

## Certificate Sustainable Development and Social Innovation 2019/2020

### Peer group projects – Please make your choice

Peer groups are an experimental field for bridging the gap between academic literature and theory encountered in the course and practical problems of salience to Luxembourg (uncertain, unique, situated, and in some areas contested or contradictory). Peer groups also allow to practice engaging in a social learning process in small and diverse groups, as you would if you were to mount a citizens initiative on a sustainability challenge in which you have a stake. Peer group work is self-organized, it is planned in peer group meetings that are scheduled by the peer group participants when convenient for them, and each peer group has a mentor who provides advice and joins meetings as needed.

#### Overarching objectives for all peer groups are to:

- Work with your group's multiple perspectives towards understanding how theory and methods presented in the Core Courses of the Certificate can be applied to addressing a complex problem for sustainability transition in practice. The practical group work allows to critically discuss the merits and limitations of working with academic concepts, analytical frameworks and methods in practice.
- Gain experience with group dynamics within your peer group (including different priorities from diverse sets of values being defended by different group members) and social learning in a diverse, non-hierarchical group self-organized to tackle a social or environmental issue.
- Develop recommendations as a group on a particular topic leading to concrete actions and more general strategies for transition to a more sustainable society. It is important that the group feels ownership of the purpose of the peer group work, the group will thus define their joint objectives together and determine exactly what they commit to do at the outset. The four choices as posited in this document mainly provide a framing, the group decides their exact topic, objectives and what might be feasible in terms of outcomes, within that loose frame.

**Duration:** Most peer group projects will run over the entire year (winter and summer semester) in order to allow to gain a deeper understanding of a complex problem and to produce deliverables of interest to third parties. Prior experience suggests one semester is too short to achieve these goals. However, it is possible to engage in a peer group project only for one semester, provided an auxiliary course is taken instead of a second semester in a peer group project. If you think at present that you will likely want to replace a second semester of a peer group project with an auxiliary course (on 'Global Environmental Change in the Anthropocene', or on the 'Global Reporting Initiative'), please let us know in your peer group registration E-mail.

Most peer groups meet at a rate about once every ten days (a bit more than once every two weeks), and do additional work on readings and other tasks that they divided up between them, in between these meetings. More details below under the heading 'Work Process'.

**Distribution of work load:** As the Certificate is a part time study programme, you can choose to distribute your work load over more than one year. In case, you are concerned about the workload of completing the Certificate with core courses and peer group work in parallel in one year, you may choose to follow core courses in the first year, and sign up to peer group work and/or auxiliary courses in the second year.

#### We offer a choice of five projects starting in the winter semester 2019:

1. Democratizing renewable energy – the role of citizen cooperatives in the energy transition
2. Futures for social integration and learning
3. The supply chains for professional clothing in Luxembourg: What place for Fairtrade textiles?
4. Is sustainable finance enough to solve the climate crisis?
5. Company X Project: Rethinking Democracy for Corporate Responsibility

Annex I. provides a first brief outline of each project written by the peer group experts who will give guidance throughout the semester. Peer groups will be invited to tailor the exact objectives and remits and deliverables according to their interests and level of engagement. Annex II. Provides biographies for the mentors of each project.

### Peer group establishment:

Please send an E-mail with subject: PEER GROUP REGISTRATION SEP 2019- insert YOUR chosen topic, stating your first and second choice **by 1 October at 18.00 to Christelle.Karleskind@uni.lu, with Ariane Koenig in cc.** We will try to accommodate first choices where possible, whilst also aiming for diversity within the groups

A list with suggested peer groups (with 4-6 participants) will be sent to you and posted on the wall at the first course session. We will organize a short meeting for peer groups at the end of the first course session on 8 October 2018.

Please let us know if you prefer to start with an auxiliary course or to defer your peer group project to the next academic year.

### Work process:

Peer groups conduct independent project work with the guidance of experts. The work process includes about four meetings with expert mentors that are scheduled at the beginning of the semester using a doodle, as well as independently planned work and meetings, to which experts can be called to join on an as need basis. Moreover, several sessions on the course on Social Enterprise relate directly to peer group work.

1. First peer group meeting with a mentor at the end of the first session on 8 October ( to meet your peer group members and fix a first meeting)
2. Co-design workshop on Saturday 12 October introduces a basic collaborative research method of relevance to all.
3. Interim report due on 10 November: Each peer group is expected to hand in an interim report with a project outline and clear statements on objectives, methods and approach, and time line, with a more detailed action plan by mid-November (templates for the action plans will be provided). Each peer group can request the opportunity to present agreed-upon project objectives and a work plan in 15 minutes (timeline, tasks, and roles/who does what, with first ideas on deliverables) in the course of November.
4. Final Presentation to jury on Tuesday 10 December. Each peer group presents their project process, context, content, outcomes and impacts in 20 minutes, and collects feedback from all experts and course participants.
5. Final peer group report is due on 31 January 2020. Feedback received at the December presentation is addressed in this report.

**Note:** In every peer group there are usually some participants who take the necessary time to – listen and read more carefully and more openly with more curiosity towards others, and to reflect more deeply, and thus can provide more considered input for the group. Make it your goal to be one of them ☺. We will be using self-evaluation, on an as need basis in some peer groups also the practice of 360 degree peer group evaluations to assess engagement and attitudes to collaboration.

### Peer-group project : Approximate Workload:

4 ECTS ~110 units of work in one Semester (e.g. 8 October-31 January) (1 unit ~60 minutes)

– Meetings:	20 units
– Reading/writing :	40 units
- Interim report (5 pages)	10 units
– Project work on final presentations and final report:	40 units

## Annex I. Choice of four Peer Group Projects – more detailed descriptions

### 1. Democratizing renewable energy in Luxembourg

**The Challenge:** To comply with target-setting obligations under the EU 2020 policy Luxembourg has committed to feeding 11 % of energy from renewable sources into the grid by 2020, this a legally binding target. The current rate is estimated at 9.5%. A greater share of decentralized community initiatives feeding renewable energy into the grid is one approach to help Luxembourg meet this target, reduce CO2 emissions, and work towards regional pockets of energy autarchy at the same time. Only 4% of the technically feasible photovoltaic (PV) surface( 2017) is exploited in Luxembourg. Large scale projects are virtually non-existent, but more recently several such projects have entered the planning stage at the same time. Small wind systems, vertical & horizontal appliances are very scarce.

The University of Luxembourg is planning to rebuild their Kirchberg Campus. Planning a new site will present a real opportunity for producing renewable energy integrated into the built-environment of the campus, including possibly into the new lecture theatre that will be funded by the Losch Foundation.

This peer group can:

- Develop a feasibility study and a business plan for a citizen cooperative, based on an assumption of a 350 kW peak Photovoltaik (PV) system. Faculty and staff as well as interested citizen in the entire Kirchberg campus neighbourhood could be invited to co-finance and implant a PV system. The business plan will define a scale considering the newly implemented regulatory provisions for feed-in tariffs in Luxembourg,
- Conduct research relating to the relevant social, material/technological, and personal dimensions through interviews in the first semester and a workshop in the second semester. Key stakeholders in the university administration, amongst faculty, and public authorities can be interviewed and engaged for the project.
- Explore barriers the reasons for the lack of PhotoVoltaic (PV) development, especially the lack of Prosumer (producer – consumer) installations, and investigate whether the actual feed in tariffs, the grid cost and the grid contribution regulation hinders or promotes PV system and Prosumer systems in Luxembourg.
- Propose changes in the regulatory, subsidizing / incentive fields. Analyse whether or not the present feed in tariff regulation based on cooperatives or sociétés civile is a correct approach, or discriminating private investors.
- Analyse the 7 basic principals <https://www.ica.coop/en/cooperatives/cooperative-identity> and comment whether the modified actual legislation on cooperatives ( 2017) is in line with th 7 principals, <https://www.ica.coop/en/cooperatives/cooperative-identity>
- Comment the 2030 objectives in this matter and comment the foreseen plan from the government to achieve this goals.

Deliverables can thus include a business plans proposal for the University, defining appropriate legal and financial terms, a risk assessment and risk management plan, and policy recommendations for an improved and more favourable regulatory environment for citizens to be able to collaboratively assume more responsibilities in contributing to the energy transition. If quality at the end of the project allows, the plan can also be presented to the Administrative Director and possibly the rector of the University. Interest in considering usch a project has been expressed in the executive team in the past. The group can, if time allows, also – or alternatively - develop a website with guidance to citizens on how to engage in the project.

**Approach:** Questions on the legal and regulatory context and choices of legal form for enterprises, as well as better understanding preferences and constraints of various possible stakeholder groups in the public administration of public buildings on Kirchberg (Fonds Kirchberg), in the University, and amongst citizens will be central topics. These are some of the main factors shaping opportunities and limitations for the establishment of such a venture. The concept of 'prosumer' implying the need for fundamental changes in current legislation stabilizing boundaries between producer and consumer rights and responsibilities will be explored as a basis for making the project both attractive to the University, and for policy recommendations for renewable energy systems for private and industrial use. This issue is broader than just in the energy sector, and subject to a first policy paper by the European Commission. The relation between technological change and forms of enterprises that promise to contribute to systemic change will also be explored. In the first semester the peer-group is invited to systematically apply key insights gained from the Social Enterprise course sessions towards developing a new model for analyzing existing social enterprises concerned with democratizing electricity generation from renewable sources. This will involve characterizing the financial base and its relation to the definition of scale and legal statute and regulatory context and approaches to impact assessment and evaluation of social, environmental and economic impacts, in particular if the new regulatory statute of 'Société d'Impact Sociétal' is chosen. The project will involve documentary research and the conduct and evaluation of interviews with diverse stakeholders in the energy transition. You could use the business canvas model (Osterwalder, 2012) for making the business plan.

**Mentors:** Jules Muller, co-founder of EquiEnerCoop,)

### Literature

- Gross, M. Mautz, R. 2015. Renewable energies . Routledge. Pp.1-32.
- Elvinger Hoss Prussen, Sociétés commerciales, (2018)
- Huybrechts, B. 2013. 'Social Enterprise, Social Innovation and Alternative Economies: Insights from Fair Trade and Renewable Energy' in Zademach, H.-M. and Hillebrand, S. (Eds.), *Alternative Economies and Spaces. New Perspectives for a Sustainable Economy*. Bielefeld: Transcript Global Studies.
- Huybrechts, B. and Haugh, H. (2014). 'Legitimizing Hybrid Organizational Forms: the Case of Renewable Energy Cooperatives'. HEC Management School Working Paper.
- Hondrila, K. et al. (2018). Democratising renewable energy in Luxembourg. In *Sustainability Science: Key Issues*. König, A. & Ravetz, J. Ed.s Routledge. Pp. 234-250.

### Legislation

- <http://www.legilux.public.lu/leg/a/archives/2016/0142/a142.pdf#page=2>
- <http://www.legilux.public.lu/leg/a/archives/2014/0154/a154.pdf>
- <http://www.ehp.lu/uploads/media/EHP-Loi-du-10-aout-1915-concernant-les-societes-commerciales.pdf>
- <https://web.ilr.lu/FR/Professionnels/Electricite/Commun/Legislation>
- <http://legilux.public.lu/eli/etat/leg/rgd/2017/04/24/a481/jo>
- <http://data.legilux.public.lu/file/eli-etat-leg-memorial-2016-142-fr-pdf.pdf>
- <http://data.legilux.public.lu/file/eli-etat-leg-rgd-2019-04-12-a259-jo-fr-pdf.pdf>
- <https://www.elvingerhoss.lu/sites/default/files/documents/publications/EHP-Loi-du-10-aout-1915-concernant-les%20sociétés-commerciales.pdf>

## 2. Futures for social integration and learning

**The Challenge:** How can we better equip youth for the difficult transition from school into the working life? One main challenge is that in Luxembourg 13.5% (2015) of all children drop out of the school system. Only 40 % of pupils successfully complete secondary schooling in the minimum envisaged number of years, the lowest rate in the OECD (2014). Moreover, the ratio for young people (16-25 years) who are Not in Education, Employment or Training (NEET) is 15.4%. Grade repetition is widely used to tackle the diversity of attainment and behavioural difficulties in class in Luxembourg. While the academic benefits of repetition are disputed, and if acknowledged only seen as slight and short-term, repeating years is costly for the education system. Across the OECD, Luxembourg is the country with the highest average spending on education by student per year in primary through tertiary educational institutions: EUR 24 045 compared to an EU-22 average of EUR 10 897 (OECD 2017). Related psychological effects are also important: Pupils rated grade repetition as the most stressful life event, similar to the loss of a parent and going blind. Finally, grade repetition increases expenditure on other social services as pupils who experience school failure are more prone to high-risk behaviour and/or dropout. The youth unemployment rate in Luxembourg is 14.2%.

The fact that Luxembourg has been one of the fastest growing countries due to immigration in the EU over the past two decades has exasperated these issues. Complex highly diverse multi-lingual and multi-cultural school communities present a challenge, in particular in a country in which school education in three languages (Luxembourgish, German and French) is the norm. To meet the strong demand for high-skilled workers, Luxembourg faces a multitude of different challenges.

This project proposes to develop a tool to help youth that is falling through the social and welfare state netting to reassume motivation and own responsibilities for their learning and developmental pathways in a way that is future-oriented and socially robust. The Conseil Supérieur pour un Développement Durable explored requisites for better coping with accelerating technological and societal change in the Luxembourg school system in a participatory scenario process from 2013-2016. It developed scenarios for education that can be used to reflect on what we would like to learn to become more resilient to rapid societal and technological and environmental change in the future, at the individual, organizational and systems-level (to obtain more information on these scenarios please follow the link: <https://csdd.public.lu/fr/scenarios.html> ). This future- and systems-oriented process, which engaged experts and opinion leaders on education in Luxembourg from diverse sectors yielded the following main three recommendations on priorities for improvement in the Luxembourg school system:

1. **Anticipating and pro-actively influencing accelerating technological change in view of its impacts on social norms and developments in Luxembourg:** Development of a versatile school system that equips students to cope with accelerating and interdependent changes in technology, society, economy and environment, with a new focus on system thinking to complement the current curriculum in which connections across diverse disciplines are rarely made.

2. **Countering increasing risks of societal fragmentation:** The Luxembourg school system must change to convey a more holistic education that counters societal fragmentation in an increasingly diverse population, actively engaged and responsible citizens, and equitable chances for each student. A system is required that is student-centred, designed to nurture empowerment and self-direction required for entrepreneurial activities, as well as a love for learning and self-esteem.
3. **Educating reflective and capable practitioners and entrepreneurs:** More project and problem-oriented experiential learning opportunities embedded in practice with employers in the private and public sectors and entrepreneurs, to ensure schools equip students with knowledge and capabilities required in the job market.

But can we leverage the resulting scenarios for helping youth who dropped out from the school system to develop their own perspectives and regain motivation for self-organised learning and develop ideas and take responsibility for their own development paths by realizing all of us face uncertainties, risks and contradictions?

**Suggested Approach:** This peer group will get acquainted with the literature on scenarios and futures, and how we can work with them, as well as with transaction theory and education for improved self-organisation as core competence. The group will also become familiar with systemic reasons for school drop-outs and NEETs in Luxembourg, and start to get to know the community as well as existing support structures, discuss their merits and limitations. The peer group will work closely with the société d'impacte sociale 'Youth & Work' which has developed a model process to engage school drop-outs and NEETs in taking charge of their own futures. The peer group will first develop a needs analysis based on a interviews with the mentors working with the Youth & Work approach, analyse the empirical results and then develop a first prototype tool kit. The main task is to develop tools for a) prevention, b) solutions for current situation and c) scenarios for the forthcoming 3-5 years.

**Deliverables** will include a report based on the documentary research in the first semester with an analysis on what may be desirable and most need change, enabling factors and constraints, and which possibly develops an analytic framework that is to be used for interviews in the second semester. The second semester will offer the possibility to dive future orientated scenarios in order to focus on prevention and future scenarios. Possible topics of specialisation include systems thinking, and how to embed more learning opportunities for project-based systems thinking across disciplines in the Luxembourg curriculum. Deliverables of the second semester could include an interactive website for analysis of competences or solutions how to solve the rising gap between skill level at school and expectations of companies (f.ex. how to strengthen skills for lowskilled people to improve their employability).

**Mentor:** Ariane Toepfer, directeur and coach, Youth & Work sàrl SIS

#### Literature

Mary McClure Goulding and Robert L. Goulding (1997). *Changing Lives Through Redecision Therapy*. Grove Press; Rev and Updated ed edition (19 Jun 1997)

Thomas A. Harris (2004). *I'm Ok, You're Ok*. London: Arrow books.

Ian Stewart, Vann Joines (2012). *TA Today: A New Introduction to Transactional Analysis*. Lifespace Publishing; 2 Revised edition edition.

Wals, A.E.J., Brody M., Dillon J., Stevenson, R.B. (2014). Convergence between science and environmental education. *Science* 344: 583-584.

Burt, G., van der Heijden, K. (2008). Towards a framework to understand purpose in Futures Studies: The role of Vickers' Appreciative System. *Technological Forecasting & Social Change* 75: 1109–1127.



### 3. The supply chains for professional clothing in Luxembourg: What place for Fairtrade textiles?

Fairtrade Lëtzebuerg is an NGO committed to a fair trade between producers in the South and consumers in Luxembourg. Following the collapse of the Rana Plaza and the many accidents that have occurred in the textile industry, Fairtrade Lëtzebuerg, together with Caritas Luxembourg, led the "Rethink your clothes" campaign to raise awareness among the Luxembourg public about the issues related to the production and consumption of clothing.

Its objective was to launch a debate not only on the pollution generated by the textile industry (second largest polluter in the world after oil), but also to highlight the human rights violations practiced in this sector: extremely low wages, inhuman working hours, child labour, exposure to toxic products, harassment, trade union repression.

As the campaign came to an end, Fairtrade Lëtzebuerg wishes to continue raising awareness around this still unknown sector and suggests targeting the supply of professional clothing in Luxembourg. The opacity linked to the negative impacts, the deadlines that become shorter and shorter or the fact that the different production phases take place in different countries, contribute to the lack of transparency in the supply chains. This is why it is essential that not only companies but also their entire production chain comply with binding measures that consider human and environmental rights.

The in-depth analysis of this target group, namely professionals, will make it possible to know the current context and to identify potential obstacles preventing professionals from purchasing Fairtrade clothing.

#### Objectives

- Analysis of the supply chain for professional clothing in Luxembourg
- Comparison of conventional and Fairtrade sectors in terms of professional clothing
- Determination of the factors (external and internal) that limit companies from sourcing Fairtrade work wear
- Development of arguments: What can be the economic arguments for a company to engage in responsible provision of supplies regarding human and environmental rights? What "interest" would a company have in sourcing labeled clothing?
- Analysis of existing legislation at European level

Analysis option : How can we ensure that the social aspect and human rights are also taken into account?

#### Suggested methodology

- SWOT analysis: analysis of strengths and weaknesses, but also of the impacts and severity of risks (e.g. how many people affected)
- Cartography of Luxembourg according to the volume of purchase
- Interviews with different stakeholders
- Interventions with professionals involved in NGOs, politics, academia and the textile industry

#### Expected outcome

Final document:

- Suggestions for companies: how to make a purchasing policy evolve so that it is sustainable and fair?  
Or
- Conception of a communication plan to raise awareness among companies: how to choose correctly when buying? What criteria should be taken into account?

### Potential stakeholders (2 to 4 contributors, to confirm)

**Dario Soto Abril** – CEO Fairtrade International

**Nayla Ajaltouni** – Coordinator of the collective *Ethique sur l'étiquette*

**Dominique Potier** – Deputy for Meurthe et Moselle

**Basak Baglayan** – Postdoctoral Researcher, University of Luxembourg

**Henning Siedentopp** – Founder of Fairtrade brand Melawear

**Saskia Hornivius** – Flocert

**Textile specialist** – Fairtrade International

**Cotton producer**

**Peer group mentors:** Silvia Monteiro and Jean-Louis Zeien

### Bibliography

Clean clothes campaign. *Improving working conditions in the global garment industry*. Disponible sur :

[<https://cleanclothes.org/>], (Consulté le 2 juillet 2019)

Collectif éthique sur l'étiquette *Les conditions de travail qui se cachent derrière les maillots de foot*. Disponible sur :

[<https://ethique-sur-etiquette.org/Les-conditions-de-travail-qui-se-cachent-derriere-la-fabrication-des-maillots>], (Consulté le 2 juillet 2019)

International Labour Rights Forum (2019). *Bangladesh government's safety inspection agencies not ready to take over accord's work*. Disponible sur :

[[https://laborrightrights.org/sites/default/files/publications/RCC%20report%204-1\\_4.pdf](https://laborrightrights.org/sites/default/files/publications/RCC%20report%204-1_4.pdf)], (Consulté le 2 juillet 2019)

OCDE (2018), *Guide OCDE sur le devoir de diligence applicable aux chaînes d'approvisionnement responsables dans le secteur de l'habillement et de la chaussure*, Editions OCDE, Paris. <http://dx.doi.org/10.1787/9789264290648-fr>

Organisation internationale du travail. *Textiles ; vêtements ; cuir ; chaussures*. Disponible sur :

[<https://www.ilo.org/global/industries-and-sectors/textiles-clothing-leather-footwear/lang--fr/index.htm>], (Consulté le 2 juillet 2019)

Nations Unies (2011). *Principes directeurs relatifs aux entreprises et aux droits de l'homme. Mise en œuvre du cadre de référence « protéger, respecter et réparer »*.

Disponible sur :

[[https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_FR.pdf](https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_FR.pdf)], (Consulté le 2 juillet 2019)

## 4. Is sustainable finance enough to solve the climate crisis?

**The Challenge:** The climate crisis makes permanently headlines and is on the agenda of every global leader. Accordingly, pressure from grassroots communities is rising all over the world for concrete actions to be taken to overcome this major challenge. International conferences about climate change shed some light on human activities with significant impacts on global warming, such as the fossil fuels extracting industry, industrial agriculture, and transportation, all of which were until now boosting and accelerating the trade of goods and services all over the world. NGOs and civil society resort to “name and shame campaigns” to put the spotlight on international corporations of particular high carbon and environmental footprints. The banking and investing sector has not received the same levels of attention.

It is however a fact that the investment sector has not waited for the Kyoto protocol in 1999 to promote the SRIs (for Socially Responsible Investments) taking extra financial criteria such as ESG (for Environment, Social and Governance) in the early nineties. These investments used both exclusion or negative (i.e. no investment in controversial fossil fuels like tar sands) and positive criteria (i.e. focusing on renewable energy production) and therefore gained popularity with institutional investors as well as private investors. Today, major financial players (bank, asset managers, etc.) cannot be taken seriously anymore without offering a range of sustainable products with ESG criteria to both, private and institutional clients, in addition to its mainstream non-ESG products. No wonder though that is reflected on important stock exchanges throughout the world: many major financial centers, Luxembourg too, are listing more and more “green” or “sustainable” products – Sustainable finance in general is hyped as a solution, especially to the aforementioned climate crisis, but also to the achievement of the 17 Sustainable Development Goals (SDG) adopted by all United Nations members .

During the last 10 years, the pressure on the investment industry came from civil society with organizations like 350.org, FossilBanksNoThanks, NGOs targeting exclusively financial players , advocating them on divestment of fossils fuels. Some other NGOs like Finance Watch, consider that there is no point fighting climate change focusing only on SRI promotion (even with very strong ESG criteria) and divesting, arguing that the whole financial system is not sustainable per se.

Therefore they are supporting radical reforms like:

- Separating investment banking and retail banking meaning the dismantling and even the nationalisation for the systemic aka “to big to fail “ banks. This dismantling applies also to major Exchange-Traded Funds ( like BlackRock , Vanguard, State Street) seen as a serious threat to the global economy stability and a huge liability for the ecological transition.
- Taxing speculation , indeed even prohibiting high frequency trading,
- Investing massive public money in the transition economy ‘Green New Deal’ through citizen controlled, public banking system (see point 1) etc ....

**The questions for the peer group to explore will be :** Even if all mainstream finance goes 100 % sustainable, will it be enough to respond to the climate crisis (staying well below 2°C in 2100)? Or is deep reform of the global financial system a must, including Luxembourgs financial center? Is finance the right tool to “shift the trillions”? What would be an optimal frame for sustainable finance to work within?

**Approach:** The following tasks should be considered by the peer group to be part of their project:

- Research and analysis of arguments at hand : from the most optimistic ones, supporting a strong push for sustainable finance with public and private incentives, to the ones that set radical reform of financial markets as prerequisite
- Interview the major actors in Luxembourg promoting Green Finance (Luxembourg Stock Exchange, the ABBL, Luxembourg for Finance, The ALFI, LuxFlag, The Ministry of Finance, etc. about their view of the efforts they have made/intend to do in the following years to foster green finance in Luxembourg and ask them about their believes/facts/evidence why/whether this will/shall work out as approach to tackle especially the climate crisis (sustainability must not necessarily be narrowed down to climate issues, if the peer group wants to focus on other sustainability topics)
- Interviews with academics in Luxembourg having dealt with the state of Green Finance in Luxembourg

- because of the open and wide question, you can also look at for example one specific sector on a global, or continental scale and conduct an estimation on the likelihood of its transformation to achieve carbon neutrality or a low environmental footprint in future
- think of a method or an approach to such kind of meta or systemic question yourself (the answer surely will always be a best guess, and does not necessarily need to be based on mathematical calculations)

**Mentor:** Jean-Sébastien Zippert

### Recommended Reading

"Green financing, interrupted. Potential directions for sustainable finance in Luxembourg"

Dörry, S./Schulz, C.; in *Local Environment* · January 2018.

Busch, T., Hoffmann, V.H. (2007): Emerging carbon constraints for corporate risk management. *Ecological Economics* 62 (3-4), 518-528.

Busch, T., Lewandowski, S. (2018): Corporate carbon and financial performance – a meta-analysis. *Journal of Industrial Ecology* 22 (4), 745-759.

UNEP FI [http://unepinquiry.org/wp-content/uploads/2016/02/Sustainable\\_Finance.pdf](http://unepinquiry.org/wp-content/uploads/2016/02/Sustainable_Finance.pdf)

[http://unepinquiry.org/wp-content/uploads/2017/12/Accelerating\\_Financial\\_Centre\\_Action\\_on\\_Sustainable\\_Development.pdf](http://unepinquiry.org/wp-content/uploads/2017/12/Accelerating_Financial_Centre_Action_on_Sustainable_Development.pdf)

EU Commission (action plan on sustainable finance) [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en)

Luxembourg <https://gouvernement.lu/dam-assets/documents/actualites/2018/10-octobre/04-sustainable-finance/Luxembourg-Sustainable-Finance-Roadmap-WEB.pdf>

etika: "Financing sustainability or sustainable financing?" <https://www.germanwatch.org/en/16447>

Note: "sustainable finance" is a relatively young research area, therefore you might not find vast academic literature on it

### Optional Reading

Swiss sustainable finance (they're quite advanced on the topic) [http://www.sustainablefinance.ch/en/glossary-\\_content---1--3077.html](http://www.sustainablefinance.ch/en/glossary-_content---1--3077.html)

German NGO Germanwatch on the topic: "The role of the G20 in making financial flows consistent with global long-term climate goals" <https://www.germanwatch.org/en/12680>

### Example knowledge management and digital communication platforms:

Central Banks and Supervisors Network for Greening the Financial System (NGFS)

<https://www.mainstreamingclimate.org/ngfs/>

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

<https://www.unepfi.org/climate-change/tcfd/>

Game-changer: Financing the European Green Deal

<https://www.finance-watch.org/publication/game-changer-financing-the-european-green-deal/>

Report Making Finance Serve Nature from Finance Watch

[https://www.finance-watch.org/wp-content/uploads/2019/05/Making-Finance-Serve-Nature\\_Finance-Watch-Report\\_24May2019\\_web.pdf](https://www.finance-watch.org/wp-content/uploads/2019/05/Making-Finance-Serve-Nature_Finance-Watch-Report_24May2019_web.pdf)

Open Letter to humanity by Jeremy Desir , former HSBC quant analyst)

<https://www.linkedin.com/pulse/open-letter-humanity-jeremy-desir>

etika "Green or Greed bonds ?"

<http://www.land.lu/page/article/129/333129/FRE/index.html>

## 5. Company X Project: Rethinking Democracy for Corporate Responsibility

**The Challenge:** There is a critical discrepancy between the pace of the globalization of the economy and how the civil society organizes and structures itself in response to related challenges, be they societal or environmental. Some sociologists talk about a **crisis of confidence** in civil society relating to democratic and market processes. How these interact can be seen in at least two dimensions:

- Mistrust in the **democratic process** due to increasingly complex legislation, potentially undermined by private-interest driven agendas (1);
- Mistrust in self-regulation by industries in the form of [corporate social responsibility](#) (CSR) due to a too vast diversity in models and thus too many operating consumer labels (2), conflict of interest at the level of conception and non-continuous or lack of audits (3).

This peer group will help a team of volunteers who are developing an innovative approach to rethink and develop a platform for democratic processes with the aim of enhancing Corporate Social Responsibility. We are now a networked knowledge society, but arguably the communication tools and networks at our hands are not being leveraged to improve social coordination and open up societal dialogue on the need for new social norms and ethical standards for corporate practices. The '**Company X Project**' (CXP) is about the setting-up of a democratic structure of a new kind with a legal statute to enhance corporate social responsibility among others. The peer group project provides a room to reflect on innovative models of democratic participation with the goal to tackle mistrust by citizens and consumers in regulatory processes.

The peer group can explore the development of **Company X and develop propositions on:**

- **what kind of 'platform'** should be created
- a not-for-profit business model
- corporate **governance principles** ensuring best transparency & accountability to its shareholders and stakeholders;
- an **efficient communication process** to the public and communicating the not-for-profit purpose of Company X and its non-financial incentives;
- **the core values** and principles to which Company X shareholders must commit
- an action plan to a first launch
- **and/or other topics** worked out and **proposed by you.**

Company X Project is an interactive project searching for broad collaboration in diverse fields of expertise. At the current level of the project, all kind of input is welcome.

Company X could be developed around case studies in particular sectors, such as ethics in medicine and the pharmaceutical industry, the clothing industry, the energy sector, or the financial sector. Company X Project is about the rise of a non-state democracy for strong ethical standards of global relevance. Company X aims to deliver a promising perspective for civil society to confront the crises that suffer democracy and CSR based on the following central question:

How can *Sustainable Development* be improved through *Social Innovation*?

### CURRENT THINKING ON CXP IN A NUTSHELL

The democratic structure of Company X will be set-up in the form of a Luxembourg Societal Impact Company (**legal statute: *société d'impact sociétale (SIS)***) (4) where any human can be part of if (i) only if she/he wishes; (ii) is connected to the internet; and (iii) commits to Company X' core values as a shareholder for impact. In order to ensure the **universal democratic principle "one person, one vote"**, no person can ever hold more than one single share in Company X. Every shareholder of Company X will have a vote. The activity of Company X will consist in developing **ethical standards** in matters of global relevance such as **climate action plan** for businesses, global **fair tax**, fair **labor** standards, **artificial intelligence** respecting the human, and other areas to be covered over time upon adequate resources. Such standards will be materialized **in the form of CSR labels** that Company X will elaborate and then market with a **not-for-profit purpose to for-profit businesses**,

at best to international businesses for best impact. In order to scale mass-voting in a transparent way about the accountability of votes, Company X will keep an **electronic [blockchain](#)**-driven share-register with an integrated **voting system**. (5)

### **Potential IMPACTs OF CXP**

- A new form of **democratic organisation** *alias* Company X, the first non-state democracy for ethical norms in a global context;
- A new blueprint for **transparency & accountability** in **CSR** but also in general for **corporate governance**;
- **Innovation in CSR** through indirect democratic civil control for **systemic change**;
- **Better integration of consumers** into CSR;
- Normative impact on the long run; the moral authority of Company X' standards could be measured by the number of its shareholders with the following spirit:

*Isn't democratic impact mainly a matter of critical mass?*

**Peer group mentors:** the co-founding team of Company X Project:

Jeff Braun ([LinkedIn](#)) (vision & strategy)

Nora Schleich ([LinkedIn](#)) (philosophical lead)

### **Readings**

(1) Cf. Generation What? (2016) <http://www.generation-what.eu/en/page/about>,

<http://www.generation-what.eu/en/europe/video/they-re-all-corrupt> [last accessed on 03.09.2019].

Cf. Ipsos Germany. Gudrun Witt: Das Misstrauen ist groß - Studie zu Vertrauen, Populismus und Politikverdrossenheit (September 2018)

[httphttps://www.ipsos.com/de-de/das-misstrauen-ist-gross-studie-zu-vertrauen-populismus-und-politikverdrossenheits://www.youtube.com/watch?time\\_continue=330&v=UQcCPg5kx50](httphttps://www.ipsos.com/de-de/das-misstrauen-ist-gross-studie-zu-vertrauen-populismus-und-politikverdrossenheits://www.youtube.com/watch?time_continue=330&v=UQcCPg5kx50) [last accessed on 03.09.2019].

(2) Cf. Lucy Atkinson: 'Wild West' of Eco Labels (July 2014)

<https://www.theguardian.com/sustainable-business/eco-labels-sustainability-trust-corporate-government> [last accessed on 03.09.2019].

(3) Cf. Members of Oceancare: An Open letter to the Trustee's of the MSC Label (October 2018)

[https://www.oceancare.org/wp-content/uploads/2018/10/Open-letter-MSC\\_sharkfinning\\_pnafishery\\_2018.pdf](https://www.oceancare.org/wp-content/uploads/2018/10/Open-letter-MSC_sharkfinning_pnafishery_2018.pdf) [last accessed on 03.09.2019].

(4) Cf. Guichet.lu by the government for the Grand Duchy of Luxembourg: "Societal impact company (SIS)"

<https://guichet.public.lu/en/entreprises/creation-developpement/forme-juridique/societe-capitiaux/societe-impact-societal.html>

(5) Cf. Mohit Matoria: WTF is The Blockchain? (June 2017) <https://hackernoon.com/wtf-is-the-blockchain-1da89ba19348> [last accessed on 03.09.2019]

Cf. The Economist: The trust machine - The technology behind bitcoin could transform how the economy works (October 2015) <https://www.economist.com/leaders/2015/10/31/the-trust-machin> [last accessed on 03.09.2019]

## Annex II Peer group mentors – biographies

<p>Jeff Braun holds a Master's degree in Law from the <i>Université Libre de Bruxelles</i> and is currently practicing as an attorney in Luxembourg. His major fields of expertise are new technologies, privacy &amp; data protection and philanthropy. Passionate about blockchain technology and related societal impact, he is the co-founder of Lëtzblokk (the first Luxembourg Blockchain &amp; DLT Association) and a regular public speaker in the field of legal and societal challenges related to disruptive technologies. By a combination of philosophy of law, corporate law and technology, Company X Project: "The first non-state democracy for ethical standards in a global context" is ultimately a normative strategy for systemic change in the context of an evermore globalised economy.</p>	 <p>Jeff Braun</p>
<p>Silvia Monteiro is responsible for education and future generations at the NGO Fairtrade Lëtzebuerg. Since 2017, she has been in charge of managing the 22 certified Fairtrade Schools and the development of the educational offer for children and youngsters in Luxembourg. Every year she supervises and trains the European volunteers who support her, in particular for activities with children. She is an expert in Fairtrade and wishes to raise awareness about textile production and its social and environmental impacts. With a strong interest in more sustainable production and consumption patterns, she invests and participates in upcycling trainings, which is a sustainable alternative to the production of tons of textile waste produced each year in Luxembourg. She holds a Master 1 in Rural Areas and Local Development and a Master 2 in Development Studies from the Paul Valéry University of Montpellier, with a focus on social development through sustainable agriculture. Work experiences include: an internship in Portugal in a social cooperative on biodynamic agriculture in partnership with the local school, a study in the Brazilian Amazon on the impact of the instruments of the National Plan for Agroecology and Organic Production on small producers; and a project in Cabo Verde to empower adults by teaching them a new language through innovating and participating techniques familiarized her with adult education.</p>	 <p>Silvia Monteiro</p>
<p>Jules Muller worked as Industrial Engineer in electronics and telecommunication, holding a maîtrise in electrical engineering. Specialised in information and communication technologies, former Director of British Telecom Global Services Luxembourg, Jules held similar positions as technical and operations manager at Infonet Services Corporation, AT&amp;T and Reuters Ltd. Jules is member of the consultative commission 'energy, sustainable development and climate' of the commune of Junglinster, member of Equidic (<a href="http://www.equidic.lu">www.equidic.lu</a>) and currently drives 2 new photovoltaic project in Junglinster. Jules is cofounder and president of EquiEnerCoop <a href="http://www.equienercoop.lu">www.equienercoop.lu</a>, the first cooperative in Luxembourg in the energy sector. "equisolar 2012" is the flagship project to demonstrate how citizenship may be implicated in electrical production plants and invest in those plants. Working in ITC datacentre projects, co-managing commercial companies, Jules technical, financial and managerial experience contribute to the success story of the "equisolar 2012" project written within a social enterprise frame. Prosumer (Producer Consumer) of electrical energy is one of the subject Jules is supporting and developed own micro solar system for private usage.</p>	 <p>Jules Muller</p>
<p>Nora Schleich is a PhD-candidate and researcher in theoretical philosophy, mainly interested in German Idealism, Aesthetics and Phenomenology. Apart of this, she is working in culture and journalism, which includes giving conferences (on culture and aesthetics), writing about philosophy for the broader public, same as about arts, but also about FinTech and Crypto. She has moderated conferences on RGPD (European Parliament Luxembourg) and Artificial Intelligence (Zentrum fir politesch Bildung). For two years she has assisted the Commission Nationale de l'Ethique Luxembourg. Strong interest for systemic structures, same as for ethical and democratic values are the main drivers for a passionate implication in developing possibilities for shaping the future in view of anthropological moral improvement. Out of this, the interest for 'Company X Project' has three years ago been raised.</p>	 <p>Nora Schleich</p>

Ariane is an independent coach with a strong interest in coaching young people in order to support their personal development and their employability. Together with two colleagues she founded Youth & Work sàrl SIS in January 2018, before she was responsible for the piloted project Youth4Work since 2012. From 2012 to 2018 more than 800 young unemployed people participated at this coaching program. She has got 16 years experience in business consulting with focus on strategic communications, public relations and innovation. Her career started at the “Frankfurter Allgemeine Zeitung” after having finished her studies of political economics and communications. Since 2008 she is practitioner of the transactional analysis, preparing her CTA for 2019.



*Ariane Toepfer*

Jean-Louis is the co-founder and president of Fairtrade Luxembourg, a national initiative (NGO) supporting and challenging businesses and government to increase commitments to fairer trade, as well as connecting farmers and workers with the people in Luxembourg in order to increase sustainable consumption. His 25 years experience in innovation on sustainable products (in Africa and Latin America) and his passion contributed to the success story of Fairtrade in Luxembourg. In addition, Jean-Louis is a co-founder of a number of cooperatives in the social solidarity economy which strives to overcome inequalities. He is an invited speaker at events such as the International Fair Trade Towns Conference World Forum or the First European Fair Milk Conference. Jean Louis professional career started in the sector of company audit after his studies of economics and law. He also holds a Bachelor of pedagogical studies in religion and is active in school administration. On an international level he is member of an international working group for European Schools and in Luxembourg member of the Conseil supérieur de l'Enseignement. Since 2017 he is secretary general of the commission of Justice and Peace Luxembourg, member of the “Initiative pour un devoir de vigilance” and participated in the elaboration of the first national action plan of Luxembourg for the implementation of the United Nations Guiding Principles on Business and Human Rights.



*Jean-Louis Zeien*

Jean-Sébastien Zippert is the coordinator of [etika - Initiativ fir Alternativ Finanzéierung asbl](#) since 2003. Etika is a non-profit organisation in Luxembourg fostering social finance by providing objective information on ethical investing. He began his career in the field of financial information technology before redirecting it towards a more meaningful activity when he joined etika. In addition to his initial studies, he obtained a master's degree in Political Science, Sociology and Economics from the University of Louvain (Belgium) in 2010. Jean Sébastien writes articles dealing with sustainable finance and financial regulation for Paperjam and the Lëtzebuerg Land.



*Jean-Sébastien Zippert*