

DENMARK

# TO BE OR NOT TO BE?

## AN OBVIOUS ANSWER FOR DANISH ENVIRONMENTALISTS

**S**uccessors of the Prince of Denmark have been bringing all the Greens under their banner with admirable consistency, in a bid to reverse the course of the world evolution marred by environmental pollution and depletion of natural resources. Copenhagen is set to put the planet on the track of sustainable development, based on effective energy consumption.

Some reproach Denmark for starry-eyed idealism, other for excessive ambitions. The fact however is that thanks to its aggressive and ingenious lobbying, the ranks of the "green" growth supporters, though not too large until recently, are gradually gaining more power and influence, even though they are still no match for fossil fuel advocates.

**T**heir significance strongly showed at a recent meeting of "green growth" enthusiasts, the Global Green Growth Forum hosted by Copenhagen on October 21-22.

The forum was founded by the governments of Denmark, South Korea and Mexico in 2011. Later, China, Kenya and Qatar became its partners. The forum's strategic objective is to secure transfer to "green economy," which uses natural resources rationally and does not pollute the environment.

Chaired by Danish Prime Minister Helle Thorning-Schmidt, the two-day forum brought together some 450 participants, including the prime ministers of South Korea, France and Ethiopia. In all, some 300 representatives of governments, international organizations and large companies from many countries, including Russia, attended the forum.

The forum, held in Copenhagen for the third time, addressed the improving of resource efficiencies in the value chain. Participants discussed new solutions in power generation and water and food supply and pondered ways to increase the effective and stable use of minerals with least waste and losses.

According to forum organizers, an increasing number of policymakers and business people acknowledge that "green growth" is a viable and even a necessary business model. The forum reflected the growing awareness that "greening" the value chain might create new opportunities for economic upturn, new sales markets and jobs and bring social and ecological benefits.

The concept of value chain was developed by U.S. economist Michael Porter in his book titled *Competitive Advantage: Creating and Sustaining Superior Performance* (New York: Free Press, 1985). The author breaks down a company's activity into strategic stages to have them analyzed in order to secure higher efficiency of each stage.

Aside from specific, or even technical measures to secure rational use of resources, "green growth" enthusiasts are setting a truly



historical task to replace the currently prevailing consumer mindset with the "green" mentality conscious of the care for nature and open to self-imposed restrictions on consumption.

The scope of challenges requires a change in mentality, Prime Minister Helle Thorning-Schmidt underlined as she opened the forum. As Albert Einstein once said "We can't solve problems by using the same mentality that created them," meaning that humanity had to think differently and act differently.

Denmark's pro-active promotion of "green" mentality in the world was praised at the forum. The World Wildlife Fund gave Denmark its most prestigious award A Gift to Earth, recognizing its "inspiring leadership" with the most ambitious climate and renewable energy targets in the world. Jim Leape, WWF International Director General handed in the award to Helle Thorning-Schmidt.

Though few would deny "green growth" enthusiasts' noble aspirations, there is much skepticism regarding the feasibility of proposed measures in the current situation. "Indeed, many countries are willing to transfer to the so-called "green growth," Eugeny Nadezhdin, director for relations with international organizations and an aide to the director general of the Russian Energy Agency said. "These ideas are fine, but

so far this approach has not been possible, in the first place because the world's power generation is so fragmented. Rich Denmark can afford developing renewable energy sources but many other countries cannot."

"We in Russia therefore believe that you cannot talk sustainable energy development without signing a global energy security agreement," he underlined. "The Russian Energy Strategy until 2030 allocates a certain niche to renewables, but only at the localities which have no energy networks or where their construction is too expensive."

A Forum panel focused on the challenges and opportunities for energy-efficiency projects in Russia and explored examples of how public-private partnership projects could drive a new kind of growth in Russia. Nadezhdin told about Russian state programs in energy efficiency and power generation development. He noted that by 2020, the share of thermal and electric power generated in Russia from renewable sources might increase to 2.5 percent. "Russia actively participates in international cooperation towards developing sustainable power generation," he underscored, adding that "coordinated energy policy of the world's largest countries is crucial for attaining an optimum balance of renewables on a global scale."



Participants in the session discussed other successful international projects in energy conservation, enhancing energy efficiency and using renewable sources of energy. Lauren Gritzke, a UN Foundation representative, told about the objectives of this organization created by well-known U.S. businessman and philanthropist Ted Turner. She said the Foundation had signed a memorandum of understanding with Russia's Mezhtregionsoyuzenergo holding in July 2013 envisioning assistance in launching the best practices in the field of rational energy consumption in Russia.

Nelly Segisova of the British-Scandinavian company Xynteo told about a unique plan to set up an innovative lifestyle zone. According to Segisova, the company is completing talks over this project, called Tver Marina, with Russian developer Status. It is planned to build a "smart town" on an area of 485,000 square meters where modern urban planning, environmental goods and state-of-the-art technologies will ensure top quality of life. Participants hope that

Tver Marina will become a model for other Russian projects to modernize the country.

The forum's concluding report noted that the planet's population would reach nine billion by 2050. To meet their basic needs, the world has to turn to new economic growth models. Overhauling mindset alone will be able to balance short-term wins and the planet's long-term sustainability. Citing historical examples, participants showed the possibility of change in mentality and even attempted to determine the levers to put such a mechanism into operation.

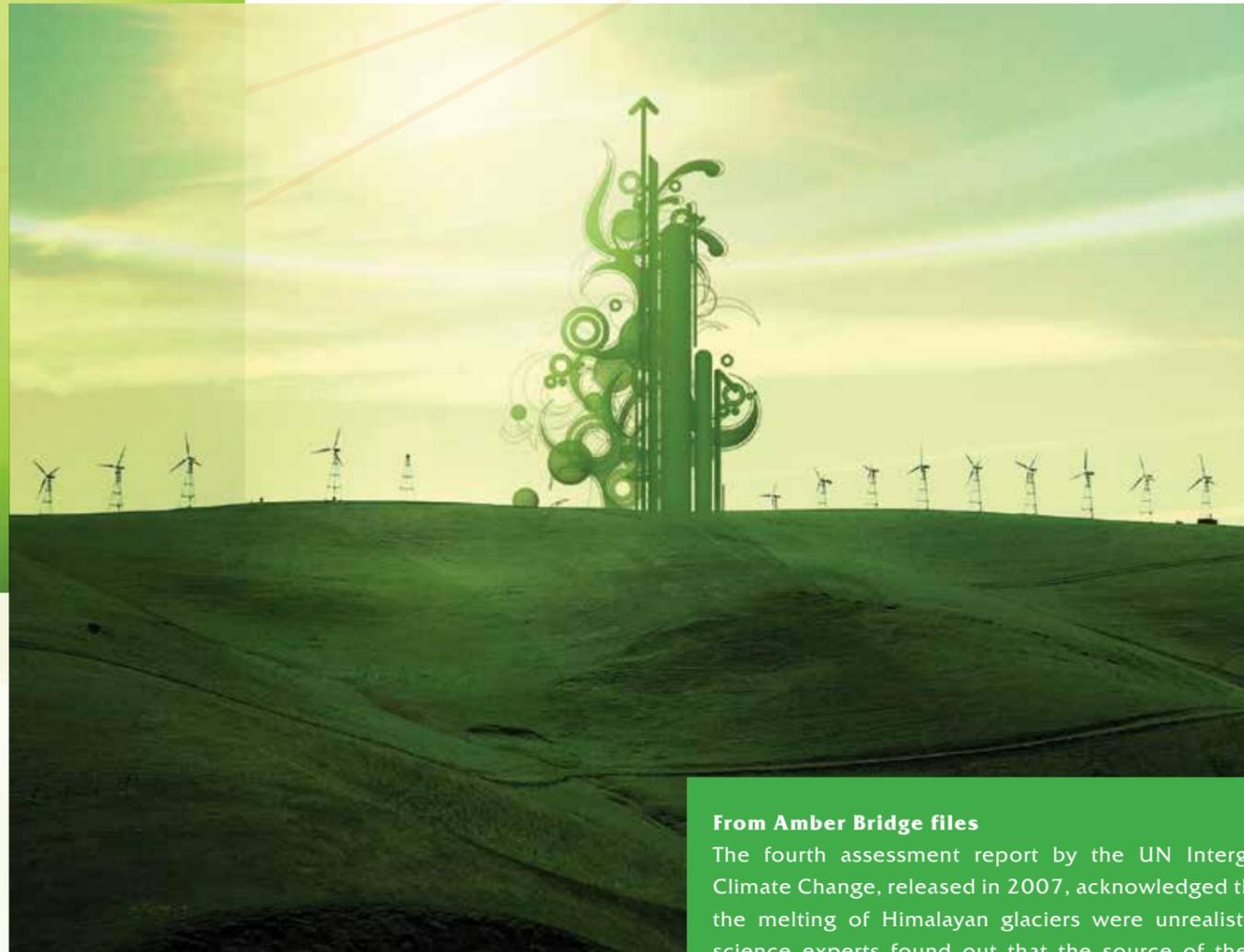
As for the forum results, participants signed a letter of intentions to set up a partnership on water leakage, reached an accord to work out a world protocol for measuring and reducing food

loss and waste, and launched a partnership for power system transformation. The forum decided to forward its generalized conclusions to international sustainable development and "green" growth forums: – the 2014 Climate Summit in

In the meantime, "green" technologies are not profitable at present; developing and launching them need subsidies, so the calls for promoting alternative power generation without necessary funding remain empty words.

The Copenhagen climate finance meeting at the UN City on October 23 was a sort of postscript to the World Green Growth Forum. It involved more than 100 government representatives of developed and developing countries, including the USA, Germany, France and Japan, as well as officials from international organizations and investors.

Speaking at the meeting, UN Secretary General Ban Ki-moon underlined that climate change was



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The fourth assessment report by the UN Intergovernmental Panel on Climate Change, released in 2007, acknowledged that the claims regarding the melting of Himalayan glaciers were unrealistic. A group of climate science experts found out that the source of the 2007 claims was not peer-reviewed scientific literature, but a WWF report citing from a New Scientist magazine news item. The purported date of the disappearance of Himalayan glaciers – 2035 – is a misprint in the report. The sentence was a copying error as it was borrowed from an article by V.Kotlyakov, Director of the Institute of Geography, Russian Academy of Sciences, predicting the shrinking of Earth's ice cover from 500,000 to 100,000 square kilometers by 2350. The IPCC administration issued a statement regretting the error and acknowledging that "the clear and well-established standards of evidence, required by the IPCC procedures, were not applied properly." But the chairman of the IPCC, Rajendra Pachauri, refused to step down. It was in 2007 that the IPCC and Albert Gore were awarded the Nobel Peace Prize.

New York, the World Economic Forum, and the nineteenth session of the Conference of the Parties (COP 19) of the United Nations Framework Convention on Climate Change in Warsaw on November 11-22.

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Prof B.Porfiriyev, one of the ideologists and co-founders of Russia's Emergency Situations Ministry, said "newest research into the impact of land use on climate changes shows that slash and burn agriculture makes a significant yet hitherto underestimated contribution to the increase in greenhouse gases emissions," and that this method of farming was still commonplace in developing countries. Therefore, the role of these states in global warming is seen in a different light, despite a possible political bias of the research carried out by U.S. and European Union specialists."

fuel and transferring to renewable energy sources – solar, wind and geothermal power – are the measures proposed by the so-called climate projects to contain this destructive process.

A draft of a new international treaty committing all countries to reduce greenhouse gas emissions was rejected by developing nations at the "climate summit" in Copenhagen in 2009. They blamed developed states for climate changes and demanded considerable financial assistance. Funding is crucial for securing the developing countries' support of the treaty, which is now expected to be signed at the 21st UN Conference on climate change in Paris in

insignificant share of overall world investment. A lion's share of investment is still channeled into the branches consuming fossil fuel, such as coal-fired power plants, so "brown" investments today by far exceed "the green" ones, according to Lidegaard.

A journalist asked Ban Ki-moon a sarcastic question "How do you fulfill a miracle to generate such a sum?"

"Mobilizing \$100 billion a year [for climate finance] by 2020 and every year from thereafter will be a huge challenge. [It is a] huge amount, but I do not think it is sort of a miracle or something impossible. It is possible if we have a political will. When and if there is a will, there is a way," he replied.

renewable energy and created favourable interest rates for climate investments," Danish Minister of Climate, Energy and Building, Martin Lidegaard said in an optimistic statement. "That has led to massive investment in solar energy from the private sector."

"Climate investments are not always as exotic as they are made out to be by some people," Lidegaard said adding that "It is important that politicians make demands to private investors" and that the latter "do their homework."

The Copenhagen meeting therefore made but the first steps towards creating a favorable framework for private funding of climate projects in developing countries.



the largest threat to sustainable development.

"The latest IPCC report has reminded us again of the urgency of our work. The way we produce and use energy is the dominant cause of climate change," he said.

"We have three ambitious but achievable objectives to be achieved by 2030," Ban Ki-moon reminded. "First, to provide universal access to modern energy. Second, we aim to double the worldwide rate of improvement in energy efficiency. Third, we want to double the global share of renewable energy."

Fossil fuel-fired industrial companies account for a large amount of greenhouse gas emission into the atmosphere. According to reports by the Intergovernmental Panel on Climate Change (IPCC) set up to assess global climate change risks (in 2007, it shared the Nobel Peace Prize together with Albert Gore), it raises mean temperature in the world causing global warming and natural disasters such as floods, droughts and hurricanes. Giving up fossil

2015. Raising these funds topped the agenda of the Copenhagen climate finance meeting.

Speaking at a news conference ahead of the meeting, UN Secretary General Ban Ki-moon reminded that developed countries decided in Copenhagen in 2009 to mobilize jointly USD 100 billion a year to address the needs of developing countries in the context of climate mitigation starting from 2020. This commitment had to be honored, he emphasized.

The above sum cannot be mobilized solely with government funds. International private actors – pension funds and insurance companies – should contribute to the funding of climate change mitigation projects in developing countries. But private investors should be confident that their risks and expenses will pay back.

Danish Minister of Climate, Energy and Building Martin Lidegaard, referring to a number of studies, said climate investment could easily generate profits for private investors, despite the fact that climate projects accounted for an

The Copenhagen discussion focused on how government bodies could stimulate the inflow of private investment into projects aimed at reducing greenhouse gases emissions, expanding the use of renewable sources of energy and enhancing energy efficiency. It considered creating favorable environment for investing in the "green" economy: a predictable tax policy, long-term pricing strategy, mature market of capital, the state sector's sufficient involvement in climate projects, compensation of expenses on new technologies and payment of bonuses for high risks.

Participants in the meeting concluded that the challenge to mobilize USD 100 billion a year beginning from 2020 was achievable if "the right framework conditions" were created for private investors. Public budgets are not able to deliver amounts at this scale, but the public can play a crucial role in mobilizing far bigger private investments.

"At the meeting we heard about Morocco that have established long-term goals for

The conclusions of the Copenhagen Climate Finance Meeting made groundwork for following up the discussion at the 19th UN climate conference in Warsaw where finance for developing states was one of the key topics.

**Nikolai Morozov,**  
for Amber Bridge

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The IPCC fourth assessment report claims a very large probability (more than 90 percent) that anthropogenic activities are crucial (without elaborating). Following up the authors' line, let us assume that the probability equals 0.91 and that anthropogenic contribution would be 55 percent. Therefore, the natural to anthropogenic cause ratio is 50/50, i.e. the risk of "anti-climate" investment is very high.