



#GreenFin

Financing the Green Transition

Implementation of the Green Deal from the Perspective of Selected Stakeholders

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#Implementation of the Green Deal from the Perspective of Selected Stakeholders

Agenda

- Government and Regulatory Bodies
- Industry and Businesses
- Labor Unions and Workers

These stakeholder groups play different but interconnected roles in the successful implementation of the Green Deal, and each has specific concerns and contributions related to the environmental, economic, and social impacts of this transition.



Selected Stakeholders

Government and Regulatory Bodies

- National governments and the European Commission
- Local and regional authorities
- Regulatory agencies responsible for implementing environmental policies and law

Industry and Businesses

- Large corporations, especially in high-emission sectors (energy, transport, agriculture)
- Small and medium-sized enterprises (SMEs)
- Financial institutions

Labor Unions and Workers

- Organizations representing workers in industries transitioning to greener practices, ensuring a "just transition" that protects jobs while moving towards sustainability
- Employee advocacy group



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#Government and Regulatory Bodies

The main challenge for **Government and Regulatory Bodies** concerning the implementation of the **Green Deal** lies in **balancing ambitious climate goals with economic and social stability.**



#Government and Regulatory Bodies

Important suggestions and priorities for effective action:

1. Ensuring a Just Transition

- One of the biggest challenges is ensuring that the shift to a green economy is **fair and equitable** for all sectors of society. Governments must avoid creating economic disruptions, job losses, or exacerbating social inequalities, especially in regions dependent on carbon-intensive industries (e.g., coal mining or traditional manufacturing).
- A "just transition" requires comprehensive **retraining programs**, support for affected workers, and measures to mitigate the negative social impacts of the Green Deal policies, particularly in vulnerable communities.
- Governments must develop a **clear legal framework** that supports the goals of the Green Deal, including achieving **net-zero emissions by 2050**. This includes passing comprehensive legislation on renewable energy, circular economy principles, emissions reduction targets, and sustainable land use.



#Government and Regulatory Bodies

2. Financial Constraints and Mobilization of Resources

- **Financing the Green Deal** on a large scale presents a significant challenge. Governments must secure and allocate enough financial resources to invest in renewable energy infrastructure, sustainable transport, and energy-efficient technologies.
- Balancing **short-term costs** with **long-term** environmental and economic **benefits** is complex, particularly during times of economic uncertainty or recovery (e.g., post-COVID-19 or war).
- Governments should provide **financial mechanisms** such as **subsidies, grants, tax incentives, and green bonds** to encourage private investments in sustainable technologies, renewable energy projects, and eco-innovation.
- Implementation of a **carbon pricing mechanism** (e.g., carbon tax or cap-and-trade system) to internalize the environmental costs of greenhouse gas emissions and incentivize companies to reduce their carbon footprints.



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#Government and Regulatory Bodies

3. Collaboration and Stakeholder Engagement

- Ensure ongoing **collaboration between different levels of government**, from the European Union to national, regional, and local authorities, to align on common goals and share best practices.
- **Engage with key stakeholders**, including industry, civil society, and local communities, to foster public-private partnerships and ensure that the policies reflect the interests of all groups.
- Furthermore, creating a **clear, predictable, and stable regulatory environment** is crucial to encourage private sector participation and long-term investments. Governments must avoid regulatory uncertainty or contradictory policies that can hinder progress.



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#Government and Regulatory Bodies

4. Balancing Environmental and Economic Priorities

- Governments face the challenge of ensuring that **economic growth and competitiveness** are not compromised while pursuing aggressive climate goals. Some industries may resist the changes due to concerns about the costs of transitioning to greener practices, particularly in sectors like manufacturing, energy, and transport.
- Policies must encourage **innovation and economic growth**, while simultaneously reducing carbon emissions and environmental impact. Striking this balance is critical but difficult, especially when industries need to make significant capital investments in clean technologies.
- Establish transparent and **accountable mechanisms** for tracking progress, ensuring that climate goals and green initiatives are met. Regular **reporting and data-sharing** on emissions reductions, resource use, and environmental performance are essential.



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#Government and Regulatory Bodies

5. Public and Political Support

- Governments must **maintain public support** for the Green Deal, which can be difficult when people perceive increased costs for energy, transportation, or goods as a result of new regulations. Resistance can arise from groups concerned about the affordability of green policies, especially in low-income or rural areas.
- Encourage **educational initiatives** and workforce training programs to equip workers with the necessary skills for green jobs in sectors like renewable energy, energy efficiency, and sustainable transport.



#Government and Regulatory Bodies

6. Technological Gaps and Innovation

- While renewable energy and green technologies are advancing, there are still **technological gaps** in areas like energy storage, carbon capture, and large-scale industrial decarbonization. Governments must foster **research, development, and deployment** of these critical technologies to meet the Green Deal targets.
- **Invest in research and development** of new technologies that can facilitate the transition to a green economy, including renewable energy technologies, energy efficiency solutions, carbon capture and storage, and sustainable agriculture.
- Supporting **innovation** and encouraging the rapid adoption of new technologies, especially in hard-to-decarbonize sectors, is essential but can be slow and costly.



#Government and Regulatory Bodies

7. Monitoring, Enforcement, and Accountability

- Governments must establish robust **monitoring and enforcement mechanisms** to ensure that businesses, industries, and local governments comply with Green Deal regulations. This includes regular reporting on emissions, environmental impact, and progress toward sustainability goals.
- Ensuring accountability, especially in multinational corporations or industries operating across borders, can be challenging without effective regulatory frameworks and cooperation among different jurisdictions.



#Government and Regulatory Bodies

8. International Cooperation and Competition

- Implementing the Green Deal requires close **international cooperation** to avoid **carbon leakage**, where businesses move their operations to countries with less stringent climate regulations, undermining global climate goals.
- At the same time, governments need to manage the tension between pursuing aggressive **climate goals** and maintaining global **competitiveness**. Balancing trade policies, such as carbon border taxes, without igniting trade disputes, is a complex challenge.
- Governments should play an active role in **global climate diplomacy**, aligning national Green Deal policies with international agreements, such as the **Paris Agreement**, and fostering cooperation with other countries on cross-border environmental challenges (e.g., international trade, carbon border adjustments, and biodiversity protection).



#Industry and Businesses

When considering **Industry and Businesses** in the context of the implementation of the **Green Deal**, the Green Deal presents both a challenge and an opportunity.

1. Adopting Green Technologies and Innovation

- **Invest in clean technologies** that reduce carbon emissions, increase energy efficiency, and promote sustainable production processes. This includes renewable energy sources, electrification of transport, and industrial decarbonization through carbon capture and storage (CCS).
- Encourage **research and development (R&D)** to foster innovation in sustainability, particularly in hard-to-abate sectors like heavy industry, chemical manufacturing, and aviation.



#Industry and Businesses

2. Circular Economy Practices

- Transition from linear "take, make, waste" models to **circular economy principles**, which focus on resource efficiency, recycling, and reusing materials. This helps reduce waste, lower resource extraction, and extend the life cycle of products.
- Implement **eco-design strategies** in manufacturing, ensuring that products are created with minimal environmental impact and are easier to recycle or reuse.



#Industry and Businesses

3. Compliance with Regulatory Standards

- Ensure that business operations comply with **EU Green Deal regulations**, including emission limits, waste management standards, and reporting requirements. Adherence to regulations such as the **EU Emissions Trading System (ETS)** and **Corporate Sustainability Reporting Directive (CSRD)** is crucial for staying competitive and avoiding penalties.
- Stay informed about evolving **regulatory frameworks**, both at the national and EU level, and adapt business models to align with future legislative changes, such as the **carbon border adjustment mechanism (CBAM)**.



#Industry and Businesses

4. Sustainable Supply Chains

- Evaluate and optimize the entire **supply chain** to ensure sustainability at every level, from raw material sourcing to product delivery. Partner with suppliers who share similar ESG (Environmental, Social, and Governance) commitments.
- Reduce the **carbon footprint of logistics** by switching to green transportation options, optimizing routes, and reducing packaging waste.



#Industry and Businesses

5. Green Financing and Investments

- Leverage **green financing opportunities**, such as green bonds, sustainability-linked loans, or funds earmarked for eco-friendly projects. This helps secure capital for investments in renewable energy, resource efficiency, and sustainable infrastructure.
- Align business strategies with **ESG criteria**, as this makes companies more attractive to investors who prioritize environmental and social responsibility. A strong ESG performance can enhance access to capital and improve company valuation.



#Industry and Businesses

6. Energy Transition and Efficiency

- Focus on increasing **energy efficiency** in industrial operations, using smart technologies, automation, and energy management systems to reduce overall energy consumption.
- **Decarbonize energy usage** by transitioning from fossil fuels to **renewable energy sources**, such as wind, solar, and biomass. Energy-intensive sectors must particularly commit to ambitious **carbon reduction targets** to meet the Green Deal's objectives.



#Industry and Businesses

7. Carbon Footprint and Emission Reduction

- Set measurable targets for reducing **carbon emissions** in line with the goals of the Green Deal, such as achieving **net-zero emissions** by 2050. This may involve improving operational efficiency, adopting low-carbon technologies, and engaging in carbon offset initiatives.
- Implement a **carbon management system** to monitor, measure, and report on emissions across the business, ensuring transparency and compliance with global and regional reporting standards.



#Industry and Businesses

8. Sustainable Product and Service Offerings

- Develop and promote **sustainable products and services** that meet the growing consumer demand for eco-friendly options. Integrating sustainability into product design and marketing can drive business growth and customer loyalty.
- Engage in **eco-labeling** and certification schemes that demonstrate the environmental impact and sustainability of products, helping consumers make informed choices.
- Implementation of green loan, preferential loans for pro-environmental investments. and investment products in banks.



#Industry and Businesses

9. Collaboration and Partnerships

- Engage in **public-private partnerships** and collaborate with stakeholders, including governments, NGOs, and academic institutions, to share best practices, technologies, and knowledge related to sustainability.
- Form **industry alliances** focused on achieving common environmental goals, such as reducing sector-wide emissions or improving energy efficiency in specific industries.



#Industry and Businesses

10. Workforce Training and Development

- Invest in **employee training programs** to develop skills related to sustainability and green technologies. As businesses transition towards more sustainable practices, workforce development is crucial to ensuring that employees are equipped to support and drive this change.
- Promote a **culture of sustainability** within the organization, ensuring that all employees understand the importance of the Green Deal and their role in achieving the company's sustainability goals.



#Industry and Businesses

11. Corporate Responsibility and Transparency

- Demonstrate **corporate social responsibility (CSR)** by publicly committing to environmental and social goals, including publishing **sustainability reports** and adhering to ESG standards.
- Enhance **transparency** by disclosing environmental performance metrics, carbon footprints, and progress towards sustainability goals. Reporting aligned with **Global Reporting Initiative (GRI)** or **Sustainability Accounting Standards Board (SASB)** standards can enhance corporate credibility and stakeholder trust.
- Effectively implement an **ESG reporting system**, data collection, and processing.



#Industry and Businesses

12. Resilience and Risk Management

- Develop strategies to improve **business resilience** in the face of climate-related risks, such as supply chain disruptions or regulatory shifts. By integrating **climate risk assessments** into business planning, companies can better prepare for and mitigate the impacts of climate change on their operations.
- Adopt **risk management frameworks** that take into account ESG-related risks, ensuring that businesses are resilient to both regulatory and physical climate risks (especially important in banking sector).



#Labor Unions and Workers

The Green Deal will have significant impacts on workers, particularly in industries that are carbon-intensive, as well as from financial sector, and it is essential to address these challenges to avoid negative social and economic consequences.



#Labor Unions and Workers

When considering **Labor Unions and Workers** in the context of the implementation of the **Green Deal**, there are several important suggestions and priorities to ensure a fair and equitable transition to a sustainable economy.

1. Ensuring a Just Transition

- A "**just transition**" is crucial to protecting workers whose jobs may be at risk due to the shift towards greener industries. Labor unions should advocate for policies that provide **retraining opportunities, job placement assistance, and social protection** for workers in sectors such as coal mining, oil and gas, and heavy industry.
- Governments, businesses, and unions should work together to create **transition plans** that include financial support, severance packages, and community development programs to support regions and communities affected by the transition.



#Labor Unions and Workers

2. Reskilling and Upskilling Workers

- A priority for labor unions and workers is ensuring that there are **training and education programs** to equip workers with the skills necessary for green jobs. This includes **reskilling workers from carbon-intensive sectors and upskilling workers in growing industries** such as renewable energy, energy efficiency, and electric mobility.
- Governments and businesses should collaborate with unions to design **vocational training programs** that focus on the development of skills needed for the green economy, such as renewable energy technologies, sustainable agriculture, and energy-efficient construction.



#Labor Unions and Workers

3. Job Creation in Green Sectors

- The Green Deal has the potential to create **millions of new jobs** in sectors such as renewable energy, sustainable transport, and energy efficiency. Labor unions should push for policies that maximize job creation in these sectors and ensure that these jobs are **decent, well-paying, and secure**.
- Unions can advocate for **public investment** in green infrastructure projects, such as building renewable energy facilities, retrofitting buildings for energy efficiency, and developing sustainable transport networks, which can generate employment opportunities for a wide range of workers.



#Labor Unions and Workers

4. Worker Representation in Decision-Making

- Labor unions should seek to ensure that workers have a **seat at the table** in discussions related to the implementation of the Green Deal, especially when it comes to policies that directly impact their jobs and working conditions.
- Unions should advocate for **strong social dialogue** between workers, employers, and governments, ensuring that workers' rights and perspectives are taken into account in the development and implementation of green policies.



#Labor Unions and Workers

5. Protecting Workers' Rights

- As industries undergo transformations to become more sustainable, it is crucial to ensure that workers' **rights are protected**. Labor unions should advocate for the maintenance of **collective bargaining agreements**, fair wages, safe working conditions, and job security, even as industries adapt to new environmental regulations.
- Unions should also push for **decent work standards** in green sectors, ensuring that newly created jobs in the green economy provide fair wages, job stability, and opportunities for advancement.



#Labor Unions and Workers

6. Supporting Vulnerable Workers and Communities

- Special attention should be paid to vulnerable groups, such as low-skilled workers, older workers, and workers from disadvantaged regions, who may face greater challenges in adapting to the changes brought by the Green Deal. Unions should advocate for targeted policies that provide additional **support and protections** to these groups.
- Efforts should be made to ensure that **rural and industrial regions** that are dependent on carbon-intensive industries receive the necessary support to diversify their economies and provide new opportunities for workers.



#Labor Unions and Workers

7. Promoting Gender Equality and Inclusion

- The Green Deal provides an opportunity to promote **gender equality** and inclusion in the labor market. Labor unions should advocate for policies that ensure equal access to green jobs for women and underrepresented groups, and work to address **gender disparities** in wages, job security, and career progression in the emerging green sectors.
- Unions should support **inclusive labor market policies** that address barriers to employment for women and other marginalized groups, ensuring that the transition to a green economy benefits all workers, not just a select few.



#Labor Unions and Workers

8. Fair Distribution of Costs and Benefits

- Labor unions should ensure that the costs of transitioning to a green economy are **equitably distributed** and do not disproportionately burden workers and low-income households. Policies should be designed to ensure that workers do not bear the brunt of the financial burden associated with the transition, such as through increased energy costs or job losses.
- At the same time, unions should push for policies that ensure that workers share in the **economic benefits** of the green transition, such as through profit-sharing schemes, wage increases, or other forms of financial compensation linked to the success of green initiatives.



#Labor Unions and Workers

9. Addressing the Gig Economy and Precarious Work

- With the rise of the **gig economy** and precarious work arrangements, labor unions should advocate for stronger protections for workers in non-traditional employment, particularly in sectors affected by the green transition.
- Unions should push for policies that provide **social protections** for gig workers, including access to benefits such as healthcare, unemployment insurance, and pensions, ensuring that all workers are protected during the transition to a sustainable economy.



#Labor Unions and Workers

10. Environmental and Workplace Safety

- As industries adopt new technologies and processes to reduce their environmental impact, it is important to ensure that **workplace safety standards** are maintained. Labor unions should advocate for strong **health and safety regulations** in green industries, ensuring that workers are not exposed to new risks as a result of technological changes or environmental measures.
- Unions should also promote policies that support the **environmental sustainability** of workplaces, encouraging businesses to adopt sustainable practices that benefit both workers and the environment, such as energy-efficient buildings and pollution-reduction measures.



#Conclusions

- The main challenge for governments and regulatory bodies is managing the **multi-faceted transition** towards a green, low-carbon economy while ensuring **economic stability, social justice, and global competitiveness**. This requires coordinated policy frameworks, substantial financial investments, and the engagement of all societal and economic sectors to achieve the ambitious climate goals set out by the Green Deal.
- For **Industry and Businesses**, the Green Deal presents both a challenge and an opportunity. Adopting sustainable practices not only helps businesses comply with evolving regulations but also enables them to remain competitive in a rapidly changing market. By investing in green technologies, developing sustainable products, and aligning business models with ESG standards, companies can lead the transition to a more sustainable future while benefiting from financial growth and improved market positioning.
- For **Labor Unions and Workers**, the Green Deal presents both opportunities and challenges. By focusing on a **just transition**, labor unions can help ensure that workers are not left behind in the shift to a sustainable economy. This includes advocating for reskilling, decent work, job creation in green sectors, and strong worker protections. Collaboration between governments, businesses, and unions is essential to ensure that the Green Deal delivers economic, social, and environmental benefits for all workers.



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