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Governance & Accountability Institute shares timely news, insights and perspectives with corporate managers in key topic areas:

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- ⦿ *Corporate Sustainability,*
- ⦿ *Community Affairs, and*
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To the Point! is a fee-based educational resource for corporate executives and managers distributed each month with periodic brief updates for critical items.

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CORPORATE OPPORTUNITIES – CLIMATE CHANGE CHALLENGES: Cities, Communities, Companies, Local Governments & States Take Up the Challenge

Issue 1.6

CITY LEADERS SAY: Climate Change Will Affect Their Populations and New Policies Are Needed - Along With Collaborations and Partnerships With Companies and the Capital Markets

Background for you:

The Federal government under the administration of **President Donald Trump** has signaled the official intention of withdrawal from the **COP 21 Paris Agreement**. Almost 200 other nations will stay in the Agreement, which has the goal of rolling back the effects of climate change and emissions levels of past decades.

While the national government of the U.S.A. is backing away from the Agreement, hundreds of local governments – American cities, municipalities, states – are “staying the course,” and adopting policies to achieve the COP-21 mid- and long-term goals.

The private sector has a broadening range of opportunities presented now to partner with cities and states in various ways that will benefit both sectors. Here are the top lines on this...the business case, the community relations case, the marketing/news business case...and more.

HAPPENING AT THE CITY LEVEL IN THE UNITED STATES OF AMERICA NOW...

The mayors of large, mid-size and small American cities – elected on both Democrat and Republican party lines – are uniting to address climate change issues.

Consider the threat of rising seas alone in the context [that] almost 40% of the total U.S. population (about 123 million people) live in cities and counties directly on the shorelines (of the Atlantic and Pacific oceans, and Gulf of Mexico).**

In one of those coastal cities already experiencing the effects of climate change – **Miami Beach**, built on a former low-lying offshore sandbar – the influential **U. S. Conference of Mayors** in late-June held their annual conference and unanimously adopted a series of resolutions that are in the “meeting the threats and challenges of climate change” category.



The cities committing to the 100% renewable goal include smaller urban areas like **Madison, Wisconsin** and **Pueblo, Colorado**; and major cities like **Salt Lake City, Utah** and **San Diego, California**.

(Example of action: The Madison Common Council adopted the 100% renewable pledge and the effort to reach net-zero carbon targets.)

- Cities will aim for 100% renewable energy by year 2035 (three dozen have officially adopted the goal in their government councils and pledged to do that).
- Cities will encourage broader use of electric vehicles and replace fossil fuel powered vehicles of various kinds.
- Cities will support and “stay in” the Paris Agreement, to help meet the goals that almost 200 countries have agreed upon.
- Cities will encourage greater investment in wind power generation.
- Cities will encourage public transportation and other non-personal transportation means to be less reliant on fossil fuels/more reliant on renewables.
- Cities will support the Obama Administration’s “**Clean Power Plan**,” under serious attack by the new administration.



The Council of Mayors

This is all part of the Council of Mayors’ programs to commit cities to specific goals, begun as the Paris COP 21 meeting was in formation. By the summer of 2015, 15 U.S. cities had signed on, including members of the **Climate Leadership Group** (the “**C40**”) who were headed to Paris as part of the **Local Climate Leaders Circle**:

- **Mayor Eric Garcetti of Los Angeles**;
- **Mayor Michael Nutter of Philadelphia**;
- **Mayor Annise Parker of Houston**.

President Barack Obama invited the nation’s mayors to commit to the goals that the Federal government was agreeing to in Paris negotiations and suggested that at least 100 cities agree to join the **Compact of Mayors**.

**Source: 2010 data.

Several U.S. states have taken similar actions:





The State of California

- Has a bill in the legislative hopper that would require generation of 100% of all power within its borders from renewables by 2045.
- The state already has a mandate in place to achieve 50% renewables by 2030.
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The State of Massachusetts

- Lawmakers in February 2017 proposed a goal of meeting all of the state's energy consumption by 2050 through renewables. (This is the **100 Percent Renewable Energy Act**). First step, if adopted, Massachusetts would get all electric power from renewables (wind and solar) by 2035; then, fossil fuel use would be eliminated by 2050 for heating and transportation and other uses.
- In 2008 the state committed to reducing GhGs (through the **Global Warming Solutions Act**) by 80% to reach 1990 levels by 2050.
- The state is part of the [Northeastern U.S.] **Regional Greenhouse Gas Initiative (RGGI)**.
- The **City of New Bedford** (Mass.) has installed 15 MWs of solar power and converted 1/3 of its fleet to electric vehicles.
- There is a coalition in place focused on addressing climate change solutions: this is **Mass Climate Action Network** with its **Power Forward** initiatives to get local municipalities focused on the issues.
- The **City of Cambridge** (home to **Harvard University** and **Massachusetts Institute of Technology**) adopted a **Net Zero Action Plan** to reduce carbon emissions from its buildings by 70% by 2040.

New York City

The municipality is made up of five very populous counties, four of them are actually islands surrounded by water; there are more than 500 miles of shoreline here – picture what rising seas could do, including inundating lower Manhattan Island, home to the nation's financial center.

NYC Actions

- NYC has a **One City: Built to Last Initiative**, designed to reduce GhG emissions from buildings by 20% by 2025, part of an effort to move away from dependence of fossil fuels.
- This is part of the overall approach of the "80 by 50" effort, to reduce 43 million metric tons of GhGs; 9 million from power production; 7 million from personal and business vehicles; 2 million from disposal of solid waste; and 25 million metric tons from energy used in buildings.
- The goal adopted is to reduce GhGs emissions by 80% lower than the 2005 levels by 2050.
- NYC residents and businesses generate tons of waste each day; the city has a goal to achieve zero-waste-to-landfills by 2030.
- One adopted goal is to have NYC be the city with the best air quality in all of the U.S.A. large cities by 2030.
- NYC will clean up contaminated land to address disproportionately high exposures to toxics in low-income communities and convert this land to safe/beneficial use.



CITIES AROUND THE WORLD ARE TAKING ACTION

While we focus above on the opportunities for the business sector and investors in the United States of America, cities around the world are taking action on climate change issues.

Former New York City mayor and principal of **Bloomberg LP Michael Bloomberg** kicked off many of the NYC efforts we briefly outline here. He is today the **United Nations Special Envoy to Cities** and has been the organizer of the **Compact of Cities**, re-launched in June 2016 as the **Global Covenant of Mayors for Climate & Energy**, of course headed by the former NYC mayor (who is also Chair of the **Sustainable Accounting Standards Board/SASB** and as noted, principal of Bloomberg LP).

Supporting the effort: **C40 Cities Climate Leadership Group; ICLEI-Local Governments for Sustainability; United Cities and Local Governments; Climate Alliance; Energy Cities** – making this the largest global coalition at municipal level committed to climate leadership.

This is a worldwide effort; there are almost 700 cities involved, with a total population of 500 million people (about 7% of the global population).

The CDP (formerly **Carbon Disclosure Project**) is closely tracking these city-based initiatives, and reports more than US\$25 billion of climate-related projects have been approved to date.

There was a 70% increase in the number of cities agreeing to disclose their climate-related actions since adoption of the Paris Agreement.

- In its **2016 Global Cities Report – It Takes a City, The Case for Collaborative Action** — CDP analyzed data from the 533 cities disclosing through the CDP cities program, with more than 1,000 economic opportunities linked to climate change.
- Almost 300 cities are looking to develop new clean tech industries.
- Public-private sector climate-related projects numbered 720, worth US\$26 billion.
- More than 7,000 cities have made commitments through the **Global Covenant of Mayors for Climate and Energy**, the largest of the city-level coalitions addressing climate change.
- Size of opportunity: CDP says US\$57 trillion is needed over the next 18 years for cities to address issues in transport, energy, water, waste and telecom infrastructure (by 2030) – and this can only be accomplished by public-private partnerships.

For investors: CDP in its report identifies projects needing investment in North America, Asia/Oceania, Latin America, Africa, and Europe. More information for you is available at:

<https://www.cdp.net/en/research/global-reports/global-cities-report-2016>

G&A INSTITUTE NOTES

In Paris at the COP 21 conference November-December 2015) the leaders and representatives of almost 200 sovereign nations agreed to the **UN Framework Convention on Climate Change (UNFCCC)**, a new, legally-binding framework for a global effort to address climate change issues.



- The Agreement established a global warming limit goal (below 2 degrees centigrade, to achieve “pre-industrial” temperature averages). The nations agreed to try to reach a limit of 1.5 degrees C.
- And, to achieve the goal of “net zero” emissions by mid-century (2050).
- Agreed to a requirement for individual countries (of course including their many cities) to state their NDCs – “**Nationally Determined Contributions**” — to the global effort).
- These will be revised every five years (and progress is expected to be shown by nations).
- Countries can collaborate to achieve their NDCs (with other nations) and also find ways to mitigate emissions via transfers (such as emissions trading).

The actions by sovereign states and their cities to strive to reach these goals presents opportunities for companies (and collective industry efforts) to help in various ways.

This all fits well the corporate quest for greater impact through CSR programs; community relations programs; through philanthropy; and, matches corporate actions in addressing the **Sustainable Development Goals (SDGs)** and the numerous individual Targets under the broad Goals.

The business opportunities include marketing of sustainable products and services to a wide range of municipal level and state governments (such as in solar, wind, geothermal and other energy-production categories, and in energy conservation and emissions reduction).

And, the enormous need for investment will be embraced by the emerging universe of “green finance” investors of all types.

The quest for greater public sector / societal sustainability is comparable to the opportunities that emerged for business and investors over the two centuries of the Industrial Revolution, in our view. This “Green Revolution” has many organized supporters and advocates, including business leaders and forward-thinking investment professionals.



New York City - downtown Manhattan and the Financial District, viewed from the edge of the Atlantic Ocean. This area flooded in SuperStorm Sandy. Photo by Hank Boerner