



## Round-up ClimateTech Council meeting – 27 April 2022

On 27<sup>th</sup> April 2022, 25+ founders, investors, and experts came together for the ClimateTech Council meeting to discuss effective and viable ways to tackle some of the most pressing sustainability challenges of our time.

This time, they shared their ideas to crack one crucial issue: how to create an effective ecosystem required to solve such a global and interconnected set of problems.

While innovative tech solutions and ambitious founders are a necessary piece of the puzzle, they cannot solve the climate crisis alone - this calls for global cooperation at all levels, from entrepreneurs to industry leaders, policy-makers, and grassroots communities.

The ecosystem is still very much fragmented, but luckily there is a way forward!

Explore their key take-aways on how entrepreneurs, investors, corporates and policy-makers must collaborate to move the needle on the climate crisis below:

**1) There is still too much rigidity and no value alignment between corporates and startups:** Founders and industry leaders still haven't cracked how to bypass lengthy bureaucracies, long checklists and approvals processes, and risk-averse teams to bring new partnerships to market. The lack of corporate will to push things forward is also a result of corporate greenwashing (yes, it's still here!): there is a lot of talk about ESG, but this is still not reflected in tangible action - including a drive to innovate by working with founders.

**So what?** *Value and business model alignment is the answer. Founders need to truly understand the needs of their prospective partners, find their champion within the organisation, and learn how to speak their language. Plus, getting the incumbents' view on how the industry currently works can help founders develop products and services truly tailored to market needs.*

*On their side, corporates need to show a genuine commitment to achieving their climate targets (tighter regulations and incentives can accelerate that - more on this below) and adopt a portfolio approach to pilot as many partnerships as possible in order to maximise their chances of landing truly impactful ones. To make that happen at speed, they need to set up separate functions for venture collaboration, while also taking into account the needs and costs startups face when establishing partnership deal terms.*

**2) Incentives are still not strong enough for different actors to take real action** - this is true at the industry level (leaders are not incentivized to change their value chains and business models quickly enough), at the organisation-level (climate-related goals are often still not tied to individual people/teams), and at the structural level (pricing structures are not designed to incentivise responsible consumption).

**So what?** We need radical incentivisation, by using both a carrot and stick approach, including stronger regulatory frameworks (reporting, carbon taxes, non-compliance fines) and an international compliance market vs smaller trade agreements as well as effective subsidies.

Within companies, we need to tie performance and bonuses to the achievement of climate targets.

At the structural level, reimagining our pricing models at the macro level so that they account for negative externalities and incentivise sustainable consumption and production will be key.

**3) We're still spending too much time on carbon accounting at the expense of carbon reduction.** Organisations are focusing their efforts on measuring their emissions - a very complex endeavours given the lack of standardised methods, baselines, and databases, especially when accounting for Scope 1, 2 and 3 emissions. However, while crucial to set emissions benchmarks and create ambitious targets, we should not lose track of the real mission: move from measuring to carbon reduction quickly.

**So what?** There are two solutions to accelerate the move to carbon reduction: (i) Speed up the **measuring** process by setting up one global standards framework with common measurement units and mandatory accounting. To help define this international framework, a consortium of pioneering companies can come together to lead the way (ii) Accelerate **reduction** by quickly defining the biggest carbon reduction goals and work with suppliers to action initiatives that lower carbon emissions.

**4) Governments need to be more involved in the Climate tech ecosystem.** There is still a wide gap between policy-makers and the venture ecosystem working on innovative climate solutions.

**So what?** As an immediate step, investors can help bridge this gap by making meaningful connections between founders and public actors. Fostering cross-pollination by hiring teams from all walks of life - from policy-makers to previous corporate leaders can help tighten the ecosystem as well.

But governments can and should do more. To solve such an ambitious challenge they need to establish moonshot projects - much like the Apollo mission in the 60s that brought together an unprecedented amount of resources and talent to take humans to the moon in record time. Governments can use this as a blueprint and apply the same level of boldness and experimentation to solve the biggest problems of our time. They can use the motivating power of a big challenge to design a project, and build ambitious but carefully constructed public-private collaborations to deliver it.

Looking at the past can help us craft tomorrow's path. From moonshot missions to the global response to the Covid-19 pandemic, it is in our power to solve this crisis.

Yet, some open questions remain, a big one around the issue of social justice: we know the transition will have a cost at a human level, but we're yet to figure out how to split the cost justly.

More on this and much more will come at future ClimateTech events - stay tuned!

Want to get involved? Please contact Stephen Murphy at [stephen@climate-tech.co](mailto:stephen@climate-tech.co).

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[Stephen Murphy](#), the ClimateTech lead, is spearheading the climate tech ecosystem-building movement by hosting events like this Climate Council session, which was run in collaboration with ClimateTech partner Accenture and moderated by the wonderful [Dagmara Puddick](#) at [What If! Innovation](#) (part of Accenture).

The session's insights were brought to you by [Founders Intelligence](#) (part of Accenture), helping corporate clients drive Entrepreneurial Growth by bringing expertise from and working with the venture ecosystem.



#### **About the author**

[Mathilde Carraro](#) is a manager at Founders Intelligence, where she has led a variety of strategy & venture-building projects and is driving the company's Sustainability and Impact efforts - from running Meta's Impact Accelerator to helping Unilever achieve their SDG goals. She brings expertise from the U.N., a startup accelerator, the corporate innovation team of a FTSE 100 company, and as the UK expansion lead of a Refugee Food NGO.