

# #GreenFin



## Financing the Green Transition

**DELIVERABLE D4.2**

**Delivery of the Guidelines**



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## PROJECT CONSORTIUM

Coordinator 

## Beneficiaries



## Affiliated Entities

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## Associate Partners





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## TABLE OF CONTENTS

Table of Contents.....	4
Abbreviation.....	5
List of Figures .....	5
Executive Summary.....	6
1. Green Deal implementation guidelines from the perspective of selected stakeholders .....	6
1.1 Government and Regulatory Bodies .....	6
1.2 Industry and Businesses .....	9
1.3 Trade Unions and Workers .....	12
2. Guidelines on finance sector new professional profiles, training programs and skills to support the Green Transition .....	15
2.1 Green Finance strategic professional profiles .....	15
2.2 Training programs required in the finance sector .....	15
2.3 Skills and tasks required in the finance sector .....	16
3. Guidelines - Final Remarks .....	17



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## ABBREVIATION

DoA	Description of the Action
EC	European Commission
GA	Grant Agreement
COO	Project Coordinator
BEN(s)	Beneficiary/Beneficiaries
AE(s)	Affiliated Entity/Entities
AP(s)	Associated Partner/s
WP	Work Package
WPL	Work Package Leader
RP	Reporting Period

## List of figures

Figure 1. “Top three” professions in the horizon until 2023 in the finance sector .....	15
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## Executive Summary

The GreenFin project had 3 macro-objectives:

1. to disseminate knowledge of European legislation on the green economy and its impact on the world of institutions, work and business;
2. to define and disseminate, through field research, new professional profiles and skills needed to strengthen the role of the financial sector in the European green revolution in support of market transition;
3. To develop the bargaining capacity of workers' representatives and transnational social dialogue on this issue, by developing the awareness, skills and tools needed to strengthen the synergies between the different levels of collective bargaining, culminating in European Works Councils. (see deliverables *D3.1*, *D3.2*, *D3.3*, *D3.4* on the training pathway)

This deliverable presents the main lines of research - both desk-based and field-based, through surveys and interviews - carried out by the University of Lodz and Adapt with the support of the social partners to achieve the above objectives.

## 1. Green Deal implementation guidelines from the perspective of selected stakeholders

The stakeholders' groups, namely government and regulatory bodies, industries and businesses, and workers' representatives, 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.

### 1.1 Government and Regulatory Bodies

The main challenge for Government and Regulatory Bodies - i.e. national governments, the European Commission, local and regional authorities, and the regulatory agencies responsible for implementing environmental policies and law concerning the implementation of the Green Deal - lies in balancing ambitious climate goals with economic and social stability.

Below are the guidelines for government and regulatory bodies, as suggestions and priorities for effective action, developed as a result of desk and field research during the development of the GreenFin project.

#### 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.



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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.

## 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.

## 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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## 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.

## 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.

## 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.





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## 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.

## 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).

### 1.2 Industry and Businesses

When considering industry and businesses – i.e. large corporations, especially in high-emission sectors (energy, transport, agriculture), small and medium-sized enterprises (SMEs) and financial institutions - 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.



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## 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.

## 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).

## 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.

## 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.

## 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.





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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.

## 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.

## 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.

## 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.

## 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.



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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.

## 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.

## 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).

### 1.3 Trade 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

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.





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## 2. Workers Reskilling and Upskilling

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.

## 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.

## 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.

## 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.



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## 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.

## 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.

## 8. Fair Distribution of Costs and Benefits

Labor unions should ensure that the costs of transitioning to a green economy are equitably distributed and 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.

## 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 and should push for policies that provide social protections for gig workers, including access to benefits such as healthcare, unemployment insurance, and pensions.

## 10. Environmental and Workplace Safety

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.





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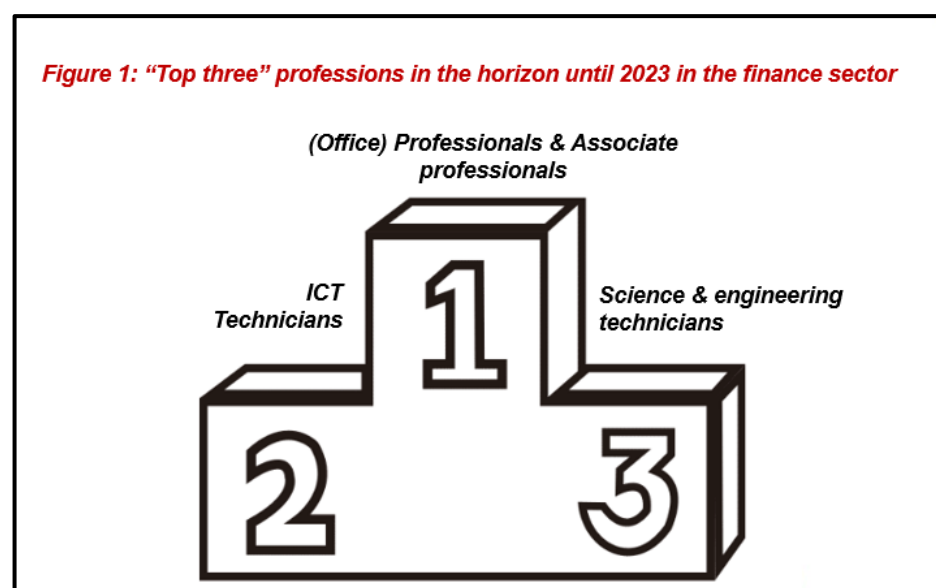


## 2. Guidelines on finance sector's new professional profiles, training programs and skills to support the Green Transition

The objective of the field survey, conducted from 17/10/2023 to 22/11/2023 and filled in by 113 worker representatives at the company and national level, was to identify the emerging professional roles and skills needed to meet the requirements of the markets and sectors involved so that to adapt the finance sector to a new credit paradigm based on social and environmental sustainability.

### 2.1 Green Finance strategic professional profiles

The data gathered through the survey shows a clear trend towards higher-skilled roles in the finance/insurance sectors, particularly related to ICT professions, highlighting the growing importance of advanced technical skills to support the green transition, where digital solutions are key to managing environmental risks.



### 2.2 Training programs required in the finance sector

To meet the evolving demands of the green transition in the financial sector, **vocational and professional training programs must:**

- **Expand Transversal Green Skills:** nearly half of the respondents highlight the need for these skills, educational programs should prioritize sustainability literacy, project management, and interdisciplinary teamwork to embed green thinking across all roles.
- **Increase Technical Training:** As 28% of organizations need specialized green technical skills, targeted upskilling in areas like green finance, energy management, and carbon footprint analysis will be crucial.
- **Develop New Professional Profiles:** As a significant portion of organizations foresee the need for entirely new job profiles, training institutions should anticipate emerging roles (e.g., sustainability analysts, green auditors) and offer specialized courses that equip the workforce for future demands.

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## 2.3 Skills and tasks required in the finance sector

The distribution of skills and tasks required in various financial sector roles, highlighting a mix of traditional financial competencies and emerging skills related to sustainability, risk management, and technological advancements.

### Key results:

**a. Most Demanded Skill:** The ability to apply credit stress testing methodologies and analyse economic trends is the most in-demand skill, with the highest number of responses. This suggests that risk analysis, particularly in response to volatile financial conditions, is a critical priority for financial professionals.

**b. Emerging Focus on ESG and Compliance:** Skills like performing specific ESG (Environmental, Social, and Governance) risk analysis, ensuring compliance with environmental sustainability regulations, and assessing companies' activities against sustainability indicators are gaining importance. This reflects the growing emphasis on sustainability in the financial sector as organizations align with green finance principles.

**c. Technological Integration:** There's also a notable demand for technical skills, such as using AI and ICT tools to analyze and process data, which indicates the financial sector's shift toward digitalization and the use of advanced technologies for data-driven decision-making.

**d. Other Critical Skills:** The ability to forecast economic trends and perform financial analysis on price strategies are also among the key skills, emphasizing the need for professionals to provide forward-looking insights and strategic financial planning.

### Action Plan

**a. Upskilling and Reskilling:** Financial institutions need to invest in continuous learning programs that focus on both traditional financial analysis and emerging skills, such as ESG compliance, AI integration, and data analytics.

**b. Vocational Training:** Specialized training programs focused on green finance, AI tools, and risk management should be expanded to prepare professionals for the sector's evolving demands.

**c. Collaboration with Regulatory Bodies:** Organizations should collaborate with regulators to ensure that training programs align with evolving sustainability standards and compliance requirements.





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## 3. Guidelines - Final Remarks

- 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 focusing on a just transition, trade 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.
- As the financial sector plays a pivotal role in driving the green transition, there is an urgent need to enhance both transversal and technical green skills and a strong demand for expertise in ESG reporting, sustainable finance, and climate change financing, requiring continuous training and education for the workforce.
- The growing complexity of the green transition highlights the need for entirely new roles, such as sustainability analysts and green auditors. Vocational training programs should adapt to anticipate these future needs, preparing professionals to manage the dynamic demands of green finance
- The integration of AI and ICT tools into financial processes, including ESG risk analysis and data processing, will be crucial. Training and upskilling professionals in these areas will ensure they remain competitive and capable of supporting the green transition through innovative digital solutions.
- Small and medium enterprises (SMEs) require targeted support, including green financial products and clear guidance on ESG compliance. Financial institutions must help SMEs innovate and adopt sustainable practices.
- A stronger emphasis on reskilling and upskilling will be needed to bridge the gap between current capabilities and future demands, ensuring the financial workforce is well-equipped to support the green transition.

