sustainability knowledge group

A collection of Thought Pieces and Blog Posts on Sustainability

Volume 2

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The Latest News and Trends in Sustainability in One Place

Volume 2

Dear Readers,

Considerable efforts are taking place in the past years to achieve Sustainability beyond the Vision 2030. We, at Sustainability Knowledge Group, have seen many changes at individual level, civil society, corporate and public sector, yet professionals are increasingly looking how to overcome challenges, and run their organisations in a way that meet and exceed stakeholder expectations in a way that creates value for organizations and society at large.

To support our clients and all professionals interested and enthusiastic about Sustainability and Sustainable Development, we are bringing the latest news on a wide spectrum of topics in our Insights section. These include among others, Sustainable Development Goals (SDGs), partnerships development, Sustainability application in various industries, advancements in different countries.

We invite you to read the collection of our blogs and share it within your community of practice.

Enjoy!

Sustainability Knowledge Group

Sustainability Knowledge Group is a global advisory firm dedicated in creating value for businesses through strategic advisory and training solutions.

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Travel responsibly: How can we make tourism sustainable (again)?

Just a few days ago summer has officially started in the Northern Hemisphere and many of us are ready to embark on a trip or an adventure to discover the glorious beauty of our planet Earth. Strolling down a sandy tropical beach, exploring one of the world's capitals or visiting a secluded and tranquil village make travel experience memorable and worth every penny. Until recently, it has seemed that tourism is a quite benign activity since what could be harmful after all when the first association with traveling is leisure, enjoyment, and zero-guilt-felt hedonism. However, as tourism has started to grow and sharing economy, cheap and affordable low-cost flights enable people with decent income to travel regularly, it has become an industry that has started to show negative impacts on environment and prompted certain actions aiming to limit these negative effects and promote sustainable tourism.

Standards for sustainability in travel and tourism

The Global Sustainable Tourism Council (GSTC), as an independent and neutral non-profit organization, has been established under this name in 2010, "representing a diverse and global membership, including UN agencies, NGO's, national and provincial governments, leading travel companies, hotels, tour operators, individuals and communities – all striving to achieve best practices in sustainable tourism". In 2013, the GSTC released the GSTC Criteria that serve as the global baseline standards for sustainability in travel and tourism and are used for education and awareness-raising, policymaking for businesses and government agencies and other organizations, measurement and evaluation, and as a basis for certification. The Criteria are arranged in four pillars:

1. Sustainable management
2. Socioeconomic impacts
3. Cultural impacts
4. Environmental impacts (including consumption of resources, reducing pollution, and conserving biodiversity and landscapes)

Recently we observed a huge rise in ecolabels with more than 150 international eco certificates been established. The first eco labels in tourism emerged around 1987 when the Blue Flag, for European coastal zones, was introduced. Yet, ecolabels differ greatly and one criterion that confirms their trustworthiness is whether the label has been recognized by the Global Sustainable Tourism Council (GSTC).

Some of these ecolabels include:

- Actively Green
- Biosphere Responsible Tourism (ITR)
- Green Key
- Green Globe
- Green Growth 2050

A recent advancement in Dubai, one of the leading travel destinations, includes the mandate by the Dubai Department of Tourism and Commerce Marketing (DTCM). DTCM issued a directive, according to which all hotels will need to comply with a set of mandatory sustainability requirements, to be implemented over the next 18 months.

Sustainable tourism – key challenges

Tourism has become one of the most powerful drivers of economic growth and development and according to UN World Tourism Organization (UNWTO),international tourist arrivals grew 6% in 2018, totalling 1.4 billion and in 2019, international arrivals to grow 3% to 4%. Apart from having many benefits, tourism sector has started showing negative impacts and according to sustainable tourism expert panel, that was convened in partnership with the Sustainability Leaders Project, there are three key challenges:

1. The need for ongoing comprehensive tourism planning and management
2. Effects of climate change on tourism
3. Changing consumer behaviour and expectations around ethical and authentic experiences

When it comes to comprehensive planning and management, the main issue is *overtourism* that occurs when there are too many visitors to a particular destination leading to extreme pressure being placed on residents as well as on environment. The sharing economy models like Air B&B have triggered a huge influx of tourists to many European countries and their capitals causing some of them, like Spain and Italy, to consider bans or restrictions on visits by clamping down on the growing number of houses and apartments rented out to tourists. Climate change also has impacted tourist destinations and it asks for urgent and prompt action to mitigate its negative effects. For instance, Cape Town, as one of popular tourist destinations, went though serious drought and water scarcity during the last three years and in 2018, it became the first big city on earth to run dry. Even though overtourism has detrimental effects on tourist destinations, travellers have becoming more aware of their environmental and cultural impacts and 68% were actively seeking out eco-friendly accommodations in 2018.

How to travel responsibly?

Tips for a Responsible Traveller guide, developed by the World Committee on Tourism Ethics and based on the UNWTO Global Code of Ethics for Tourism, lays out tips how to become a responsible traveller and ultimately help sustainable tourism. Here are some of them:

1. Honour your hosts and our common heritage:
    - Research your destination to learn about local customs, traditions and social conditions.
    - Experience and respect all that makes an international destination different and unique, from its history, architecture, religion, dress and communication codes, to its music, art and cuisine.
2. Protect our planet:
    - Reduce your environmental impact by being a guardian of natural resources, especially forests and wetlands.
    - Purchase products that aren't made using endangered plants or animals.
    - Reduce your water and energy consumption whenever possible.
3. Support the local economy:
    - Buy locally made handcrafts and products.
    - Respect livelihoods of local vendors and artisans by paying a fair price.
4. Be an informed traveller:
    - Take appropriate health and safety precautions prior and during your trip.
    - Choose tourism operators with environmental policies and community projects in place.
5. Be a respectful traveller:
    - Observe national laws and regulations.
    - Respect human rights and protect children from exploitation.
    - Take photos instead of protected cultural artefacts as mementos of your trip.

Do not just travel, but travel responsibly

Travel broadens the mind. It changes travellers' views on particular regions, countries and nations. It creates new friendships, builds communication among different people and ultimately can contribute to global understanding and world peace. But it should not be taken for granted any more, since travellers can make both a positive and negative impact on the planet. We should all choose, and must choose wisely, to travel responsibly and sustainably.

Date Published: July 3, 2019

Sustainable Development Report 2019: The world falls short of the promise to implement the SDGs

The Sustainable Development Report 2019 including the SDG Index and Dashboards that has been released recently presents the fourth edition of the annual review of countries' performance on the 17 Sustainable Development Goals (SDGs) prepared jointly by the Bertelsmann Stiftung and the Sustainable Development Solutions Network (SDSN). The Report covers all 193 UN member states and presents data on changes over time in SDG indicators, as well as calculations for trajectories until 2030 and includes the data and analyses provided by international organizations, civil society organizations, and research centres. Also, the Report lays out frames of the implementation of the Sustainable Development Goals in terms of six broad transformations that need to be adopted and implemented so that the SDGs can be achieved. Yet, the overall tone of the Report is a bit negative and it conveys the message that the world has not achieved much in four years since the adoption of the SDGs and the Paris Agreement.

The seven key takeaways of the Report

Although this year's Report form is similar to the previous ones, new indicators have been added, as well as more metrics for international spillovers. The 2019 the SDG Index and Dashboards have been successfully audited for the first time by the European Commission Joint Research Centre. In the Executive Summary of the Report, the following key findings are presented:

1. **High-level political commitment to the SDGs is falling short of historic promises-** "Out of 43 countries surveyed on SDG implementation efforts, including all G20 countries and countries with a population greater than 100 million, 33 countries have endorsed the SDGs in official statements since January 1st, 2018."
2. **The SDGs can be operationalized through six SDG Transformations** – "The transformations respect strong interdependencies across the SDGs and can be operationalized by well-defined parts of governments in collaboration with civil society, business, and other stakeholders."
3. **Trends on climate (SDG 13) and biodiversity (SDG 14 and SDG 15) are alarming** – "Trends on greenhouse gas emissions and, even more so, on threatened species are moving in the wrong direction."
4. **Sustainable land-use and healthy diets require integrated agriculture, climate and health policy interventions**-" In total, 78% of world nations for which data are available obtain a "red rating" (synonym of major SDG challenge) on sustainable nitrogen management; the highest number of "red" rating across all indicators included in the report."

5. **High-income countries generate high environmental and socio-economic spillover effects** – "Domestic implementation of the SDGs should not undermine other countries' ability to achieve the goals."
6. **Human rights and freedom of speech are in danger in numerous countries** – "Modern slavery and the share of unsentenced detainees in prison remain high, in particular in low-income countries. Trends on corruption and freedom of press are worsening in more than 50 countries covered in the report – including in a number of middle and high-income countries."
7. **Eradicating poverty and strengthening equity remain important policy priorities** – "Eradicating extreme poverty remains a global challenge with half of the world's nations not on track for achieving SDG 1 (No Poverty). Women in OECD countries continue to spend an average of 2 hours more than men a day doing unpaid work."

The key findings prove that the world is going nowhere fast regarding the implementation of the Sustainable Development Agenda. Four years after the adoption of the SDGs **"no country is on track for achieving all the goals".** World nations obtain their worst performance on SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land). This year again, Nordic countries – Denmark, Sweden and Finland – top the SDG Index even though these countries face major challenges in implementing one or several SDGs. Yet, the Report outlines 6 SDG transformations "that can help governments develop a clear-eyed implementation strategy".

Six Transformations to achieve the SDGs

The report highlights the fact that **even the richest and developed countries face serious challenges and are far from meeting all goals**. That is why achieving the 17 SDGs and the underlying 169 targets asks for deep systemic transformations in every country that "require careful design to ensure technical feasibility and efficient investments, promote policy coherence, and ensure buy-in from all parts of society". According to the Report, many governments are in doubt how to organize the implementation of the SDGs and how to design and deploy effective strategies for achieving the SDGs by creating improved policies, public and private investments, and regulations. In response to this critical challenge, direct transformations are required and the Report proposes Six Transformations that "group SDG interventions in ways that promote effective implementation strategies by governments, business, and civil society".

These six Transformations are underpinned by two crosscutting principles of **leaving no one behind, and circularity and decoupling**, and are:

1. **Education, Gender, and Inequality**
2. **Health, Wellbeing, and Demography**
3. **Energy Decarbonization and Sustainable Industry**
4. **Sustainable Food, Land, Water, and Oceans**
5. **Sustainable cities and Communities**
6. **Digital revolution for Sustainable Development**

The only way forward

The Report details progress by countries on their achievement of the Sustainable Development Goals (SDGs) and the general conclusion is that the efforts made so far for achieving of the SDGs have been insufficient and a great chunk of work is left to be performed. Deep changes to policies, investments, and technologies, social activism that mobilizes all stakeholders, international diplomacy and international collaboration and political will, are all crucial and critical for delivering the Sustainable Development Agenda. The gap between rhetoric and action must be closed at all levels-from national, regional, local to individual. We are running out of time and the planet does not need our words, it needs our actions.

Date Published: July 11, 2019

Africa on its way to a sustainable future – Where does it stand today?

It is a well-known fact that the implementation of the Sustainable Development Goals (SDGs) is a demanding task even for the developed countries let alone the developing ones. African countries have started catching up in terms of economic, social and technological development and Sub-Saharan Africa, according to the IMF, will be home to about half of the world's fastest-growing economies. The continent has joined the rest of the world in its brave quest for a sustainable future by adopting the Sustainable Development Agenda 2030. Still, there is a question posed by many, whether Africa can successfully implement the SDGs and how much effort and resources it would need to accomplish such a tough and challenging task. On June 14th ,the SDG Center for Africa (SDGC/A) and the Sustainable Development Solutions Network (SDSN), released the 2019 Africa SDG Index and Dashboards Report to shed light on how much Africa has achieved so far and which gaps it needs to address in order to effectively implement the Sustainable Development Agenda.

Key takeaways

The second annual report on the progress of African countries towards achievement of the SDGs, that has included **all 54 African countries**, provides an assessment of where African countries stand with respect to the SDGs and their progress toward the goals, and how African governments are implementing strategies for achieving them. When it comes to **the current status and trends toward achieving the SDGs in Africa**, the report presents the following discoveries:

- Changes in the methodology and the data sources used to generate the 2019 Africa SDG Index have produced different results from last year's report. The average SDG index score across countries has remained virtually unchanged, but some of the rankings have changed.
- Overall, **North Africa is the best-performing region on average, while Central Africa is the worst-performing**. Tunisia has replaced Morocco as the top-ranking country, while Morocco is now ranked in 4th place, behind Mauritius and Algeria.
- Across the board, **African countries perform comparatively well in terms of sustainable production and consumption as well as in climate action** (SDGs 12 and 13) **but perform poorly in goals related to human welfare** (SDGs 1 to 7 and 11).
- There is **a great deal of diversity with respect to the main SDG challenges in Africa's subregions.** Countries can be broadly categorized into five major groups: continental leaders, growing countries, middle-of-the-pack countries, emerging countries, and distressed countries, most of which are experiencing conflict, that will require the most support to achieve the SDGs.

Figure 6 Main challenges in implementing SDGs

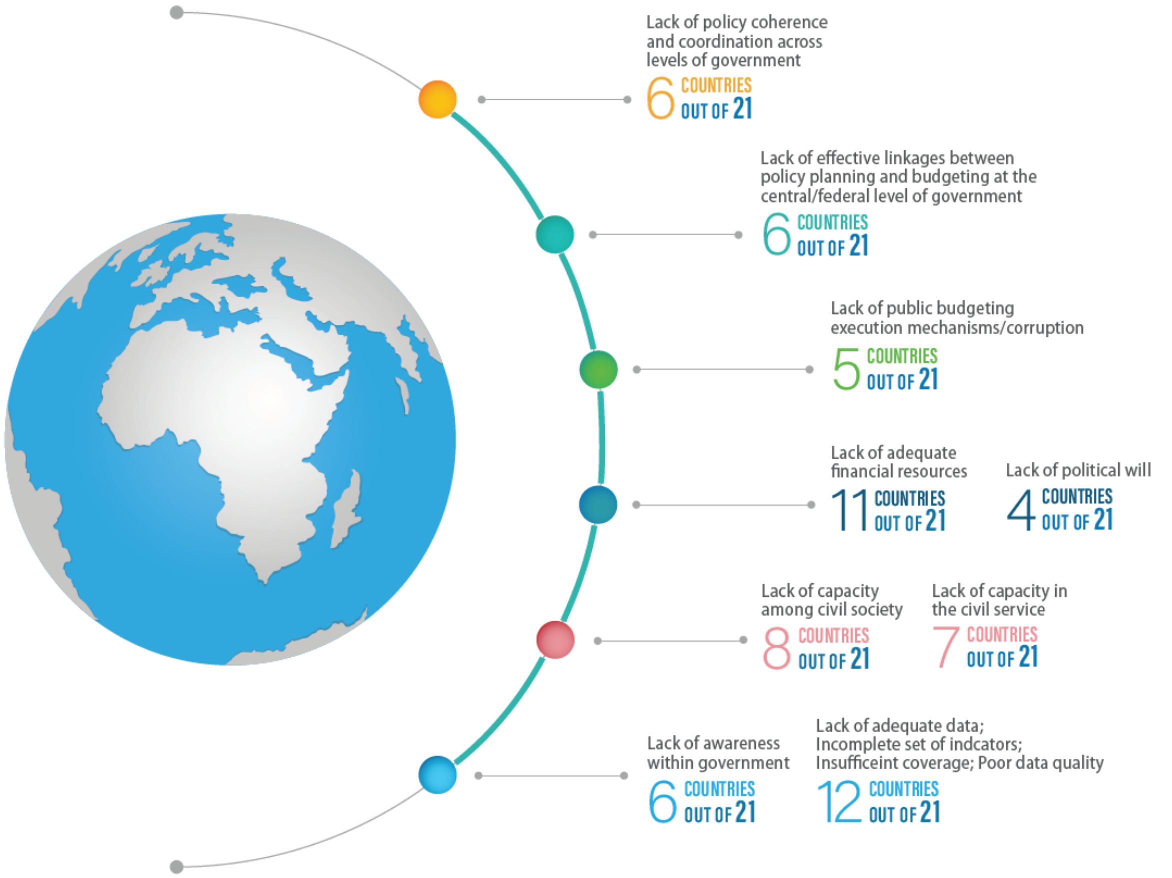


Table 1: The cited challenges in implementing the SDGs (Source: http://unsdsn.org)

On the other hand, the key findings on how African governments are implementing strategies for achieving the SDGs, include:

- **The SDGs have widely received official endorsements by African governments** and have been incorporated into many government action plans and national strategies.
- There are still **widespread gaps on behalf of countries in understanding the distances to SDG targets.**
- There is **a lack of understanding on what it will take to reach the SDGs**, very little consideration for the financial resources that will need to be mobilized, and who will provide the necessary funds.
- **Engagement with the public and other stakeholders can significantly be improved.** Only four countries have an online portal where citizens can see their countries' progress toward the SDGs, and less than half of all countries have preceded with awareness-raising activities.
- According to country experts, who validated results from 21 countries, **a lack of funding and resources is reported to be the single most significant challenge both in terms of SDG implementation and monitoring.**

According to the report, the main challenges in implementing the SDGs are lack of adequate financial resources, lack of adequate data and poor data quality, lack of capacity among civil society and the civil service, lack of policy coherence and coordination across levels of government, lack of effective linkages between budgeting and policy planning, lack of public budgeting execution mechanisms, and lack of political will.

How can Africa respond to the main challenges?

Even though the challenges the continent is faced with are tough and demanding, the report presents case studies to illustrate how some countries responded successfully to certain challenges the African Business Coalition for health SDGs; agro-processing industrial parks in Ethiopia; regional integration in the East African Community; socio-economic investment and environmental impacts of mines in Zambia; and jobs and Tunisia's digital global economy. These best practices clearly demonstrate that through efficient implementation of the Sustainable Development Agenda, the African countries can enhance their economic, social and technological development by actively fostering collaborations between public and private sector, advocating for policies and initiatives that drive system-level changes, integrating population into global markets, improving regional economic integration that can leverage structural transformation and sustainable development, and aligning their national economies with an increasingly digitized and technology-intensive global economy. The successful adoption of the SDGs can be a strong force for development for Africa, with benefits extending much beyond the African continent, to the world at large.

Date Published: July 17, 2019

Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information – The key takeaways

Starting from January 2018, the non-financial reporting Directive (2014/95/EU) has made large public interest entities with over 500 employees (listed companies, banks, and insurance companies) obliged to disclose the non-financial information. As required by the directive, the Commission has published non-binding Guidelines in 2017 to help companies disclose relevant non-financial information in a more consistent and more comparable manner. Yet, in June 2019, the Commission has issued guidelines on reporting climate-related information which provide companies with practical recommendations on how to better report the impact of their activities on climate, as well as the impact of climate change on their business.

The new Guidelines on climate-related disclosures

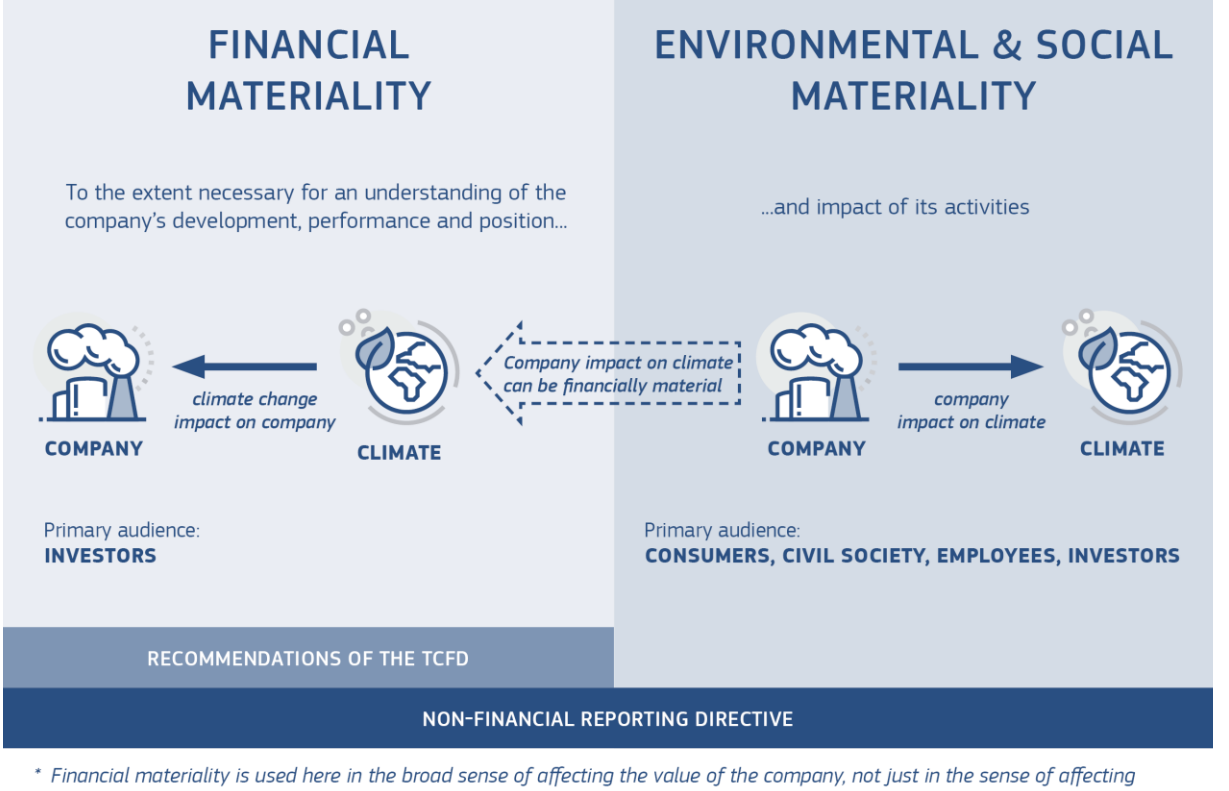
The EU is dedicated to reducing greenhouse gas (GHG) emissions and creating a low-carbon and climate-resilient economy. In the EU's quest for a prosperous, modern, competitive and climate-neutral economy by 2050, companies and financial institutions will have a critical role and thus, the Commission appointed the Technical expert group on sustainable finance (TEG) to provide guidance on climate reporting as part of the Sustainable Finance Action Plan, adopted in March 2018. The aim of the Sustainable Finance Action Plan is ''reorienting capital towards sustainable investment, managing financial risks that arise from climate change and other environmental and social problems and fostering transparency and long-termism in financial and economic activity''. According to the Guidelines, "corporate disclosure of climate-related information has improved in recent years. However, there are still significant gaps, and further improvements in the quantity, quality and comparability of disclosures are urgently required to meet the needs of investors and other stakeholders" and "without sufficient, reliable and comparable sustainability-related information from investee companies, the financial sector cannot efficiently direct capital to investments that drive solutions to the sustainability crises''. It is important to note that the new Guidelines integrate the TCFD recommendations established by the G20's Financial Stability Board.

Benefits for reporting companies

Better disclosure of climate-related information can have numerous benefits for the reporting company itself, such as:

- increased awareness and understanding of climate-related risks and opportunities better risk management, and more informed decision-making and strategic planning;
- a more diverse investor base and a potentially lower cost of capital, resulting for example from inclusion in actively managed investment portfolios and in sustainability-focused indices, and from improved credit ratings for bond issuance and better credit worthiness assessments for bank loans;
- more constructive dialogue with stakeholders, in particular investors and shareholders;
- better corporate reputation and maintenance of social licence to operate.

The double materiality perspective



* *Financial materiality is used here in the broad sense of affecting the value of the company, not just in the sense of affecting financial measures recognised in the financial statements.*

Table 1: *The double materiality perspective of the Non-Financial Reporting Directive in the context of reporting climate-related information*
(Source: https://eurlex.europa.eu/legalcontent/EN/TXT/PDF/?uri=CELEX:52019XC0620(01)&from=EN)

It is well-known that a company is required to disclose information on environmental, social and governance issues, and climate-related information falls into the category of environmental matters. Yet, in the Commission's new non-Binding Guidelines on Non-Financial Reporting, the reference to the "impact of [the companies'] activities" introduced a new element to be taken into account when assessing the materiality of non-financial information, revealing that the Non-Financial Reporting Directive has a double materiality perspective:

- The reference to **the company's "development, performance [and] position"** indicates **financial materiality**, in the broad sense of affecting the value of the company. Climate-related information should be reported if it is necessary for an understanding of the development, performance and position of the company. This perspective is typically of most interest to investors.
- The reference to **"impact of [the company's] activities"** indicates **environmental and social materiality**. Climate-related information should be reported if it is necessary for an understanding of the external impacts of the company. This perspective is typically of most interest to citizens, consumers, employees, business partners, communities and civil society organisations. However, an increasing number of investors also need to know about the climate impacts of investee companies in order to better understand and measure the climate impacts of their investment portfolios.

The materiality perspective of the non-Financial Reporting Directive covers financial materiality as well as environmental and social materiality.

As per the Guidelines, companies are advised to consider their whole value chain, both upstream and downstream, when assessing the materiality of climate-related information. Yet, companies that conclude that climate is not a material issue are advised to consider making a statement to that effect, explaining how that conclusion has been reached.

How companies should approach the new Guidelines?

Companies are advised to study the supplement together with the applicable national legislation transposing the Non-Financial Reporting Directive (2014/95/EU), and the text of the Directive itself. Companies, "should also consider the Non-Binding Guidelines on Non-Financial Reporting published by the Commission in June 2017 , which contain 6 key principles for good non-financial reporting" according to which, the "disclosed information should be: (1) material; (2) fair, balanced and understandable; (3) comprehensive but concise; (4) strategic and forward-looking; (5) stakeholder-oriented; and (6) consistent and coherent.". Moreover, companies are encouraged to read the recommendations of the TCFD, and if relevant the supplementary guidance for the financial sector and for companies operating in the sectors of energy, transport, material and buildings, and agriculture, food and forest products. When it comes to starting date, companies should be able to use the new Guidelines for reports published in 2020, covering financial year 2019. The Guidelines urge companies to look beyond compliance, and focus on new business models, impact driven disclosures to ensure they remain relevant, profitable and sustainable in this new low-carbon and climate-resilient economy.

Date Published: July 26, 2019

How do Investors Enhance Corporate Responsibility? The Climate Action 100+

Disclosure of extra financial information has become the new norm and organizations cannot longer provide any valid argument that would justify the non-alignment with the principles of Corporate Social Responsibility (CSR) and Sustainable Development. The importance of implementing the principles of CSR and Sustainable Development is not only crucial for organizations' success and the society in general but also for investors whose interest in environmental, social and governance (ESG) factors has gone mainstream. Yet, investors have not only assumed an active role and are standing behind and evaluating which organizations are socially responsible and worth investing in but have also recently started to make the world's largest corporate greenhouse gas emitters take necessary action on climate change.

What is Climate Action 100+?

Climate Action 100+ is an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Following the Paris Agreement, that was signed in 2015, Climate Action 100+ was launched in December 2017 with the aim to "engage with the world's largest corporate greenhouse gas emitters to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change". Climate Action 100+ was initiated by five partner organizations: The Asia Investor Group on Climate Change (AIGCC); Ceres; The Investor Group on Climate Change (IGCC); The Institutional Investors Group on Climate Change (IIGCC); and The Principles for Responsible Investment (PRI) and as of June 2019, 320 investors participate in the initiative. The initiative not only focuses on operational emissions of companies but also on the emissions created across their value chain: "investors will be looking at how companies can efficiently address and disclose how they manage climate risk and direct and indirect scope 1, 2, and 3 emissions across their value chain". When it comes to the selection of companies involved, an initial list of 100 focus companies was identified and these were selected from a major global index (MSCI ACWI) that represents 85% of global investable equity and an additional list of 61 companies (known as the "+" list) was added to the focus list of companies. These late comers had "either a significant opportunity to drive the clean energy transition at the global or region level or may be exposed to climate-related financial risks, including risks to physical assets, that are not captured solely by emissions data".

How companies should approach the new Guidelines?

What the boards and senior management of these companies are asked by the investors to meet the following requirements:

1) **Implement a strong governance framework** which clearly articulates the board's accountability and oversight of climate change risks and opportunities;
2) **Take action to reduce greenhouse gas emissions across the value chain, consistent with the Paris Agreement's goal** of limiting global average temperature increase to well below 2 degrees Celsius above pre-industrial level;
3) **Provide enhanced corporate disclosure in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)** and, when applicable, in line with sector-specific Investor Expectations on Climate Change according to the Global Investor Coalition on Climate Change, to enable investors to assess the robustness of companies' business plans against a range of climate scenarios, including well below 2-degrees Celsius, and improve investment decision-making.

Climate Action 100+ accomplishments

Even though the Climate Action 100+ initiative has been in existence only for two years, it has achieved quite a lot:

- An agreement with Shell to reduce Scope 3 emissions intensity with actual targets plus leadership on US methane regulation;
- A management-backed resolution at British Petroleum (BP) to align business strategy with Paris goals which didn't include Scope 3;
- A promise by Glencore to cap coal production (but not necessarily to halt investment in new projects);
- An unusually assertive letter from EU investors to EU energy utility companies requesting transition plans.

Can investors really make a difference in incorporating ESG in corporate decision making?

Even though companies are considering social and environmental responsible requirements and have made a progress in adopting sustainability and sustainable development principles, the progress made so far is still modest. Investor led initiatives like the **Climate Action 100+** demonstrate the significant momentum towards building sustainable organisations and pushing companies to pursue strategies that incorporate ESG factors in their decision making processes and operations. This initiative coming from investors can be a game changer in highlighting climate action, since its reliance on funding companies can trigger more urgent and adequate response from the business world. It still remains to be seen if it will make a considerable difference in the current state of play in the area of sustainable development. But with USD12 trillion in Sustainable, Responsible and Impact (SRI) assets, corresponding to 26% of the total USD$46.6 trillion professionally managed assets at year-end 2017, there is evidence that investors can influence strategic decisions, push companies to better manage climate risks and generate sustainable, long-term returns.

Date Published: September 4, 2019

World's first 'wellbeing budget' draws attention away from GDP

The centre-left government of New Zealand, led by the Prime Minister Jacinda Ardern, revealed its budget on May 30th and it is the world's first wellbeing budget. This Wellbeing Budget has moved the attention from GDP as a main measure of the country's wealth and capital to the wellbeing of its citizens. But, what does this divergence from GDP mean? Have the governments been using the wrong metrics to measure the wrong things? Is the government of New Zealand the first one in a row of other countries that will adopt the same principles in budget creation? Will this help the achievement of the Sustainable Development Agenda?

No more GDP but gross national wellbeing

"Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period." For more than a half of century, GDP has been used to showcase a country's economic health. Yet, GDP has been used as a measure of economic activity, not economic or social wellbeing. While measuring only monetary transactions related to the production of goods and services, GDP fails to measure key aspects of quality of life and even encourages activities that are counter to long-term community wellbeing such as the depletion of natural resources. Thus, the "wellbeing budget", introduced by the government of New Zealand, shifts the attention from productivity and economic growth to wellbeing of community and protection of environment. After collecting evidence and expert advice that pinpointed the areas where the greatest difference to the wellbeing of New Zealanders could be made, the government decided to focus on five priority areas:

- *Taking Mental Health Seriously* – Supporting mental wellbeing for all New Zealanders, with a special focus on under 24-year-olds
- *Improving Child Wellbeing* – Reducing child poverty and improving child wellbeing, including addressing family violence
- *Supporting Māori and Pasifika Aspirations* – Lifting Māori and Pacific incomes, skills and opportunities
- *Building a Productive Nation* – Supporting a thriving nation in the digital age through innovation, social and economic opportunities
- *Transforming the Economy* – Creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy.

Moreover, the process of designing the budget and setting the priorities has differed from the usual one that exclusively focused on GDP as the main measure of national wellbeing and growth. The ministers had to collaborate on funding proposals with their colleagues, and this led to breaking down agency silos. When it comes to the progress being made toward these goals, it will be measured by 61 indicators that will track everything from loneliness to trust in government institutions.

Even though New Zealand is not the first country to consider the wellbeing approach, it is the first one to create a budget explicitly centred around this concept. Several other countries – including Bhutan, France, the UK and the United Arab Emirates (UAE) – have adopted measurements related to wellbeing such as enshrining Gross National Happiness (GNH) in the constitution (Bhutan) or creating a new cabinet position: minister of state for happiness and wellbeing (UAE), but none of them none have connected the prioritizing of policies as closely to people's wellbeing as New Zealand has.

The wellbeing budget connection to the Sustainable Development Agenda

Fighting inequality, injustice, ending extreme poverty, hunger and protecting environment are the main goals of the Sustainable Development Agenda adopted in 2015. The rising inequality and the depletion of natural resources have been largely driven by the quest for economic growth measured by monetary value. It seems that focusing only on material wellbeing such as the production of goods, rather than on health, education, and the environment has led to the destruction of our planet and people feeling more discontent. New Zealand's Coalition government has abandoned the traditional way of designing the budget since realising that addressing complex problems like child poverty, inequality and climate change cannot be achieved through traditional ways of operating. As it is written in the Wellbeing Budget: "Making the best choices for current and future generations requires looking beyond economic growth on its own and considering social, environmental and economic implications together."

By integrating the principles of Sustainable Development in its policies and budget spending, the government of New Zealand has directly contributed to the realization of the Sustainable Development Agenda. As the New Zealand finance minister, Grant Robertson, says: "This budget responds to New Zealanders' values. Yes, we want to be a prosperous country, of course we do, but we also care about who shares in that prosperity and how it is sustainable."

Should other countries follow suit?

The wellbeing budget is definitely a game changer since for the first time it puts social wellbeing indicators ahead of GDP when it comes to spending decisions. Starting from June 2019, the health and prosperity of New Zealand will not be measured solely by economic growth but by the overall wellbeing of its citizens. Although, the centre-right political opposition has dismissed the budget as a marketing charade, the government of New Zealand is resolute and determined to make the budget successful. The wellbeing budget is certainly the best example of how the principles of Sustainable Development should be integrated in the national policy. So, should other countries follow suit? Yes, they definitely should. And the reason why they should do it is given by Mr Robertson: "I think this approach could be applied anywhere. What I haven't seen anywhere before is the end-to-end nature. It's no good just having a scorecard of different indicators of success. It's also using that information to inform your investments – that's how it becomes a true wellbeing budget."

Date Published: September 10, 2019

Amazon Fires: Harsh Decisions for Corporations

In August 2019, the media headlines shared the news on the unprecedented fires taking place in South America. It is estimated that about 745,000 hectares of the Amazon forest have been destroyed. When the world is on its quest to achieve the Sustainable Development Goals (SDGs), this kind of news trigger disbelief, anger and realization that unfortunately not all of us share the same vision of the future. Evidence suggests, that the Amazon fires were set deliberately, to clear forested land for farming or the grazing of livestock. The first reactions came from the EU political leaders that condemned Brazilian president, Jair Bolsonaro, for his deforestation policies and threatened to block the free trade agreement between the EU and South American nations. But how did corporations react?

Corporations halt the imports from Brazil

Although the first reactions to devastating Amazon fires came from foreign politicians, some corporations followed suit, including leather importers. The first one that announced that it would stop sourcing leather from Brazil, was VF Corporation, the owner of brands such as The North Face, Timberland and Vans. According to VF statement, the corporation would resume buying Brazilian leather when they "have the confidence and assurance that the materials used in our products do not contribute to environmental harm in the country."

Also, H&M, the world's second-biggest fashion retailer, stopped purchasing leather from Brazil over the environmental concerns triggered by Amazon wildfires. "The ban will be active until there are credible assurance systems in place to verify that the leather does not contribute to environmental harm in the Amazon," H&M said in a statement.

Yet, there were not only corporations issuing bans on leather purchased from Brazil, but asset managers and pension funds also issued warnings, terminated deals and stopped purchases of government bonds. Thus, Norway's biggest investors, Storebrand ASA and the pension fund KLP contacted companies they invest in to make sure they did not contribute to environmental damage after the fires.

The leaders we need

Global warming and deforestation put the large and unbearable pressure on the environment and life on Earth. The SDGs have been designed to put a halt on both processes and ask from governments to adjust their policies so as to make their contribution to global goals. Yet, even without the SDGs, encouraging deforestation by industrial policies that ditch a country's long-standing commitment to protect environment, the Amazon in this respect, should not be tolerated anyway. Regardless of the push and criticism from the EU political leaders, the very policies of national government indicate that at the end of the day, political will is the key for changing the course that would lead to the sustainable future, and in this case Brazilian government, did not rise to the challenge. Only by adopting and implementing strong, robust and effective policies at national and international level the SDGs can be achieved and environmental disasters can be prevented. It is encouraging to see the reactions that came from corporate leaders and investors that prove that sustainability and corporate responsibility play an important role in corporate decision making; but will one-off statements be followed by long term actions?

Date Published: September 17, 2019

The contribution of the Oil & Gas Industry to the Sustainable Development Agenda

Energy is the main driver of the global economy and production and since the 19th Industrial Revolution, countries have been using fossil fuels (coal, natural gas and oil) as the main sources for energy consumption. Today, oil accounts for around 40% of the world energy mix and gas for around 23%. These facts indicate that oil and gas have been key pillars of the global energy system and as such are drivers of economic and social development. Yet, the oil and gas industry has detrimental social and environmental impacts and production and use of oil and gas accounts for over half of global greenhouse gas emissions (50%) associated with energy consumption. Thus, the oil and gas industry is under massive pressure to support the realisation of the Sustainable Development Agenda and the achievement of the 17 SDGs.

How can the Oil & Gas industry engage with the SDGs?

The report *Mapping the oil and gas industry to the Sustainable Development Goals: an Atlas*, prepared by IPIECA (International Petroleum Industry Environmental Conservation Association), the United Nations Development Programme (UNDP) and the International Finance Corporation (IFC) emphasizes that "with careful planning and implementation, the oil and gas industry has the opportunity to contribute across all SDGs, either by enhancing its positive contributions or by avoiding or mitigating negative impacts" and provides steps how oil and gas companies can integrate SDGs in their core business practises "by incorporating them into their corporate systems, policies and processes", including:

- Company policies, standards and management systems
- Reporting
- Project due diligence
- Risk and opportunity assessments and planning processes
- Dialogue and engagement with communities, governments and other stakeholders
- Research and development

Also, the report highlights the importance and value for oil and gas companies to collaborate with key stakeholders like governments, contractors and suppliers, local communities, development partners, institutional investors, insurers by implementing a variety of different approaches including formal partnerships, information sharing, foundations, trust and funds, etc. Also, the report presents the case studies and initiatives linked to each SDG showcasing how the companies contribute to the realization of the SDG agenda. For instance, Eni, the oil and gas company, by promoting the Green River Project (GRP) in Nigeria that has as its objective "to transfer technology through vocational guidance and training in order to increase food availability, multiply employment and earning opportunities and facilitate access to social services", contributed to the SDG 2 (Zero hunger). Also, Total acquired an interest in two companies in Tanzania and Kenya that offer solar-powered energy solutions for rural areas with limited or no access to conventional energy grids. By investing in solar energy and bringing it to off-grid communities in these countries, the company supported the SDG 7 (Affordable and clean energy).

The industry progress so far

The areas of carbon dioxide (CO_2) and climate change concerns are the industry's "Achilles heel". The CDP's report *Beyond the cycle: which oil and gas companies are ready for the low-carbon transition?,* that ranks twenty-four of the largest and highest-impact publicly listed oil and gas companies on business readiness for a low-carbon transition, shows that European companies are the leaders in most key areas (setting climate-related targets, investing in low-carbon technologies).Only fifteen companies have set emissions reduction targets and five companies have officially supported the Task Force on Climate-related Financial Disclosures (TCFD). Moreover, it highlights a lack of disclosure by Chinese companies. Given that these twenty-four companies represent 31% of global oil and gas production and 11% of proved reserves, it is apparent that the oil and gas sector has not engaged enough in contributing to the Sustainable Development Agenda or addressing its most crucial areas of negative impacts.

Next steps

Oil and gas companies need to extend their current engagements and move beyond their social investments and corporate philanthropy approach. They urgently need to produce more solid and tangible results by fully integrating the principles of Sustainable Development agenda into their core strategy, operations and practices. But most import understand that their responsibility extends beyond spill management, soil remediation and…rebranding. Oil and gas companies are presented with a unique opportunity to foster economic and social development designed for a sustainable and prosperous future. If the current approach does not change and no reform of tactics is actualised, they are left in the mercy of investors, regulatory bodies and powerful interest groups which will continue to put massive pressure to change the current status quo.

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Prevention of possible AI's implications on human rights – What has been done?

According to Elon Musk, Artificial Intelligence (AI) is humanity's "biggest existential threat" and it can be compared to "summoning the demon". This apocalyptic rhetoric coming from someone who believes that the future will bring numerous technological miracles, from electric cars, connecting our brains to computers, to colonies on Mars, can be interpreted as a warning that AI can have negative impacts on humanity. Even though, AI would create new opportunities in solving pressing global issues (energy efficiency, reduction of pollution, food security to name a few), there is an ongoing concern that AI can lead to mass job losses and income inequality, biased algorithm-based decision-making outcomes and breach of privacy rights. The risks of unregulated AI can be unprecedented and the consequences of AI's rapid advance for democracy, human rights and the rule of law are not clear. Thus, there is a question whether and how the UN and the EU could develop a human rights-based approach to AI.

The EU's approach to AI

The EU has recently launched initiatives to address major human rights challenges and to lead the development of a human-centric AI. The European Commission communication on artificial intelligence for Europe (April 2018), under the section *Preparing for socioeconomic changes,* has emphasized the need to invest in people as a cornerstone of a human-centric approach to AI, and to address three key challenges:

1. to prepare the society as a whole;
2. to help workers in jobs which are likely to be the most transformed or to disappear due to automation, robotics and AI, and
3. to train more specialists in AI

The High-Level Expert Group on Artificial Intelligence (AI HLEG) has as an objective to support the implementation of the European Strategy on Artificial Intelligence and during the first year after its creation in June 2018, the AI HLEG delivered the following documents: Ethics Guidelines on Artificial Intelligence, that address values protected by the Charter of Fundamental Rights, such as privacy and personal data protection, human dignity, non-discrimination and consumer protection, and Policy and Investment Recommendations, containing 33 recommendations "that can guide Trustworthy AI towards sustainability, growth and competitiveness, as well as inclusion – while empowering, benefiting and protecting human beings". Both documents highlight that AI should be developed and deployed with an ethical purpose, based in fundamental rights, societal values and the ethical principles of beneficence, non-maleficence, and justice.

The UN approach to AI

The need to map and design policies that will foster the discussion on the global governance of AI has been recognized by the UN. Thus, the Centre for Policy Research at the United Nations University has created the AI and Global Governance Platform as an inclusive space for researchers, policy actors, corporate and thought leaders to explore the global policy challenges raised by artificial intelligence. The platform has three overarching themes:

- **AI and the global order** (AI's impact on the transformation of the geopolitical order and the response of multilateral institutions)
- **The governance of AI** (considering how AI's risks and unintended consequences are minimized and its social benefits are maximized through governance frameworks)
- **The mapping of AI future** (focusing on scenarios, interactions and tensions between different actors responsible for the design, deployment, sponsorship and governance of AI)

The Platform aims to support UN Member States, multilateral agencies, funds, programmes and other stakeholders by helping them to consider and establish both their own and their collective roles in shaping the governance of AI.

What does the future hold?

Regulating AI and establishing global and regional frameworks are indispensable for avoiding all possible negative consequences of AI on humanity and human rights. transforming our lives in many visible and invisible ways, asking for rules setting. From predicting our choices, recognizing our faces, increasing farming efficiency, to taking over dangerous jobs (as defusing bombs, dealing with hazardous chemicals), AI has been incorporated in our everyday life. The presence of robots is not yet common but in the near future, we can expect more of them. AI can bring the enhancement of humanity, but at the same time the moral dilemmas and the perils of implementation are many. Humans need to take of AI, otherwise it will take charge of them. And the winner is only one.

Date Published: October 1, 2019

Is greening of the shipping industry on its way?

International shipping transports more than 80% of global trade to people and communities all over the world. When compared with other transport modes, shipping is relatively safe and clean, but it has a significant impact on the environment. The detrimental effects of the shipping industry on the environment are mostly observed in damage caused to marine flora and fauna and the industry's significant contribution to air pollution (However, even though since the mid- 2000s the shipping industry has been required to meet standards on air pollution, many shipping companies have remained undecided on how to implement them and consequently have not made much progress on reduction of their environmental impacts. Yet, new stricter regulations aimed to make the shipping industry sustainable are on the way and non-compliance will not be an option.

The role of IMO in the creation of sustainable shipping

The International Maritime Organization (IMO) is a specialized agency of the United Nations and its main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and implemented. IMO's regulations cover all aspects of international shipping such as ship design, construction, equipment, manning, operation and disposal. Out of more than 50 international conventions and agreements for which IMO is responsible for, the following three are the key ones:

- International Convention for the Safety of Life at Sea (SOLAS), 1974
- International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto and by the Protocol of 1997 (MARPOL)
- International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW)

The amendments to the MARPOL convention (the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes) that have recently been made pose a great challenge for the shipping industry. Namely, as of 2005, ship operators have had to control the level of sulphur oxides (SOx) their fleets produce under Annex VI of the MARPOL Convention. In 2008 the IMO strengthened its global emissions limits and introduced Sulphur Emissions Control Areas (ECAS), where even more robust requirements applied, and the global limit was set at 3.5% m/m. However, from 1 January 2020, MARPOL Annex VI will require all new and existing ships to comply with the new global 0.50% sulphur limit using the most appropriate method for that ship.

This regulation will be enforced by fines levied by the IMO's member states. Also, since January 1st 2019, ships of 5,000 gross tonnage and above need to start collecting data on their fuel-oil consumption under the mandatory data collection reporting entered into force in March 2018. Imposing data collection is one of the measures taken to support the implementation of IMO's Initial IMO Strategy on Reduction of GHG Emissions from Ships, aiming to reduce the total annual GHG emissions of the shipping industry by at least 50% by 2050 compared to 2008.

Are the shipping companies ready to go green?

Shipping companies will be required to comply with new environmental regulations and policy measures that will be enforced globally from January 2020. Yet, given the current state of affairs, many of them are not ready to meet strict regulations posed by IMO. Especially for sulphur oxides (SOx) cap, the options available to the shipping companies to meet these regulations by the end of the year prove to be costly. Switching from using traditional bunker (fossil) fuels (High-Sulphur Fuel Oils, HSFO), to using low sulphur fuel costs around €250 more per tonne. Another solution for the companies is to install Exhaust Gas Cleaning Systems, known as "Scrubbers", but installing them can cost between $5-$10 million, take more than six weeks to install and are only made by a limited number of manufacturers around the world. Even the most convenient solution, switching to liquified natural gas (LNG) fuels will cause the industry a few issues. Namely, LNG tanks take up considerable physical space, and thus the amount of shipping containers that can be carried will be reduced. Moreover, due to the likely drastic increase in demand for LNG fuels, it has been reported that the price of LNG may increase as much as 50%.

When it comes to business readiness for a low-carbon economy transition, according to an alarming report from CDP, A Sea Change, which ranks 18 of the largest publicly listed shipping companies, most of them lack the ambition to deploy critical technologies that are needed to reduce their carbon footprints. Low-carbon fuels, including biofuels, hydrogen and ammonia, could cut emissions significantly, but only two companies (Norden and Maersk) are supporting their development at the moment. In addition, retrofitting existing fleets could be a capital efficient strategy over the short term before more transformative technologies become viable but only 14 companies show evidence of retrofitting activity. Yet, according to the report, one of the industry's key issues is that transparency on its climate change efforts is very low "only four companies are official supporters of the TCFD and only five companies in the universe completed CDP's 2018 Climate Change questionnaire". Only two companies are targeting net zero emissions by 2050, another two have set Science-based targets and two others have set to align their targets with the 2018 IMO GHG strategy. Board level oversight of climate issues is also very low compared to other sectors.

Does the decarbonization of the shipping industry depend solely on the shipping companies?

Well, even though most of the responsibility to meet new regulations lies in the hands of the shipping companies, there are other stakeholders whose involvement will detriment the pace of the low-carbon economy transition in the shipping industry. One of them is the banking sector. Major banks, including Citi, Societe Generale, DNB, ABN Amro, Amsterdam Trade Bank, Credit Agricole CIB, Danish Ship Finance, Danske Bank, DVB, ING and Nordea, represent around 20% of global shipping finance and will for the first time integrate climate considerations into their lending to the sector and disclose the alignment of their shipping portfolios with the IMO's 2050 emissions reduction target. Also, the oil industry is a key stakeholder since refiners will have to produce a range of new fuels to meet emerging demand.

Thus, refiners, ship owners, banks and traders will all play a key role in delivering the clean energy transition in the shipping industry. Yet, although this seems to be a long and challenging process, there is no way back; sustainable and green shipping is the future.

Date Published: October 8, 2019

Achieved SDGs progress can be reversed if there is no change in direction, new UN report reveals

The latest UN report *"The Future is Now: Science for Achieving Sustainable Development"* that was published in September 2019, is the first Global Sustainable Development Report prepared by the Independent Group of Scientists appointed by the United Nations Secretary-General. It has been prepared by a team of 15 UN-appointed experts who "addressed sustainable development as both a scientific and a normative concept, using it as a guide to analyse the problem and weigh the evidence, and, where needed, recommend policy-relevant solutions". So, what does the report say about the progress on the SDGs?

The biggest challenges and threats

Since the adoption of the Sustainable Development Agenda, there have been many improvements with countries incorporating the SDGs in their national plans, strategies and budgets, the private sector moving from business-as usual models and the numerous initiatives aimed at safeguarding the environment, notably regarding climate change, land use and oceans. However, the world is not on track for achieving most of the 169 targets that comprise the SDGs and the recent negative trends along several dimensions with cross-cutting impacts across the entire 2030 Agenda have started moving in the opposite directions threating the realization of the whole Agenda and the progress that has been made. The scientists' analysis points out to four critical categories: rising inequalities, climate change, biodiversity loss and increasing amounts of waste from human activity.

According to the report, the entire 2030 agenda is threatened by rising inequalities in income and wealth. Namely, since 1980 income inequality has risen sharply and the poorest 50% of the world population received only a 12% share of the global gains, while the richest 1% of the world population received 27%. Yet, in 2017, this rose to 33% of the global gains, while the bottom 75% had stagnated around only 10% and the middle class recorded sluggish income growth. This rising inequality jeopardizes the progress on SDGs on many levels and it can have tremendous negative impacts when those on the top divert the resources from accelerating the needed transformations to maintaining their positions and status quo.

When it comes to climate change, the report warns that given the current policies and pledges, human-caused global warming is estimated to exceed 3 degrees Celsius by the end of this century.

The concern regarding waste generation refers to the negative trends of growing amount of waste production that show no signs of slowing down. Plastic waste as well as solid waste in form of electronic waste, or e-waste, are growing faster and can threaten the progress towards sustainable development when collective processing capacities are overwhelmed. Moreover, the loss of biodiversity can further complicate the current situation and the rate of loss of species and genetic resources experienced over the past decades may lead to a sixth mass extinction if immediate action is not taken.

Under these negative current trends, the world's social and natural biophysical systems cannot support the aspirations for universal human well-being embedded in the Sustainable Development Goals.

Not incremental changes but transformation

The report provides recommendations that need to be adopted in order to stop the current negative trends from hindering the progress and realization of the SD Agenda. The authors are clear that the world needs a "transformation" and not only incremental changes if it wants to achieve the SDGs by 2030. They have identified six entry points that "offer the most promise for achieving the desired rebalancing at the scale and speed needed for the 2030 Agenda". These six entry points are:

- Human well-being and capabilities
- Sustainable and just economies
- Food systems and nutrition patterns
- Energy decarbonization and universal access
- Urban and peri-urban development
- Global environmental commons

All these six entry points are not entry points into individual or even clusters of SDGs, but rather into the underlying systems. Yet, addressing only these entry points may not be enough and the interlinkages that are intrinsic to the entry points should also be addressed.

The scientists have also identified four levers can be deployed to bring about the necessary transformations through each entry point:

- Governance
- Economy and finance
- Individual and collective action
- Science and technology

Even though each lever can contribute to systemic change, "only through their context-dependent combinations will it be possible to achieve the transformations necessary for balancing across the dimensions of sustainable development and achieving the 2030 Agenda".

The world needs urgent transformation

Despite some achieved progress in the realization of Sustainable Development Agenda, the world is still faced with difficult challenges and threats. It seems that the progress is characterized by only incremental changes and a profound and fundamental transformation has not taken place. Yet, the report points out that the status quo must change, in order to eschew further loss in "social cohesion and sustainable economic growth," curb biodiversity losses, and save a "world close to tipping points with the global climate system." Although transformation is a challenging process that can be marked with the tensions and trade-offs inherent in widespread structural change, there is no other way to realize the Sustainable Development Agenda by 2030.

Date Published: October 16, 2019

UN Climate Action Summit 2019 – What has been promised?

"I want to hear about how we are going to stop the increase in emissions by 2020, and dramatically reduce emissions to reach net-zero emissions by mid-century." This was the invitation from the UN Secretary-General António Guterres to all leaders to come to New York on the 23rd of September with "concrete, realistic plans to enhance their nationally determined contributions by 2020, in line with reducing greenhouse gas emissions by 45% over the next decade, and to net zero emissions by 2050". And the world leaders arrived-the PMs, the heads of states and the upper echelons of the business world. And their words were scrutinized by the youth leaders who came to express their fears and concerns. So, what did these leaders promise?

The political commitments

The Prime Ministers of all world's governments arrived in New York to take part in the Climate Acton Summit. After discussing the current state of affairs regarding climate change, the political leaders made the following commitments:

- **France** announced that it **would not enter into any trade agreement with countries that have policies counter to the Paris Agreement**.
- **Germany** committed to **carbon neutrality by 2050**.
- **12 countries made financial commitments to the Green Climate Fund**, the official financial mechanism to assist developing countries in adaptation and mitigation practices to counter climate change. This is in addition to recent announcements **from Norway, Germany, France and the United Kingdom who have recently doubled their present contributions**.
- **The United Kingdom** made a major additional contribution, doubling its overall international climate finance to £11.6 billion for the period from 2020 to 2025.
- **India pledged to increase renewable energy capacity to 175GW by 2022** and committed to further increasing to 450GW and announced that 80 countries have joined the International Solar Alliance.
- **China said it would pursue a path of high-quality growth and low-carbon development** and announced a partnership that could potentially unlock up to 12 billion tons of global emissions reductions and removals annually through nature-based solutions.

- **The European Union announced at least 25% of the next EU budget will be devoted to climate related activities**.
- **The Russian Federation announced that they will ratify the Paris Agreement**, bringing the total number of countries that have joined the Agreement to 187.
- **Pakistan said it would plant more than 10 billion trees over the next five years**.

It could be said that some of these promises are a good base for concrete and feasible plans, but how the countries will achieve a carbon free future has not been laid out in details. Will they make bold political decisions to abandon all fossil fuels? Still, there was not a single promise on that.

Business leaders' promises

Corporate business leaders joined political leaders in making promises to take brave actions in order to help the world combat climate change:

- **A group of the world's largest asset-owners** – responsible for directing more than $2 trillion in investments – **committed to move to carbon-neutral investment portfolios by 2050.**
- **87 major companies with a combined market capitalization of over US$ 2.3 trillion pledged to reduce emissions** and align their businesses with what scientists say is needed to limit the worst impacts of climate change – a 1.5°C future.
- **130 banks – one-third of the global banking sector – signed up to align their businesses with the Paris agreement goals.**

Again, the private sector has demonstrated willingness to make steps to adjust their business plans and strategies in line with the national and international goals and targets to reduce CO2 emissions by 2020 and net zero emissions by the middle of the century. Yet, there were no detailed plans laid out on how the companies plan to contribute and if they are ready to make some harsh business decisions.

Will the promises be kept?

The UN Climate Action Summit ended on a positive note, that is if all the promises are taken into account. Yet, these promises were made in the recent past as well, however the world is still fighting its battles against climate change. But will these ones be kept? Well, it remains to be seen. As the UN Secretary-General António Guterres, said "You have delivered a boost in momentum, cooperation and ambition. But we have a long way to go."

Date Published: October 22, 2019

Can the principles of Sustainable Development reshape capitalism?

The world is faced with unprecedented challenges – climate change, financial instability, inequality- and its existence is challenged as never before. Yet, the current system of capitalism has significantly contributed to all these issues and its future is not secure, at least not in its current form. So, what is wrong with modern capitalism and will it be a victim of its own success? Can the principles of Sustainable Development reshape it and are the political elites ready to acknowledge that the economic model is not sustainable and needs to be remodelled?

Modern capitalism and its flaws

The roots of modern capitalism date back to the period of the early Renaissance, and its current model is the result of the process of globalization; by the beginning of the 19th century a group of loosely connected market systems had come together as a relatively integrated global system. After the Cold War, in the late 20th century, capitalism won the battle against the centrally planned economies and has become the dominant global economic system. Although there are many forms of capitalism that differ according to country and region, the common features among all these types is that they are based on the production of goods and services for profit and accumulation of capital as the implicit purpose of all or most of production, and predominantly market-based allocation of resources. Its success is attributed to the creation of the most productive economies ever witnessed in human history, at least in terms of material wealth. However, the realization that capitalism is not sustainable and that it has negative ecological and social impacts appeared in 1987, when the World Commission on Environment and Development (WCED) released the report Our Common Future, also known as the Brundtland Report. The current environmental and social issues stem from capitalism and industrialization and growth that is based on the depletion of limited natural resources. Being based on the quest for profit and deregulation of the markets, capitalism has been criticised as the system that has caused social inequality, unfair distribution of wealth and power, repression of employees, economic inequality, unemployment, and financial and economic instability. It is becoming obvious that the same economic system that has brought the world at the edge needs to be remodelled.

Sustainable Development as a tool for reshaping capitalism

As it is written in the Brundtland Report: *"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."* The Sustainable Development Agenda 2030 aims to reshape the world by solving the current global issues resulting in social inclusion, economic growth, and environmental protection. By removing the wide gap between haves and have nots, creating more just society and protecting the environment will ultimately reshape the current economic model. Yet, the political will to boldly start remodelling the current economic system will certainly determine the success of the Sustainable Development Agenda. An early sign of the integration of the principles of Sustainable Development into a national policy is the "wellbeing budget", recently introduced by the government of New Zealand. It shifts the attention from productivity and economic growth to wellbeing of community and protection of environment. GDP has been used so far as a measure of economic activity, measuring the market value of goods and services produced and assigning them monetary value, but it excludes measuring economic or social well-being. The government of New Zealand largely disregarded GDP and reoriented its attention to tackling the social and environmental issues. Applying the principles of Sustainable Development means incorporating in national policies and budgets the social and environmental aspects that have been ignored and ultimately this means that capitalism in its current form cannot survive. For instance, Finland, after choosing "two overarching themes for national SDG implementation (1. carbon-neutral and resource-wise Finland, 2. a non-discriminatory, equal and competent Finland)", designed the strategy that is fully linked to the national budget since 2019 (pilot in 2018). Also, Slovakia's six national priorities that cover the SDGs in a holistic way will be integrated into the National Investment Plan (NIP), which should bolster financing for sustainable development.

Will all the governments redirect their budget priorities?

New Zealand is the first country to demonstrate that government can incorporate social and environmental aspects into their budget. But, will other governments follow suit, and incorporate social purpose into national policy in a way that enhances quality of living, national pride and competitiveness? When will political elite acknowledge that the current economic model is not sustainable and cannot lead the world to sustainable future; and what more will it take to get there? This remains to be seen but time is ticking away, and the world cannot resolve current problems by following the same path that created them.

Date Published: October 30, 2019

Achieving the SDGs: The Power of Partnerships

The Sustainable Development Agenda aims to transform the world, eradicate poverty and achieve sustainable development by 2030 world-wide, ensuring that no one is left behind. Yet, as António Guterres, the Secretary-General of the United Nations said: "to deliver on the promise of a prosperous and peaceful future, development actors will have to find new ways of working together and leveraging genuine partnerships that make the most of expertise, technology and resources for sustainable and inclusive growth". This comprehensive and "boldest agenda for humanity" cannot be realized without increased and effective cooperation of all stakeholders at all levels.

The importance of partnerships

The importance of partnerships is recognized within the Sustainable Development Goals and the SDG 17: *Strengthen the means of implementation and revitalize the global partnership for sustainable development* that acknowledges multi-stakeholder partnerships as major drivers of the SDGs in two targets:

17.16 Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries,

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

According to the UN, partnerships are voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits.

Yet, establishing partnerships is not an easy task and requires the creation of nurturing and enabling environment for partnering that includes building up institutional capacities, convening and supporting infrastructure, and a policy environment that together can help mainstreaming collaboration.

The key enablers of partnerships

In its latest report *Partnership Exchange 2018*, the United Nations Department of Economic and Social Affairs (DESA) shared the insights and findings following the 2018 Partnership Exchange that was held on July 2018 in the margins of the 2018 High-level Political Forum on Sustainable Development that featured two expert level parallel sessions, a plenary segment, and a Partnership Showcase.

The first expert session addressed the topic of **building institutions and platforms that are fit for partnering.** The key messages from this session point to the importance of the leadership of an organization to promote collaboration and partnerships and the establishment of a partnering strategy that either supports or is integrated into the organizational strategy. Also, the establishment of internal systems and processes to help partnerships through the whole partnership lifecycle, the enhancement of staff' skills to partner more effectively, and the creation of outward-looking culture are recognized as the necessary tools for developing partnerships. The session also addressed the topic of **building country level action platforms to catalyse partnerships for the SDGs**. Recognizing the existence of different platforms such as platforms for dialogues around national development priorities, general platforms that support all SDGs and specific thematic platforms that are run by all sectors of society (business organizations, the UN, government, NGOs), the session participants laid out the success factors of national level platforms:

- **Country ownership**: important to have country actors take the lead and set priorities through a bottom-up approach;
- **A neutral high-level convener** who can bring everyone around the table;
- **A common vision** (such as the SDGs which are shared across societal sectors).

The second session apart from acknowledging the importance of **building an effective monitoring framework system for partnerships,** placed emphasis on **building a conducive policy and funding environment for partnerships.** The creation of conducive legal and policy environments enabled by committed governmental partners is recognized as an indispensable enabler of developing partnerships. Also, the session discussion has pointed out the need for processes of establishing and developing partnerships to be more inclusive and allow for a joint vision to be established. Since funding is depicted as a major challenge, the participants have called for demand of new ways of funding, including loans, equity, subsidies and bonds.

The cases of successful partnerships

Multi-stakeholder partnerships are designed to drive implementation of the SDGs and the report presents some of them:

E-waste Coalition (SDG 12) is the coalition composed of some of the key United Nations entities that work on e-waste. This informal and open Coalition has built a link with the private sector and is supported by the World Economic Forum and the World Business Council for Sustainable Development. The Coalition supports stakeholders at the country level including electronics manufacturers and recyclers, in addressing e-waste-related issues right across the Sustainable Development Goals.

The Covenant of Mayors in Sub-Saharan Africa (CoM SSA) (SDG 7) is a partnership program launched by the European Commission in order to support African cities with the challenges of the growing urban population, by increasing their planning capacities and providing them with a platform to share knowledge and best practices. The CoM SSA has been inspired by the success of the "Covenant of Mayors Europe" (CoM Europe) that united more than 6700 municipalities in their fight against climate change.

The power of partnerships

The Sustainable Development Agenda has been adopted by the 193 Member States of the United Nations. This fact clearly indicates that the realization of the Agenda cannot be reached only with sole actions but asks for the creation and fostering of multi-stakeholder partnerships that will have a common vision and lead the implementation of the SDGs. The Partnership for SDGs online platform is designed to provide space for sharing knowledge and expertise among different actors that are engaged in multi-stakeholder SDG-related partnerships and voluntary commitments, and for providing periodic updates on their progress. It contains 4,962 partnerships and voluntary initiatives for SDGs, registered by different stakeholders, either directly through the website, or in connection with a specific conference or process.

The achievement of the SDGs will be defined by the existence of multi-level, multi-national partnerships that will drive their implementation with a joined vision.

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Sustainability and the SDGs to become part of the Primary and Secondary School Curriculum: A Next Step?

The word "climate strike" has been declared as "word of the year" in 2019 by Collins Dictionary. This is no surprise given the fact that climate protests have been surging around the world lately. Nevertheless, the term is best associated with a global youth climate movement led by 16-year-old Swedish activist Greta Thunberg and describes protests where students miss school, or adults miss work, to push for faster action on climate threats. But there is a question how much students at both primary and secondary school know about climate change and the Sustainable Development Goals (SDGs). How can the SDGs be taught at schools? Should lessons on Sustainability and the SDGs be compulsory?

How can the SDGs be taught at schools?

There is no doubt that the climate strikes organized and attended by the youth have had a great impact in raising awareness about the climate crisis but these students need to acquire knowledge about the global issues and to learn about the SDGs rather than only being informed by the news posted on the Internet or TV. Learning about Sustainability, Corporate Responsibility, climate change and the SDGs at primary and secondary schools can help students adopt skills and acquire knowledge that would enable them to actively contribute to the realization of the SDGs. So, how can the SDGs be taught at schools?

The teachers can introduce the SDGs in everyday lessons and the first step should be to select what subjects related to the 17 goals already exist in the curriculum. In addition, teachers can also tie the goals into classes they are already teaching. There are a lot of free resources available to teachers who want to introduce the SDGs into their day-to-day teaching. For instance, the World's Largest Lesson offers a set of free and translated lessons, animations and activities that teachers can use to help students identify actions they can take to make the Goals "a reality in their own lives and communities". UNICEF provides tools to engage children and SDG implementation guidance for countries. Also, Oxfam offers lesson plans with SDG themes for different age groups, plus advice on incorporating global themes into the whole school's activities. Yet, relying on a handful of committed and enthusiastic teachers to teach students about Sustainability, climate change and the SDGs is not a long term, reliable solution.

Should lessons on climate change and the SDGs be compulsory?

One of the main headlines at the beginning of November has been that Italy has decided to be the first country to adopt a climate change curriculum in public schools. Namely, beginning in September 2020, all students will receive 33 hours a year of lessons on climate change and environmental Sustainability, which is about one hour per school week. However, this is considered to be just the first step since Italy's education minister, Lorenzo Fioramonti's goal is to bring climate change education into other subjects, such as geography and math, where students would look at traditional subjects from a sustainable perspective. The curriculum will be created with the help of environmental experts and will be tailor-made to suit the different age groups of students. Teaching students about climate change and the SDGs at both primary and secondary schools does not imply that they will be left to solve the current global issues but rather it will "build a strong bridge between old and new generations around sustainable development as a social glue".

Will other countries follow the example of Italy?

There are some examples of schools and teachers introducing the topics of climate change and the SGDs in their everyday teaching. For example, Torriano Primary School in London teaches the youngest children in the nursery classes what the SDGs are. Another school in India, the D.A.V. Public School approached the SDGs in a creative way. However, enabling only some students to learn about Sustainability, the global environmental and social issues, may not be enough and will certainly not have the cumulative effect on the realization of the Sustainable Development Agenda. How can we ensure that everyone in primary and secondary education receives at least basic information on Sustainability? After all, all students need to have fundamental knowledge about Sustainable Development, Sustainability and climate change before they head to the streets to protest.

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European Investment Bank's Energy Lending Policy: A Giant Leap for Sustainability

Last week, one of the headlines that captured the attention of all of those involved in driving Sustainable Development and Sustainability forward was the announcement coming from the European Investment Bank (EIB) on a new energy lending policy and new climate strategy. Namely, EIB confirmed its increased ambition in climate action and environmental Sustainability by announcing that it will stop funding oil, gas and coal projects at the end of 2021, cutting €2bn (£1.7bn) of yearly investments and it will align all financing activities with the goals of the Paris Agreement from the end of 2020.

The five principles of the EIB's new energy lending policy

Future EIB engagement in the energy sector will be governed by five principles of the new energy lending policy:

- prioritising energy efficiency with a view to supporting the new EU target under the EU Energy Efficiency Directive
- enabling energy decarbonisation through increased support for low or zero carbon technology, aiming to meet a 32% renewable energy share throughout the EU by 2030
- increasing financing for decentralised energy production, innovative energy storage and e-mobility
- ensuring grid investment essential for new, intermittent energy sources like wind and solar as well as strengthening cross-border interconnections
- increasing the impact of investment to support energy transformation outside the EU

The adoption of this new lending policy has been achieved after an open and inclusive review process which involved industry, institutions, civil society, and the public at large. From now on, EIB will no longer consider new financing for unabated, fossil fuel energy projects, including gas. Nevertheless, gas projects will still be possible, but would need to incorporate new technologies and energy infrastructures. In addition, the Bank set a new Emissions Performance Standard of 250g of CO_2 per Kilowatt/hour (kWh) that will replace the current 550g CO_2/kWh standard.

The Bank's decision to phase out lending to fossil fuels energy projects is a significant change. Its new lending policy is structured around four themes:

- Unlocking energy efficiency
- Decarbonising the supply of energy
- Supporting innovative technologies and new types of energy infrastructure
- Securing the enabling infrastructure

Not only an energy transition but a just energy transition

Fighting climate change and ensuring environmental Sustainability cannot be achieved if some countries will be left behind in this transition to clean and Sustainable energy. Ten EU countries face specific energy investment challenges and the EIB will work closely with the European Commission to support investment by a Just Transition Fund. The EIB will be able to finance up to 75% of the eligible project cost for new energy investment in these countries and these projects will also benefit from both advisory and financial support from the EIB.

A quantum leap in climate action and environmental Sustainability

Even though the EIB is a leader in renewable energy with €28 billion invested in renewable energy projects between 2013 and 2018, this decision to move even forward is a new global benchmark. As Andrew McDowell, EIB Vice-President in charge of energy said: "The EIB's ambitious energy lending policy adopted today is **a crucial milestone in the fight against global warming**. I am grateful for all those who have contributed to **the largest ever public consultation** on EIB lending in recent months and energy expert colleagues who have outlined how the EU bank can drive global efforts to decarbonise energy." EU has just proved that it is the leader in the fight against climate change and it seeks to bring the real change the world needs today.

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Child Poverty Eradication and Sustainable Development: A Reality Check

The scene of a young brother and sister, carrying a wagon through town and gathering wood planks and logs for their home stove in *"Somewhere in Dreamland"* cartoon that was released in 1936, depicts child poverty during the Great Depression. Impoverished children, who wear ragged clothes and dream of a safe home and a land full of candy, can still be found in some developed countries let alone developing ones, eight decades after this cartoon was released. Today, more than 1.3 billion people live in multidimensional poverty* globally, and 83% of all multidimensionally poor live in Sub-Saharan Africa and South Asia. The tragic and devastating fact is that **half of these people are children**. Moreover**, children are twice as likely** as adults to live in extreme poor households and **only one-third of children** are covered by social protection.

Tackling child poverty at the international level

On 20th November 1989, the United Nations General Assembly adopted the Convention on the Rights of the Child, a landmark achievement that has since become the world's most widely ratified human rights treaty. The Convention sets strict standards for signatory governments to protect the rights of every child. In the three decades following the adoption of the Convention on the Rights of the Child, it could be said that the world made some undeniable and sweeping achievements in many aspects of children's rights. Some of these achievements such as the reduction of the number of children missing out on primary school by almost 40%, the fall of the global U5MR (the under-five mortality rate) by about 60% over the past three decades, with every region recording a reduction of more than 40%, the disappearance of gender disparity in access to primary education in most countries, with some exceptions in Africa, the Middle East and South Asia, the decline in the global prevalence of girls who are married before age 18 and those who undergo female genital mutilation, and the rise in the number of countries (58) that have prohibited corporal punishment in all settings, prove that the Convention has made numerous successes and brought tangible results.

Yet, even though its relevance and purpose remain undimmed, its realization – translating rights into results for children – has been mixed and uneven. Moreover, there is emerging evidence that some of the gains made for children in the past three decades could be lost. According to UNICEF Executive Director Henrietta H. Fore, "poverty, inequality, discrimination and distance continue to deny millions of children their rights every year, as 15,000 children under 5 still die every day, mostly from treatable diseases and other preventable causes."

Child poverty and the Sustainable Development Goals

The aim to eradicate child poverty has also been included in the Sustainable Development Goals (SDGs) and the international community has agreed and committed to end extreme child poverty and halve the number of children living in multidimensional poverty by 2030. In this respect, national governments are encouraged to submit the Voluntary National Reviews (VNRs). When it comes to child poverty, in the last two years, 89 countries have issued VNRs. However, just over a third of countries have explicitly discussed child poverty in their VNRs. Moreover, even though 1 out of 7 children in the high income countries are living in poverty, explicit mention of child poverty is a rarity in VNRs from high income countries.

Child poverty and climate change

Children will also be the most vulnerable group that are and will be affected by climate change, especially those in the region of East Asia and the Pacific. Namely, current and future generations of children face declining water security, rising pressures on food production and increasing disasters and disease risks, with long-term consequences on their development. Moreover, climate change impacts are also projected to increase the numbers of children affected by natural hazards, from an estimated 66.5 million per year in the late 1990s to as many as 175 million per year (globally) in the coming decade.

Tackling child poverty in the EU

The EU Member States belong to the group of developed countries and **still 25 million children in the EU face poverty today**. No country, including the richest nations in the EU, can claim to be free from child poverty. EU's policy response to this issue has come in the form of "Recommendation on Investing in children: breaking the cycle of disadvantage", adopted in 2013, that called on EU countries to undertake measures at national level to tackle the issue of child poverty and social exclusion. In 2017, the Commission presented the European Pillar of Social Rights and Principle 11 of the European Pillar of Social Rights says that children have the right to:

- affordable early childhood education and care of good quality,
- protection from poverty, and
- specific measures to enhance equal opportunities.

Thus, even though social policy and welfare initiatives at Member State level are still the most significant policy instruments to tackle child poverty, the Member States are encouraged to maximise the use of available funding for child-centred initiatives.

However, in 2015 the European Parliament noted that **"the majority of Member States so far have given little attention to using EU structural funds to fight the alarming and still growing rates of poverty among children in the EU** and promote their social inclusion and general well-being", and recommended greater emphasis on the use of the European Structural and Investment Funds (ESIF) to support implementation of the Recommendation. For instance, some of the shared management funding mechanisms that are relevant for efforts to reduce child poverty and disadvantage and are available to the MSs include:

- the €80 billion European Social Fund (ESF),
- the European Regional Development Fund (ERDF),
- the Fund for European Aid to the Most Deprived (FEAD),
- the €250 million EU School Fruit, Vegetables and Milk Scheme under the Common Agricultural Policy (CAP)

The European Commission also manages a number of direct funding streams for which priorities are set centrally and funding is managed by the Commission:

- the Horizon 2020 research funding programme (under the funding stream Societal Challenge 6: Europe in a changing world – Inclusive, innovative and reflective societies),
- the Asylum, Integration and Migration Fund (AMIF),
- the EU Programme for Employment and Social Innovation (EaSI),
- the Rights, Equality and Citizenship Programme, and
- Justice Programme.

Eradication of child poverty – how long to wait?

Detrimental effects of poverty on children accumulate across the life cycle and they lead to inequalities in health, cognitive development, psychosocial development and educational attainment. These inequalities are evident from preschool children through children during the school years, from entry into the labour market to resources for retirement, from mortality rates in later life, and these inequalities are often passed to the next generation.

Investing in simple family-friendly policies can reap multiple benefits for society in the long-term and are significant for improved equitable social and economic growth. However, family-friendly policies, such as paid parental leave, breastfeeding breaks, quality childcare and child benefits, are not a reality even in the richest countries in the world let alone low- and middle-income countries. Eradicating child poverty requires taking targeted and planned actions and investing available resources based on long term action plans. Funding and policies need to make a tangible positive difference to the lives of disadvantaged children and families at local, national, regional and international levels. How can we shape **a prosperous and sustainable future** If we allow so many children being left behind in **the vicious circle of poverty?**

*A broader definition of poverty that goes beyond income (of less than $1.90 a day)

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China and Sustainable Development: Growth and Future Challenges in achieving the SDGs

China is today a synonym for growth, prosperity and innovation. Over the past forty years, after embarking on economic reforms, China has emerged as a major global economic force. Yet, all this growth has come with many negative consequences such as growing inequality gap and environmental degradation. Namely, the poorest 25% of households own just 1% of all wealth in China while the richest 1% account for one-third. Moreover, due to the restrictions on migration, the urban-rural divide and discrepancy is still high. China's economic growth is based on the use of coal and other fusel fuels and environmental degradation is a huge issue. There are estimated 1 million deaths in China annually caused by air pollution. Also, China is the world's largest greenhouse gas emitter and increased fossil-fuel consumption drove an estimated 2.3% increase in Chinese CO2 emissions in 2018. However, despite all these issues the country is faced with, China and pledge to invest heavily in sustainability and sustainable development and the SDGs.

What has China achieved so far?

In 1978, China started reforms to improve its economy and the living standard of its citizens, and until today more than 800 million Chinese citizens have been lifted out of poverty, which accounts for over 70% of global poverty reduction in this period. Also, China is the only country to have progressed from the low to high category on the human development index since the United Nations Development Programme was introduced in 1990. Along with rapid and tremendous economic achievement, China has been dedicated to improving the lives of Chinese people. In his speech at the 19th National Congress of the Communist Party of China, President Xi Jinping said that there had been decisive progress in the country's fight against poverty in the period 2012-2017, pointing out that more than 60 million people had been lifted out of poverty, and the poverty headcount ratio had dropped from 10.2% to less than 4%.

When it comes to tackling the environmental and climate change issues, China has made huge and immense improvements. During the last two decades, China economic development and sustainable environment have been regarded as the key components of its development strategy. Namely, China has applied regulatory, administrative, and political measures to control the problem of greenhouse gas emissions and stringent environmental protection measures are set at national, provincial, and lower district levels to meet the challenges of sustainable environment. The country's apparent turn to green development can be seen in the facts that nearly all of the world's electric buses are currently operating in China and the country accounts for half of electrical vehicles sales worldwide.

Since the turn of the new millennium, the planet's green leaf area has increased by 5% and a third of the leaf increase is attributable to China and India, due to the implementation of major tree planting projects alongside a vast increase in agriculture. Moreover, that the country is dedicated to successfully implement its strict environmental measures is depicted in the fact that costs of complying with China's environmental protection laws are rising as companies operating there are faced with higher compliance costs, more frequent inspections, and a swath of new laws and regulations on emissions. These and even stricter measures to come prove that they are becoming China's "new normal".

What to expect from China in the recent future?

China's 20th century growth had physical capital at its core. China has shown how the growth and outstanding achievements can be realized within relatively short period of time. Its 14th Five-Year Plan (2021–25) will be a crucial element in shaping this new era, for China and for the world. China as the 2nd largest economy in the world has an unprecedented opportunity to lead the world into a sustainable future. It could be expected that "China will transform again in the next 30 to 40 years but this time with wellbeing, quality and sustainability at centre stage and its 21st century growth story will be based on the accumulation of four types of capital central to human wellbeing – human, social, physical and natural". Moreover, given the current state of affairs, this transformation will not stay only within China's borders. Through the Belt & Road Initiative (BRI) project, the country has an opportunity to help both developing and developed countries that joined this initiative to achieve Sustainable Development Goals (SDGs) through green, sustainable and well-planned investments and also to help the poorer nations move up the value chain through market access and infrastructural development. According to the British finance minister, Philip Hammond, "the Belt and Road Initiative has tremendous potential to spread prosperity and sustainable development, touching as it does, potentially 70 percent of the world's population, a project of truly epic ambition".

Will China be a key player in achieving the Sustainable Development Goals? If its outstanding achievements during the last four decades are taken into account, then the answer is positive.

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Corporate Social Responsibility (CSR) and the Value of Volunteering

"What is the essence of life? To serve others and to do good." This statement has been coined by Aristotle and it in a way summarizes the very nature of volunteering. Volunteering as a form of giving back to others can have benefits both for individuals and society. Nowadays, volunteering is a key part of any Corporate Social Responsibility (CSR) strategy and can bring numerous benefits both to employees and companies and organizations themselves. Also, it demonstrates that a company is engaged in providing return to society beyond traditional charitable or philanthropic investments. Employee volunteering programs not only benefit the community, but they also add value to the recruitment, retention, training, development, loyalty and overall fulfillment of a company's employee.

Employee engagement & volunteering

The link between employee engagement and volunteering is a real and strong one. Namely, corporate volunteering programs increase engagement levels at work by creating experiences that can address the individual's need for meaning, accomplishment, personal fulfillment and humanity. Demonstration of employers' support for their employee's interests outside of the workplace environment can enhance employee engagement. Also, by providing the opportunity to employees to ingrate the various parts of their lives into a holistic expression of their individual values leads to engagement. It could be said that the very nature of volunteering contributes to engagement. A recent survey has showcased that volunteering boosts employee engagement and pride, with 89% of volunteers reported increased job satisfaction and 87% of them reported greater pride in the company.

Attracting & Recruiting Millennials

Companies and organizations are aware that millennials have a unique perspective on employment and rather than asking about salary and benefit packages, millennials are asking about a company's corporate social responsibility. A Millennials Survey has showed that *"59% of Millennials gravitated toward companies with pronounced Corporate Social Responsibility (CSR) programs."* This suggest that organizations that have well-developed CSR programs and strategies that also include volunteering will be able to attract and retain the new generation of employees. Millennials are largely motivated by a desire to give back to the world, and increasingly search for employers that allow and enable them to create positive impact. Research from Cone Communications has showcased that **74% of employees** find their job more fulfilling when given the opportunity to make a positive impact at work, **93%** want to work for a company that cares about them as an individual and **51%** won't work for a company that doesn't have strong social and environmental commitments.

Employee development

Employee development often takes place through some type of formalized training that is focused on developing of "hard" as well as "soft" skills. Yet, employee volunteering programs enable employees to acquire "soft" as well as relevant work-related skills. Namely, through the process of volunteering, they gain experience and understandings that make them more effective in their roles with the company. Usually, employees acquire soft skills such as communication, management and leadership. Moreover, volunteering is a great way for employees to work together outside of the office and build relationships and ultimately become better at working in teams.
A survey undertaken by Accenture in the United Kingdom and Ireland has showed that volunteering develops people and fundamentally strengthens the business and 76% of volunteers said they developed core work skills.

Employee Health

Volunteering provides individual health benefits in addition to social benefits. An earlier research conducted in 2007 by the Corporation for National and Community Service, Office of Research and Policy Development, has demonstrated that volunteering leads to better health and that older volunteers are the most likely to receive physical and mental health benefits from their volunteer activities. Also, the research has established a strong relationship between volunteering and health: those who volunteer have lower mortality rates, greater functional ability, and lower rates of depression later in life than those who do not volunteer.

The undeniable benefits of volunteering for organizations

All the benefits stated above can definitely help an organization's bottom line while also serving the community. Volunteering can undeniably strengthen an organization and can improve its corporate culture in numerous ways. It presents what an organization stands for, improves employee attraction and retention, encourages employees to work together, develops stronger customer relationships and enhances corporate brand image. Of course, any volunteering scheme in order to be successful, needs to part of a structured approach, with clear priorities, goals and processes, linked directly to organizational objectives and the ability to measure its impact. Successful volunteering schemes are based on structured, honest and regular engagement with employees, and this is exactly where their strength lies.

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Energy transition: How can we develop secure, affordable, and environmentally sustainable energy systems?

Energy has played an important role in the economy of every country across the globe. Nowadays, there is an incredible pressure on the countries to join the transition to clean energy, abandoning the use of fossil fuels, and at the same time to provide secure energy supply and to enable access to affordable energy for both domestic and commercial use. The effective and successful execution of these demanding tasks depend on a country's indigenous energy sources as well as on its energy policies.

The three dimensions of energy system

According to the 2019 World Energy Council report "World Energy Trilemma Index", countries need to (re)design energy policies in order to manage and balance three core dimensions: Energy Security, Energy Equity and the Environmental Sustainability of Energy Systems.

Energy security reflects a nation's capacity to meet current and future energy demand reliably, withstand and bounce back swiftly from system shocks with minimal disruption to supplies.

Energy equity assesses a country's ability to provide universal access to affordable, fairly priced and abundant energy for domestic and commercial use.

Environmental Sustainability of energy systems represents the transition of a country's energy system towards mitigating and avoiding potential environmental harm and climate change impacts.

This Trilemma framework serves as a good base for an analysis of the three dimensions and it ''promotes policy coherence and integration to enable better calibrated energy systems in the context of the global energy transition challenge''. Only the balanced and consistent performance across all three dimensions can secure the smooth transition of energy systems.

How do countries perform within the Trilemma prism?

The World Energy Council report provides a performance index that represents invaluable insights for countries' policy makers to consider how they can navigate the energy transition using their Energy Trilemma as a compass. Even though there are many discrepancies in countries' political and societal contexts and all of them are faced with unique resources, policy goals and challenges, and the country's relative individual dimension score and historical trends that reflect the impacts of longer-term policy choices can serve as a solid base for the creation of more robust and sustainable energy policies.

The countries that are the leaders in the three dimensions are **Switzerland, Sweden** and **Denmark**. **Sweden, Denmark,** and **Finland** score the highest on the Energy Security dimension due to their robust and secure systems, that are able to manage supply and demand effectively. When it comes to Equity dimension, **Luxembourg, Bahrain** and **Qatar** are the leaders given these countries' ability to provide access to abundant energy while maintain affordable energy prices. Also, these countries are well-endowed or well-connected countries with concentrated populations that provide a good start for achieving equity. Yet, the countries that assume the top of the 2019 ranking for the Environmental Sustainability of Energy Systems are the ones that are making "steady gains on the pathway to decarbonisation and pollution control, in the context of sustainable economic growth". And these are **Switzerland, Denmark** and **Sweden.**

Also, many countries have recorded improvements since 2000 and there are many of them doing well in the overall Trilemma balance: 50% of Trilemma countries shown consistent upward trends in their overall Trilemma score since 2015, compared to 15% consistently improving since 2000. For instance, **Cambodia, Myanmar,** and the **Dominican Republic** have demonstrated the greatest overall improvement across the three dimensions, with 30%-40% improvement in the overall Index from the 2000 baseline. When it comes to energy security, **Malta, Jordan** and the **Dominican Republic** have made tremendous improvements since 2000. Yet, the equity dimension improvements have been recorded in the countries that have placed significant focus on advancing UN Sustainable Development Goal 7 like **Cambodia, Nepal,** and **Myanmar**. Yet, the top improvers in the sustainability dimension over time are very different to the sustainability top 10 and represent countries that are rapidly and tangibly decarbonising their energy systems, including **China** and **Poland**.

What is the recipe for a successful transition?

How can we "navigate the energy transition effectively and build prosperity for a nation's citizens'? Despite the fact that every country has its own political, economic and social context and encounters specific challenges, there are certain steps that each country can make in order to have a smooth and successful energy transition. Therefore, (1) adopting and implementing robust energy policies that will focus on the diversification of energy sources with the accent on renewables, (2) reduction of imports of dirty energy sources, and (3) significant investments in infrastructure and in grid security that will be accompanied by stable regulatory and market frameworks, can certainly improve all three dimensions of a country's energy system.

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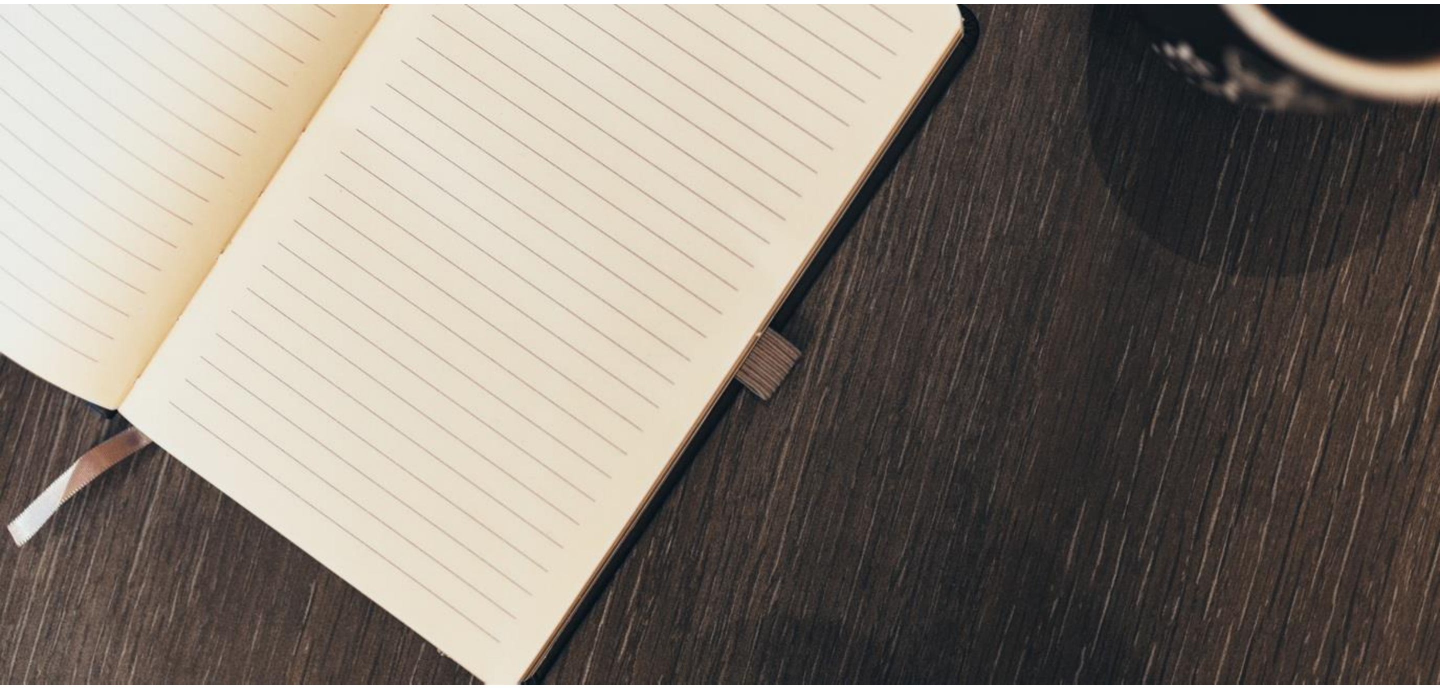

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