



**Is the COP26 draft text  
a genuine call to action,  
or just more blah, blah, blah?**



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It is hump day in the second week of COP26, and that entails negotiations, horse-trading, and uncomfortable compromises that are needed to declare the summit a success.

Each COP concludes with a document that becomes the historic record of what has been agreed to, and is subject to considerable change and negotiation during the final week. Late night sessions, appeals from world leaders, and hand-wringing are normal, as all parties struggle to ensure a result that shows progress that they can sell at home to their electorates and legislatures.

After days of dire warnings, protests, pledges, and agreements, the point of final negotiation has been reached. The first stage is the release of the draft text that represents the view of the presidency country (UK) on what can be agreed at the summit. Once the draft text is out, the real negotiations begin behind closed doors.

Just seven pages long, the draft document does set out some key principles:

- › An acknowledgment of the 1.1-degree warming already in place, due to human activity.
- › A need for science-led strengthening of policies and actions in all areas of mitigation, adaptation, and financing.
- › Concern around funding from developed countries to developing nations to help them adapt to climate change. This becomes a call for a doubling of the 'collective' provision currently in place.
- › 1.5-degree warming limits is still an ambition, with 2 degrees remaining the goal. The 45% CO2 cut that is needed by 2030 is specifically emphasized.
- › The net GHG output is currently on course to be 13.7% above 2010 levels by 2030, assuming that all Paris pledges and nationally-determined contributions are achieved.
- › All parties to submit their updated goals by COP27 (note that this applies to countries who did not do so for COP26).
- › An annual 'ministerial' level meeting to begin in 2022.
- › Regular updating of goals from all parties.



The above points are critical but there are additional comments on the ecosystem and deforestation.

Essentially, the UK government, as COP president, is setting the agenda for a decade of urgent change, from drastic action on GHG emission cuts to fairer funding between developed and developing nations. Details of these goals are likely to stay at the 'cumulative' level, thereby avoiding the requirement for governments to sell what may be seen as punitive commitments to their home countries.

Whether or not the draft text is viewed as a success depends on exactly how 'watered down' the final text becomes, and the perspective of the stakeholders:

- If the document becomes a market-marker to drive private finance to de-risked investment in projects supporting final goals, the outcome will be a success.
- If the expectation is an immediate and collective agreement on short-term, stringent action, then it will likely be viewed as just more 'blah, blah, blah'.

With two more days of talks to go, and pressure from all around to mobilize towards a decade of change, everything is still on the table.

Signing off for today, best regards from Glasgow...





## ABOUT GREENCAP

- GREENCAP is a turnkey 'Risk as a Service' (RaaS) solution, designed to achieve sustainability and economic resiliency on an individual loan, balance sheet, and systemic level.
- The banking system is central to achieving these green goals of the global economy to arrest climate change.
- The private sector will be required to invest trillions of dollars, with banks acting as credit and funding risk intermediaries.
- It is imperative that a common capital impact language is established to assess resiliency at loan, portfolio and systemic levels.
- Financial targets have to be established to meet sustainability goals at local and global levels.
- Analytical frameworks and systems need to be in place that enable regulators, CSOs and Lending Officers to measure and monitor impact. This will empower them to make those choices which position them on the right side of history.



## ABOUT GREENPOINT FINANCIAL

- GreenPoint Financial is a division of GreenPoint Global, which provides software-enabled services, content, process and technology services, to financial institutions and related industry segments.
- GreenPoint is partnering with Finastra across multiple technology and services platforms.
- Founded in 2006, GreenPoint has grown to over 400 employees with a global footprint. Our production and management teams are in the U.S, India and Israel with access to subject matter experts.
- GreenPoint has a stable client base that ranges from small and medium-sized organizations to Fortune 1000 companies worldwide. We serve our clients through our deep resource pool of subject matter experts and process specialists across several domains.
- As an ISO certified company by TÜV SÜD South Asia, GreenPoint rigorously complies with ISO 9001:2015 and ISO 27001:2013 standards.
- GreenPoint is owned by its founders and principals and is debt free.





## Marcus Cree

MANAGING DIRECTOR AND  
CO-HEAD OF FINANCIAL TECHNOLOGY AND SERVICES

Marcus has spent 25 years in financial risk management, working on both the buy and sell side of the industry. He has also worked on risk management projects in over 50 countries, gaining a unique perspective on the nuances and differences across regulatory regimes around the world.

As Managing Director, Marcus co-heads GreenPoint Financial Technology and Services and has been central in the initial design of GreenPoint products in the loan book risk area, including CECL and sustainability risk. This follows his extensive experience in the Finastra Risk Practice and as US Head of Risk Solutions for FIS. Marcus has also been a prolific conference speaker and writer on risk management, principally market, credit and liquidity risk. More recently, he has written and published papers on sustainability and green finance.

Marcus graduated from Leicester University in the UK, after studying Pure Mathematics, Phycology and Astronomy. Since graduation, Marcus has continually gained risk specific qualifications including the FRM (GARP's Financial Risk Manager) and the SCR (GARP's Sustainability and Climate Risk). Marcus's latest academic initiative is creating and teaching a course on Green Finance and Risk Management at NYU Tandon School of Engineering.



## Sanjay Sharma, PhD

FOUNDER AND CHAIRMAN

Sanjay is the Founder and Chairman of GreenPoint Global - a risk advisory, education, and technology services firm headquartered in New York. Founded in 2006, GreenPoint has grown to over 380 employees with a global footprint and production and management teams located here in the U.S, India and Israel.

During 2007-16 Sanjay was the Chief Risk Officer of Global Arbitrage and Trading Group and Managing Director in Fixed Income and Currencies Risk Management at RBC Capital Markets in New York. His career in the financial services industry spans over two decades during which he has held investment banking and risk management positions at Goldman Sachs, Merrill Lynch, Citigroup, Moody's and Natixis. Sanjay is the author of "Risk Transparency" (Risk Books, 2013), Data Privacy and GDPR Handbook (Wiley, 2019) and co-author of "The Fundamental Review of Trading Book (or FRTB) - Impact and Implementation" (RiskBooks, 2018).

Sanjay was the Founding Director of the RBC/Hass Fellowship Program at the University of California at Berkeley and is an Adjunct Professor at EDHEC, Nice in France. Sanjay is also Adjunct Professor at Fordham University where he teaches a similar master's capstone course and at Columbia University. He has served as an advisor and a member of the Board of Directors of UPS Capital (a Division of UPS) and is a frequent speaker at industry conferences and at universities. He served on the Global Board of Directors for Professional Risk International Association (PRMIA).

He holds a PhD in Finance and International Business from New York University and an MBA from the Wharton School of Business and has undergraduate degrees in Physics and Marine Engineering. Sanjay acquired his appreciation for risk firsthand as a merchant marine officer at sea where he served for seven years and received the Chief Engineer's certificate of competency for ocean-going merchant ships. Sanjay lives in Rye, NY with his wife and two teenage sons.

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