

## ESG Now Podcast

### “On the Ground at COP28”

Transcript, 05 December, 2023

Mike Disabato ([00:00](#)):

What's up everyone? And welcome to the weekly edition of ESG Now, where we cover how the environment, our society and corporate governance effects and are affected by our economy. I'm your host Mike DeCibeto, and this week we have a special on the ground conversation for you with my colleague Oliver Machand, who is at COP twenty-eighth in the UAE. Thanks as always for joining us. Stay tuned.

([00:31](#)):

For almost nearly three decades, the world's political leaders have gathered to discuss how they can tackle climate change. That is because there was this UN framework in 19 ninety-two set that was called the UN Framework, Convention on Climate Change or the UNFCCC, and it said that every country is now treaty bound to avoid dangerous climate change, unquote, and find ways to reduce greenhouse gas emissions in an equitable way. So they set up this meeting called the Conference of Parties or COP, where everyone gets together in a designated country. And there are moments of high drama like with the Paris agreement that was signed in 2015 at COP twenty-one, and of course moments of frustration this year's COP and in general as a conference cop has always gotten a massive amount of fanfare around it as the climate emergency has become forefront on a lot of people's minds.

([01:25](#)):

And this year is no different. It's one of the biggest ever or so says my colleague, Oliver Machand, our global Head of Climate Research, he is in the UAE at the moment, which is where COP 'S twenty-eighth is being held along with a number of my other colleagues to sit in on some talks, to have talks of their own and just to understand how the financial sector can play a role in the world's transition toward a low carbon future. I was able to get Ollie on the phone between meetings today, Sunday when we're recording, and I asked him to give me his take on how everything has been proceeding and how the next week might play out. Here's a snippet of our conversation. So Ollie, thanks for talking with me on a Sunday. Could you kind of give me the general tenor of the conversations that you've been hearing at COP so far?

Oliver Marchand ([02:13](#)):

So I think we all know the context, especially as this is a Stocktake cop and there've been multiple reports released by the UNFCCC on the state of climate, which is we're making some progress, which is good, but we're absolutely not on track. I think everybody's aware of that and I'm kind of glad to be honest that we're not repeating that over and over again. I am very glad that a lot of conversations have shifted from simple strategic formulas to actual discussions about implementation. So I think we're debating a lot of, I mean I'm in the data space I would say, or MSCI in general is. So I think we have a lot of concrete discussions about that data space and I think that's really good because it's really much more productive than to harp about the state of affairs and the controversies and all of that.

Mike Disabato ([03:16](#)):

Yeah, definitely. And I apologize here, but I do kind of want to harp on that just a bit because there was this emissions gap report for 2023 that was put out and it said that we're not on track to meet the 1.5 degree or two degree pathway that the world agreed upon back in COP 21. Rather we are on a 2.5 to three degree pathway. So I'm sure most people that are needing to actually discuss what to do next at COP understand that and have read that report. Has that changed any of the conversations at hand? If they're saying, look, we're not going to meet the 1.5 degrees pathway we thought we were actually, we might be meeting this pathway. Does that change the conversations that are being had?

Oliver Marchand ([04:01](#)):

Well, I dunno if you saw the title page of that report. I thought it was really cool because the title page had kind of the typical style of a circular chart with lines, which reminds you of a record and that they had kind of a turntable style arm on there and the report is actually called broken record and it references this idea that essentially there's nothing new in the report. So I don't think anyone apart from updating the numbers really change. There's no change in position or goal or anything in that report.

Mike Disabato ([04:53](#)):

Yeah, there were some silver linings in the report. We flattened some of the emissions curves that they looked at and that for many sectors and many reasons that they've assessed, but we still aren't pushing them downward the report saying that we increased emissions by 11%, but there's a flattening in some areas and I'm glad everyone's pushing forward and that's good that we're not kind of harping on what's been wrong so far. We need to move forward on everything. But in the back of everyone's mind, are they still worried about not being able to make the 1.5 degree mark? Is there murmurs around? Are people nervous? Are talks being stalled? Are people talking more about adaptation, adapting to a world that is above 1.5 degrees rather than trying to mitigate emissions to avoid that world? Is there something that the cop organizers and leaders are trying to do to show that they're making headway on this problem?

Oliver Marchand ([05:43](#)):

I mean, what was great was that that was this really cool kickoff where the UAE and Germany pledged 200 million for the loss and damage fund. That was cool because it was the first cop where a decision was adopted on the first day and there was an announcement like that and it was great because also it put other countries under a lot of pressure to pledge money for the global south. So that was a really good start.

Mike Disabato ([06:22](#)):

What about the adaptation versus mitigation conversation? Is that changing? Are people saying more about adaptation now than they ever had before or is it still mitigation is kind of the rule of the town there

Oliver Marchand ([06:35](#)):

In general? I think adaptation has been discussed a lot more than let's say five years ago. But I think there's also a trend emerging where we don't really necessarily talk about adaptation, but we talk about resilience and maybe adaptation and resilience is a little bit of the same, but I think adaptation oftentimes sounds like building dams, moving people having irrigation systems, and I think resilience in general is a little bit broader preparing for all sorts of effects of climate change. And I kind of like that because it doesn't sound like it's somewhere a little bit more in the middle between mitigation and adaptation. And I think that's really helpful because that you then don't have that trade-off. I'll give you an example. Let's

say for example, you have new grazing technologies or new grazing practices in agriculture where for example, you'll plant trees in areas where livestock grazes, then you have all of it. You have adaptation because you're helping the soil to have more support. You have increased productivity in your agriculture, but you also have mitigation because you're planting these trees. So that's an example that would probably fit the category of resilience and I think that's a great new category.

Mike Disabato ([08:20](#)):

Yeah, actually I studied that practice a little bit when I was working for a farm. It's called Silvo Pasture, I think. And it's supposed to be especially good for pasture pigs because they love the nuts from the trees that are sometimes planted. So can I go into some of the specific points that have already happened at cop? I am wondering if you saw the moves around nuclear. I saw that 22 nations I'm reading here, including the us, UK and France, called on Saturday for tripling nuclear energy by 2050 to achieve their net zero goals. And that countries declarations include a commitment to mobilize investments in nuclear power, including through innovative financing mechanisms, unquote. So have you seen that discussed at all?

Oliver Marchand ([09:08](#)):

I totally see it everywhere. The nuclear industry is extremely present at cop. People always say the oil industry is so present and there's oil people here everywhere. I cannot second that. Of course, we see people from oil companies every once in a while, but what I do see definitely is massive lobbying from the nuclear industry. And I think the environmental activist group is finally waking up. And that includes me in a way and saying, okay, nuclear is not great. Nobody loves it, but if it is a way to avert climate change, then I think there's more and more awakening like that right now.

Mike Disabato ([10:03](#)):

That's really interesting to hear. I wonder if that's going to change how taxonomies look at nuclear, how we look at nuclear in the future. Maybe not, maybe so. I mean, I know what you're saying there is more so your personal opinion rather than a prediction of what MSCI is going to be doing. But it's interesting to hear that because I always kind of saw the nuclear question as a generational divide where my generation is a bit more removed from the nuclear panic that earlier generations had. I mean obviously we had Fukushima that happened in our time, but we didn't have the same kind of conversations around nuclear as it was discussed maybe with older generations. So it's interesting to hear those climate conscious individuals changing their opinions a bit on the use of nuclear and maybe countries not wanting to just completely shut them down and to ensure a bit more of a low carbon energy source that's available to them. Now with regards to US MSCI, ESG research data providers in general, what has been the most important discussion points so far that's come up at cop?

Oliver Marchand ([11:07](#)):

Well, I'll give you an example that's very much in the center of what we do. There's a debate of what the future of emissions accounting is about, and there are different views on the breadth of the data dictionary, meaning which data points companies should report. And we've brought forward this idea of a core which means a very, very focused set of a very small set of core metrics that every company should report. And I think that idea is gaining traction among all of the stakeholders. And it's great because we have all of the data providers there, CDPs there, this new data platform that was just launched yesterday called the NZDPU, the net zero Data public Utility, which is kind of a public version of this emissions data. They're all there. So we can have these discussions in a very effective and efficient way because everybody's at the table.

Mike Disabato ([12:14](#)):

So COP hasn't finished, obviously there's still a lot to go. What's the next order of operations here? What do we have to look forward to over the week, over the upcoming week?

Oliver Marchand ([12:24](#)):

Yeah, so the general schedule is week number one, text gets drafted and by text I mean the official basically climate change, contract text, basically attendance to the Paris agreement. And then on week two there's usually a cutoff date where negotiators say no new text and then it's just debated what's in and what's out or minor changes. And I think that that's what we're seeing now. I did see, for example, the German delegation, which appears to be the biggest delegation here, 200 people, record number, and you see them running, literally running through the blue zone. So I think this tax drafting stage is intense right now. And by the way, the UNFCCC told us they've had over a hundred thousand registrations. That's also record. And yeah, it's kind of a cop of records. I'd say record temperatures, records size, record challenge. It's really crazy.

Mike Disabato ([13:50](#)):

No doubt there seems like there's been a lot of money already put forward to fund the climate loss and damage fund. There's some rules on methane, there's a lot of discussions around coal. I think this is definitely something we're obviously going to be paying attention to throughout the week. Maybe Ali, we could touch base when you're done. But thanks so much for talking with us today and talk to you soon.

Oliver Marchand ([14:11](#)):

And thanks Michael.

Mike Disabato ([14:12](#)):

So it sounds like as of this recording that happened on Sunday December 3rd, so things could have changed by the time you hear this. Some of the main events at COP that Ali has seen have been the pledge to the UN climate funds that countries are now saying they're going to do to help developing countries reduce greenhouse gas emissions. That's a huge one. It's been a big problem at earlier cops. That discussion, wanting to not be a broken record so people can focus a bit more on long-term goals Put forward and try not to focus on the falters that we've had so far. Maybe I'll call that a shift to pragmatism and the emergence of a resilience conversations and a lot of the talks that people are having. So there's a lot more to go this week as Ali said. We'll have to see how everything turns out at the end. And that's it for the week. I wanted to thank Ali for talking to me about cop. Wanted to thank you so much for listening. If you like what you heard, don't forget to rate and review us. It always helps. It pushes up on various lists and people can listen more. And if you want to hear us each week, don't forget to subscribe wherever you get your podcasts. Thanks again and talk to you soon.

Speaker 3 ([15:36](#)):

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