



Asia in Focus

# CLIMATE CHANGE and the Business and Human Rights Agenda

BRIEFING NOTE

WRITTEN BY

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# Climate change and the Business and Human Rights Agenda

Briefing note, November 2022

It is abundantly clear that global warming will not be limited to 1.5 degrees Celsius. Despite the earnest pledges made in Paris seven years ago during COP21, the world has only gotten hotter and weather patterns more unpredictable. Consequently, the human rights of millions, if not billions, of people in Asia are being put at grave risk. These rights include life's essentials: the right to food, water and sanitation, health and housing.<sup>1</sup> For some, the risks are more conceptual but no less important, including the rights of Indigenous Peoples to self-determination and culture. At this critical juncture in human history, the implementation of agreements to limit greenhouse gases and mitigate climate change must be the focus of policy makers and business leaders everywhere. But nowhere more so than in Asia.<sup>2</sup>

In many ways, Asia is at the centre of the wider challenge presented by climate change. According to the latest Intergovernmental Panel on Climate Change (IPCC) report, all regions of Asia will be impacted by physical climate risks including dangerously high heat and humidity levels, sea level rise and flooding.<sup>3</sup> The IPCC report warns that unless emissions are rapidly reduced and countries adopt adaptation strategies, climate events will damage infrastructure, supply chains, and labour capacity, with significant impacts for Asian economies. In fact, by 2050, the Asia-Pacific region may lose about US\$1.2 trillion each year in capital stock—infrastructure, machinery, buildings—due to climate change-induced flooding alone. Despite these threats, the region may also be responsible for more than half of global emissions of carbon dioxide each year.<sup>4</sup>

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<sup>1</sup> "OHCHR and climate change." n.d. OHCHR. <https://www.ohchr.org/en/climate-change>.

<sup>2</sup> <https://www.economist.com/special-report/2021/10/27/how-asia-is-crucial-in-the-battle-against-climate-change>

<sup>3</sup> "Fact sheet - Asia." 2022. IPCC.

[https://www.ipcc.ch/report/ar6/wg2/downloads/outreach/IPCC\\_AR6\\_WGII\\_FactSheet\\_Asia.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/outreach/IPCC_AR6_WGII_FactSheet_Asia.pdf).

<sup>4</sup> "Who emits the most CO2 today?", <https://ourworldindata.org/annual-co2-emissions>; "Climate risk and response in Asia," <https://www.mckinsey.com/capabilities/sustainability/our-insights/climate-risk-and-response-in-asia>

***“We have to change the bottom line for businesses. It is not business as usual anymore. There is profit in protecting nature and it's profitable to do that in the long term.”***

**Gregorio Rafael Bueta, adjunct faculty member, Ateneo de Manila University School of Law, Philippines**

Climate experts and business leaders alike say that putting the brakes on rising temperatures will require systemic economic change, including a rethink of business operations across entire sectors. Pressure is mounting on companies everywhere to urgently step up their action against climate change and protect the rights of people that are suffering from the worst impacts of a warming planet. Nevertheless, the course of action to be taken by governments and the private sector remains muddled.

The first report in the Asia in Focus series, ‘Clean Air and the Business and Human Rights Agenda,’ called for urgent action to address air pollution to safeguard human rights and address climate change.<sup>5</sup> The report demonstrated that air pollution levels and climate change have vast, negative implications for countries across the region.

For the second instalment in the Asia in Focus series, Economist Impact conducted an extensive research programme to understand how governments and businesses in Asia are tackling the drivers of climate change in this period of economic uncertainty. The report concludes that all stakeholders in Asia will need to focus more deliberately on specific actions to mitigate the adverse social impacts and environmental externalities of business operations. Specific recommendations for action are explored in this report.

***“The sole focus on economic recovery therefore, with continued blind spots to the externalities of this type of unsustainable business and growth, will marginalise real effort to drive businesses to change their business practices to mitigate climate impact on human rights.”***

**Christine Wellington-Moore  
SDG integration lead, UNDP Asia-Pacific**

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<sup>5</sup> <https://bhr.cleanairinasia.org/>

Economist Impact also asked experts and policy makers whether and where the key pillars of the United Nations Guiding Principles (UNGPs) on Business and Human Rights might be helpful in framing climate policy responses. The UNGPs are widely considered the world's most authoritative, normative framework guiding responsible business. In Asia, governments are closely reviewing the relevance of the UNGPs to environmental challenges as they develop National Action Plans on business and human rights. Some businesses are considering the steps outlined in the UNGPs on conducting human rights due diligence, a process which is being mandated in several countries in Europe.

***“Some businesses may see an economic advantage to take on board these principles, and others won't. This is the challenge. Do we have to make these sorts of principles legally binding to make all businesses take these on board?”***

**Dr Ian Fry, special rapporteur on human rights and climate change**

Experts interviewed noted that both the UNGPs and the recent UN General Assembly's recognition of the right to a clean, healthy and sustainable environment will play an important role in pushing human rights issues to the forefront of climate change conversations. However, experts have noted that more must be done to show how the UNGPs can be operationalised by government ministries and businesses. In tandem, states need to address legally binding commitments to human rights, and climate and environmental safeguards in trade agreements and in corporate regulatory policy.

Research for this briefing note employed an extensive interview programme with over 35 experts representing civil society, multilateral organisations, academia, government and the private sector. The countries under specific focus include: Bangladesh, India, Indonesia, Malaysia, Mongolia, Sri Lanka, Thailand and Vietnam.

## **The state's duty to protect**

*Our research shows that enforcement and implementation of existing environmental laws is proving difficult across the board. This is resulting in uneven oversight of business enterprises in relation to their impact on the environment and human rights. Experts across the region reported that governments have a shortage of resources, capacity, and technical expertise to guide businesses and monitor their activities. This is further complicated by the lack of political will and a culture of impunity in some countries which can lead to leniency towards businesses that are committing human rights and environmental abuses. Our research revealed anxiety on the part of some states to build policy that will require*

*businesses to communicate more openly about issues within their supply chains, fearing that insisting on disclosure might drive business elsewhere. Despite some efforts across the region to promote the rights of Indigenous Peoples and protect vulnerable groups, policy and protection gaps remain.*

#### Key conclusions & recommendations:

- **Governments should translate the UNGA Resolution recognising the right to a clean, healthy and sustainable environment into national policy instruments to ensure that it is entrenched in political decisions at domestic and transnational levels.** The right to a healthy environment but also the right to clean air, water and a stable climate<sup>6</sup> is helping to embolden some governments and businesses to enact climate policies. Experts across the region said that enforcement of existing laws is needed to protect the environment and human rights.
- **States should insist that companies build business strategies that are compatible with limiting global warming to 1.5 degrees Celsius, in line with the Paris Agreement.** States can reinforce this by awarding procurement contracts to companies that reduce carbon emissions according to national plans and targets. Energy intensity benchmarks for some industries would also help drive down emissions.
- **Governments need to refine and strengthen mechanisms to enforce climate policy, mainstreaming them through economic planning more broadly.** A net zero target should not only be the responsibility of an environment ministry or climate ministry, for example. Climate action should involve a whole-of-government approach including finance and economic planning, and central banking. Carbon taxes and emission trading schemes are key elements in climate policies. While there is growing momentum for carbon pricing in Asia and the Pacific, the prices remain too low. Effective and efficient policy designs to mitigate the effects of carbon pricing on households are needed, not only to facilitate the advancement of carbon pricing reforms, but also to protect the most vulnerable and improve social welfare. “Ultimately the levers that are needed should be economy-wide, rather than just in any one particular sector,” according to Dr Sam Geall, CEO, China Dialogue.

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<sup>6</sup> Keenan, Abigail, and Inger Andersen. 2022. “In historic move, UN declares healthy environment a human right.” UNEP. <https://www.unep.org/news-and-stories/story/historic-move-un-declares-healthy-environment-human-right>.

- **Adaptation and mitigation efforts should not inflict and/or compound human rights abuses.** States have a human rights obligation to prevent the foreseeable adverse effects of climate change. (A/HRC/RES/48/14). However, some mitigation projects are perpetuating human rights abuses under the aegis of the clean energy transition. This can culminate in ‘green grabs’ and the displacement of vulnerable communities. For example, the livelihoods of river and riverside communities continue to be threatened by the construction of hydroelectric projects. Elsewhere, standards have been compromised in the production of solar panels.<sup>7</sup> A failure to implement timely and adequate adaptation measures is also a violation of human rights. In October, the Torres Strait Islanders’ case claimed that the Australian government had failed to take mitigation and adaptation measures to combat the effects of climate change, and had therefore failed to protect their human rights. The United Nations Human Rights Committee found that the government did violate islanders’ rights in failing to implement adaptation measures to protect their homes, private lives and families.<sup>8</sup>
- **The informal sector and small-to-medium enterprises (SMEs) are currently sitting in a climate action blind spot.** SMEs and the informal economy<sup>9</sup> constitute a substantial and important part of the labour force in Asia. Most of the experts consulted in the research expressed concern about a lack of effort to ensure SMEs and the informal economy are incorporated into efforts to address drivers of climate change. It is essential to increase their awareness of the UNGPs and facilitate an understanding of how to apply them in their businesses. Governments need to concentrate on incorporating SMEs and the informal economy into climate action building skills, to ensure that they understand and can fulfil the expectations of trading partners. Collaborating with worker associations is one useful avenue to help facilitate this communication.

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<sup>7</sup> Funairole, Matthew P., Katherine Kurata, and Amandas Ong. 2021. “China’s Solar Industry’s Human Rights Abuses Need Greater Investigation.” *Foreign Policy*. <https://foreignpolicy.com/2021/09/01/china-solar-industry-xinjiang/>.

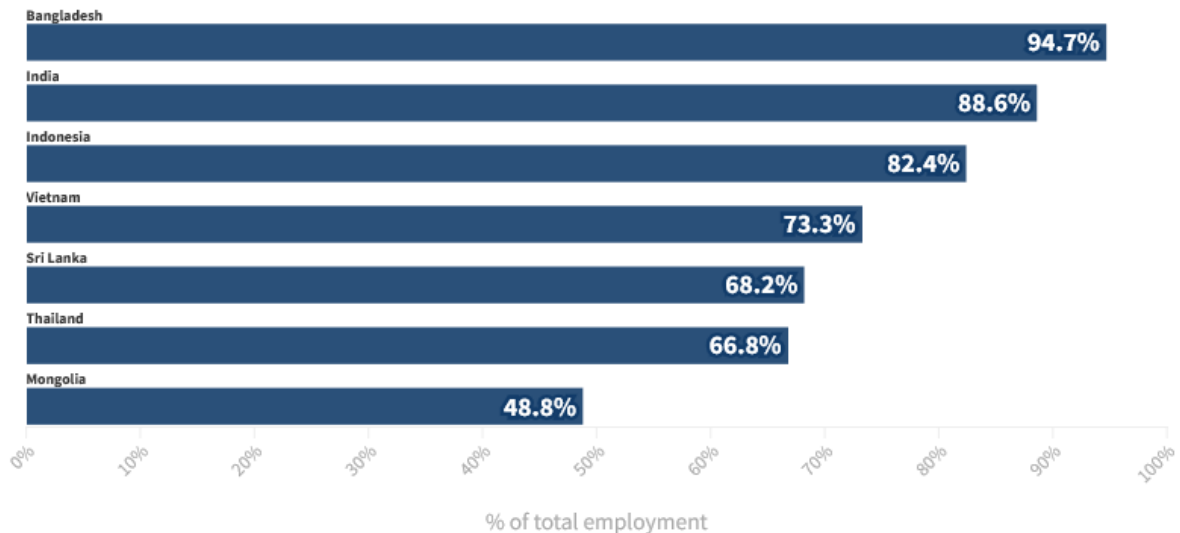
<sup>8</sup> Bouro, Karl. 2022. “Australia: Groundbreaking decision creates pathway for climate justice on Torres Strait Islands.” *UN News*. <https://news.un.org/en/story/2022/09/1127761>.

<sup>9</sup> Elgin, C., M. A. Kose, F. Ohnsorge, and S. Yu. 2021. “Understanding Informality.” CERP Discussion Paper 16497, Centre for Economic Policy Research, London.

## Informal employment

(% of total employment; International Labour Organization)

### ■ Size of informal economy



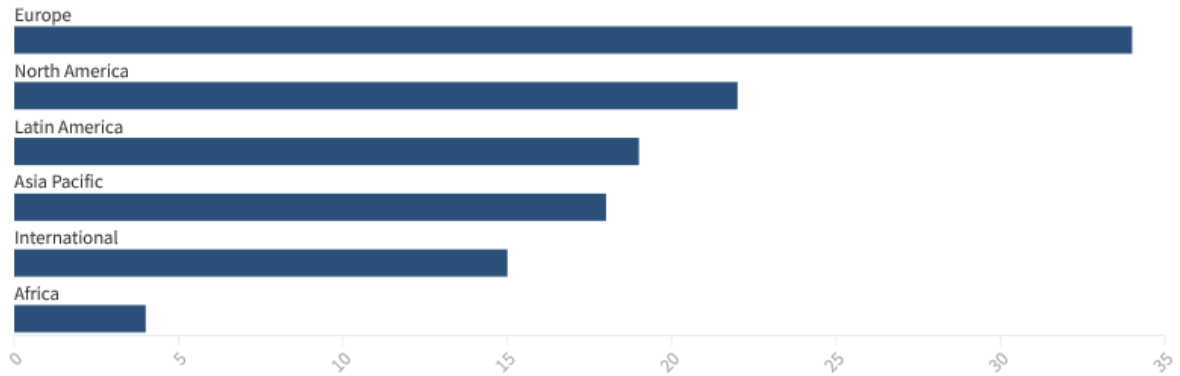
Source: Elgin, C., M. A. Kose, F. Ohnsorge, and S. Yu. 2021. "Understanding Informality." CERP Discussion Paper 16497, Centre for Economic Policy Research, London. • Malaysia and Philippines did not feature in the study.

- **Well-intentioned environmental policies and laws are failing due to the lack of consultation with key stakeholders.** This can result from policymaking at the draft stage that ignores the inputs of communities, vulnerable groups and Indigenous Peoples. Experts also describe how some policies that worked well elsewhere have not translated to a local context. Policy dislocation is increasingly prompting individuals to bring legal suits against entities carrying out environmentally harmful activities. At the end of May 2021, the world's most established climate litigation databases — listed 112 (out of the 1,841 cases) that relied in whole or in part on human rights.<sup>10</sup> These rights-based lawsuits typically seek to hold to account public authorities and private actors for not taking adequate climate action. While the use of right-based litigation to target inadequate (enforcement of) environmental laws can be considered essential to moving the needle on key issues, rights-based litigation is a new trend that is likely to increase as climate laws are adopted.<sup>11</sup>

<sup>10</sup> Savaresi, Annalisa and Setzer, Joana, Rights-based litigation in the climate emergency: mapping the landscape and new knowledge frontiers (September 1, 2021). Journal of Human Rights and the Environment, Available at SSRN: <https://ssrn.com/abstract=3928385>

<sup>11</sup> Ibid.

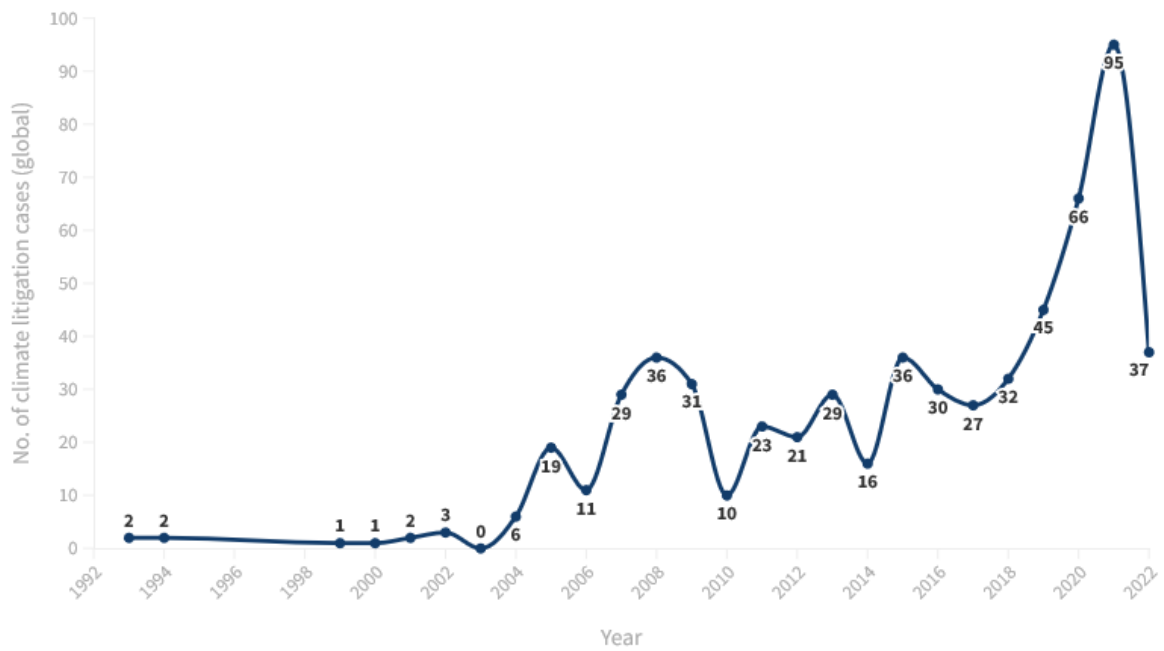
## Geographical distribution of rights-based climate cases



Source: Savaresi, Annalisa and Setzer, Joana, Rights-based litigation in the climate emergency: mapping the landscape and new knowledge frontiers (September 1, 2021). *Journal of Human Rights and the Environment*, Available at SSRN: <https://ssrn.com/abstract=3928385>

## Climate litigation statistics

### Global



Source: Climate Change Laws of the World • LSE  
Grantham Research Institute on Climate Change and the Environment



- **Indigenous Peoples should be treated as partners and agents of change.** This would reflect the opportunities afforded by the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change to broker new forms of dialogue and cooperation among stakeholders for climate change action. The rights of Indigenous Peoples to participate in decision-making and to be consulted on matters that may affect them are the cornerstones of Convention No. 169 and are also central to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP). Within Asia, there are varying degrees of recognition and practical realisation of these rights. “You have these broad development intentions which translate to the dilution of public participation rules and have a direct impact on how effectively Indigenous communities can actually participate,” says Nusrat Khan, business and human rights specialist, UNDP India. Securing rights to lands and natural resources would allow for effective recognition and protection of the interests of Indigenous Peoples.<sup>12</sup>
- **Governments need to scrutinise and/or supplement the efforts of the private sector to self-audit and regulate.** Current efforts are not generating sustainability gains in global supply chains. A medley of auditing practices and ratings benchmarks are causing confusion and opacity.<sup>13</sup> Adding to this, a complex configuration of actors in private regulation is contributing to poor transparency. A first step would be to give government enforcement agencies the required mandates and capacities by improving expertise, increasing lab ability and modern technology to help surveil business activities, experts say. Auditors also need to act independently and should be equipped with the expertise and skill-set to ensure the data collected is accurate and verifiable.
- **Governments need to mandate the disclosure of sustainability information from businesses and enact an early warning ‘yellow card’<sup>14</sup> system for those that are non-compliant with expectations and standards.** A contracted ‘grace period’ could be implemented where non-compliance is found in supply chains to ensure firms are acting upon findings, tracking responses and mitigating adverse human rights impacts. International businesses can implement a similar approach if their suppliers are found to be in breach of environmental standards and human rights, giving enough time for remediation and improvement.

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<sup>12</sup> “The rights of indigenous peoples in Asia.” n.d. ILO. Accessed October 31, 2022.

[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms\\_545484.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_545484.pdf).

<sup>13</sup> Kuruvilla, Sarosh, Liu, Mingwei, Li, Chunyun and Chen, Wansi (2020) Field opacity and practice-outcome decoupling: private regulation of labor standards in global supply chains. *Industrial and Labor Relations Review*, 73 (4). pp. 841-872.

<sup>14</sup> “Illegal fishing: Yellow card to Thailand and green cards to S. Korea and Philippines.” 2015. European Commission. [https://ec.europa.eu/commission/presscorner/detail/%20en/IP\\_15\\_4806](https://ec.europa.eu/commission/presscorner/detail/%20en/IP_15_4806).

- **Punitive measures such as fines in the case of non-compliance play a role, but it is not enough. Legal liability has greater potential to ensure compliance.** Experts noted that fines are considered ‘pocket change’ for some large corporations and are not enough of a deterrent. Bans can be powerful means to spur businesses to improve sustainability practices in their supply chains. In the case of a failure to comply, there needs to be established protocol for a responsible exit strategy. If a supplier, for example, is found guilty of non-compliance after a grace period for the remediation of abuses, there should be a remediation plan to phase out that supplier.

## Corporate responsibility to respect human rights

*There is mounting pressure on businesses to show that their supply chains are free of environmental and human rights abuses - understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation’s Declaration on Fundamental Principles of Rights at Work. Voluntary principles encouraging due diligence must complement mandatory compliance requirements which will bring legal certainty and a level playing field, according to experts interviewed.*

***“The system is struggling to [raise the bar] because it’s a system that at the end of the day is based on profits which don’t account for the full, real value of commodities. The most effective lever [for change] is businesses working to monetize negative externalities and realising that this has an impact on the bottom line.”***

**Stefano Savi, director, Global Platform Sustainable Natural Rubber**

### Key conclusions & recommendations:

- **Some businesses are addressing drivers of climate change and increasing their consideration of human rights, but there is wide consensus that businesses are not moving fast enough.** Experts interviewed highlighted that the world’s top retail brands are making some progress in addressing climate concerns. However, the majority of small to medium sized companies are not, and continue to drive environmental and human rights abuses under the radar.

*“There is a whole industry, sub-industry producing for brands that get no scrutiny and we have never heard of. There is a whole world of production out there totally untouched by private regulation.”* Jason Judd, executive director, Cornell University  
Global Labor Institute

- **Financial institutions play a significant role in putting pressure on businesses to comply with the highest environmental and human rights standards.** Experts noted that funding should be linked with compliance performance creating an effective financial incentive to address drivers of climate change in their business. Financial institutions could lead the charge in ensuring that the UNGPs are applied to help screen borrowers. Emerging green funding mechanisms and climate finance governance as well as the policies, processes, delivery methods and benefits or outcomes concerning climate finance should be anchored in binding human rights instruments. Safeguards should be in place to prevent climate finance from supporting projects that result in human rights violations and the exacerbation of social and economic inequalities.
- **The equity argument.** Enhanced standards attached to trade can play a powerful role in ensuring compliance with international human rights norms and climate goals. However, if these are perceived as exploitative, onerous or costly, this could drive suppliers to trade more with less stringent markets, experts warn. In time, a two-tiered global market may emerge, one that is ready to pay a higher price for sustainable produce and one that is not. Business leaders note that due diligence and compliance measures come with a significant price tag. Investments are needed to level the playing field and avoid a two-tiered economic order. Shared investment mechanisms can be tapped into for capacity building on due diligence that is industry based.

*“This is much more the equity argument. It is a lot harder for small holders, smaller growers, in less developed countries with less developed infrastructure to be able to meet these standards, even if they wanted to. When you take the full stack of the principles and criteria, the requirements in terms of process, the cost involved in going through certification and annual audits, this is quite a high bar for many companies. It has a huge cost.”*

Joseph D’Cruz, chief executive officer,  
Roundtable on Sustainable Palm Oil

- **Accessible, quality supply chain data will help to address human rights abuses, climate change impacts, environmental degradation and greenhouse gas emissions.** There are several civil society organisations and non-governmental organisations working to consolidate data on supply chains. A common registry of production facilities underpinned with reliable, trustworthy data can help foster greater collaboration between firms. This is also key for risk management.
- **Large businesses should leverage their bargaining power to drive higher compliance standards in Asia.** Many multinational businesses have significant manufacturing bases in Asia and these firms should leverage their bargaining power to persuade governments to implement stricter environmental laws. Large corporations should be using the same standards of environmental compliance as in their parent countries. Economist Impact’s research uncovered some successful examples of this in action across the region.
- **For international firms that are reliant on supply chains in Asia, sourcing departments should be working in tandem with sustainability teams.** Sourcing teams are influential in firms, but they are also incentivised by increasing profit margins, which interviewed experts believe discourages them from acting in favour of more expensive measures to protect the environmental and human rights. Sourcing teams play a key role communicating expectations to suppliers. A recognition among businesses that inaction against climate change will inevitably affect company profits would spur businesses to act more decisively. This might take the form of a risk-based approach to help measure negative externalities and neutralise them.

*“...There can be no business on a dead planet.”<sup>15</sup>*

- **Firms should be prepared to communicate where adverse human rights and environmental violations have been identified and remedy them.** These should be shared with the government, affected communities and company internal stakeholders together with the effectiveness of responses taken. A business should respond to adverse impacts with remediation efforts that are proportional to the situation.
- **Firms need to integrate due diligence into their company policies, regardless of their size.** Businesses need to brace for emerging mandatory due diligence provisions that will require firms to identify, prevent, and end, or mitigate adverse impacts of their activities on human rights, including those related to adverse environmental externalities. It will be difficult for small enterprises in the supply chain to meet compliance demands immediately. The UNGPs advise that SMEs employ an approach proportional to their size and the severity of human rights risks their operations pose.

*“There needs to be additional incentives for smaller players to comply. How can we share the burden of producing palm oil in a responsible manner across the entire value chain? How can more of the fast-moving consumer goods brands, the retailers, get involved and share the resources which are needed to implement sustainable practices?”*

**Rashyid Anwarudin, chief sustainability officer  
Sime Darby Plantation Berhad**

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<sup>15</sup> Business for Nature, Capitals Coalition, CDP. (2022) “Make It Mandatory: the case for mandatory corporate assessment and disclosure on nature.” Available at: [www.businessfornature.org/make-it-mandatory-campaign](http://www.businessfornature.org/make-it-mandatory-campaign).

## Access to remedy

*Pursuing access to remedy for victims of business-related abuses is becoming increasingly difficult, and in some places, dangerous. As the climate crisis intensifies, violence against rights defenders is increasing. In 2021, the Business & Human Rights Resource Centre recorded more than 600 attacks worldwide against human rights defenders (HRDs) with 70% targeting climate, land and environmental rights defenders.<sup>16</sup> In some South-East Asian countries, a notable deterioration in human rights has been registered. Rights defenders in opposition to some development projects have been met with violent crackdowns. In 2021, three out of the four most dangerous countries for HRDs in Asia-Pacific were located in South-East Asia. Judicial harassment is also on the rise. In 2019, Business & Human Rights Resource Centre recorded 294 instances of judicial harassment around the world - with 86 cases recorded in 2015.<sup>17</sup> The second largest number of these cases were registered in South-East Asia with approximately half of these cases exhibiting elements of Strategic Lawsuits Against Public Participation or SLAPP.*

***“Climate litigation has been successfully used as a tool to influence governance in the absence of political action. But that doesn't mean that political action couldn't be a more effective and more efficient way of dealing with some of these issues.”***

**Catherine Higham, policy fellow, Climate Change Laws of the World,  
London School of Economics**

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<sup>16</sup> “Business and human rights defenders in Southeast Asia.” 2022. Business & Human Rights Resource Centre. <https://www.business-humanrights.org/en/from-us/briefings/business-and-human-rights-defenders-in-southeast-asia/>.

<sup>17</sup> “STRATEGIC LAWSUITS AGAINST PUBLIC PARTICIPATION: March 2020.” n.d. Business & Human Rights Resource Centre. [https://media.business-humanrights.org/media/documents/files/SLAPPs\\_in\\_SEA\\_2020\\_Final.pdf](https://media.business-humanrights.org/media/documents/files/SLAPPs_in_SEA_2020_Final.pdf).

## Key conclusions & recommendations:

- **Governments need to enact laws that protect human rights defenders while businesses need to exercise a proportionate response to rights holders.** SLAPP lawsuits typically have a 'chilling effect' on the exercise of freedom of expression and other human rights and fundamental freedoms, including freedom of opinion and expression and the right to public participation. Governments must do more to ensure that lawsuits are not used to harass and silence civil society. Judiciaries should also be made aware of the prevalence of SLAPP suits in their respective contexts. Penalising businesses that file SLAPP cases is one approach (anti-SLAPP legislation) which can be enacted by legislative bodies. Civil society and workers associations should invite companies to respond to allegations of abuse before publicly exposing these firms.
- **Business, investors and financial institutions should publicly recognise that human rights defenders are legitimate actors and critical partners in identifying risks in business operations.** Governments must protect the rights to freedom of expression, association and peaceful assembly. This might manifest as a clear policy of non-retaliation against HRDs. Due diligence including human rights and environmental impact assessments across the supply chain should focus on potential fault lines, and take place in consultation with civil society, communities and HRDs.
- **Law enforcement is lacking or uneven across the region.** Some experts stressed the need for uniform and consistent enforcement measures, citing that these have proved to be the most effective in addressing environmental and human rights abuses. This approach serves not only as a helpful deterrent for any potential future violations, but to further ensure businesses restore and repair the damage committed. Some remedial actions include reparations and compensation for environmental and human rights damage committed by business.

- **Climate litigation has become an instrument used to enforce or enhance climate commitments made by governments.** In 2022, the Intergovernmental Panel on Climate Change (IPCC) recognised the role of litigation in affecting “the outcome and ambition of climate governance”. Legal practitioners may use the law to challenge the way in which climate policy is designed or implemented. Conversely, it is being used to deter policymakers from implementing more restrictive measures on private parties responsible for greenhouse gas emissions. Cases explicitly concerned with the climate and biodiversity nexus, and strategies exploring legal recourse for the ‘loss and damage’ resulting from climate change are a growing focus, according to Catherine Higham, policy fellow, Climate Change Laws of the World, Grantham Research Institute on Climate Change and the Environment.<sup>18</sup>

***“There should be a carrot and stick approach to this, there should be government incentives to support businesses moving towards more sustainable practices. And the stick should be litigation.”***

**Dr Ian Fry, special rapporteur on human rights and climate change**

## **Who will pay?**

“Climate change impacts and risks are becoming increasingly complex and more difficult to manage,” the IPCC warned in February. Despite the urgency of the problem, action to address drivers of climate change has fallen short, entrenching vulnerability, and reinforcing existing inequalities. Businesses and countries must take decisive measures to address the drivers of climate change that are damaging the planet and eroding the enjoyment of human rights. But this will require substantial investment in building the skills to develop, implement and monitor laws regulating business operations. Further, it will require investments in adaptation measures to protect coastlines and shore up glacier dams. It will require mitigation efforts in energy, extractives, agriculture and transport sectors, and in technology to ensure there is robust data collection and oversight.

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<sup>18</sup> Setzer, Joana, and Catherine Higham. 2022. “Global trends in climate change litigation:.” London School of Economics. <https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2022/08/Global-trends-in-climate-change-litigation-2022-snapshot.pdf>.



But who should pay for it all?

Developing nations and small island states contributed little to historical emissions of greenhouse gases but continue to be hit by the most severe impacts. These countries will face increased difficulties if they must continue to shoulder the financial burden of climate disasters without the tools that might help mitigate and adapt to future events.

Whether and how rich countries can help pay for the loss and damage caused by global warming elsewhere may dominate the climate debate now and in years to come. Loss and damage is in some ways an accountability issue without precedent, threatening the viability of healthy, long standing relationships between advanced and developing countries. For this reason alone, but also for many others, governments and businesses must act now to curb their climate change impacts.

