# Dismantling the fossil-fuel economy at Stockholm+50


Our planet is facing a triple crisis of climate, nature, and pollution, with one common cause: the fossil-fuel economy. Oil, gas, and coal are at the root of runaway climate disruption, widespread biodiversity loss, and pervasive plastic pollution. The conclusion is clear and must be paramount when political leaders gather in Stockholm this week to commemorate the 50th anniversary of the first United Nations Conference on the Human Environment. Any effort to address these existential threats to human and ecological health will mean little as long as the fossil-fuel economy remains intact.

As UN Secretary-General António Guterres recently noted, fossil fuels are choking our planet. In the last decade, their combustion accounted for 86% of global carbon dioxide emissions, for which just a few actors bear overwhelming responsibility. In fact, nearly two-thirds of all CO2 emitted since the Industrial Revolution can be traced to just 90 polluters, mostly the largest fossil-fuel producers.

Yet, rather than reining in the polluters, the world’s governments are currently planning to allow more than twice as much fossil-fuel production in 2030 than would be consistent with the goal – agreed under the 2015 Paris climate agreement – of limiting global warming to 1.5C above pre-industrial levels. And when it comes to the damage wrought by fossil fuels, higher global temperatures and intensifying extreme weather events are only the beginning.

Last year, the UN Special Rapporteur on Toxics and Human Rights, Marcos A Orellana, affirmed what frontline communities have long known: fossil-fuel production generates toxic compounds and pollutes air, water, and soil. Air pollution from burning fossil fuels was responsible for about one in five deaths worldwide in 2018. Moreover, oil and gas are the building blocks of the toxic chemicals, pesticides, and synthetic fertilisers that are pushing ecosystems and species to extinction. These fossil-fuel-based products perpetuate an economic and agro-industrial model that drives deforestation, destroys biodiversity, and threatens human health.

Fossil fuels are also behind the proliferation of plastics, which are accumulating in even the most remote areas of the planet, from the top of Mount Everest to the bottom of the Mariana Trench. Ninety-nine percent of all plastics are made from chemicals derived from fossil fuels, predominantly oil and gas. The production of petrochemical feedstocks for plastics and the use of fossil fuels throughout the plastics value chain are boosting demand for oil and gas and exposing millions of people to toxic pollution.

As if that were not enough, fossil fuels foment and fund violent conflict around the world. The fossil-fuel economy is enabling Russian President Vladimir Putin’s war in Ukraine and the humanitarian crisis it has created. In the seven years after Russia illegally annexed Crimea, eight of the world’s biggest fossil-fuel companies enriched Russia’s government by an estimated $95.4bn. Russia’s revenues from energy exports have soared since the invasion of Ukraine in February, which drove up prices. And big Western oil companies, cashing in on the conflict, have raked in record profits.

Instead of facing accountability, the oil and gas industry and its allies are exploiting the Ukraine crisis to push for even more drilling, fracking, and exports of liquefied natural gas (LNG) all around the world. But new fossil-fuel infrastructure, which will take years to bring online, will do nothing to address the current energy crisis. Instead, it will only deepen the world's dependence on fossil fuels, enhance producers' ability to wreak havoc on people and the planet, and push a climate-safe future further out of reach.

As world leaders gather for Stockholm+50, breaking our addiction to fossil fuels should be the top priority. Yet fossil fuels are conspicuously absent from the official concept note and agenda, and they are barely mentioned in the background papers of the three Leadership Dialogues that are supposed to inform the summit's outcome.

This omission is no accident. The fossil-fuel lobby has decades of experience sowing doubt about the damage the industry is causing and obscuring the link between fossil fuels and the toxic chemicals used in industrial agriculture and plastic products. When outright denial has not worked, the industry has touted false solutions, including speculative technological fixes, market mechanisms with gigantic loopholes, and misleading "net-zero" pledges. The goal is to divert political attention from the urgent action needed to end reliance on fossil fuels and scale-up proven approaches, like renewable energy, agroecology, and plastic reduction and reuse.

Such transformative action is precisely what Stockholm+50 must deliver. Participating governments and decision-makers must acknowledge that fossil fuels are the main driver of the triple crisis we face, and they must set a bold agenda for halting fossil-fuel expansion, ensuring a rapid and equitable decline of oil, gas, and coal, and accelerating a just transition to a fossil-free future.

One possible feature of such an agenda would be a Fossil Fuel Non-Proliferation Treaty – an initiative that has attracted wide support, including from thousands of civil-society organisations, hundreds of scientists and parliamentarians, more than 100 Nobel laureates, and dozens of municipal governments. To spur progress, a broad range of stakeholders – including representatives of indigenous communities, governments, international institutions, and academia – will gather the day before Stockholm+50 for the Pre-Summit on the Global Just Transition from Fossil Fuels.

In parallel with the Stockholm meeting, an intergovernmental negotiating committee, convened by the UN Environment Programme, is gathering in Dakar to develop a legally binding global plastics treaty. Crucially, the treaty will have to take a comprehensive approach that addresses the full plastic life cycle, beginning with fossil-fuel extraction.

If we have learned one thing in the 50 years since the first Stockholm conference, it is that a future tied to fossil fuels is no future at all. To tackle the converging crises of climate change, biodiversity loss, and petrochemical and plastic pollution, Stockholm+50 has no alternative but to confront oil, gas, and coal head-on. – Project Syndicate

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# Saudi tucks away billions in oil money for next year


Bloomberg Riyadh/London

Saudi Arabia will hold billions of dollars from its oil windfall in a government current account until the end of the year, when it will decide how to distribute it – marking a shift in its strategy from previous boom periods.

In the past, higher oil prices and output would quickly translate into rising foreign reserves and deposits in local banks, and often lead to a swift boost in government spending.

This time, the government won’t spend the money until it’s rebuilt reserves depleted during eight years of subdued oil prices. It could then use some of the cash to repay debts and pour it into state investment vehicles, including the powerful Public Investment Fund (PIF) and the National Development Fund, which focuses on domestic infrastructure.

“The surplus achieved in Q1 is shown in the government current account and has not yet been deposited to government reserves nor transferred to other groups,” Finance Minister Mohamed al-Jadaan said in a statement to Bloomberg. “This allocation will occur after the surplus is realized, which means after the closing of the fiscal year.”

The government’s current account held at the central bank rose by 70bn riyals ($19bn) in the first quarter of the year, when

Saudi Arabia reported a $15bn budget surplus.
The finance ministry’s comments solve a mystery that had stumped some analysts covering Saudi Arabia; they were waiting to find out where those billions of dollars would show up.
The world’s largest crude exporter has seen revenues soar on the back of $100 oil and rising production. Oil gross domestic product is expected to grow 19% this year, al-Jadaan said at the World Economic Forum in Davos, Switzerland.
If crude prices remain that high, Saudi Arabia’s total oil exports are estimated to reach $287bn this year, according to Ziad Daoud, chief emerging markets economist at Bloomberg Economics.
Officials had previously said that much of the extra money would be used to accelerate efforts to diversify the economy away from oil — currently Saudi Arabia’s main source of income.
“The windfall from the additional revenues that we will get from high oil prices will be essentially invested in resilience,” Faisal Alibrahim, Minister of Economy and Planning, told Bloomberg in an interview at Davos. “Whether it’s replenishing reserves, paying off debt or investing in unique transformational projects through our wealth fund, that really helps us accelerate the diversification plans.”
The kingdom’s $600bn sovereign wealth fund, the PIF, is at the heart of Prince Mohamed bin Salman’s plan to overhaul the economy and invest in new non-oil industries like tourism.
It owns most of the kingdom’s mega-projects, including Neom — a $500bn new city — as well as tourism developments on the Red Sea coast and a massive entertainment complex planned near Riyadh.
“The responsibility of boosting growth has shifted to state-owned entities ex-budget, led by PIF,” Mohamed Abu Basha, head of macroeconomic research at Egyptian investment bank EFG Hermes, wrote in a note. That leaves “the transmission of high oil prices to the economy more indirect than at any time in history.”
Reserves jumped in March, supported by dividend payments from

oil giant Aramco. But the increase was smaller than it was in the same period last year, when oil prices averaged above $60 a barrel.
One part of the economy that hasn’t benefited is the domestic banking system. In the past high oil prices would mean an influx of cheap deposits into the Saudi banks, helping to keep local currency lending rates low.
Yet Saudi banks are facing the tightest liquidity conditions since 2016, as measured by the three-month Saudi Interbank Offered Rate, or SAIBOR, despite soaring oil prices. It took off even before an overall 75 basis-point interest rate hike by the US Federal Reserve so far this year.
“The increase in SAIBOR rates reflects some of the lag between the surge in oil prices and the domestic liquidity boost,” said Carla Slim, economist at Standard Chartered Plc. “Excess liquidity in the banking system, as measured by volumes deposited in Saudi Arabian Monetary Authority’s reverse repo facility, has contracted sharply.”
The finance ministry said in its statement that money supply was ample.

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# Sun-starved Sweden turns to solar to fill power void

**Bloomberg**

Sweden, known for its long dark winters with barely any daylight, is seeing a solar power boom.

Harnessing whatever sunshine the country gets is emerging as the quickest solution to fill part of the void left by two closed nuclear reactors in southern Sweden, where the biggest cities and industries are located. With shortages piling up in the region and consumers keen to secure green energy at stable prices, solar is quickly catching up with wind as developers put panels on rooftops and underutilised land in populated areas.

While the lack of sunlight is a hindrance, every bit of new electricity capacity will lower imports from Europe where prices are more than three times higher than in the rest of Sweden. Projects are also getting built quickly because developers are directly getting into power sales deals with consumers and aren’t dependent on government support, said Harald Overholm, CEO of Alight AB, which started Sweden’s biggest solar plant this month.

Companies are targeting a quick ramp-up, pushing total capacity in the country to 2 gigawatt this year. That’s more than the two nuclear reactors in Ringhals that were halted in 2020, and will close the gap with Denmark, an early mover in the industry in the region.

“We are very good at creating contracts directly with commercial partners that use power, and that is what drives our development,” said Harald Overholm, CEO of Alight.

The past winter has demonstrated the hole left behind by the two atomic reactors, with the government facing the task of resolving a divergent market. While vast hydro and wind projects have kept the cost of electricity in the sparsely populated north in check, a lack of generating capacity and congested grids have forced the south at times to import power.

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# Berlusconi’s bad break-up with Putin reveals Italy-Russia ties

Rome (AFP) – After a tycoon bromance, Italy's Silvio Berlusconi is struggling to break up with Russia's Vladimir Putin over the Ukraine war – like many in his country, where ties with Moscow run deep.

The billionaire former premier's unwillingness to speak ill of Putin is echoed by other leading Italian politicians, while in the media, there are concerns that pro-Russian sentiment has warped into propaganda.

Prime Minister Mario Draghi is committed to NATO and the EU, strongly backing sanctions against Moscow, and at his urging a majority of Italy's MPs approved sending weapons to help Ukraine defend itself.

But much of Draghi's coalition government – Berlusconi's Forza Italia, Matteo Salvini's League and the once anti-establishment Five Star Movement (M5S) – has long pursued a "special relationship" with Moscow.

Italy used to have the largest Communist party in the West, and many businesses invested in the Soviet Union in the 1960s, while Russians in turn sought opportunities here.

Barely a month before the February 24 invasion, Putin spent two hours addressing top Italian executives at a virtual meeting.

## Beds, hats, parties

Berlusconi, 85, has been out of office for more than a decade but remains influential both in politics and through his media interests, as founder of the Mediaset empire.

He was an ardent admirer of the Russian leader, and a close chum – they stayed in each other’s holiday homes, skied together and were snapped sporting giant fur hats.

“They were two autocrats who mutually reinforced their image: power, physical prowess, bravado, glitz,” historian and Berlusconi author Antonio Gibelli told AFP.

Putin gave Berlusconi a four-poster bed, in which the Italian had sex with an escort in 2008, according to her tell-all book. He in turn gave Putin, 69, a duvet cover featuring a life-sized image of the two men.

In the months before the Ukraine war, Berlusconi continued to promote his close ties, including a “long and friendly” New Year’s Eve phone call.

It was not until April, two months after Russia’s invasion, that he publicly criticised the conflict, saying he was “disappointed and saddened” by Putin.

He has struggled to stay on message since then.

Speaking off the cuff in Naples last week, he said he thought “Europe should… try to persuade Ukraine to accept Putin’s demands”, before backtracking and issuing a statement in Kyiv’s support.

“Breaking the twinning with Putin costs Berlusconi dearly: he has to give up a part of his image,” Gibelli said.

Meanwhile, the leader of the anti-immigration League, Salvini, who has proudly posed in Putin T-shirts in the past, has argued against sending weapons to aid Ukraine.

The League did condemn Russia’s military aggression, “no ifs and no buts”, on February 24 when Russia invaded.

But an investigation by the L’Espresso magazine earlier this week found that, in the over 600 messages posted by Salvini on social media since Russia invaded, he had not once mentioned Putin by name.

He did so for the first time on Thursday, saying “dialogue” with Putin was good, and encouraging a diplomatic end to the war.

## ‘Biased media’

Many pro-Russian figures are given significant airtime in the media, which itself is highly politicised.

“Italy is a G7 country with an incredibly biased media landscape,” Francesco Galietti, founder of risk consultancy Policy Sonar, told AFP.

TV talk shows are hugely popular in Italy, and “one of the main formats of information” for much of the public, notes Roberta Carlini, a researcher at the Centre for Media Pluralism and Media Freedom at the European University Institute.

But she warns they often “obscure facts”.

Italy’s state broadcaster RAI is being investigated by a parliamentary security committee for alleged “disinformation”, amid complaints over the frequent presence of Russian guests on talks shows.

Commercial giant Mediaset is also in hot water after airing an interview with Russia’s Foreign Minister Sergei Lavrov in which highly polemical claims went unchallenged.

It defended the interview, saying good journalism meant listening to “even the most controversial and divisive” opinions.

“RAI is a reflection of the political landscape, with its many pro-Russian parties. And Mediaset… well, Berlusconi is an old pal of Putin’s, so what do you expect?” Galietti said.

He also points to a decades-long culture in Italy of allowing conspiracy theories — particularly on the interference of US spies in Italian politics — to circulate in the media unchallenged.

“You end up with a situation where Russia Today (RT) is considered as authoritative as the BBC,” he said.



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# Urgent efforts needed to ensure global food security

Food price increases are having devastating effects on the poorest and most vulnerable around the world.

People most impacted by higher food prices live in the developing world, where a larger percentage of incomes is spent on food.

Global food prices started to rise in mid-2020 when businesses shut down due to the Covid-19 pandemic, straining supply chains.

The pandemic has had effects on global supply chains. In the early phase, lockdowns and mobility restrictions led to severe disruptions in various supply chains, causing supply shortages.

Farmers dumped out milk and let fruits and vegetables rot due to a lack of available truckers to transport goods to supermarkets, where prices spiked as consumers stockpiled food. A shortage of migrant labour was felt as lockdowns restricted movement across the world.

Since then, there have been problems with key crops in many parts of the world. Brazil, the world's top soybean exporter, suffered from severe drought in 2021.

China's wheat crop has been among the worst ever this year. Concerns about food security, heightened during the pandemic, have led some countries to hoard staples to ward off future shortages, limiting supplies on the global market.

Food prices have also jumped. Russia’s invasion of Ukraine in late February dramatically worsened the outlook for food prices.

According to the International Monetary Fund, the Russian invasion of Ukraine has led to rising energy and food prices, which will inevitably mean higher inflation globally. Both Russia and Ukraine are exporters of major commodities, and the disruptions from the war and sanctions have caused global prices to soar, especially for oil and natural gas.

Wheat prices are at record highs – Ukraine and Russia account for 30% of global wheat exports. These effects will lead inflation to persist longer than previously expected. The impact will likely be bigger for low-income countries and emerging markets, where food and energy are a larger share of consumption (as high as 50% in Africa).

The World Bank forecasts wheat prices could rise more than 40% in 2022. The Bank expects agricultural prices to fall in 2023 versus 2022. But that depends on increased crop supplies from Argentina, Brazil and the United States – by no means guaranteed.

The World Bank is working with countries on the preparation of $12bn of new projects for the next 15 months to respond to the food security crisis. These projects are expected to support agriculture, social protection to cushion the effects of higher food prices, and water and irrigation projects, with the majority of resources going to Africa and the Middle East, Eastern Europe and Central Asia, and South Asia.

In addition, the World Bank’s existing portfolio includes undisbursed balances of $18.7bn in projects with direct links to food and nutrition security issues, covering agriculture and natural resources, nutrition, social protection, and other sectors.

Altogether, this would amount to over $30bn available for implementation to address food insecurity over the next 15 months.

It is time countries made concerted efforts to increase the supply of energy and fertiliser, help farmers increase plantings and crop yields, remove policies that block exports and imports and ensure global food security.

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# Eni, Sonatrach sign deal to boost Algeria gas exports to Italy


MILAN, May 26 (Reuters) – Energy group Eni (ENI.MI) and Sonatrach signed a deal to accelerate the development of gas fields in Algeria and the development of green hydrogen, part of moves to increase the north African country’s gas exports towards Italy.

Italy, which last year sourced about 40% of its gas imports from Russia, has been scrambling to diversify its energy supply mix as the conflict in Ukraine escalates.

Algeria, Italy’s second-biggest gas supplier last year, has been pumping Algerian gas to Italian shores since 1983 through the Transmed pipeline, which runs to Sicily.

The gas production volumes expected from the areas covered by Thursday’s agreement are equal to some 3 billion cubic meters (bcm) per year and will contribute to increasing the export capacity of Algeria to Italy through the Transmed pipeline, Eni said.

The signing is part of the agreement reached by the two energy groups in April, when they announced they would gradually raise gas flows in the pipeline starting this year and reach 9 billion cubic metres (bcm) of extra gas per year by 2023-24.

The Memorandum of Understanding was signed in Rome by the top executives of the Italian and the Algerian groups in a ceremony witnessed by the President of Algeria Abdelmadjid Tebboune and Italian Prime Minister Mario Draghi.

Algeria’s gas exports to Italy climbed last year, jumping 76% to 21 billion cubic metres – 28% of overall consumption and second behind the 29 bcm from top supplier Russia.

The agreement will allow Sonatrach and Eni to evaluate the gas potential and opportunities for accelerated development at specific fields already discovered by Sonatrach in Algeria.

The Memorandum also covers the technical and economic evaluation for a green hydrogen pilot project in Bir Rebaa North (BRN) in the Algerian desert, with the goal of supporting the decarbonisation of the BRN gas plant operated by the SONATRACH-Eni GSE joint venture.

Eni is the main international energy company operating in

Algeria, where it has been present since 1981.

In the race to cut Rome’s dependency from Russian gas, Italian ministers have tapped numerous countries like Congo Republic, Angola, Azerbaijan and Qatar.

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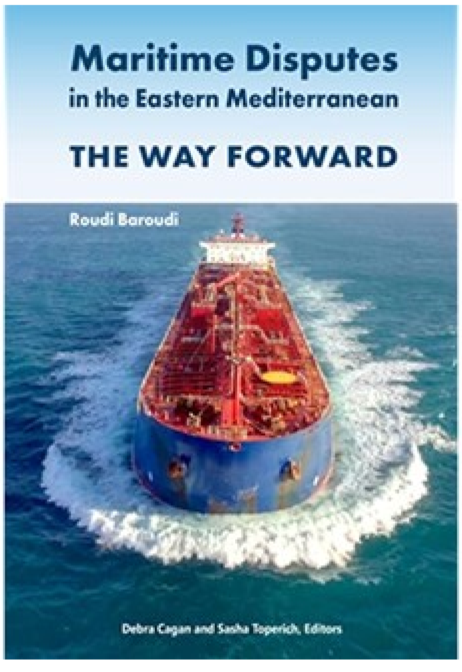
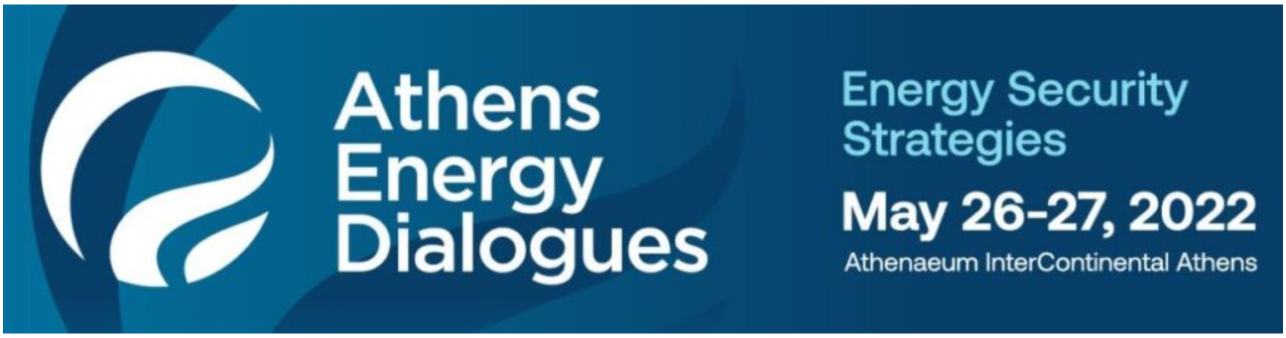
# Dr. Roudi Baroudi’s “Climate and Energy in the Mediterranean: What the Blue Economy Means for a Greener Future” book launched at the Athens Energy Dialogues in Athens, Greece.






Dr. Baroudi: “The war in Ukraine has exposed not only Europe’s dangerous over-reliance on natural gas and other energy imports from Russia, but also the extent to which disrupting that relationship could wreak havoc around the world. Ever since Moscow launched its invasion in late February, the European Union has been hesitant to impose sanctions on Russia’s energy industry because it lacks other alternatives, and it lacks those alternatives because of a years-long hesitance to maintain a sufficiently diverse basket of sources and suppliers. The continent also suffers from inadequate regasification capacity, which means it cannot fully replace piped gas from Russia with seaborne loads of LNG from other countries.

Mr. Baroudi highlighted that there are solutions for all of these problems, and some are already under way. “Europe could also bolster its energy security by helping to develop the increasingly promising gas fields of the Eastern Mediterranean, the output of which could then be linked by undersea and/or overland pipeline to the European mainland. The utility of these and other moves would also be significantly enhanced by building new storage facilities for both LNG and conventional gas, which would make Europe a lot more resistant to future supply disruptions,” said Mr. Baroudi.

But most importantly in the long term, Europe needs to seize the opportunity presented by the great potential for offshore wind energy in the Mediterranean, since making full use of this potential – just in the coastal waters – could generate at least some 500 MILLION megawatts of electricity: in other words, the same as the entire global nuclear industry”.

Full press release available here: https://lnkd.in/gUTi4zT6

Dr. Baroudi’s book available here: https://lnkd.in/gp8ePj2j

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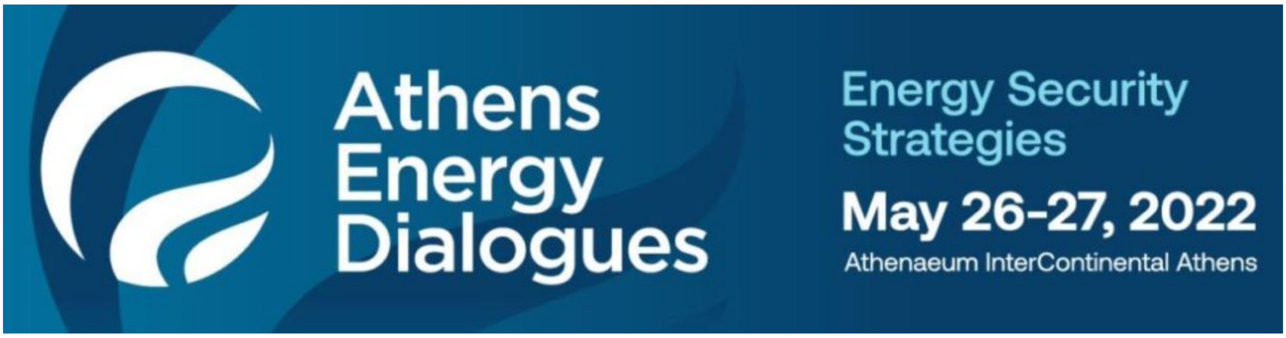
# R. Baroudi (CEO Energy & Environment Holding): “Key” to Europe’s energy independence, Eastern Mediterranean deposits of hydrocarbons and offshore wind farms


Αθήνα, 27.05.2022 – "Climate change and market instability are the two main parameters in recent years for the global energy market," highlighted Mr. Roudi Baroudi, CEO of Energy & Environment Holding at his speech on the second day of the 10th Athens Energy Dialogues conference on May 26-27.

According to Mr. Baroudi the goal is a new energy mix that is both environmentally sustainable and economically viable. Another crucial point is that reliability of cleaner and greener sources are not yet sufficient to fully meet demand, and getting there will require years of planning, investment, and construction. If we take existing technologies offline before newer ones can replace them, the resulting shortages will cause prices to spike, driving up the cost of living and causing whole economies to collapse. On the other hand, if we wait too long to decarbonize the global economy, climate change threatens to inflict even greater damage.

The Russian invasion to Ukraine has changed the geopolitical status quo, according to Mr. Baroudi.

The war in Ukraine, has exposed not only Europe’s dangerous over-reliance on natural gas and other energy imports from Russia, but also the extent to which disrupting that relationship could wreak havoc around the world. Ever since Moscow launched its invasion in late February, the European Union has been hesitant to impose sanctions on Russia’s energy industry because it lacks other alternatives, and it lacks those alternatives because of a years-long hesitance to maintain a sufficiently diverse basket of sources and suppliers.

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The Mediterranean region – including both its EU and non-EU components – can and should be a huge part of this drive for a dual resiliency against economic and environmental challenges alike. European investments in MENA countries' energy output makes sense for several reasons, including lower labor and other construction costs, as well as more diversified – and therefore more reliable – energy supplies.
About a week ago, the European Commission outlined a new plan to end Europe's dependence on Russian gas, one that envisions spending of more than 200 billion Euros over the next five years. That is a significant number, but now the plan needs to be funded.

This means that not just the EU itself but also the European Investment Bank, the World Bank, and the IMF – all need to open up their vaults. Needless to say, the private sector would do well to get in on the action as well.

Unfortunately, it is too late to prevent war in Ukraine. But the faster Europe moves effectively to end its reliance on Russian gas, embraces closer partnership with its Mediterranean neighbors, and achieves the full independence of its foreign policy, the sooner it can help to restore the peace – and prevent similar calamities in the future.

#athensenergydialogues #energy #climate #climatechange #renewableenergy #sustainability #climateaction #energyindustry #tsomokos
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