

Climate Action Platform

How the World Economic Forum is driving climate action

WORLD
ECONOMIC
FORUM

July 2021

What is climate change and why is the Forum involved?

The world is on track for a 3°C temperature rise, which would mean sea-level rises that would engulf settlements that are home to millions of people; increase migration, impact food and water, significantly disrupt supply chains, and massively dent the global economy. The Forum's [Global Risk Report 2021](#), found climate change is considered one of the biggest and most likely risks.

The [Paris Climate agreement](#) commits countries to action that will limit global warming to well below 2°C, preferably to 1.5°C. That can only be done by a rapid and major cut in greenhouse gas emissions.

Momentum is building with governments representing over 60% of the world's greenhouse gas emissions committed to net-zero emissions goal, the majority by 2050. Similarly, more and more companies are committing to action. The gap however remains important and must be closed this decade.

Investing in climate solutions has a positive upside – spurring new business opportunity. A nature-positive transition, for example, could generate up to US\$10.1 trillion in annual business value and create 395 million jobs by 2030.

The World Economic Forum is uniquely placed to bring together governments, business, scientists, innovators, and communities to take that action.

The Climate Action Platform – our three-pronged approach: Raising Ambition; Catalysing Transformation; Supporting Mobilisation

The Forum works as a trusted partner to stakeholders around the world in building, hosting, and scaling partnerships, solutions and policy that accelerate action towards a net-zero transition.

Below is just an illustration of a few core Forum initiatives, with the full overview of our work available [here](#).

1. Raising Ambition:

Activating leaders to scale climate ambition and commitments:

- [Net-Zero Challenge](#): encourages (Forum partners to pledge to reach net-zero emissions by 2050 at the latest, and to set shorter-term targets and create plans to achieve them.
- [Alliance of CEO Climate Leaders](#): a group of 100+ CEOs who disclose their companies' emissions and take action to reduce them.
- [Climate Governance Initiative](#): a global network of national and regional chapters to promote the implementation of the [Climate Governance Principles](#) at company board level.

2. Catalysing Transformation

Working with partners to build, host and scale public-private initiatives aimed at turning ambition into action:

- [Mission Possible Partnership](#): helping hard-to-abate industries transition to net zero.
- [Natural Climate Solutions Alliance](#), [Tropical Forest Alliance](#) & [1t.org](#): seeking to accelerate the adoption of nature-based solutions to climate change and encourage nature positive land-use transitions.
- [Friends of Ocean Action](#): focused on ocean-based climate solutions that could deliver up to a fifth of the annual emission cuts needed by 2050.
- [Financing the Transition to a Net-Zero Future](#): bringing together 30+ financial institutions as well as public sector stakeholders to explore innovative financing solutions and accelerate progress towards decarbonization.
- Other initiatives that cut across industry sectors, such as: [Circular Economy and Climate](#) work; [Net-Zero Cities](#); work on emerging [Fourth Industrial Revolution](#) (4IR) technologies critical to climate action.

3. Supporting Mobilization:

Providing a platform to governments, innovators, and stakeholders to scale action and solutions:

- Strategic collaborations with key governments (including US, UK, Indonesia, Japan, and China), including in fora such as the G20, G7 and [Mission Innovation](#).
- Partnering with the UK [COP26](#) presidency and the [UN High-Level Champions](#)
- [Tropical Forest Alliance](#) supports the UK COP Presidency's FACT (Forest, Agriculture and Commodity Trade) Dialogue to encourage more sustainable land-use practices.
- The Forum's range of communities - [Global Shapers](#), [Young Global Leaders](#), [UpLink](#) entrepreneurs, [Technology Pioneers](#) – can all bring their expertise and influence to bear in the work of the Climate Action Platform.

In all this work, we draw on the Forum's 1,000+ business partners that span heavy industry, energy, land use, consumer goods, financial markets and more; mobilize our 1,000+ stakeholders from civil society, entrepreneurs, youth and technology pioneers; collaborate with key government leaders driving climate action; and spark engagement from the 60,000+ members of [TopLink](#) (the Forum's digital collaboration platform), 27,000 digital subscribers and 25 million social media followers.

Key principles

While we strive for climate action, we need to recognise some key values, opportunities, and principles:

Nature, land-use and the ocean play a critical role combatting climate change.

As science-based targets and pathways to achieve them are developed, it is vital to recognise the role that nature plays in tackling climate change. Reducing emissions is critical, but equally important is restoring and protecting nature on land and in the ocean. Nature-based solutions (land and ocean) can close a third of the emissions gap via natural carbon sinks if we protect and restore ecosystems. The ocean has absorbed 93% of the heat generated by carbon emissions, while providing a home or up to 80% of all life on Earth.

Equality and justice must be at the core of all climate solutions

As we combat climate change, we must work for a more equitable and just society. Communities are at the core of driving many climate solutions and must be empowered to use their voices to raise awareness and spur action. Equally, solutions to climate change must help lift people from poverty, for example connecting the 840 million people who still

lack electricity access to affordable and clean sources.

Industry and energy transformation is an opportunity as well as a challenge

Reaching net-zero emission requires a transformation in the energy system, deep emission reductions by heavy industry, transport, the built environment, and land-use, as well as developing natural and technological carbon sinks. The most successful industries of the future will not undergo a "transition" within the bounds of their current operating models but will create completely new green business opportunities.

Analysis by [UN PRI](#) of the world's 1,000 most valuable companies found that climate-related policy could wipe 43% off the value of the highest-polluting companies and add 33% value to the best performers.

A shift in market and investment frameworks is central to climate action

Some sectors, especially in emissions-intensive heavy industrial and mobility sectors, require large and risky investments. This will require clear guidance from financial institutions and regulators to ensure investment shifts into sectors that are taking action on climate change.

Tackling climate change is a giant public-private collaboration task, and multi-stakeholder partnerships will yield the biggest impact

Only by integrating the efforts of the various stakeholders can we achieve the necessary climate action in the urgent time frame. The World Economic Forum is uniquely positioned to make that happen.