

# **Sustainable Development Goals & Value-based Investors & the Catholic Church Social Teaching in the light of Laudato si'**

**Experts' Meeting**

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I am happy to open this meeting on behalf of the Centre for Studies on Federalism: I welcome all the experts who honour us by participating, thank the other organisers –European Partners for the Environment, European Movement Association of Catholic Workers, French Embassy to the Vatican – for their effort and the Institut Français - Centre Saint-Louis for their hospitality.

The fundamental encyclical of Pope Francis, *Laudato si'*, the 2030 Agenda for Sustainable Development called “Transforming our world”, adopted by the UN Summit in September 2015, and the historic Agreement on Climate COP21 of 12 December 2015, approved by almost all the world’s countries (195 nations), converge on three fundamental considerations.

The first concerns the development model adopted by developed countries and those in the process of industrialisation which, based on endless growth, maximising profit and squandering natural resources, especially energy, is not sustainable either in environmental terms or socially.

This is a development model that has facilitated income and wealth inequality between nations and also within them, alarmingly increased over the last 50 years.

The second is that causes and effects of this development model are of global dimension and can only be addressed “together” by all the world’s nations.

The third is that, for transforming our world, we need a transformative cooperation, as called for by the U.N. where all Non State Actors (Regions and Cities, Business and Finances, Trade Unions, Religious Organisations, NGOs, Universities and so on) have to play a role as agents of change, building a “virtuous circle” encouraging Governments to be more ambitious or courageous so that international cooperation becomes a method of governing such complex problems.

Given this scenario, I am submitting to you some short considerations, focused on decarbonisation and on the world institutions we need. These seem to me to be key points for highlighting the important role that companies and financial investors can and must take.

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In my opinion, the key for transforming the current development model is in the way of producing and consuming the primary energy the world needs.

In human history, the energy type adopted by a community has always influenced the systems of producing goods and services, human work and the whole structure of society, resulting in the current massive population growth (from a billion people to 7 billion) and the concentration of human settlements in complex and densely populated urban centres.

We know that the Paris Agreement on climate is to limit the average temperature increase of the planet in this century to well below the 2°C rise compared to the pre-industrial era, aiming for the goal of a 1.5°C limit, in line with the demands of the IPCC (*Intergovernmental Panel on Climate Change*).

Compliance with this limit requires the complete decarbonising of the world economy even earlier than 2050.

Getting past the era of fossil fuels is a revolution because it implies the transition to a completely different energy model from the current one: a new model based on energy conservation, the rational consumption of energy and the use of renewable sources for producing energy (particularly from sun and wind sources).

We will have to rethink the criteria for constructing buildings, the fuel for public and private transport, the way of generating and distributing energy. This will require a strong commitment to research and offer the opportunity to create new jobs in the sector of the green economy, stimulating progress in developed countries and bringing about development within poorer countries based on the availability of locally produced energy at affordable prices, especially in the “sun rich” countries, using the free and inexhaustible supply of solar energy.

The “universal” recognition by the Paris Agreement of the potential in the renewable energy sources and the thrust given by the Agreement could stimulate further rapid interest in many businesses in the sector of decarbonisation and sustainable development.

All the large multinational oil companies must gradually convert or diversify their production towards the renewable sources, as some have already begun to do, such as Total, Chevron, ENI and ENEL.

Companies and financial investors must discover, understand and support this “new world” in which almost everything has yet to be done, to contribute to its development in the interest of all humanity.

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The global dimension of the problems of sustainable development can only be faced “together”, by all nations of the Earth: and thus the importance of the UN’s role and the need to strengthen the UN and make it ever more democratic.

In the *Laudato si’* encyclical, Pope Francis recalls what was stated by Benedict XVI, quoting John XXIII: “To manage the global economy; to revive economies hit by the crisis; to avoid any deterioration of the present crisis and the greater imbalances that would result; to bring about integral and timely disarmament, food security and peace; to guarantee the protection of the environment and to regulate migration: for all this, there is urgent need of a true world political authority (...)”.

But although the “historic” and ambitious goal proposed by the Paris Agreement on Climate remains, all the tools for its implementation are very weak.

As Jean Monnet said, one of the founding fathers of the European Union: “Nothing is possible without people, nothing is lasting without institutions”.

It is no coincidence that the European unification process began to take shape when an Agency was established specialised in the coal and steel industry, the ECSC.

The fact is, an international Agreement can “photograph” a static situation but is no use for governing the dynamic situation of climate.

It is impossible for any common environmental policy to be expressed “together” by 195 independent and sovereign states without an adequately funded supranational institution which is empowered to implement this common policy.

This is why the Centre for Studies on Federalism has been proposing for some time together with others (including the European Movement) to establish a World Agency or Organisation for the environment, under UN auspices, at a higher level than the countries of the Conference of the Parties.

This organisation should be given real powers and financial independence and be governed by an independent High Authority, with the task of creating a world plan for balanced reduction

of CO<sub>2</sub> emissions into the atmosphere, as well as the task of adapting the objectives to the evolving situation, financially helping the most disadvantaged countries, producing organised actions to combat the global environmental emergencies, and developing new technologies in the energy sector and transferring them to countries in the process of industrialisation.

From the point of view of resources, a carbon tax introduced in the main polluting countries – China, India, United States, European Union and Japan – would accelerate the switch from fossil fuels to renewable fuels, and part of the tax revenues could be directly allocated to financing the Green Climate Fund or, at least, the World Organisation for the Environment which it is necessary to set up.

I believe we should not be afraid of aiming high with our ambitions, if we are really aware that it is humanity's very survival in question by the risk of global warming.

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I hope that these comments and proposals can be a valuable contribution to the work of the experts today and for the conclusions that tomorrow's important Conference must reach.

Thank you and wishing all of us well in our work.

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