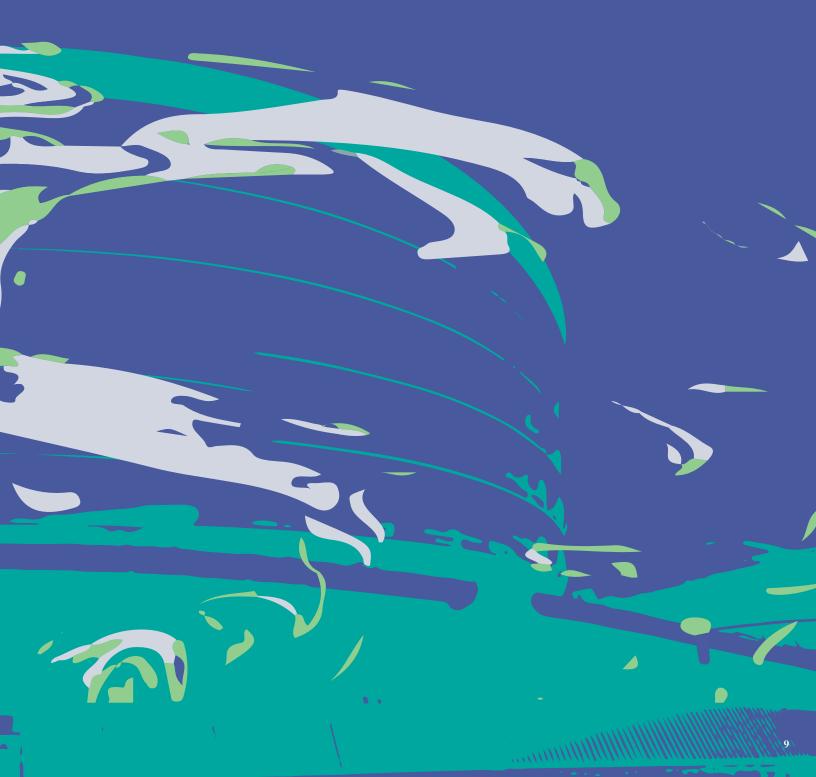


## THE NGC GROUP PERSPECTIVE



MORE INTENSE HURRICANES ARE A SYMPTOM OF RUNAWAY CLIMATE CHANGE.

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As several Caribbean leaders passionately expressed to COP 26 audiences, failure to act swiftly to address climate change will have dire implications for the region If one were asked to summarise the rationale for the recently concluded COP 26 climate conference held in Glasgow, a single word could suffice - survival. This sobering theme was common to almost every speech delivered by leaders at the event, with unanimous agreement that climate action is now quite literally, a matter of life and death.

This is especially true for the Caribbean region. As several Caribbean leaders passionately expressed to COP 26 audiences, failure to act swiftly to address climate change will have dire implications for the region. We stand on the frontline as a small island developing state, facing the brunt of impact from a warming planet. We are already experiencing more severe weather events, coastal degradation, loss of wetlands and coral reefs, droughts, and flooding, and must brace for even worse. Rising sea levels mean saltwater intrusion into groundwater sources, impacted coastal livelihoods and destruction of the lifeblood industry of many islands - tourism.

While the writing has been on the wall for some time, many have criticised world leaders, corporations, and other stakeholders for kicking the can down the road in terms of taking the aggressive action that was needed to curb runaway climate change. Promises made since Paris 2015 - and even others before then have failed to materialise, with political and business agendas often stymieing progress on emissions reduction. Due to insufficient urgency in collective global action, the discourse has moved from limiting warming to 1.5 degrees by 2050, to keeping the possibility of 1.5 alive.

In some ways, conversations at COP 26 echoed the rhetoric of years past - for example, we need to cut emissions, we need to finance clean energy and of course, we need to move past rhetoric and act now. However, there were some positive new developments which offer hope for change in the right direction if they are carried through to their successful implementation.

## Reflections on COP 26 - The NGC Group Perspective | CONTINUED

The announcement that the USA and China will collaborate on climate strategies is one of them, given the combined carbon footprint of these countries. Among the weapons of their combative efforts will be reducing methane emissions, transitioning to clean energy and decarbonisation. This is good news for the Caribbean and other small island developing states whose fates are largely in the hands of big emitters. This partnership between two global superpowers who have often diverged on policy, could be a bellwether for multilateral cooperation going forward, which is critical to the climate fight.

Another positive for the region is the commitment to increased financing for clean energy projects in developing countries. A sticking point has always been the perceived injustice of developing nations being asked to forgo fossil fuel-based industrialisation in favour of growth led by more expensive, and in some cases still incipient, clean energy technologies.

Having access to funding that can support this type of energy transition will relieve some of the economic burden from such countries and allow them to focus on other priority development areas, including climate change adaptation strategies. For the smaller economies of the Caribbean, such financing would be a welcome boon, particularly as some are still struggling with recovery from catastrophic climate events.

In addition, since renewable energy (RE) is abundant in the region, once the overheads of RE infrastructure are covered, islands would have a degree of self-sufficiency in energy. This will give a further boost to those economies currently spending on imported oil for power.



That said, fossil fuel-based power generation is likely to be around for some time vet, given the rapid growth in energy demand and the deployment limitations of clean energy technologies. Realistically, although a decision was agreed to reduce spending on fossil fuel projects, these fuels are so entrenched in producer economies and consumer societies that the transition toward cleaner alternatives will take time. However, the balance is certainly shifting in the energy mix, particularly in the power sector, with some of the pollutant coal and oil expected to be displaced by natural gas.

As reinforced by the Gas Exporting Countries Forum (GECF) at COP 26, gas can and should play a critical role in transitioning developing economies into the clean energy future and decarbonising energy production. We at The NGC Group see a clear place for our business in the future that will be architected post-COP 26. An upsurge in LNG demand will mean opportunities for small-scale and micro-LNG projects, which our teams are already exploring. Clean energy investment will take off. and market opportunities for veteran energy businesses such as our own will grow in tandem. To this latter point, many of the skills and technical requirements for clean energy technologies are transferrable from fossil fuel-based industry project management; engineering and design; geospatial information services: module fabrication: and even logistics, will be just as important in a clean energy future.





THE PROMISE OF INCREASED FINANCING FOR CLEAN ENERGY PROJECTS IN DEVELOPING COUNTRIES WILL GREATLY SUPPORT DECARBONISATION EFFORTS.

We appreciate that the years ahead and Glasgow Climate Pact commitments will demand greater corporate accountability of our company. Our business is part of an industry that must take urgent and aggressive action to decarbonise operations. For The NGC Group, methane is already a front-burner issue, and we are leading the sector in terms of monitoring emissions and addressing leaks. Together with our subsidiary companies and industry partners, we are actively collaborating to make solar energy, green hydrogen, and biogas a reality for Trinidad and Tobago.

Advocacy and knowledge transfer are also priorities – we are bringing learnings from the Oil and Gas Methane Partnership (OGMP) to industry forums; we are educating the public through green agenda events and technology platforms; we are supporting the efforts of light industrial consumers to increase their energy efficiency; and we are pushing for greater collaboration at the level of the Point Lisas Energy Association (PLEA) to address the industry's carbon footprint.

One of the notable outcomes of COP 26 was a commitment by 141 countries to end deforestation, in recognition of the centrality of forests, biodiversity and sustainable land use to the achievement of the SDGs. We at NGC have adopted a 'no-net-loss' principle in our operations and implemented a project in 2005 to replant acreage cleared during pipeline construction activities. To date, our reforestation programme has restored 315 hectares in South Trinidad with native tree species, and we are now looking to expand the project and our impact in this area.

At the same time, we continue to track and report on our emissions, offsets and sustainability initiatives through our annual Sustainability Reports, the scope of which we are progressively extending. We are committed to full transparency in our business and aspire to the highest international standards in all areas of our business, including our Environmental, Social and Governance (ESG) performance.

At the end of the day, the success of COP 26 lies not in the agreement signed at the close, but in the fulfilment of commitments and implementation of action items after 2021. Even the best-laid plans offer no guarantees – we need to put in the work. For our part, we at The NGC Group are stepping forward, putting our hands up, and saying we are ready to bat for our country and our planet. The hope is that we are joined on the field, so that we can all have a fighting chance at a future.