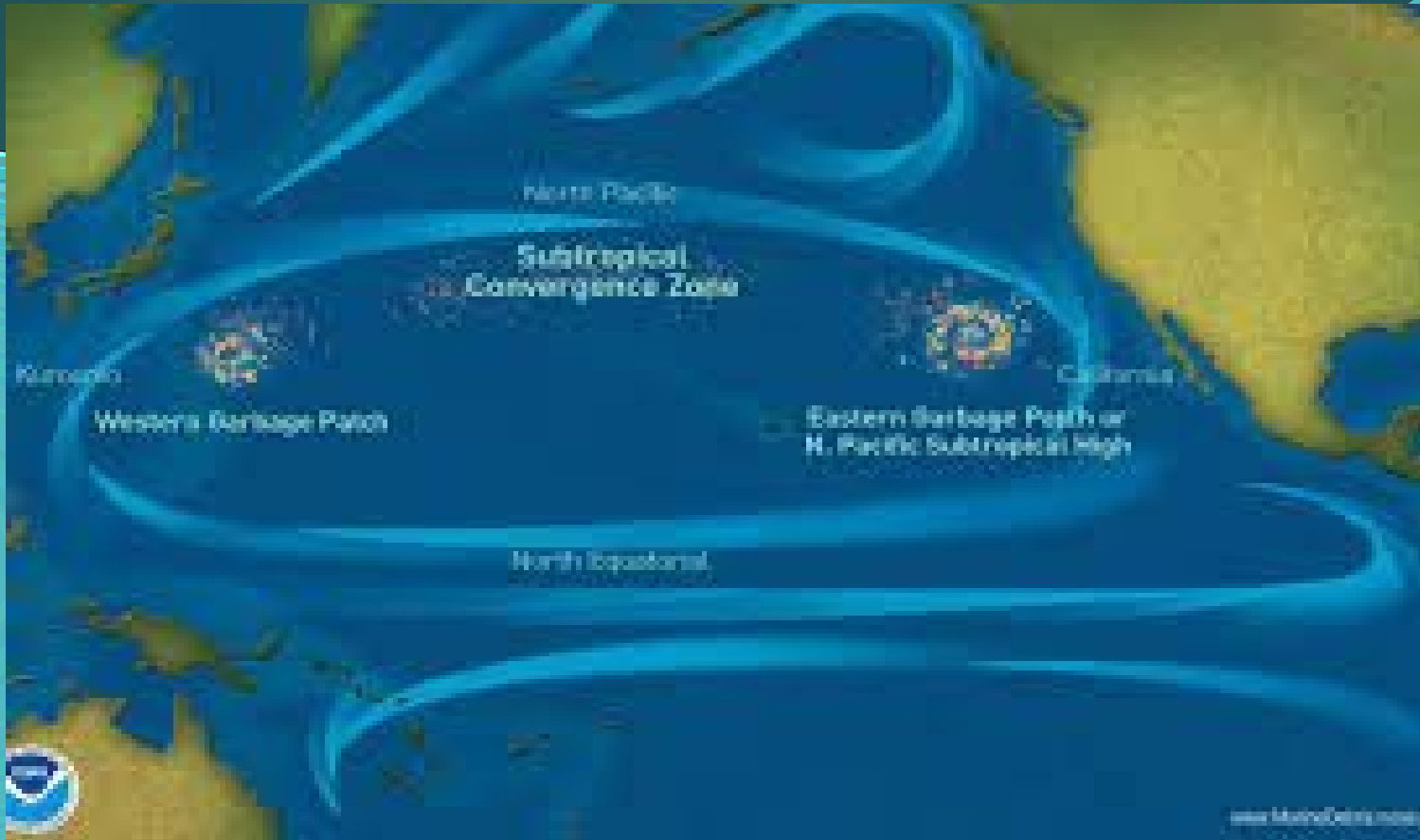




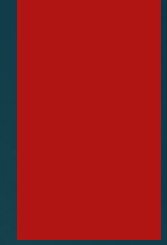
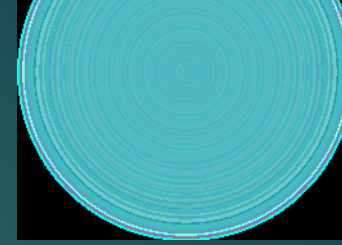
Green Transition from the perspective of government and private sector

Market, regulatory, or civilizational failure?



To begin with...

- ▶ When talking about the green transition, governments and the private sector what does come to your mind first?



Ever come across a title like this?

- ▶ CEOs Warn Geopolitical Disruption is Risking Progress on SDGs: Survey
- ▶ Deloitte Launches Climate Tech Ecosystem
- ▶ ESG Factors to Raise Corporate, Sovereign Credit Risk in 2023: Moody's
- ▶ India Approves Green Hydrogen Strategy, Expects Investment to Reach \$97 Billion
- ▶ Integration of Environmental, DEI Factors in Exec Comp Plans Doubles in 2022: Report

Paris Agreement – a view of the Seine

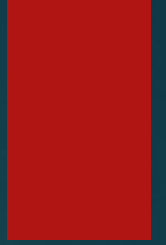
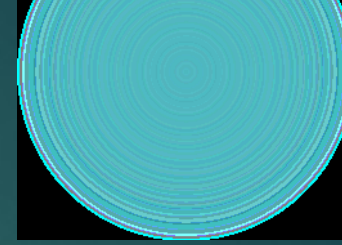


Key Takeaways

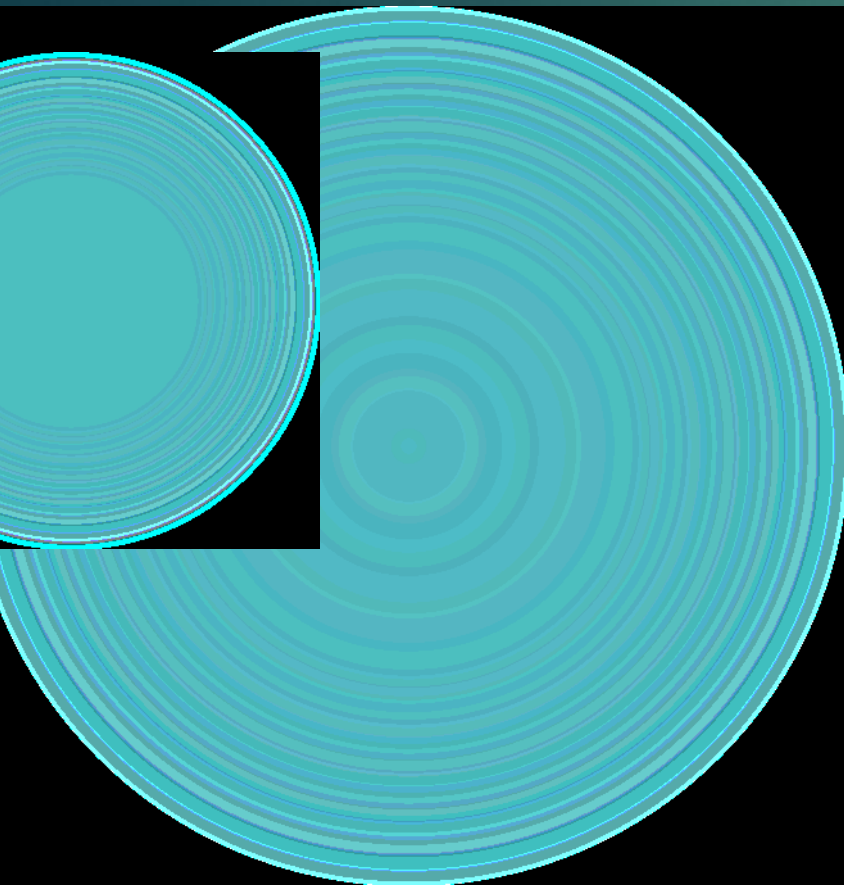
- ▶ well below 2 centigrade, and best efforts to keep it at or close around 1.5 centigrade increase
- ▶ nationally determined contributions
- ▶ mitigation and adaptation
- ▶ developed world to support developing countries
- ▶ financing mechanism
- ▶ technology mechanism
- ▶ capacity building

When states are concerned:

one thing is to agree on a document and
completely another is to implement it!



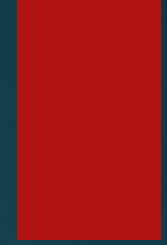
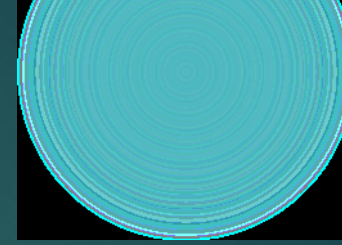
Addis Ababa



Addis Ababa Action Agenda

- ▶ New Infrastructure initiatives
- ▶ \$1 trillion to \$1.5 trillion annual gap in developing countries
- ▶ the Asian Infrastructure Investment Bank, the Global Infrastructure Hub, the New Development Bank, the Asia Pacific Project Preparation Facility, the World Bank Group's Global Infrastructure Facility and the Africa50 Infrastructure Fund, as well as the increase in the capital of the InterAmerican Investment Corporation
- ▶ ODA focus on the tax collection
- ▶ ODA commitment target of 0.7 per cent of ODA/GNI and 0.15 to 0.20 per cent of ODA/GNI to the least developed countries

Montenegro



Montenegro example

- ▶ The Second Voluntary National Review (VNR) focuses on goals 1, 4, 5, 14, 15 and 17.
- ▶ Should NSSD be an overarching country's strategy?
- ▶ EU acquis vs SDGs – 2/3 of targets compatible although acquis relate to the legislation and targets to the implementation and action.
- ▶ Has anybody checked other countries reviews?

Global Compact 10 principles

Human Rights

▶ Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

▶ Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- ▶ **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- ▶ **Principle 4:** the elimination of all forms of forced and compulsory labour;
- ▶ **Principle 5:** the effective abolition of child labour; and
- ▶ **Principle 6:** the elimination of discrimination in respect of employment and occupation.




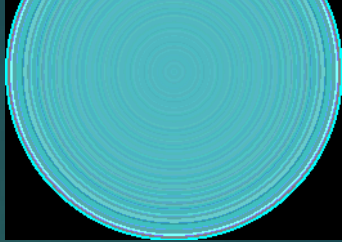




Environment

- ▶ **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- ▶ **Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- ▶ **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

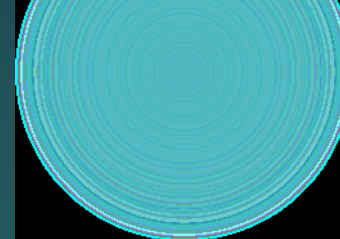


Anti-Corruption

- ▶ **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.
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- ▶ Global Compact will seek to lead and shape in Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Climate Action (SDG 13), Peace, Justice and Strong Institutions (SDG 16), and Partnerships (SDG 17).
 - ▶ Targets and KPIs have been developed

ESG



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- ▶ The “E” captures energy efficiencies, carbon footprints, greenhouse gas emissions, deforestation, biodiversity, climate change and pollution mitigation, waste management and water usage.
 - ▶ The “S” covers labor standards, wages and benefits, workplace and board diversity, racial justice, pay equity, human rights, talent management, community relations, privacy and data protection, health and safety, supply-chain management and other human capital and social justice issues.
 - ▶ The “G” covers the governing of the “E” and the “S” categories—corporate board composition and structure, strategic sustainability oversight and compliance, executive compensation, political contributions and lobbying, and bribery and corruption.



▶ Disclosures and reporting rules



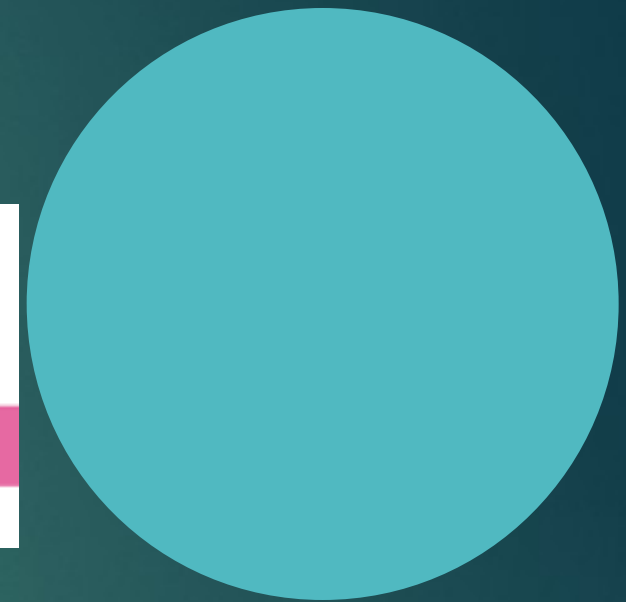
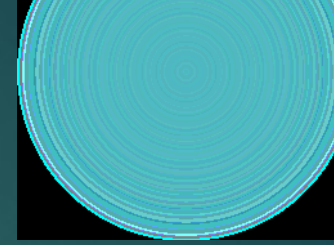
▶ Greenwashing?

▶ US confrontation over ESG, California vs Texas

▶ The financial market innovations – green bonds, debt for nature swaps



What would for such a firm be net zero commitments? Any ideas?





- ▶ Energy supply for all the offices coming from renewables



- ▶ Less traveling

- ▶ Net residual – offset through carbon capture and storage

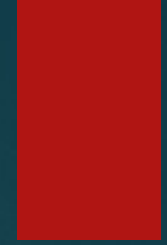
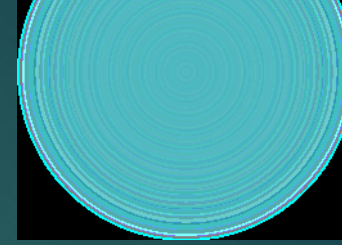


What about...

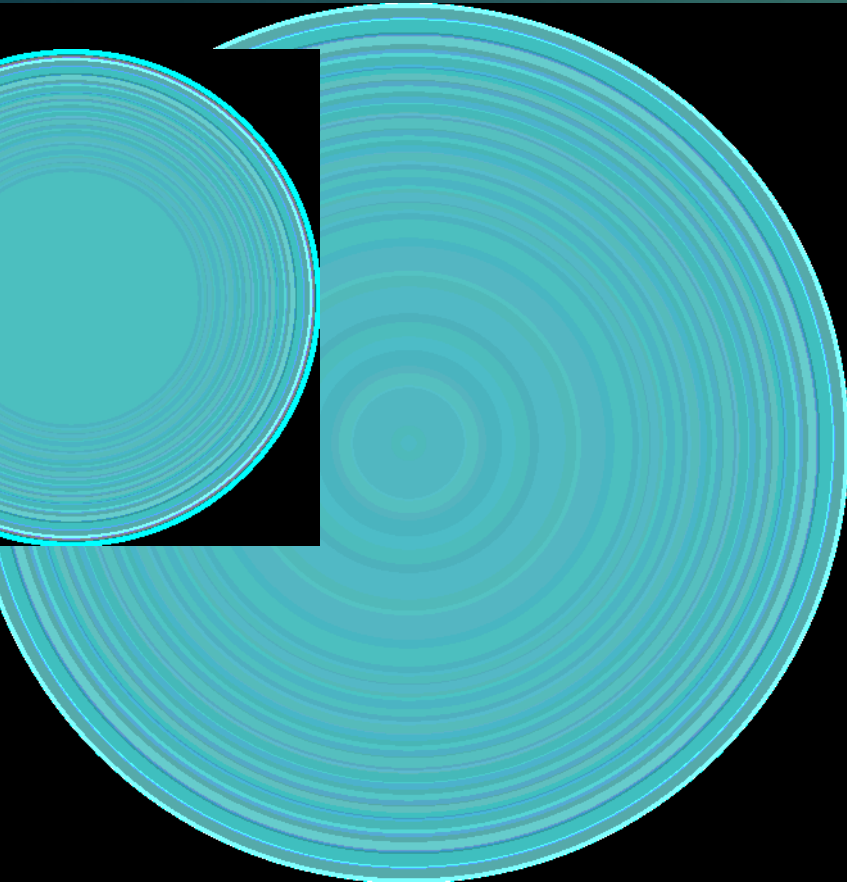
- ▶ Old fashioned stuff like profit? Can it be replaced as a driving incentive?

- ▶ Consumer behavior? Should it change too?

- ▶ More dilemmas?



What has this guy got to do with anything?

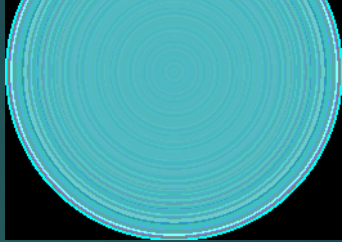


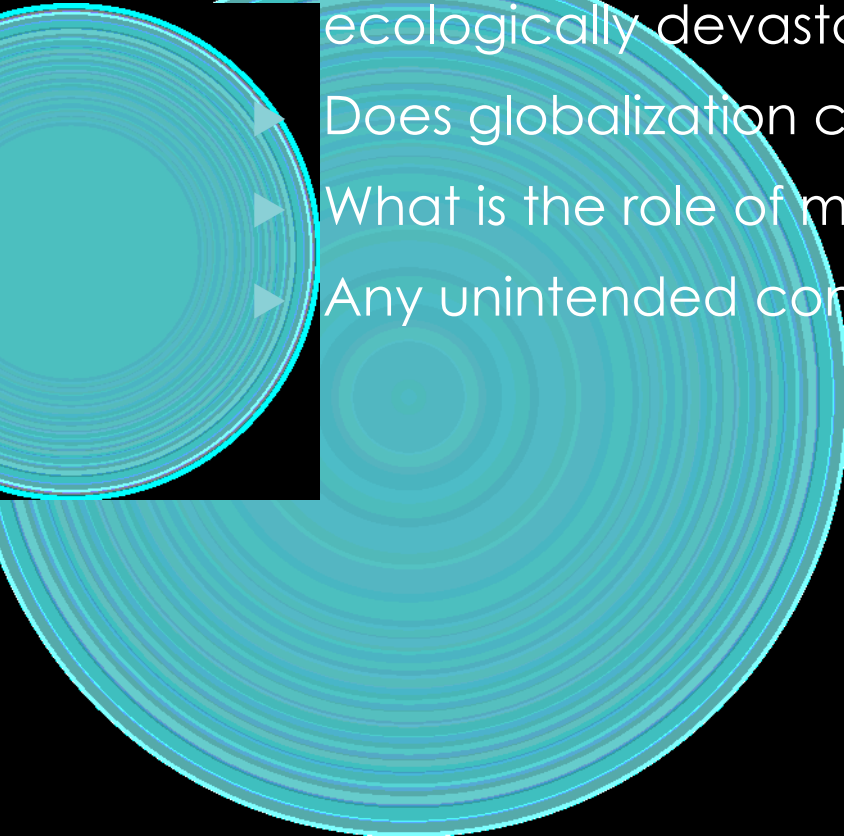



Decarbonization/UN 2030

- ▶ For the first time, a global agenda is being imposed or defined, which includes a limit on possible GHG emissions
- ▶ HOWEVER, global cap has been derived from the 1.5-2 degrees C but implemented through the nationally determined contributions
- ▶ Throughout history, technological and socio-economic progress have been intertwined, and the one has emerged from the other in a more or less spontaneous way.
- ▶ Steam engine, oil and electricity, computers, now AI

Unintended consequences

- ▶ Can decarbonization be a source of conflicts? Ukraine?
- ▶ Is Siberia the future place where most people will live and eat and the northern corridors will be key maritime routes?
- ▶ Will in fact the green transition speed up by 10-15 years ?
- ▶ With 2,400GW new installed renewables power between 2022-2027 (which is by 30% more than the IEA forecast in 2021) and growing energy efficiency investments the emissions seem to set to start to slide from 2025

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- ▶ US-China rivalry and the new industrial policy?
 - ▶ Is the Metaverse a (slightly dystopian) potential escape from an ecologically devastated planet?
 - ▶ Does globalization continue?
 - ▶ What is the role of migration?
 - ▶ Any unintended consequence you may think of?

Thank you for your attention!

