

Trillion Tonne Communiqué: Frequently Asked Questions

** The Trillion Tonne Communiqué will not be made public until April 2014**

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1. Who wrote the Trillion Tonne Communiqué?

The *Trillion Tonne Communiqué*, like the six previous Corporate Climate Communiqués was created by The Prince of Wales's Corporate Leaders Group (CLG).

The CLG brings together business leaders from major UK, EU, and international companies who believe that there is an urgent need to develop new and longer term policies for tackling climate change. The <u>Corporate Climate Communiqués</u> are the flagship international output from the CLG. These Communiqués are global leadership statements from the business community that help shape the narrative and build momentum for global climate action.

The Communiqués have a strong track record and have garnered the support of over 1,000 companies, from over 60 countries, including some of the largest global brands and household names. They are seen by many as the definitive progressive business voice in advance of major international climate change summits. They are short, 1-2 page statements, which highlight the need for global solutions to the critical issue of



climate change, support specific policy interventions and emphasise key concerns that the global business community has. The most recent Communiqué, launched before the international climate negotiations in Doha in 2012, made the case for carbon price in the economy.

2. Why are businesses making this statement?

The signatories of the Communiqué want a policy response to the risks posed by climate change.

Alongside governments and citizens, business has a major role to play in the transition to a low-carbon economy. It is the private sector that will <u>innovate and invest in the new technologies and systems</u> that will form the foundation of this new economy. It is also the voice of business at the table, supporting and influencing the design of the policy responses and institutional architecture, which will help make this transition successful, even as the more negatively focussed voice of business could undermine any action.

<u>Policymakers</u> are increasingly calling for support from business in this arena to help them build the necessary consensus for action, and to counteract voices pushing for 'business as usual'. The Communiqués step into this space, and serve as support from the international business community for ambitious international action.

3. Why focus on the trillion tonnes?

Sometimes, climate change science and policy can be quite technical. The trillion tonnes is a specific target for the combined effort of nations to focus on. It refers to the cumulative total of carbon from carbon dioxide (CO_2) emissions in the atmosphere that can be emitted without being more likely than not to exceed a temperature rise of 2°C above pre-industrial levels.

To prevent the most severe impacts of climate change countries agreed in 2010 to commit to keeping warming below 2° C. The Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report clearly shows that to have a better than two-thirds chance of limiting the warming to less than 2° C we need to limit the carbon emitted from manmade CO_2 to one trillion tonnes. We have already surpassed the halfway point to this limit. We will pass the limit in less than 30 years with our present rate of emissions. Therefore substantial and sustained global reductions in greenhouse gas emissions are required.

Businesses that sign the Communiqué want to be a part of the solution in meeting this challenge and support a policy response at a sub-national, national and international level.

4. What does net zero emissions mean?

The IPCC scenario that equates to the trillion tonnes limit, and thus a good chance of limiting temperature rise to 2°C, involves a transition to a virtually zero emissions economy before the end of the century.



Greenhouse gases, such as carbon dioxide, are extremely long-lived in the atmosphere and if we are to stabilise the quantity of greenhouse gases in the atmosphere (and therefore the consequent climate change) global emissions need to peak and begin to reduce as soon as possible, before declining to zero before the end of the century. We use the phrase 'net zero' as we recognise that there may still be areas in our economies where emissions are still prevalent, however these can be offset by 'negative' emission activities, such as energy generation using biomass plus carbon capture and storage or further innovations in terms of sequestering carbon out of the atmosphere.

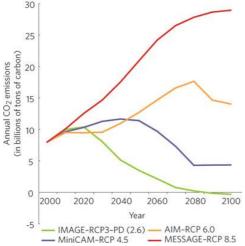


Fig: Graph showing emissions trajectory through the 21st century for the four scenarios explored in the IPCC Fifth Assessment Report. The green line (RCP 2.6) is broadly equivalent to staying within the trillion tonne limit and keeping below 2°C.ⁱ

5. What plan is the Trillion Tonne Communiqué offering to keep us below 2°C?

The Trillion Tonne Communiqué's message is grounded in science. By framing the 2°C target in terms of the trillion tonnes it illustrates the scale of changes required in a global economy.

It draws out policy priorities implied by this target:

- **Target and timeline**: It asks for a timeline for reducing emissions to net zero. This reduction needs to be a global effort with each nation working out its own pathway to a virtually zero emission economy.
- **Energy system transformation**: It states that we will have to reformulate our relationship with energy and completely transform our energy system, including energy used in transport and heavy industrial processes. This is seen as a key indicator of whether we are truly moving to a zero emissions economy without this, our goal is impossible to meet.
- A clear plan for fossil fuels: As part of this energy system transformation it is essential to look at the role of fossil fuels and the associated emissions, which are the main cause of climate change. Without a clear and focused plan to manage our use of fossil fuels, we cannot achieve our target of keeping global cumulative emissions below a trillion tonnes.



- **Increase pace and scale:** In order to manage the risks of climate change successfully the scale and the pace of change must increase.
- **Resilience:** A certain degree of climate change is now inevitable given our historical emissions. It is critical that climate risk becomes an integral part of national and corporate risk management going forward.

6. Why focus on coal specifically when creating a plan for fossil fuels?

We cannot manage the risk of climate change successfully if the world continues to expand unabated coal use. However not only is coal the fossil fuel that is associated with the most carbon emissions, but there is also a growing international effort to make a strategic shift away from the burning of unabated coal.

For example:

- The World Bank and the European Investment Bank have announced they will limit their investment into coal plants.ⁱⁱ
- President Obama has announced the end of US public financing for new coal-fired power plants overseas, and is calling on other developed countries to follow suit. In September 2013, the leaders of Denmark, Finland, Iceland, Norway and Sweden signed an agreement with the US accepting this challenge. The UK announced it would join in November 2013.
- World Bank President Jim Yong Kim used his high-profile platform at the World Economic Forum to endorse fossil fuel divestment.
- Seventeen of the world's largest philanthropic foundations have announced commitments to pull their money out of fossil fuel companies and reinvest it in the clean energy economy.^{vi}

7. Why is the message important for business to make now?

2014 is a crucial year for action on climate change, as commitments and decisions made in 2014 provide the essential foundations for striking a global agreement on climate change in Paris in late 2015. In particular, UN Secretary General, Ban Ki Moon, is hosting a major summit of world leaders in September 2014, that will be a critical moment on the path to a new global climate change agreement.

As part of a number of other efforts to build momentum for global action in 2014, the CLG is launching the Trillion Tonne Communiqué.

Other important moments on climate change in 2014 include:

- Davos had its first Climate Day in 2014, with 35 sessions on sustainability, the circular economy and green investment.
- The second and third parts of the IPCC's 5th Assessment Report will be published. IPCC AR5 is widely considered to be the definitive summary of expert knowledge on climate change.
- China will be developing its 13th Five-Year-Plan and the EU is agreeing its 2030 emissions target and related policy framework.



- Peru will host the UN Framework Convention on Climate Change (COP 20) where negotiators will discuss technicalities and keep the momentum going towards Paris 2015. National action and support will be critical.
- It is likely that the current trend of development banks and public institutions tightening their investment criteria for high-carbon energy investments, such as coal fired power stations, will continue. This provides an ideal opportunity to highlight the fact that progressive business supports these efforts.
- In addition, India, South Africa, Brazil and Indonesia will have national elections, as well as the European Parliament and US mid-term elections these will all shape the political dynamics within which energy and climate policy are discussed.

8. Are there any economic benefits to taking action on climate change?

A number of economic modelling efforts – most famously those carried out by Lord Nicholas Stern – suggest that the costs of acting on climate change are manageable and the costs of <u>not</u> acting are likely to be much higher and could be immensely disruptive. Clearly the costs of climate action depend on the specific mix of policies and measures used. The Trillion Tonne Communiqué argues that a transition to a net-zero emission economy can and should be delivered in ways that create new business opportunities, and keep costs manageable.

Two key elements of a pro-business approach to climate change are a clear, long-term policy framework that encourages early action, and policies that work with the market to incentivise the private sector. For example, Christine Lagarde of the International Monetary Fund (IMF) and Jim Yong Kim of the World Bank reiterated two priorities for their own institutions: to remove the fossil fuel subsidies that incentivize the use of fossil fuels at dangerous levels, and to put a price on carbon. The leaders said this approach will lead to economic benefits, while insulating the global economy from risks caused by a planet that warms beyond two degrees. They note that climate change contributes to lowered revenues, increased debt and financial instability by damaging agricultural yields, natural resources and infrastructure. Decades of progress on poverty alleviation and economic growth can be wiped out in a single extreme weather event, which will become more frequent with climate change.

9. Why do we need international cooperation?

This is a global problem and it will need global solutions. Clearly different countries will adopt different approaches, but to have a chance of managing the risks of climate change and to ensure cost effectiveness, there needs to be confidence that major economies around the world are all acting, ideally driven by an agreed set of global goals.

10. Who is the Communiqué aimed at?



The CLG are encouraging other businesses, both large and small, to join this progressive business movement. The Communiqué messages are aimed at national governments engaging in climate policy development, both nationally and via the international UN process to create a global framework to address the risks posed by climate change.

11. How does this Communiqué relate to other Communiqués, including the Carbon Price Communiqué?

The first five Communiqués were focussed on a call for a global deal on climate change. Subsequently the approach has shifted to identifying priorities for action nationally and internationally. In 2012, <u>The Carbon Price Communiqué</u> asserted that the core of a costeffective, pro-business policy framework for climate change is a clear and transparent price on carbon emissions. Over 150 companies in 28 countries have signed to date. The Carbon Price Communiqué remains open for sign up; <u>contact us</u> if you'd like to read and sign The Carbon Price Communiqué.

The Trillion Tonne Communiqué leads on from the messages in the Carbon Price Communiqué, by focussing on the pace and scale of change required, and the implications of that transition.

12. Who can sign the Communiqué?

The Communiqué is a voice of business, and businesses both large and small can sign up. We only ask that you provide some evidence (e.g. link to a written policy statement, brief description of activities undertaken) that you are responding to the challenge of climate change within your own business activities.

Contact the Communiqué team to <u>sign up</u> by signing this statement they will be joining an unparalleled movement of global business leaders and you will also be working towards a managed and proportionate policy response to the real and material economic risks posed by climate change.

Whilst it is a business statement, we also are grateful to NGOs, politicians, and other high profile figures and institutions that may wish to support and endorse the Communiqué. We urge such parties to contact us with your support and we will discuss how best to reflect it.

13. Where will the Signatories of the Communiqué appear?

Those who support the Communiqué will be featured on www.climatecommuniques.com. Logos of those businesses will also appear on any printed material that may be created ahead of public events. When you sign up you'll also be informed of updates on international launch plans. It will be publically launched in Spring 2014, building up to a critical meeting of world leaders in September 2014 to discuss a global climate change deal.

14. Is my company obligated to anything once we've signed up?

Signatories of the Communiqué are not obligated to do anything once they've signed the Communiqué. When you sign the Communiqué you will be encouraged to share via



twitter (once it is publically available in Spring 2014), websites and telling your business contacts.

15. Some of the information in the Communiqué is technical and I need more information on how climate change is relevant to my sector, where can I get easy to read information on climate science?

The <u>University of Cambridge Programme for Sustainability Leadership (CPSL)</u>, together with the <u>Cambridge Judge Business School</u> and the support of the <u>European Climate Foundation</u> is summarising the latest climate science for the business community.

These business briefings are based on the IPCC Fifth Assessment Report (AR5). The briefings condense the key findings of the IPCC's AR5 report into clear, short and sector-specific summaries in different languages. These sectors will include: Buildings, Cities, Energy, Fisheries & Aquaculture, Investment and Banking, Tourism, Agriculture, Transport, Industry and Military.

Two more general reports have already been published. One describing the overall process of the IPCC and the AR5, and the other summarising the physical science presented in WGI. To see the reports that have already been released visit www.cpsl.cam.ac.uk/ipcc.

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16. Where can I get further reading materials about the topics covered in the Communiqué?

Communique:		1
Institute	Website	Useful Publications
The Institute for	http://www.iddri.org/	Possible Elements of a
Sustainable		2015 Legal Agreement
Development and		on Climate Change.
International Relations		
(IDDRI)		
The Smith School,	http://www.smithschool.ox.a	List of Publications
Oxford University	c.uk/	from the Smith School.
International Energy	http://www.iea.org/	Redrawing the Energy
Agency (IEA)		<u>Climate Map</u>
		Scenarios and
		Projections
The Trillion Tonne	http://trillionthtonne.org/	Live carbon emission
Website		stats
Intergovernmental	http://www.ipcc.ch/	Climate Change 2013:
Panel on Climate		The Physical Science
Change (IPCC)		Basis Fifth Assessment
		Report Full PDF
Cambridge Institute for	http://www.cpsl.cam.ac.uk/i	See here for CPSL's
Sustainability	рсс	briefings of the IPCC's
Leadership (CISL)		Fifth Assessment
		<u>Report</u>
The World Bank	http://www.worldbank.org/	World Bank Group
		President Jim Yong Kim
		remarks at Davos Press
		<u>Conference</u>
The Organisation for	http://www.oecd.org/	Countdown 2015:
Economic Co-Operation		Towards Inclusive and
and Development		Sustainable Growth.
(OECD)		Remarks by Angel
		Gurría, OECD Secretary
		General at the Davos
		World Economic Forum

¹ Inman, Mason. (2011). Opening the future. Nature. 1 (April), 7-9.

iii Shear, Micheal. (2013). U.S. Says It Won't Back New International Coal-Fired Power Plants. *The New York Times*, 29 October. http://www.nytimes.com/2013/10/30/us/us-says-it-wont-back-new-international-coal-fired-power-plants.html?r=0. [accessed 24 February 2014].



http://www.nature.com/nclimate/journal/v1/n1/full/nclimate1058.html [accessed 14 February 2014].

^{II} European Investment Bank (2013). EIB to reinforce support for renewable and energy efficiency investment across Europe. Press release, issued 24 July 2013. https://www.eib.org/about/press/2013/2013-115-european-investment-bank-to-reinforce-support-for-renewable-and-energy-efficiency-investment-across-europe.htm [assessed 24 February 2014].



^{iv} Harvey, Fiona (2013). UK to stop funding coal projects in developing countries. *The Guardian*, 20 November 2014, p. http://www.theguardian.com/environment/2013/nov/20/coal-un-climate-talks-warsaw-developing-countries. [accessed 24 February 2014]

^v King, Ed. (2014). World Bank chief backs fossil fuel divestment drive. 27 January 2014. Responding to Climate Change [online]. http://www.rtcc.org/2014/01/27/world-bank-chief-backs-fossil-fuel-divestment-drive/ [Accessed 24 February 2014].

^{vi} EcoNews . 2014. Divestment Goes Mainstream as Major Funds Kick the Fossil Fuel Habit.

^{vi} EcoNews . 2014. Divestment Goes Mainstream as Major Funds Kick the Fossil Fuel Habit. http://ecowatch.com/2014/02/03/divestment-mainstream-kick-fossil-fuel-habit/. [Accessed 24 February 14].