

Scale Up

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The proposal is a framework for partnerships supporting the adoption of commitments and actions panel to fulfill the SDGs and the Action Agenda of the Paris Climate Agreement. The objective of the framework is to strengthen accountability, follow up on commitments, enable solutions to scale up and strengthen virtuous circle for achieving a just transition to sustainability. The framework implements two tracks for achieving synergies in cooperation towards the goals. The first track is an 'enhanced partnership' between governments and sustainability champions. Gradually, various regional, national and international actors would take part in the first track, scaling up. The second track is an widening of the Stockholm Declaration regarding sustainable investments, and finance aligning financial services with the common good. The two tracks are strengthened by the application of a blockchain record, providing transparency to the agreements.





1. Abstract

Scale Up proposes a new form of **governance** in a era of '**multi-stakeholder multilateralism**'. It is designed as a *'general framework' for partnerships in support to commitments and action plans contributing to the implementation of Sustainable Development Goals and the fourth pillar of the Paris Climate Agreement*. Indeed these 2015 agreements which are involving state and non state actors from all over the world are tackling a nexus of global challenges to be managed through 'transformational partnerships' between state and non state actors.

The scheme proposed by 'Scale up' aims to ensure 5 objectives which are :

to strengthen the '**accountability**' of all types of actors by encouraging increased commitments in support of SDGs and climate agreement

to follow up on **commitments** made either under the Fourth Climate Framework or within the framework of the SDGs and facilitate their implementation by building on existing partnership initiatives.

to create the conditions for massification and **change of scale**

to strengthen the '**virtuous circle**' ambition-commitment-implementation-monitoring-enhancement of ambition and develop a 'civic capital'

to ensure resilience and solidarity for a **just transition**.

The Scale UP strategy is proposing to build a 'virtuous circle' by developing **systemic synergies** between two partnerships tracks and one tool in a digital era:

Track One: an 'informal enhanced cooperation' between states and non state actors, starting in 2018 with the EU Institutions, EU and non EU Sovereign States at the highest level and Regions & Cities, Business & Financiers, Trade Unions & Civil Society from all over the world, expanding progressively to non European States. It will be fixed by an *'transformational partnerships action plan'* to be drafted by a *'Convention'* and adopted end of 2018 by a meeting of Heads of States and representatives of non State Actors. It has been initiated by a letter signed in September 2017 by the former President of the European Council, former Vice-Presidents of the European Commission, former Head of WTO, former Prime Ministers, Ministers of Finance and Trade, experts in food security, climate, finance, statistics, gender.

Track two: a 'global' partnership with Value Based Investors focused on 'Sustainable Finance, Ethics and Care'. It will be based in particular on the Stockholm Declaration co-signed by investors and the Swedish Lutheran Church and the conclusions of the Second conference on Value based Investors & the SDG's in Rome on 8 September 2017 which addressed *Sustainable Finance and Care*. It intends to involve public and private financial institutions, including islamic finance, civil society organisations dealing with the implementation of the 2015 agreements SDGs and Climate as well as organisations dealing with ethics. Leaders of different faiths and philosophies will be involved as well. To help to move from niche market to mainstream market as well as to create a *virtuous circle* by which financial products and services are better aligned with the 'common good', a partnership should be signed in 2018 between CEO's of Value Based Investors Institutions and other stakeholders of the Sustainable Finance, Ethics and Care value chain. It will take the form of an Partnership Agreement based on 'sustainable finance, ethics & care', dialogues to create pilot 'sustainable finance



areas’, address specific nexus related to agriculture, energy, water, megacities and specific regional initiatives on several continents. It would be presented at the G20 in Argentina in 2018.

The tool in a digital era: a blockchain, incorruptible tool providing the control mechanism accessible to all and building the trust that will ensure the effectiveness of partnerships and develop a virtuous circle by monitoring the implementation of SDG’s and Paris Climate Agreement commitments as well as to ‘redirect finance’. As an example, the Stockholm Fintech Hub, with support from the Swedish Government is already developing such blockchain approach for green bonds etc.

2. Description of the model

1. INTRODUCTION

Scale Up has been inspired by the report Paradox of Progress of the National Intelligence Council – USA (1)

Whether the next five or 20 years are brighter—or darker—will turn on three choices:

How will individuals, groups, and governments renegotiate their expectations of one another to create political order in an era of empowered individuals and rapidly changing economies? To what extent will major state powers, as well as individuals and groups, craft new patterns or architectures of international cooperation and competition? To what extent will governments, groups, and individuals prepare now for multifaceted global issues like climate change and transformative technologies?

Similarly, the most resilient societies will likely be those that unleash and embrace the full potential of all individuals—whether women and minorities or those battered by recent economic and technological trends. They will be moving with, rather than against, historical currents, making use of the ever-expanding scope of human skill to shape the future. In all societies, even in the bleakest circumstances, there will be those who choose to improve the welfare, happiness, and security of others—employing transformative technologies to do so at scale. While the opposite will be true as well—destructive forces will be empowered as never before—the central puzzle before governments and societies is how to blend individual, collective, and national endowments in a way that yields sustainable security, prosperity, and hope.

Multi-stakeholder multilateralism. Multilateral dynamics will expand as formal international institutions work more closely with companies, civil society organizations, and local governments to address challenges. As experimentation with multi-stakeholder forums grows, new formats for debate will arise, and private sector involvement in governance is likely to increase.

The most powerful actors of the future will be states, groups, and individuals who can leverage material capabilities, relationships, and information in a more rapid, integrated, and adaptive mode than in generations past. They will use material capabilities to create influence and in some instances to secure or deny outcomes. They will demonstrate “power in outcome,” however, by mobilizing large-scale constituencies of support, using information to persuade or manipulate societies



and states to their causes. The ability to create evocative narratives and ideologies, generate attention, and cultivate trust and credibility will rest in overlapping but not identical interests and values. The most powerful entities will induce states—as well as corporations, social or religious movements, and some individuals—to create webs of cooperation across issues, while exhibiting depth and balance across their material, relational, and informational capabilities.

2. KEY ISSUES

Key issues to be addressed by the Scale Up-initiative and its stated objectives, providing leverage in the required systemic transformation of the economy are:

- long term finance and the generation of viable and robust investment opportunities
- transformation of business models and strategies and their implementation of which international supply chains as a prominent angle to pursue
- developments in relation to sustainability reporting, environmental and economic accounting e.g. in the context of the UNSEEA, and regulation of climate- and carbon risk pricing and “carbon metrics” in finance,
- initiatives covering the broader “Planetary Boundaries”-risk issues, e.g. “Communities of Practice in Finance and Biodiversity”
- empowerment of citizens and of consumers and the relation with “environmental democracy” as envisaged by the Aarhus convention adopted by the EU and its member states; changes in demand by consumers as end users
- the issue of reward of sustainability initiatives in the broader context of benefits to society and to private sector actors resulting from action taken (e.g. the IMF-analysis (2014) “local air pollution, health and co-benefits” and e.g. legal action taken in society)
- integrated decision making – especially by state actors – in the face of the challenges in relation to “integrated policy making”.

3. INTERDEPENDENCE LEADERSHIP

This concept of ‘*interdependence leadership*’ has been very well developed by a French prospectivist Carine Dartiguepeyrou in her book ‘Le futur est déjà là’ (2.) . Interdependence leadership would have three pillars of collective intelligence systemic strategy and collaborative economy approach , developed with soft power, leveraging individual and collective dynamics as well as building new alliances :

- **Empathy** (see Bouddhism, Rifkin, Prigogine) **and care** (Pope Francis, Islamic finance) so that no one should be left behind: help unconditionally those who are in survival mode, taking care of the other, remedying material and immaterial poverty.
- **Geopolitical resilience:** facing geopolitical and economic rivalries, financial networks and oligopolies, struggles for natural resources.



- **Societal innovation:** investing in new forms of empowerment to be inclusive in a digital era, giving power i.a. to young people and women and their vision of ‘desirable futures’.

We need to develop a ‘general framework’ for **micro**(individuals) **mezzo**(communities) **macro** (States, Europe, the World) **partnerships** in support of commitments and action plans contributing to the implementation of SDG 17 and ensure 5 objectives:

- Strengthen the ‘**accountability**’ of all types of actors by encouraging increased commitments in support of SDGs and climate agreement.
- Follow up on **commitments** made either under the Fourth Climate Framework or within the framework of the SDGs and facilitate its implementation by building on existing partnership initiatives.
- Creating the conditions for **massification and change of scale**.
- Strengthen the **virtuous circle** ambition-commitment-implementation-monitoring-enhancement of ambition from a ‘civic capital’ highlighted.
- Ensure resilience and solidarity for a **just transition**.

4. SCHEME (SEE SCHEME ATTACHED)

The Scale UP strategy is proposing to build a ‘virtuous circle’ by developing systemic synergies between three initiatives in the form of two tracks and one tool :

track one: an ‘informal enhanced cooperation’ between states and non state actors, starting with the EU Institutions and EU and non EU Sovereign States at the highest level and Regions & Cities, Business & Financiers, Trade Unions & Civil Society from all over the world, expanding progressively to non European States,

track two: a ‘global’ partnership with Value Based Investors at the highest level focused on ‘Sustainable Finance and Care

a tool: a blockchain, control mechanism accessible to all, incorruptible tool building the trust that will ensure the effectiveness of partnerships and develop a virtuous circle by monitoring the implementation of SDG’s and Paris Climate Agreement commitments.

4.1. Partnership with Sovereign States at the highest level:

Informal enhanced cooperation called “**polylaterism or multi-stakeholder multilateralism**” between sovereign state actors who wish to do so (starting with but not limited to EU Institutions, EU Member States, in particular those that presented in 216 or 2017 their roadmap to the UN. High Level Forum) and governments of Regions and Cities, Managers of Enterprises, Financial Institutions, Civil Society Groups and Research Centers) within and outside the EU to implement the commitments made by non-state actors to contribute to the objectives set by the public authorities at the international level in 2015: the Sustainable Development Objectives and the fourth pillar of the Paris Climate Agreement.



The envisaged enhanced co-operation of state- and non-state actors would focus on:

- **the economic, social, cultural and financial dimensions** of the underlying currently unsustainable production- and consumption-patterns in the EU-member states – all connected to the “Planetary Boundaries”-risks -, in the perspective of a systemic transformation over time.
- **co-operation and interaction of actors** – both state- and non-state- with science articulated around the economic transformation and in relation to finance: “Planetary Boundaries and The Transformation of Economy and Society” and “Planetary Boundaries and the Financial Sector”.

A **‘Joint Action Transformational Partnership plan of non-state and state actors’** will be a major milestone in the shaping of the ‘new social contract’ advocated in the report *Better Business-Better World*.

It would be drafted first half of 2018 by a *Convention of champions of the SDGs and Climate agreements implementation*.

The ‘joint agreement’ would be formally approved by a **meeting of Heads of States and representatives of non State actors end of 2018**. This meeting between Heads of States and Leaders of non State Actor would approve:

- *a European Sustainable Development roadmap to 2030*», building on the outcomes of the Convention of the first semester, with, i.a. indicators of the ‘New Development Model in Europe’, more ambitious targets than the UN 2015 agreement related to education (SDG4) poverty (SDG1), good health and well-being (SDG3 and inequities (SDG10) food system and nutritious food for all (SDG2), environment and resource efficiency (SDGs13,14,15),
- pathways and timelines for their achievement providing new tools for citizen participation in EU initiatives and for accountability, through the disclosure by all on SDGs impacts achieved. a joint partnership action plan between State and non-State actors including a joint financial institutions and citizens action plan putting abundant capital to use behind the world’s agreed values.
- an offer to the UN to host in 2022 (Rio92+30) a Poly-lateralism Summit of State and Non State Actors Partnerships towards the implementation of SDGs.

A letter *‘Rethink Europe’* signed by VIPs and addressed to the President of the EU Institutions has launched a dialogue towards such enhanced informal *cooperation* between European State actors who so wish and non-state actors, open to both state and non-state partners outside the EU and outside Europe.

Co-signatories, former President of the European Council, former Prime Ministers, former Vice-presidents of the Commission and WTO Executive Director, former Ministers of Finance and Labour, experts in finance, statistics, food security, climate, gender issues, European policies, and other distinguished persons invite Europeans – state and non state actors -to *‘rethink Europe’* and its global cooperation in the framework of the Sustainable Development Goals of the UN Agenda 2030 *‘Transforming Our World’*.



Signatories are encouraging “*alliances*” of European and non European State Actors (EU Institutions, Governments, Parliaments) and non State Actors (Regions, Cities, Business, Financiers, Trade Unions, Civil Society) to reach the SDGs targets. They support *Transformative partnerships* which have the potential to lead the ‘*re-orientation of globalisation*’.

This partnership with Sovereign States, starting in 2018 would be initiated in Europe but not be limited to Europe.

This partnership should join three dimensions: the bottom up, the top down and the horizontal. As Olivier De Schutter wrote: “*To think of Politics as being at the service of local initiatives, in order to allow them to flourish by removing the constraints that could weigh on them. The task of higher levels of governance must, to this extent, be to manage externalities; to organize the care within which the local initiative takes place, so as to foster its development through what might be called ‘(dispositifs d’accueil) reception facilities’ which allow the diversity of innovations to be promoted by adapting the legal and economic institutions that make them available and promote their development. In this context, local transition experiments must be aided in dialogue and “citizens in transition” must be helped to reach a critical mass in order to create a systemic changeover.*

The role of state and non-state actors must be seen and organized as a “**value chain**” involving local authorities (regions, cities), companies and financiers (insurance companies, banks, pension funds), start-ups, Social entrepreneurs and workers, universities and research centers, consumers and the media, and so on. The transition must be organized on the basis of *an in-between* that would break the traditional opposition between top down and the bottom up, between centralized and decentralized management.

4.2. Partnership with Financial Institutions at the highest level

Partnership between CEO’s of Value Based Investors Institutions and other stakeholders of the Sustainable Finance and Care value chain. It will be based in particular on the Stockholm Declaration co-signed by investors and the Swedish Lutheran Church and the conclusions of the Rome Conference of 8 September 2017 on Sustainable Finance and Care in preparation for the G20 in Argentina. It will take the form of an **Partnership Agreement based on ‘sustainable finance & care’** dialogues to create pilot ‘sustainable finance areas’, address specific nexus related to agriculture, energy, water, megacities and specific regional initiatives on several continents.

There would be initiatives taken by and for specific regions of the world as Africa, Asia, Latin-America, the Mediterranean Region.

The process of this global initiative has been initiated at the 2nd Rome Conference of Value Based Investors & SDGs titled ‘*The New Frontier. Sustainable Finance and Care*’, facilitated by EPE and the European Movement Italy, hosted by the Italian Banking, Insurance and Finance Federation took place in Rome on September 8, 2017. The meeting was chaired by Nick Robins, UNEP-Inquiry and the keynote speaker has been S.E. Cardinal Turkson, prefect of the Dicastery for the Promotion of Integral Human Development. With the participation of Mr. Javier González Fraga – President of the Bank of the Argentine Nation and experts including from Islamic finance. The partnership agreement should be presented at the G20 in Argentina in 2018.



The Conference explored how Financiers, Green Economy experts and representatives of Civil Society can cooperate to ‘Transform our World and Europe’ by addressing the ‘New Frontier’ : sustainable finance and care. So that *‘no one should be left behind’*.

Indeed, the main obstacle to a successful implementation of the Agenda 2030 is the growing of inequalities and poverty fueled by the financial and macro-economic model. One of the most dangerous obstacles on the way to the SDGs is the destruction of the ‘social fabric’ generated by the rise of poverty. Due to macroeconomic and financial policies in place since the 1980s the growth of inequalities – for which the Financial Institutions have a major responsibility – has led to behaviors that in turn lead to the destruction of solidarity, and a selfishness economic model that leads individuals and countries to ‘barricade’ oneself physically and mentally. These policies and the behaviors they generate, coupled with the aging of the population, will lead to an increasing number of individuals, including in Europe, being at risk of poverty for at least the last third of their lives (50-80), which in turn will strengthen the populist movements. This while the impact of global limits will lead to increase public financial needs to ensure the resilience of human communities. The Rome conference addressed *‘investing in a just transition’* – how to move from a concern with ‘stranded assets’ to ‘stranded communities’.

The Conference also considered further dialogues (regional or thematic) preparing the G20 in Argentina, contributing to the implementation of the *Principles for Responsible Investment* (PRI,) Positive Impact, new equity index, new regional initiatives as the *Africa Agriculture Adaptation to address this new dimension of sustainable finance and care*.

At the invitation of Mr. Javier González Fraga – President of the Bank of the Argentine, Nation, the Third Conference will be hosted by the Bank of the Argentine Nation in 2018, in Buenos Aires where will not only take place the G20 but also, for the first time, the *Congress on Human Development and Capability* with Martha Nussbaum, among other important international events, to reformulate the global governance system.

The Partnership Agreement Sustainable finance & Care would be part of this process.

4.2.1. No Poverty (SDG 1) and Reduced Inequalities (SDG 10).

For the financial industry these two SDG’s taken seriously would lead to a revolutionary change of macro-economic, financial and business models.

However risks management and profit remain the main concerns of the mainstream financial industry. This industry should be much more concerned by the ‘social and systemic risks’ related to poverty and inequalities within and among countries and ‘environmental damages’ and their social impact as migration crisis do demonstrate . One of the most dangerous obstacles on the way to the SDGs is the destruction of the ‘social fabric’ generated by the rise of poverty and growing inequalities within and among countries.



4.2.2. From Shareholder to stakeholder financial model.

To move towards a 'stakeholder financial model' is extremely urgent as Financiers , Governments, Rating Agencies have on the agenda initiatives leading to standards, labeling, regulations, ratings initiatives of sustainable finance products, services and institutions.

On the agenda as emerging from the EU hearing on sustainable finance :

- *Capital allocation in line with information, environment and systemic risks*
- *Physical, liability and transition risks*
- *Assessment of sustainable projects an issue for financiers. : need dialogue !...*
- *Sustainable finance Taxonomy*
- *Sustainable Finance labelling*
- *Sustainable testing of financial legislation*
- *A 'Sustainable infrastructure Europe' platform, inside or outside EIB*
- *A role for European supervisory agencies on sustainability*
- *Sustainability in ratings and relative benchmarking*
- *Fiduciary duty, sustainable stewardship principles including ESG*
- *Sustainable financial ecosystem with dedicated products*
- *Standards: process and products*
- *SRI label*
- *Impact label*
- *Regulation fostering sustainable finance appropriation*
- *Mainstreaming sustainable finance*

The purpose of the financial system should be to serve the real economy – a real economy that is now in transition to sustainable development. A shift towards sustainable finance is under way.

Mainstream finance is increasingly integrating the risks and opportunities inherent in the planetary boundaries into capital allocation, stewardship and market disclosure . At the same time, a growing number of impact investors are seeking to deliver social, environmental and financial returns linked to the SDGs. The Global Alliance for Banking on Values is an independent network of banks using finance to deliver sustainable economic, social and environmental development.

A two years dialogue programme should contribute to demonstrate how to move from a shareholder model to a stakeholder model making use of best practices to be fostered. A new report *Blueprint for Responsible Investment* of the *Principles for Responsible Investment* is available. The aim over the next 10 years is to bring responsible investors together to work towards sustainable markets that contribute to a prosperous world for all.

We need to scale up, accelerate the transition and move from stewardship to care.

The concept of Care could be considered for action by focussing on the major priority issues in a perspective where the greatest number of people in poverty and exclusion are supported to achieve long lasting and sustainable solutions to the problems they encounter in their daily lives. The UN agenda would provide the guidance to develop initiatives of this nature, including the long standing



work by UNEP in its Global Environment Outlook (GEO) work on assessment and monitoring of environmental issues with a geographical breakdown, e.g. the GEO Africa. The EU research project EJOLT and the analysis of damages in the context of the analysis of “Natural Capital at Risk” 2013 further inform about the issues at stake, to name but these sources of information.

“Differentiation” will have to apply to framing the agenda in specific cases. Given concepts apply differently to different groups of countries. Differentiation would also apply to the actors in relation to a given SDG-agenda for action.

4.2.3. Trust

At the same time, the lack of trust deserved by the Financial Industry is a key issue. *Short-termism, lack of transparency, interconnection between greed, fear and instant gratification*[3] are a permanent financial institution ‘disease’. Many managers of institutions *members of PRI are overpaid. If institutional investors can't get the basics like pay and performance (5 yr return on capital) working effectively through their corporate governance functions, do we really stand much of a hope in addressing the more critical issues like metrics and incentive designs align with a clean energy transformation over the next 20 years ? can we really say the listed institutional investors have lived up to their “fiduciary duty” in managing other peoples money when they have approved 15 billion in excessive exec pay and wasted compensation? is this truly responsible investment?*[4]

To which should be added that some institutions active in promoting their Sustainable Finance services and products have other branches in the same institution lobbying against sustainable innovative mechanisms as the European Union financial transaction tax in the service of climate change and international solidarity.

In Europe.

The opposition and lobbying of European financial institutions against the European Union financial transaction tax which should be enforced and its revenues allocated in accordance with the SDG's is a source of concern. According to an estimate by the European Commission, this levy of 0.1% on trade in shares and 0.01% on derivatives could yield between 20 and 22 billion euros per year to the ten EU countries, including France and Germany, linked in the framework of “enhanced cooperation”. Launched in the aftermath of the 2008 financial crisis, which was taken up by the European Commission in 2011, the “Tobin tax” stumbles on the issue of revenue allocation, but its principle is now validated by partner states. At the European Council of 23 June, President Emmanuel Macron confirmed that a Tobin tax would hardly come to an end before the Brexit negotiations had ended.

In the USA.

The Financial industry behavior in the US today should be a major source of reflection. Since the election of Donald Trump, the new US administration has only hastened to revisit the Dodd-Frank law with the financial industry support. This text voted in 2010 is accused of having gone too far in its objective of avoiding a disaster comparable to that of 2008, by excessively bridging the banks and thus the economy of the United States, in particular by restricting credit.



4.3. The engineering of a blockchain SDGs and Climate

A blockchain (5) is based on a new technological revolution, indispensable to recreate the conditions of trust – in a great horizontality, where mathematical algorithms, cold but incorruptible tools, mathematically proving trust. Blockchains are designed to monitor the implementation of ‘contracts’. It is a well-known tool to for banks. It would be adapted to monitor the implementation of ‘commitments’ taken in the framework of the SDGs and fourth pillar of the Paris climate agreement.

A blockchain is interesting to explore within the framework of the SDGs and climate commitments because it functions as a vast public register, integrating all the transactions carried out by all the users since the creation of the network and acts as universal memory. This allows each user to trace the history of all past transactions. The system is based on trust. To operate the network mobilizes a network of distributed computers and operates according to the decentralized consensus process . There is no central authority with the ‘last word’ and nobody can individually modify the chain. The ecosystem of the public blockchain thus rests on two pillars: a cryptographic machine and an economy that creates values. Smart contracts, based on predefined criteria, are written in the form of cryptographic protocols and digital security mechanisms. These mechanisms used in the framework of digital money such as the bitcoin should be transposable to the SDGs ‘commitments’, based on the SDGs and climate reporting mechanisms and all the existing initiatives concerning indicators and sustainable development rating and based on the “ Accumulation of the power of all computers connected to the network, !distributed ledger technologies (DLT).

The aim of the Blockchains will be to (i) rebuild confidence and support participatory multilateralism, (ii) ensure more justice and reduce inequalities, (iii) raise levels of ambition and creativity. **It will involve all relevant stakeholders. This will impact business models, rating systems and civil society’s modes of action on finance, which in turn will change the economy.**

What a sustainable future would look like? AVIVA thinks it looks something like this: every individual will be aware of the corporate activity, their money funds — and how these companies perform on sustainability issues. A set of free, publicly-available corporate-sustainability benchmarks will rank companies on their sustainability performance and their individual contributions to the Sustainable Development Goals. These benchmarks will provide financial institutions and other stakeholders with the critical information they can use in their engagement with companies on sustainability issues. This model will also encourage a race to the top, driving companies to out-perform each other on sustainability criteria.

As a common algorithm ensures that the data is identical between all recording sources at the same time, this approach should be of interest to many existing reporting and rating platforms.

The blockchain will build on actionable, easy-to-communicate goals, targets, and indicators that include connections between nature and human well-being.

The future being in the coexistence of several forms of blockchain and sidechain technologies allowing the transfer of data from one blockchain to another



allowing the interoperability of blockchain software, one blockchain will focus on sustainable finance.

The blockchain is a vector of evolution of our economic and financial system. *Blockchain Sustainable Finance & SDGs* will focus on mobilizing financial resources and channeling savings to companies, organizations, projects and infrastructure contributing to the implementation of climate agreements and SDGs.

Reasons to develop a blockchain specifically focused on sustainable finance :

Reward the market. Value Based Investors do claim that they are not ‘rewarded by the market’. For Financiers this huge gap is endangering the good work they try to do and their future as niche market within mainstream financial institutions. To make more progress we would need trust.

Build trust and ensure more justice. At the same time, the lack of trust deserved by the Financial Industry is a key issue as there are signals that raise questions and increase the mistrust vis-à-vis the financial industry

Accelerate the transition. *Blockchain Sustainable Finance & SDGs* will focus on mobilizing financial resources and channeling savings to companies, organizations, projects and infrastructure contributing to the implementation of climate agreements and SDGs.

Support Territories. Finance is ‘global’. ‘Care’ needs are ‘local’. How do we use the digital technologies to insert the ‘care’ concerns

Participatory financing through securitization is one of the opportunities offered by blockchain, including for small business and non for profit organisation or projects financing The decentralized energy market (smart grid) can resort to blockchain. In the French case, under the *Energy Transition for Green Growth Act*, local renewable energy development companies by local authorities or individuals can appeal to finance . **Security and transparency** to platforms dedicated to certain objectives related to climate and SDGs agreements

Blockchain is well known in the world of finance. Thus, for example:

- This system of distributed registers is already used by the European Central Bank,
- BNP Paribas BP2Steams held meetings on the effects of the blockchain revolution on securitization and developed a dedicated application *Hyperledger* is managed by the Linux Foundation (with the participation of IBM, Intel, Airbus, Accenture, BNP, etc.) -Blockchains are also set up by insurance companies such as AXA in *Blockstream*. This is not without consequence for low-income people unable to take out insurance.
- The Stockholm Fintech Hub, with support from the Swedish Government, has established a Green Digital Finance Centre and is working on blockchain initiatives in relation with **Green bonds, Green Foreign Direct Investments, Aid pipeline, overseas SME investments.**



We should also find inspiration in the *Green Digital Finance Alliance* founded to harness digital technologies to catalyse financing that addresses global environmental challenges.[6]

3. Motivation

I. ESTABLISHMENT OF A GLOBAL ACADEMY FOR CLIMATE CHANGE

Sources of funding for the academy

The academe

Core Values. Decisions within the governance model must be guided by the good of all humankind and by respect for the equal value of all human beings.

The SDG's and the Paris Climate Agreement with the objectives that in **'our common house'** and an **'interdependent world'**, **'no one should be left behind'** and **'planet boundaries'** are tackled in connection with the need of **"Safe Operating Space for Humanity"**, are designing the 'core values' of the proposed scheme.

Decision-Making Capacity. Decision-making within the governance model must generally be possible without crippling delays that prevent the challenges from being adequately addressed (e.g. due to parties exercising powers of veto).

The decision-making within the governance model is **focused on the implementation** of agreements unanimously adopted by States in the UN Framework. The system is based on the **'virtuous circle' strategy** used for the Paris Climate agreement where voluntary commitments are fixing a floor and the dynamic of the process is opening the way to always more ambitious initiatives to accelerate the transition.

The acceleration of the transition to another mode of development and the implementation of the commitments made under the climate agreements and the sustainable development objectives which constitute the essential framework imply a change in the mode of governance and a change in the way of which each type of actor conceives its role:

1. 'Polylateralism' will replace 'multilateralism' in the sense of involving a wider variety of stakeholders.
2. According to the IMF, inequality "tends to reduce the pace and durability of growth" on which investor returns are derived. In essence, a transition that tries to cut emissions without cutting inequality is likely to hit long-term investment performance. (Nick Robins)

Effectiveness. The governance model must be capable of handling the global challenges and risks and include means to ensure implementation of decisions.

The dynamic of the three pillars and the role of the 'blockchain' as the guardian of the 'commitments' and the agent of their monitoring is providing the effectiveness.

This dynamic will impact business models, rating agencies systems, transparency guidelines which will impact finance and investments leading to changes at macro, mezzo et micro levels, in public and private affairs.



Resources and Financing. The governance model must have sufficient human and material resources at its disposal, and these resources must be financed in an equitable manner.

The partnership is based on the human and material resources of all partners of the value chain. Financing in an equitable manner is one of the objective of the partnership with the financial sector. The Partnership agreement on 'sustainable finance and care' to be adopted by 2018 will fix the rules and the financial contributions.

Trust and Insight. The trust enjoyed by a successful governance model and its institutions relies on transparency and considerable insight into power structures and decision-making.

Our world is gradually entering a new era that will combine the creation of global communication and exchange nodes and a new dynamics at the territorial and local levels. The blockchain is a technology that has become a matrix of reflection on the restoration of confidence in order to restore stability to our institutions in a world in perpetual crisis where mathematical algorithms, cold but incorruptible tools, mathematically proving trust. It will allow us to bring more justice by sharing information on inequities.

The blockchain can help to meet the challenges of five major transitions of our century, according to P. Rodriguez: demographic, ecological, numerical, monetary, democratic.

Can trusted creator algorithms alleviate and massify the process? Can they be part of new forms of governance based on self-management and new forms of sharing knowledge and wealth.

The strong idea of this transformation of our ways of life and behavior is in a radical revolution of the mind. The programmers of the blockchain are seen by some as the heralds of a new form of common life, the embryo of a new life together: to coordinate with several, consensually, without central authority, three stages of individual emancipation promised by the blockchain accompanied by a consecrated history of exchanges that cannot be altered through the medium of a human being.

These transformations concern four major families of blockchain technology: the monetary system, finance, the new governance of existing organizations, the emergence of decentralized organizations for the management of communities or new forms of economy (collaborative, social and solidar).

As a decentralized and transparent tool, the blockchain is the technological instrument of this new trust and also, through this transparency, will tackle inequalities and contribute to a more just transition. The blockchain can play a key role to lead towards sustainable consumption and production by better sharing the relations between consumption and production at the local level

Flexibility. In order to be able to fulfil its objectives effectively, a successful governance model must contain mechanisms that allow for revisions and improvements to be made to its structure and components.



The informal enhanced cooperation agreement is subject to review. Mechanisms would be fixed in the joint agreement 2018.

Protection against the Abuse of Power. A control system must be in place to take action if the organization should overstep its mandate, e.g. by unduly interfering with the internal affairs of nation-states or favouring the special interests of individuals, groups, organizations, states or groups of states.

The blockchain reconstructs the public space theorized by Jurgen Habermas. It forms a network of exchanges of opinions, a common garden cultivated by all, a dematerialized social and political mega-structure, radically transformed democracy through the sharing of data enabling all SDGs actors to “ Use this data to self-organize and create what we used to call public services. We have the opportunity to create a government by the people and for the people and more for massive investments. (Don Tapscott).

Accountability. It is a fundamental requirement of a successful governance model that it performs the tasks it has been charged with, and the governance model must include the power to hold the decision-makers accountable for their actions.

The blockchain secures the accountability of commitments, which are seen as ‘contracts’.

The blockchain proposes to redistribute:

- Data, for greater transparency in systems of government,
- Tools of intervention in the public sphere for more democracy
- Control over decisions for further consensus In the new economy, transparency in trade has become a rule of good conduct in human relations.

Transparency is in fact a means of promoting economic security and a tool for strengthening the rule of law and democracy. The modern citizen is an elector and a controller. This would be the beginning of a new relationship between man and humanity, in which everyone participates in building a common heritage of knowledge and practice.

IN CONCLUSION

Scale up is needed to:

- Increase the impact of commitments to limit climate change. Today the registered commitments are 30 °/° below the needs to limit warming to 2°.
- Secure food security by the end of the century
- Move towards a circular economy
- Protect biodiversity
- Secure resilience vis-à-vis planet boundaries
- Move towards a more inclusive and care society
- Create jobs and provide relevant skills.

Scale Up is part of a process of polycentric and *In-Between* (transitional) transition aimed at passing initiatives that are successes but limited initiatives on another scale, in terms of business, massification. In commercial terms: *from niche market to mainstream market.*



The role of non-sovereign state actors must be seen and organized as a “*value chain*” involving local authorities (regions, cities), companies and financiers (insurance companies, banks, pension funds), start-ups, Social entrepreneurs and workers, universities and research centers, consumers and the media, and so on. These stakeholders must be seen as supporting values, human and natural capital as well as shaping various forms of ‘*capital*’ including civic capital knowledge, financial capital. They need to develop together a ‘virtuous circle’.

SCALE UP three pillars strategy intend to see Governments and multi-stakeholders platforms helping non state actors to scale up and in particular:

- Companies and Financiers through companies management schemes and strategies
- Local Authorities, through integrated action plan
- Citizens Organisation through empowering leverages i.a. in a digital era to change mindset and reward the market Partnerships of non state actors and state actors through joint action plans.

Scale Up is a governance scheme which will:

- Innovate in terms of how the green and sustainable finance galaxy partner with the two other galaxies (green economy and care) addressing financial risks, business value destruction and creation, citizens trust, green and care market rewarding.
- Innovate in the way business accountability and reporting addresses investments, including Foreign Direct Investments as well as wages and incentives in relation with long term strategy addressing planet boundaries and care and in line with the revised Shareholders EU directive
- Innovate in the way, the EU, States, Regions and Cities are acting as “host” of partnerships between state and non state actors and designing with them a joint and integrated action plan of state and non state actors.
- Innovate at global level in the way Civil Society is empowering itself in a digital era and a time of ‘sharing and collaborative economy’ to impact governments and the market, reward value based investors, business and authorities champions of the green/blue economy and care.
- Innovate in the way non state actors and state actors active in the EU are partnering with non state actors and state actors outside the EU in the framework of a “Global Coalition Agenda 2030”.
- Innovate in the way the 3 ecosystems are communicating and addressing Heads of States on one hand, Citizens on the other hand to change mindset.

The implementation of the SDGs and the Paris Climate Agreement through a bureaucratic and centralized approach will not succeed. To Scale Up we need to set up a ‘system’ which will secure trust, effectiveness, transparency leading to more justice. This is what we are proposing with initiatives which could deliver their first results already in 2018 thanks to events to take place in Europe and Argentina before the G20.



If we succeed to develop this new global governance system, we will have made a major progress as global corporations, financial institutions will have to align themselves with the system and its monitoring and impact control on their business models and their value chains.

If we succeed we will have a permanent 'virtuous circle' in place to accelerate the transition towards a new development model.

A 'great transformation' or 'metamorphosis' would be engaged thanks to new forms of 'empowerment'.

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