

WRITTEN BY STEPHANIE GLOVER

IMPRESSIONS OF COP26

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WE ARE GUERNSEY Green Finance Manager Stephanie Glover was delighted to attend COP26 in Glasgow. Along with our Strategic Adviser for Green & Sustainable Finance Josephine Bush, she was kept busy with networking and events. She talks about her week in our latest blog, which first appeared on [The Wealth Net](#) in November.

We are still waiting to hear the final conclusions from the world leaders' negotiations in COP26's Blue Zone, but the energy and enthusiasm from Guernsey Finance's visit to Glasgow shows that whatever the conclusions made, the finance sector is ready for change.

Innovation

Our mission was to listen and learn, and highlight the work Guernsey is doing for sustainable finance. Our first talk was on how research and innovation are helping tackle climate change - there are so many types of projects looking for investment.

We also spoke to Foresight Group, a sustainability-focused private equity investment manager, about their work in the traditional sustainability energy transition renewables sector and some of their more innovative climate-related funds - great timing as just across the river in the Blue Zone, world leaders were signing promises to end deforestation by 2030.

Building success

Next up was one of Lombard Odier's "Zero-Hour Sessions". We were treated to a preview of the University of Oxford, Smith School of Enterprise and the Environment's report, 'Predictors of Success in a Greening World', by Professor Cameron Hepburn. It suggested several ways to be successful in the net-zero transition, through producing and exporting green products; using your jurisdiction's renewable energy potential and; financing clean technology business models.

Guernsey can utilise all these methods, but especially the third, where the island has already been incredibly productive. I loved Professor Cameron's comment that the research shows that "green gets greener", illustrating that an early push to increase sustainable competitiveness, like Guernsey has done, is a key driver for success.

Investing in Nature

His Royal Highness, The Prince of Wales has been a staunch supporter of nature and biodiversity. His messages around protecting nature were ahead of their time, so it was inspiring to hear from him on 'Investing in Nature at Scale' at The Prince of Wales's Terra Carta Action Forum.

A key message for the financial services industry was that over half of global GDP relies on a healthy ecosystem, and the destruction and devastation of nature is a growing risk to business, but there is still an opportunity to recover from this tipping point. Innovative finance, combined with local knowledge, carbon and biodiversity trading markets and nature-based solutions could be key.

International Collaboration

With Guernsey a member of the United Nations Financial Centres for Sustainability (UN FC4S), I was delighted to join their panel, moderated by our friend Stephen Nolan, on translating COP26's vision into actions.

It was a forum to showcase Guernsey's innovative solutions, such as the world's first regulated green fund regime, which now channels around £4 billion into climate-related projects, an insurance ESG framework and facilitating the world's first catastrophe bond using blockchain to deliver humanitarian aid once a volcano erupts.

UN FC4S is soon releasing their annual assessment programme, supported by Guernsey, so it was useful to learn some key themes from the research, including difficulties around data and education on sustainable finance, which will be important to consider over the next year.

The role of SMEs

I also highlighted Guernsey's successes at the Net-Zero Now event, where we discussed how SMEs (and jurisdictions like Guernsey) can be agile and innovative. It was an honour to be part of discussions around how SMEs need to accelerate finance through innovative structures.

Climate Science

There is power in collaboration. When politicians, scientists, economists, business, NGOs and individuals come together, everything becomes possible. While so much focus in the finance community was around the role and impact finance can have, our last event at COP26 brought home exactly why we were there.

Professor Johan Rockström, of the PostdamInstitute for Climate Impact Research, spoke about his ground-breaking work on planetary boundaries (watch the Netflix documentary Breaking Boundaries with him and David Attenborough to learn more). Understanding the scale of the climate crisis and how it will affect every aspect of our lives is crucial to engage the finance sector. Both Mark Carney, UK Prime Minister's Finance Advisor for COP26 and UN Special Envoy for Climate Action and Finance, and Faith Ward, Chief Responsible Officer for Brunel Pension Partnership, agreed that everyone who works in financial services or manages money should watch Johan's talks.

They also discussed the importance of recognising fiduciary responsibility to consider climate risk, and how the financial services industry must consider both return on investment and the risk of doing nothing to an investment portfolio.

What next for Guernsey?

Guernsey's government have made positive moves - they also had representatives at COP26. The UK and Guernsey announced an agreement in principle to extend the UK's ratification of the Paris Agreement to Guernsey. I am excited to see how this works out going forward.

The wall of capital committed to the decarbonisation of our economy, £130 trillion according to Mark Carney, needs a home and excellent finance professionals to ensure it gets where it is needed. As a good global citizen, Guernsey can be a platform for cross-border capital flows. I can't wait to see how our finance industry embraces this opportunity.

Before Glasgow, the challenges seemed insurmountable and the crisis inevitable, but on the train home I left with a 'stubborn optimism' and sense of pride what Guernsey is doing, and how our finance sector tackling the climate crisis to build a more sustainable future.

WE ARE GUERNSEY is the brand under which Guernsey Finance promotes the island's financial services sector internationally. Guernsey Finance - the promotional agency for the island's finance industry internationally - is a joint industry and Government initiative responsible for the promotion of Guernsey. Under the leadership of Chief Executive Rupert Pleasant, the agency ensures that the core values and competencies of the island's finance sector are accepted and respected by the global community and that financial business development flows are enhanced. Registered Office: Guernsey Finance, Somers House, Rue du Pre, St Peter Port, Guernsey GY1 1LU Company registration number: 38776

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