



## Climate on the agenda

**Over the past three months, the global community has watched as leaders met at three different gatherings where sustainability and climate were a focal topic for discussion, deliberation, and decisions demonstrating a pledge to mobilize the collective ingenuity to help combat climate change and a resolve to forge a more sustainable and equitable future, even amid geopolitical tensions and fragmentation. Looking across the three gatherings, the meetings brought significant progress, tempered by critical questions about the sufficiency of our ambition, the adequacy of our approaches, and the pace of our action.**

The Annual Meeting of the World Economic Forum (WEF23, "The Forum") marks the third of these high-profile meetings where advancing the global response to the converging environmental challenges of climate change and biodiversity loss were a focus. At the 27th Meeting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC COP27) in November 2022, Parties reiterated calls for fulfillment of the global commitment to marshal US\$100 billion annually towards climate action; created the Loss and Damage Fund providing a prospective channel to support climate-vulnerable communities; and actively shifted attention to exploring ways to close the global emissions gap.<sup>1</sup>

December 2022 saw the convening of the 15th Meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP15) and the long-anticipated announcement of the Global Biodiversity Framework, which calls for conservation of 30% of ecosystems in conjunction with an increase of biodiversity-related finance of US\$30 billion annually by 2030.<sup>2</sup> Global negotiations around climate change and biodiversity reiterated the need for accelerated, decisive, and comprehensive solutions towards sustainable development, and provided positive signals to the economic community leading up to WEF23. ➔

## Climate change and sustainability remain high on the agenda at Davos

**Despite geopolitical tensions and economic uncertainty, the return of the Forum's Annual Meeting to Davos in January saw climate change and sustainability—and their intersections—feature prominently across the agenda, with particular focus on raising climate ambition, advancing equitable growth, and exploring innovative solutions and frontier technologies.**

Of note, the First Movers Coalition, founded prior to COP26 to galvanize business leadership in sustainable supply chains, expanded to 70 organizations and added Canada and the UAE as government partners.<sup>3</sup> In line with the Forum's Ocean Action Agenda, a WEF partnership with Indonesia was announced to support blue carbon conservation and restoration efforts.<sup>4</sup> The One Trillion Trees initiative, launched in 2020, saw two additional pledges announced with the potential to conserve and restore over 7 billion trees.<sup>5</sup> The Resilience Consortium which launched in May 2022 hosted a high-level dialogue on interfaces of resilience and infrastructure investment. Finally, the Giving to Amplify Earth Action (GAEA) global initiative was launched to leverage philanthropic capital through public-private-philanthropic partnerships (PPPPs) to unlock US\$3 trillion annually for climate change and nature conservation.<sup>6</sup>

Climate change and sustainability considerations also influenced broader economic initiatives in Davos. Trade leaders from more than 50 nations, including the EU, New Zealand, Kenya, and Ecuador, launched the Coalition of Trade Ministers on Climate. The Coalition aims to advance cooperation on climate change responses internationally and nationally through engagement with key ministries and promote trade and investment that fosters development and diffusion of adaptation and mitigation technologies.<sup>7</sup>

Discussions around trade also included an Indigenous-led dialogue on advancing equitable, sustainable, and inclusive growth.<sup>8</sup> Livelihoods were also a focus with the launch of the Future of Growth Consortium,<sup>9</sup> to complement ongoing efforts to foster a fair, equitable, and just transition through efforts like the Reskilling Initiative,<sup>10</sup> Jobs Consortium,<sup>11</sup> Good Work Alliance,<sup>12</sup> and Global Parity Alliance.<sup>13</sup>

Innovations to help accelerate decarbonization and net-zero transition were also a prominent feature. Unlocking the potential of green hydrogen, renewable energy, and carbon capture technology were dominant topics throughout the week. The Global Battery Alliances, for example, piloted in Davos the Battery Passport, which aims to provide standardized sustainability data and transparency on electricity storage solutions.<sup>14</sup>

Overall, the Forum's Annual Meeting signals an increasing global alignment around climate change, biodiversity, and sustainability priorities; appetite to build coalitions to collectively advance ambition; and the growing viability of solutions for emission reductions.

## Reflections

Viewed collectively across the three international events—UNFCCC COP27, CBD COP15, and WEF23—there is a growing awareness of the interconnectedness of global crises and risks; a resolve to effectively mobilize financial resources to support ambitious climate change and sustainability actions; and an increased need for organizations to demonstrate leadership and build the ecosystems necessary to operationalize innovative solutions.

### Recognition of interconnected crises and risks

Economic uncertainty, the rising cost of living, energy and food security, climate change and nature tipping points, and growing destabilization resulting from regional conflict and broader societal polarization were all discussion points with leaders. Increasingly, public and private sector leaders are understanding and addressing these seemingly disparate challenges as inherently interconnected. Despite economic uncertainty, observations from the 2023 CxO Sustainability Report demonstrate leaders remain resolute in their commitments to decarbonization.<sup>15</sup> Economic headwinds may increase scrutiny of low-emissions investments, but they do not yet appear to be stifling global momentum towards net-zero. Indeed, recent global challenges—from the energy crunch to the COVID-19 pandemic—are regularly cited as evidence for why expanding renewable energy, embedding sustainability and resilience across supply chains, and increasing investment in breakthrough technology solutions are essential. Many leaders are looking to capture this opportunity to integrate climate change, nature, and sustainability into their strategic priorities.

### Commitment to increase finance across the climate-nature continuum

The need to mobilize finance to enable the transition to a green economy has been a golden thread across all three fora. Adaptation and mitigation actions and nature-based solutions are being positioned across a finance continuum, with direct and indirect benefits for sustainable development. Transformation to a low-carbon economy is anticipated to require US\$8-10 trillion of investment annually by 2030.<sup>16</sup> With climate finance in 2020 estimated by the Organisation for Economic Co-operation and Development (OECD) to total just US\$83 billion,<sup>17</sup> the announcement launching GAEA at WEF23 to leverage philanthropic capital brings an additional avenue to buttress global efforts; only 2% of philanthropic capital was channeled to climate mitigation efforts in 2020.<sup>18</sup> While accelerated ambition remains needed, there is positive momentum to unlock the capital needed to finance a sustainable future.

### Creation of ecosystems to actualize potential

Finance helps enable the low-carbon transition, but ultimately, rapid deployment and operationalization of climate solutions is what's needed to slash emissions. Businesses have an opportunity to demonstrate important leadership in scaling up emerging technology solutions through the building of ecosystems, partnerships, and coalitions to mobilize expertise, foster uptake, and drive down costs. Across all three meetings there was an increasing focus on understanding the project finance essentials underpinning bankability, with private actors uniquely positioned as convenors, conduits, and collaborators in accelerating transition pathways.

## Looking ahead

**As global attention shifts away from Davos, planning has already begun for UNFCCC COP28. Transition pathways, innovative technologies and climate solutions are expected to feature prominently, where the private sector can play a key role in those discussions. Recent experiences across these global gatherings reiterate that private actors have unique perspectives, insights, and solutions to contribute to the dialogue, but work remains to effectively mobilize capital related to frontier technology solutions. As the decarbonization journey advances, creation of an inclusive growth agenda will be important to overcoming fragmentation, while never losing sight of the imperative for speed.**

## Endnotes

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