris Agreement was signed in 2015, it was hailed as imperfect, but nonetheless an achievement for global collective action. That achievement may be quickly eroding. Just days before the December 2018 Conference of Parties in Kawotice Poland (COP24), Brazil back-tracked on its agreement to host COP25 in 2019, a crucial set of talks in advance of the 2020 date when countries are expected to update their climate pledges. It is not clear at this point whether the decision foretells wider global back-pedalling by Parties to the Agreement, but UN Secretary General Antonio Guterres has cautioned that a rising tide of nationalism is reducing the collective will to tackle climate change[1].

Pair this news with the late November 2018 Emissions Gap Report (EGR)[2] indicating that the emissions gap has increased, and one might think that global climate change efforts are imperilled. According to the report, many countries must significantly enhance their climate policies before 2030 to keep the goal of well below 2 °C achievable[2]. Notably, the EGR emphasized a need to expand climate action beyond the national level to tap into the emissions reduction potential from the private sector and sub-national governments. This call is being answered.

A new report by the Climate Group and CDP (previously known as the Carbon Disclosure Project), in cooperation with PricewaterhouseCoopers, shows that state and regional governments have committed to emissions reductions that are far more ambitious than national governments[3]. States and regional governments have committed to decarbonizing at a rate of 6.2% a year to 2050, a rate that is roughly 3% faster than G20 governments. In recognition of the multifaceted nature of climate change and the limits of mitigation, 40% of the 120 sub-national governments surveyed report action to both mitigate and adapt to climate change. Although the report suggests that progress is being made, assessment of the climate mitigation and adaptation efforts of non-state actors and sub-national governments is hindered by poor metrics and inconsistencies between analytic approaches. In this issue, a Perspective by Angel Hsu of Yale University, USA,



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and colleagues offers a research roadmap that identifies best practices for assessing climate action being taken by these non-party stakeholders. Making and measuring commitments is not just for national governments, or sub-national governments for that matter. Businesses and investors have stepped forwards to respond to climate change, although more work is needed to understand how their efforts align with the Paris Agreement goals.

Ahead of COP24, the Alliance of CEO Climate Leaders (an informal group of global business leaders) issued an open letter affirming their commitment to more ambitious action on climate change in line with Paris Agreement goals[4]. The letter encourages governments and businesses to set science-based targets, price carbon, make low-carbon investments and develop policies that incentivize demand for low-carbon solutions. The call is double-sided: encouraging businesses to action, but also begging governments to do more. Mitigation and adaptation by both the private and public sectors is needed.

Corporate response to climate change, though growing, is incomplete. A paper[5] published in the December 2018 issue shows that although most companies in high-emitting sectors have taken steps to explicitly recognize climate change, very few have implemented strategic management practices such as setting long-term quantitative targets or assigning boardroom responsibility for climate change. In this issue Allie Goldstein and co-authors show further that many companies are cognizant of climate risks and are adopting risk management strategies, but they: (1) underestimate the magnitude of the costs of physical climate change risks; (2) do not consider risks beyond their direct operations; (3) rarely use ecosystem-based adaptation to manage climate risks; (4) generally do not report the costs of adaptation; and (5) lack an appreciation for the nonlinearity of climate risks and the potential radical action that implies.

What seems clear from the recent assessments, including the IPCC report *Global Warming of 1.5 °C* (ref. [6]), is that we need something a 'whole-of economy' approach to keep the Paris goals in sight. A group of young, progressive Democrats recently elected to the House of Representatives in the United States have called for just this sort of effort. Labelled a 'Green New Deal', the plan calls for, among other things, 100% renewables, the creation of a smart grid and extensive decarbonization[7]. However, the New Deal language, referring to President Franklin D. Roosevelt's Depression Era public programme and regulatory reforms, suggests an extensive role for the federal government in creating and implementing national-scale climate and clean energy programmes. For the foreseeable future, this sort of national government push in the United States and Brazil seems unlikely. The Paris Agreement will move forwards, but to bolster its achievement and close the climate action gap, a more concerted effort to enhance the role of non-party stakeholders — including business and subnational governments — is required. ❐

Published online: 18 December 2018
https://doi.org/10.1038/s41558-018-0385-5

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