

COP28 – Sustainable Business Council Insights Report



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1. Introduction

The final hours of COP28 in Dubai saw agreement between the 198 nations attending to “transition away from fossil fuels”. It is nowhere near the “phase out fossil fuels” language that the EU, UK, US, NZ, and others were calling for, but it is the first time in the more than 30 years since the Rio Earth Summit in 1990 that direct reference has been made to a transition away from fossil fuels. It’s a start.

The process was less than perfect, with Samoa making a last-minute intervention, noting the 39 small island developing states were not in the room when the text was agreed. And the actions are voluntary, meaning that there is plenty of wriggle room for the oil-producing countries to continue extracting oil and gas.

On the positive side, the commitment to 1.5-degrees remains, and some of the announcements that accompanied the negotiation were significant (see page 4 for more details).

It’s important to remember just how challenging it is for 198 different countries – some of whom are currently at war with one another – to reach any consensus. As John Kerry noted in his intervention in the [closing plenary](#):

“[This is] a moment where multilateralism has come together ... to define the common good. This is hard... In a multilateral venue to have as a strong a document [as this] ... is cause for optimism.”

This is not going to be easy. To stay within 1.5 degrees will take a [cut of 43% in emissions by 2030](#). That’s only seven years to make massive cuts in greenhouse gas emissions. It is looking more and more likely that we are going to overshoot the 1.5-degree target, which will mean accelerating the transition while simultaneously adapting to living in a 1.5-to-1.8-degree warmer world.

With around [104,000 people attending](#), COP28 was the biggest COP, or Conference of the Parties, ever, on par in terms of scale with the Olympic Games.

So why are so many involved with this gigantic tradeshow centred around UN negotiation?

It’s because we are increasingly recognising it will take more than Governments alone to solve this monumental challenge. And those ‘non-state actors’ are increasingly coming to COP in droves. These days, COP is made up not only of Government representatives from across the globe, but also business leaders, young people, climate scientists, journalists, faith organisations, Indigenous Peoples, as well as various other experts and stakeholders.

Government negotiators continue to play a key role at COP – they draft and negotiate the texts that evolve to become the agreements we hear about, such as the landmark 2015 Paris Agreement. These agreements set the collective ambition, and importantly, the rules. They take the science and tell us what collectively, as nearly 200 countries, we are going to do about it.

COP28 has seen an unprecedented number of non-state actors and representatives from outside of Government. A good example of why it’s helpful to have this additional involvement at COP is Article 6 of the agreement. Article 6 acknowledges countries can pursue voluntary cooperation to achieve their Nationally Determined Contributions (NDCs), to allow for higher mitigation ambition and to promote sustainable development. It recognises public funds won’t be enough and private finance will have a role to play. It is critical therefore that private finance have a voice.

Dubai had the space and resources to accommodate this enormous growth of interest and participation, but it is unclear if this will remain true at future COPs. Similarly, COP moves location each year, which means what has been enabled this year in terms of business interactions with delivering outcomes for

climate may not be so easy in the future. We are looking to COP31, which we hope may be held in Australia, with spillover benefits for the Pacific and New Zealand.



COP28 was unique in its sheer scale. But how this may have influenced the overall impact of the conference is still yet to be revealed to its full extent. Over the last 28 years, some COPs have been major milestones – Kyoto, Paris – while others have been major disappointments – COP15 in Copenhagen, 2009. Most have seen some incremental improvements, such as COP26 in Glasgow in 2021. But where does COP28 sit and what are the key takeaways?

The following document explores this question further by drawing on the insights of the Sustainable Business Council's (SBC) Executive Director Mike Burrell and Head of Climate and Nature Antonia Burbidge, who were on the ground for the duration of this year's COP28.

A huge thank you as well to our Climate Leaders Coalition (CLC) Signatories, SBC Members and key stakeholders who were also on the ground in Dubai and shared their reflections as part of a range of videos across the duration of the Conference, which you can access [here](#). Representatives also joined a mid-COP Insights Webinar, which you can find a full recording of [here](#).



2. At a glance: COP28 Key Outcomes

The following outlines some of the key outcomes we saw from COP28.

Final outcomes from negotiations of the parties

The [final climate agreement](#) and [Global Stocktake decision](#) saw five key elements:

- A departure from the language to “phase out fossil fuels”, instead signalling the “transition away” from coal, oil, and gas.
- Endorsement of a commitment to a tripling of renewable energy and doubling energy efficiency.
- Re-commitment to limiting global warming to 1.5 degrees Celsius.
- A call for more ambitious Nationally Determined Contributions (NDCs) for 2035.
- Introduction of a global goal on adaptation.

The potential impacts of this deal were captured in [wide ranging analysis](#) across a [variety of media](#), as well as in [commentary from global organisations](#) and NGOs, such as the World Business Council for Sustainable Development (WBCSD).

Major commitments and announcements

- [Landmark deal](#) agreed on first day to help the world's poorest and most vulnerable countries pay for the irreversible impacts of climate change
- [Declaration made](#) (and signed by New Zealand) saying agriculture and food production must urgently adapt to respond to climate change
- Over 130 governments pledged to [triple renewable energy](#) by 2030 (with New Zealand in support)
- [\\$57 billion of investment](#) in climate action mobilised in the first four days
- Pure Advantage and WWF Launch of [Recloaking Papatūānuku](#), a highly ambitious proposal to plant and enhance 2.1 million hectares of native forests in Aotearoa over the next decade
- WBCSD launch of pioneering CEO Guide to the [Climate-Related Corporate Performance and Accountability System](#) (CPAS)
- Proof of concept launched for [global public net zero data portal](#) for company-level emissions

Challenges and scandals

- First draft of the COP28 climate deal criticised as ‘grossly insufficient’ and ‘incoherent’
- UAE faced criticisms for [oil negotiations](#)
- UAE also criticised for [commentary on the science behind climate change](#)
- New Zealand awarded another [‘fossil of the day’](#) for proposing to reopen oil and gas exploration
- Fierce challenges and calls for committing to [“phase out” of fossil fuels](#)

3. Reflections

3.1 The Business of Climate

The scale of interest in COP28 and the ability to accommodate such significant numbers had some interesting spillover effects.

Not only were there significantly more non-state actors at the conference than ever before, but it is possible they changed the way the negotiations played out.

It is the negotiations, largely hidden from view, that sit at the heart of any COP – and considering 198 countries are all playing their own part in the negotiations, they're as complex as one might imagine.

Non-negotiating officials get snippets of information via daily updates from a variety of country and NGO sources, with New Zealand businesses largely reliant on the daily update from the Ministry of Foreign Affairs and Trade (MFAT), and from the ICC (International Chamber of Commerce) at their amusingly titled “BINGO” (business NGO) sessions.

The media, negotiators and the tens of thousands of people on the ground noted the number of significant announcements (as detailed in the previous section) that were made in the first week. Finance also came to the party in the form of billions of dollars ([\\$57 billion of which was mobilised in the first four days alone](#)), and early money made a difference to the speed at which some of the text could be negotiated.

There were clear signals that Business, philanthropy and Governments may be interacting in a new way to unlock progress – a development that is desperately needed. The scale and pace of change required to meet the goals requires a step-change in investment, with COP revealing a promising trend that's hoped will continue.

COP28 also saw a number of new topics merit thematic days in the programme, including (for the first time) Nature, Trade and Agriculture.

The negotiations on the agriculture text may have reached an impasse for this year (they have pushed out to further negotiations in Bonn), but it was impressive to see a whole day dedicated to, ‘Food, Agriculture and Water’.

Introducing these new thematic days means there are events, speakers and a global spotlight on understanding them further, which is critical momentum that is needed to collectively tackle some of the gnarly challenges these themes encompass.

The World Business Council for Sustainable Development (WBCSD), of which SBC is a Global Network Partner, delivered some excellent events to unpack these and other topics. In all, they held over 60 events and were partnered to many more.

You can catch up on content [here](#).

3.2 Spotlight on a Global Stocktake

The findings of the first ever [UNFCCC Global Stocktake](#) (an assessment of how much progress countries are making toward the Paris Agreement targets) tells us we will most likely overshoot 1.5°C warming, and probably within the next seven years.

This messaging is challenging and confronting, whether you've been working in this area for 20 years or are newly arrived. We are all acutely aware of the terrible consequences on people and planet of failing to

mitigate emissions and having to significantly adapt to a warmer world, with the impacts of our own recent severe weather events still being felt deeply across the country.

The so-called “outcome of the first global stocktake” was passed on 13 December and can be found [here](#). The five key elements of the global stocktake were:

- **Signalling the “transitioning away from fossil fuels”**
This is weaker than the “phasing out” of fossil fuels many (including the EU, US, UK and NZ) had hoped for, but is the first time all 198 countries have agreed with language (however caveated) that signals the end of the fossil fuel era.
- **Commitment to transitioning towards renewable energy**
The global stocktake endorsed a commitment (led by the EU) to a tripling of renewable energy and a doubling of energy efficiency by 2030. Compromises were made to accommodate the views of India and China, but this is a major step forward and, together with the first point, signals a significant shift in global sentiment towards renewable energy and away from fossil fuels. As many leaders in the final plenary noted, “this is the beginning of the end” of the fossil fuel era.
- **Re-commitment to limiting global warming to 1.5 degrees Celsius**
The science from the most recent Intergovernmental Panel on Climate Change (IPCC) clearly shows that we are on track to overshoot 1.5 degrees by 2030. Responding to this real and present danger, the global stocktake strengthens the commitment to 1.5 degrees and calls for a peaking of emissions by 2030 with reductions from 2035.
- **A call for more ambitious Nationally Determined Contributions (NDCs) for 2035**
The global stocktake calls for more ambitious plans from parties (countries) in the next round of NDCs, due by the beginning of 2025 ahead of COP30 in Brazil. Parties have committed to a “roadmap to Mission 1.5C” in the leadup to COP30 in 2025.
- **Introduction of a global goal on adaptation**
This was the weakest outcome from the global stocktake. Although some progress was made, the negotiations did not result in tangible, timebound targets, which had been the goal. This will now need to be picked up at COP29.

3.3 How much progress was made at COP28?

From the outset it was hoped by some to be historic, with a significant collective push by many countries for a final climate agreement that included text to capture an international commitment to the ‘phasing out of fossil fuels’ gaining momentum over the two weeks of negotiations.

In the release of the draft text however, the opposition to this inclusion was clear, with wording avoiding making a firm commitment to transition away from fossil fuels, and instead describing working towards a reduction in their consumption and production.

Many NGOs and vulnerable countries at the highest risk expressed disappointment, criticising the draft agreement for being weak, and moving backwards on global ambitions. New Zealand's own Climate Change Minister said the draft text of the agreement [did not go far enough](#), and US climate envoy John Kerry described it as [“a war for survival.”](#) The firm stance from OPEC and other oil and gas producing countries (especially less developed countries and emerging economies) was that attempts at reducing

fossil fuels were considered [a blow to their economies](#) and were effectively kicking away the ladder of development OECD countries had used for their own economic growth.



In the final days of these tense negotiations, which saw many international leaders threatening to walk away, President and CEO of WBCSD [Peter Bakker also outlined](#) why the delivery of what was hoped would be an historic and unprecedented outcome for COP was at risk.

The outcome of the negotiations, which ultimately went past the deadline and 23 hours into overtime, saw a final revised text agreed on, calling for “transitioning away from fossil fuels”. So certainly not the dizzying heights of Paris. But despite that, there were still signs of hope, with COP28 revealing some positive strides despite the outcome.

Surprisingly large commitments and substantial private sector actions, especially in [renewable energy](#), dominated discussions. These are not inconsequential actions, and a huge amount of work has gone into making them.

Yet, the looming question that remains, articulated by John Kerry, is whether these efforts will be swift enough to prevent a catastrophic overshoot of the 1.5-degree target.

Professor Debra Roberts [anticipates a challenging future](#), projecting a 1.8 to 2.3 degree world even as we double/triple/quadruple down on our actions to drastically reduce greenhouse emissions. Now she says, we must start acknowledging and planning for that potential.

Isn't it time that the transformative opportunity of urban areas saw local government representatives moved from side events at the COP into the negotiating halls? Isn't it time that we were pragmatic and responsible enough to talk about managing living in a world of temporary overshoot? – Debra Roberts

And like COPs gone by, in addition to the controversy around the text of the final agreement there were other challenges and contentions followed closely by the world's media (details outline on page 5). This is part of the purpose of COP, NGOs, and the media; to keep parties honest and to keep the collective action moving towards emissions reduction and adaptation.

But while New Zealand's proposal to reopen oil and gas exploration and the UAE's reluctance to lead the charge on fossil fuel phase-out raised eyebrows, quiet progress was certainly noted.

There is no doubt that the sheer scale of private sector engagement means it will be difficult for future COPs to ignore the crucial voice of private capital and the real economy.

Private sector engagement, amplified by newly introduced Public-Private-Philanthropic-Partnerships (PPPP), such as the First Mover Coalition, introduces a transformative dimension. As was seen in many sessions, when large-scale philanthropy (which runs into the hundreds of billions) partners with government and business to help bridge the innovation gap, suddenly step-change seems possible.

3.4 New Zealand leadership – small but mighty

COP28 has seen the largest contingent of New Zealand businesses ever at a COP. It has been inspiring to see the engagement our businesses have had, both formally as part of official programmes and events, and informally in their connections with attendees from across the globe. The insights, ideas, motivations, and ambitions that have been gathered as a result are difficult to quantify. But we will continue to see the ripple effects permeate domestically over the months to come.

There is no doubt that the New Zealand presence on the ground in Dubai was significantly enabled by MFAT, and the role they have played in providing a means for New Zealand companies, NGOs and others to attend through access to Party Overflow Badges.

And while SBC and the CLC businesses attended COP to learn, they also took the opportunity to lead.

Equipped with robust climate architecture, emissions budgets, and reduction plans, as well as adaptation risk assessments and plans, and transparent regulatory frameworks, New Zealand's businesses are well-placed globally to lead the transition.

CLC also remains unique in its span, ambition, and transparency, while the private public joint venture that has come to be known as AgriZeroNZ demonstrates a relatively unique global example of how Government and the private sector can work together to significantly shift the dial on climate action.

COP28 provided a heartening and inspiring reminder that New Zealand and our private sector businesses should be very proud of what our nation is trying to achieve. It was a great opportunity to be able to discuss these efforts further with the new Climate Change Minister, Simon Watts, at a networking event for SBC and CLC members on the ground in Dubai. Many members also had the opportunity to participate in a round table with the Minister, which was also positively received.



That acknowledgement of such effort of course extends to the Kiwis operating on a global stage, continuing to drive forward the international agenda and climate effort. This includes [Sue Lloyd](#), who is the Vice Chair of the Sustainability Standards Board, and [Wendy Miles](#), Co-Chair of the International Chamber of Commerce Working Group on Carbon Pricing. Hearing first-hand from these inspirational Kiwi leaders on a stage like COP was a reminder of how influential New Zealanders can be in the international arena.

Finally, Kiwi leadership was also on display with one of the biggest New Zealand announcements at COP: the launch of [Recloaking Papatūānuku](#), a significantly ambitious proposal to enhance some 2.1 million hectares of native forests across Aotearoa over the next decade.

Developed by Pure Advantage, Executive Director Simon Millar said the project would deliver multiple benefits such as building climate and ecological resilience, reducing the vulnerability of our communities and ecosystems to increasingly frequent and severe climate-related storms, sequester carbon, create employment, enhance biodiversity and protect taonga species.

3.5 Global Leadership – the role of WBCSD

WBCSD played a key role in global leadership, hosting more than 60 side events as part of the COP28 programme and partnering with the COP Presidency to drive ambition, pace and impact.

SBC is proud to be a WBCSD Global Network Partner and to be able to connect our members in with the insights and leadership they bring to the international agenda.

Their COP28 agenda saw the launch of the [Corporate Performance and Accountability System \(CPAS\)](#), a CEO Guide for systems transformation, as well as the announcement of their partnership with [Breakthrough Agenda](#), and [COP28 Business Statement of Action](#).

Our members on the ground

A final thanks to all the SBC and CLC businesses, and other key stakeholders, who attended COP28.

The scale of the Business and NGO delegation was a direct result of the opportunity provided for the first time by MFAT to access Party Overflow Badges. We thank the Minister and the Ministry for their work to open this path of entry for New Zealand businesses and look forward to working alongside them ahead of future COPs.

A special thanks also to those who engaged with us throughout the Conference to bring back key reflections and insights from their time on the ground. These include:

- [Lucie Drummond, Mercury](#)
- [Jo Kelly, Centre for Sustainable Finance – Toitū Tahua](#)
- [Amelia Linzey, Beca](#)
- [Becky Lloyd, Generate Zero](#)
- [Belinda Mathers, Toitū Envirocare](#)
- [Wayne McNee, AgriZeroNZ](#)
- [Jonathan Pooch, Deta](#)
- [Cal Roughan, WSP](#)
- [Dave Rouse, CarbonClick](#)
- [Jiunn Shih, Zespri](#)
- [Claire Waghorn, Christchurch International Airport](#)
- [David Woods, NZGIF](#)

Find SBC's full coverage from the action on the ground in Dubai [here](#).

About the Sustainable Business Council

The Sustainable Business Council (SBC) is a CEO-led membership organisation with around 130 businesses from all sectors, ambitious for a sustainable New Zealand. Members represent more than \$158 billion-of collective turnover, 41% per cent of GDP, and nearly 287,000 full-time jobs. Our network gives members the ability to take large-scale collective action. SBC is part of the BusinessNZ network and is the New Zealand Global Network partner to the World Business Council for Sustainable Development. www.sbc.org.nz/about/our-members/sbc-members

About the Climate Leaders Coalition

Formed in 2018, the Climate Leaders Coalition has a mission of having New Zealand CEOs leading the response to climate change through collective, transparent and meaningful action on mitigation, adaptation and transition. Together their signatories represent 32% of GDP, employ more than 213,000 people and have a collective turnover of \$126 billion. www.climateleaderscoalition.org.nz