

"Finance represents the keystone of successful transition"



Olivier Ferrari, who has been active in finance since 1983, is the Managing Director of Coninco Explorers in

finance, a Vevey-based company specialising in advising institutional investors and committed to sustainable investment. He gives his views on the twenty-sixth edition.

■ **As an observer, you have participated in most of the Conferences of the Parties (COP). You were very confident in previous editions, but seemed a little disillusioned after COP 25. Why was this?**

I was indeed still very excited at the 24th edition because it followed Paris (COP21), the great COP, the big trigger that brought something new: the economy. Paris brought together governments, companies and NGOs. At the 25th, we were at Greta coming to make her speech. We listened to her. People took to the streets. It became a global movement that raised awareness. I am still hopeful that the economy is responding. On the other hand, finance has turned around and suddenly become responsible. I was very critical of greenwashing. But we must recognise that it reinforces a necessary awareness.

■ **How do you feel about COP26? What are your expectations?**

Glasgow will be a COP unlike any other. It faces the huge challenge of how to set the carbon tax and determine its efficient use. But until all states are on board, we will not get there. There will always be a

leakage point. It is therefore necessary to see how COP26 will reconcile the interests of each nation. Let's not forget that states have to make decisions that will affect eight billion people!

■ **Do you think the states will succeed in achieving this result?**

One sentence has remained engraved in my memory. In Marrakech (COP 22), during a conference, a journalist asked what would happen to the Paris Agreement if Mr Trump decided to leave it. John Kerry replied in substance that the politics is doing its work, but that the economy is already ahead. I also think that it is the companies that have the capacity to propose answers and not the States. If we provide the means to make this transition, we can move forward relatively quickly. I believe in this. And before industry, I think that finance can play the leading role because it represents the keystone of the success of the transition.

■ **What are the concrete climate solutions to achieve the COP targets?**

I base all my thinking on the Drawdown project, which refers to the critical tipping point for human survival on Earth, which we must strive to reach quickly, safely, but also equitably. Working with 70 researchers from 22 nationalities, environmentalist and circular economy expert Paul Hawken has listed and assessed the potential impacts of 80 climate solutions that reduce CO2 in the atmosphere. Most of these solutions involve reducing the use of fossil fuels, or finding substitutes for them. I am convinced that we must invest

massively in all the sectors proposed by Drawdown. We have the means, but to achieve this, we must rethink the economy.

■ **In this regard, what do you think of Building Bridges, which is one of the initiatives that take into account the real economy?**

Building bridges is a wonderful initiative that is gaining momentum and is an opportunity for the real economy. It is the conference on sustainable development that brings together the real economy and finance. If governments can't do it, then finance and the economy can. I believe in this fundamentally. Switzerland has a card to play here.

■ **What can an investor expect from COP26?**

That after the COP, companies will accelerate the transition more. But the investor will have to make a choice between getting capital that comes from a real economy or from pure financial speculation. We must not dream. COP26 will not change everything. Let's not forget that it is only a question of encouraging States to make commitments. We have built an unnatural world. Today, we must renovate it, rebuild it and continue to build. **CR**