Business must consider climate change

Global climate change and the significant impacts it can have on people's lives are a major challenge for developing countries. Heavy floods, severe droughts and other weather extremes are examples of those impacts which call for building up capacity to the impacts of the ever changing climate. While climate change will affect all regions of the world, developing countries are the most vulnerable. Adaptation has been taking place as a major priority by developed countries, with the many programmes already addressing the challenge in developing countries.

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Now that the need for adaptation to climate change has been generally accepted as an immediate priority, the question is how does Africa fit in and how does the continent adapt? Secondly, is Zimbabwe's economy and business environment ready? Thirdly, are our business leaders thinking of climate change in their business strategy?

Climate change is a complex issue and the matter as a policy issue requires treating an understanding of the whole phenomenon. Understanding the key terms as they are used is also an important aspect in understanding climate change. It has been widely accepted that adaptation to climate change means the alteration in natural or human systems in response to actual or anticipated climatic impetuses or their effects, which regulates harmful or exploits beneficial opportunities. Adaptive capacity means the ability of a system to adjust to climate change (including climate variability and extremes) to moderate prospective damages, to take advantage of opportunities, or to handle with the consequence. Vulnerability has been accepted as being the degree to which a system is liable to, or incapable to cope with hostile effects of climate change, including climate variability and extremes.

Vulnerability is a function of the character, magnitude and the rate of climate variation to which a system is exposed, its sensitivity, and its adaptive capacity. It is important to note that the definition are used or related to all the climate changes issue mention some "system".Does the system being mentioned exists in Africa? If it does, is it capable to withstand the "hostile effects of climate change"? Is the same system a function of the existing government policy? Is it easily identifiable? It is such questions that bare the intricacy of climate change and means and ways to adapt to its effects. All that being said and done, who is responsible for the "system" wellbeing? It is clear that if the system fails to withstand there will be serious consequences.

While talk of private sector development is a very noble idea and a pre-requisite to developing countries, the private sector would generally translate to more effects of climate change. Business has a direct link to climate change effects, but business is a basic need to many developing countries and it is a developmental requirement.

The extractive business which has been a boon on the African continent and has become the major contributor to many countries' GDP as well as the pull factor of FDI and is also an underlying causation of climate change. Mineral depletion is associated with pollution and the costs are a function of FDI. In Southern Africa (South Africa, Mozambique and Zimbabwe) mineral depletion today disproportionately benefits overseas mining houses (especially given that some of the largest Southern African extractive businesses relisted their primary share residences to London after 1994). In addition, CO_2 emissions plus a great deal of other pollution (especially SO_2) are largely the result of energy consumption by metals smelters owned by large multinational corporations (Mittal Steel, BHP Billiton and the Anglo group). Pollution is the major causal influence to ozone depletion which is directly linked to climate change.

Therefore any assessment of FDI, especially in oil and resource rich countries, must henceforth take into account its contribution to the net negative impact on national wealth and climate change, including the depletion and degradation of the resource base. Once such accounting is done, it is obvious that a great deal of mineral and petroleum extraction does not make economic sense when not counteracted with longer-term investments that balance an export-oriented economy with internal accumulation as well as adaptation to the ever changing climate.

There is a thin line that separates extractive business and any other business sectors from the negative impacts of climate change. No wonder why most African countries are arguing that the debt that Africa has accrued or that has been introduced into African economies can be attributed to the beneficiaries in the North. There are of cause, also African elites that are benefiting from the extraction, as allies of the Northern corporations. As demonstrated by the Open Society backed campaign “Publish what You Pay” elites in Africa’s oil producing countries, Angola, Chad, Congo, Equatorial Guinea, Gabon. Nigeria and Sudan are amongst the world’s least transparent. It is against this background that some governments of the South especially Bolivia are demanding ecological debt starting with the largest component, climate debt. However the state of advocacy remains uneven, because the link between business and climate change remains obscure although it’s a reality.

The concept of climate change has proven to be a major threat to human rights. The changing climate has proven to provide the synthesis of a double tragedy to the developing states as it has proven to be deterrence to the development dispensation. Climate change generally has proven to be an obstructive mechanism to the attainment of the millennium development goals, living a lot to be desired on the capacity of the developing states capacity to meet the Post 2015 Development Agenda putting into consideration the need for Private Sector to be the Core catalyst of financing Sustainable development goals.

The private sector has been viewed as the major player to the Post 2015 development goals catalyst. An analysis of the Zimbabwean economy has consequently shown that it is an agro-financed economy, and climate change impacts have been largely felt on the agricultural sector the most, whilst mining currently being at the helm of being the major contributor towards both exports and gross domestic product as well as a causal effect of Climate change. However, key questions can be asked on whether business leaders in Zimbabwe really think about or consider climate change in their business operations or strategies? To date, a minority of public companies in Zimbabwe publish any information on their environmental, social and climate change impacts through sustainability report despite many investors taking this into account in portfolio analysis under guidance of the United Nations Environment Program Financial Initiatives (Unepfi).

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