

Dear Chair,  
Excellencies,  
Distinguished delegates,  
Ladies and gentlemen,

I am honored to have been invited here today to speak about the role, benefits and further potential of the Convention and the Protocol in promoting green financing.

It is undeniable that currently the world is facing three major environmental crises concerning climate, biodiversity, and pollution. Tackling them requires all of us to work together towards a sustainable future. I am here today to speak about green financing as increasing the level of financial flows from the public, private and not-for-profit sectors to sustainable development priorities is key to go in the right direction.

Assessing whether an investment can be considered environmentally sustainable or not is therefore key. To this end, green taxonomy helps by setting a framework for defining what can be considered environmentally sustainable investments, for avoiding “greenwashing” as well as helping companies and investors to make more informed choices.

One year before the voluntary high-level principles were agreed by the G20 Sustainable Finance Working Group, in the EU a green taxonomy regulation was adopted in 2020 whereby six climate and environmental objectives were established, namely climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems.

Among the criteria to decide whether an economic activity is environmentally sustainable set by the EU regulation, there are the “do not significant harm (DNSH)” principle and its contribution to at least one of the six climate and environmental objectives I have just mentioned.

As you know, in order to prevent a plan, programme or specific project might adversely affect the environment SEA and EIA play a fundamental role.

Learning from the EU experience, the application of DNSH principle has some specific advantages for SEA and EIA: through the adoption of EU Regulation 2021/2139 "Climate Screening Criteria" and Commission Communication C(2023)3851 "Environmental Screening Criteria", for many economic activities, minimal but rigorous standards have been codified by which it is possible to define whether and how an economic activity contributes positively to the achievement of a climate or environmental objective while not causing harm to other environmental objectives.

This is why it would be important to mainstream the concept of green taxonomy also when a transboundary EIA or SEA is carried out respectively under the Espoo Convention and Kyiv Protocol.

As more than 20 different taxonomies are known to have been developed, or are under development, globally, the extensive application of DNSH in all the countries that are Party to the Convention and the Protocol would allow greater homogeneity in language and an incentive to standardize uneven and conflicting definitions that hinder the correct and uniform application of environmental legislation and the achievement of sustainable development goals.

Within the EU, for example, harmonizing the nomenclature of the Taxonomy, that of the "categories of intervention" governing European funds and the "climate control methodology" or eligible costs, would be an important for the proper monitoring of the achievement of the Green Deal and UN Sustainable Development Goals. Such harmonized green taxonomy could then be gradually extended

to other non-EU states that might adopt it on a voluntary basis as well as the extensive application initially of the "Screening Criteria" related to DNSH only, thus excluding the Technical Screening Criteria related to substantial contribution to the achievement of environmental goals, which are particularly challenging. In this initial stage, for states that are not yet adopting DNSH, it would be useful to start introducing compliance requirements with those targets and criteria that do not require great commitment in terms of financial resources and technological innovation, focusing instead on actions with low technological content and high environmental and population protection value as well as on climate change adaptation measures. In addition, an obligation to comply with the criteria of the green taxonomy might then be introduced for the possible next phase of the EU4Environment programme and, in general, for the disbursement of EU financial aid to third countries.

Moreover, aligning the assessment obligations under the Convention and Protocol with the Screening Criteria of Sustainable Finance Taxonomy could be very useful as DNSH allows for homogeneity in assessments at any level and in any sector, by reducing the subjectivity of assessments, which often not only compromises their quality but also impedes the expression of fair judgments and behaviors, even to the detriment of transparency, democracy and fair competition between companies, particularly if they reside in different states.

With respect to the adverse effects on climate of plans, programmes or specific projects, as recalled in the 2017 Minsk Declaration, in particular strategic environmental assessment is a key tool for the development of national climate change action and planning, and for the incorporation of specific climate change mitigation and adaptation measures into regional development and sectoral plans, programmes and policies.

Now more than ever, it is fundamental to recognize the important role SEA and EIA must play in climate proofing, hence take into account not only the impacts and effects that a plan, programme or project might have on the climate but also those that extreme weather events due to climate change might have on the infrastructure we are building as industrial accidents and unchecked urban and regional development could together be a recipe for disaster.

With respect to EIA, specific bilateral or multilateral agreements among the Parties, which are provided for in article 8 of the Espoo Convention, might help reconcile national legislative procedures, address differences in implementation practices and enable environmental ministries to coordinate transboundary EIA procedures more effectively to include climate considerations in transboundary EIAs, for example by clearly defining climate change adaptation and mitigation objectives and by introducing for non- EU Parties climate proofing as a mandatory requirement for a transboundary EIA, which is already mandatory in the EU according to Regulation (EU) 2021/1060.