

COMMUNICATION ON ENGAGEMENT (COE)

March 2023 – February 2024

Statement of Support by the Director-General

Dear Mr Secretary-General,

This is our second Communication on Engagement for submission to the UN Global Compact (UNGC). As a non-business participant of the UNGC, BCI is committed to continually advancing the ten principles of the Global Compact in the areas of (1) Human Rights; (2) Labour; (3) Environment; and (4) Anti-corruption.

Established during COP23 in 2017, BCI is a think-tank which aims to conduct extensive research into climate change policy implementation issues and help governments and corporates address them by deploying suitable distributed ledger technology ("DLT"), artificial intelligence, and other emerging digital technologies. Our work programmes follow the UNFCCC Technology Transfer Framework. BCI brings together more than 100 volunteers from over 30 countries to help deploy emerging digital technologies to tackle the environmental issues facing the world today.

We are dedicated to expanding our capacity-building, policy implementation support, and technical assistance programs to as many countries as possible. By doing so, we hope to make a positive impact on the environment and promote sustainable development worldwide.

Sincerely,

Alastair Marke Director-General Blockchain & Climate Institute

The Blockchain & Climate Institute (BCI) is registered as "Mittetulundusühing Blockchain and Climate Institute" - a non-profit organisation (Registry Code: 80566402) in Estonia.



Description of Practical Actions and Measurement of Outcomes

Principles 1-2: Human Rights

In relation to Principles One and Two of the UNGC, BCI has established our Code of Ethics against human rights abuses, we also have practices to prevent and address any human rights violations within our operations. In addition, BCI has an Equality, Diversity & Inclusion Policy that applies to all levels of the organization. This policy sets out guidelines and principles that aim to promote and ensure equality, diversity, and inclusion in our work culture. BCI is committed to providing equal opportunities and advancement to all volunteers. BCI also uses objective criteria when selecting candidates. This approach helps to ensure that the selection process is fair, unbiased, and based on merit.

Principles 3-5: Labour

In relation to Principles Three, Four, Five and Six of the UNGC, the BCI is a think tank which offers volunteers the opportunity to assist with interesting policy/legal research or technical assistance projects pertinent to the use of DLT in global climate actions. By offering volunteers such opportunities, BCI is providing individuals with a platform to develop their skills and contribute to the global effort to address climate change. Furthermore, BCI does not require volunteers to complete specified hours per week, which means that volunteers are free to offer their time based on their availability and personal interests. This approach allows volunteers to contribute to BCI's work while still managing their work or other commitments outside of the organization.

Principles 7-9: Environment

The BCI's greatest contribution to the UNGC relates to Principles Seven, Eight and Nine. Specifically, the BCI has authored and published the world's first book on blockchain and climate policy in 2018 - "*Transforming Climate Finance and Green Investment with Blockchains*". The aim of the book was to inform academics, investors, and stakeholders in the international climate change policy community of the potential that blockchain technology has in transforming green investment markets through streamlining renewable energy, carbon market, international climate finance disbursement and the green finance law enforcement, etc.

Our second book "Governing Carbon Markets with Distributed Ledger Technology" was published by the Cambridge University Press in August 2022. This book explores the potential of DLT to improve the functioning and governance of carbon markets. It provides a comprehensive overview of the challenges and opportunities facing carbon markets and explains how DLT can help to address issues such as transparency and accountability. The book also covers conceptual and theoretical analysis, practical case studies, and a roadmap for implementation of a DLT-based architecture in major existing and emerging carbon markets.

We have organised a number of pilot climate blockchain projects across different continents over the last two years; and Blockchain Information Sessions for Climate Negotiators before every UNFCCC COP to ensure that the COP negotiation outcome drift towards the direction of fairness on climate technology transfers for climate-vulnerable developing countries.

Principle 10: Anti-Corruption

With regard to Principle Ten, the BCI has an Anti-Corruption and Bribery Policy applicable to all members of the organisation. This policy outlines the BCI's commitment to preventing corruption and bribery and provides guidance on how to recognize and respond to instances of corrupt behaviour. It establishes a framework for maintaining ethical standards in all aspects of the BCI's operations, including its interactions with other organizations, government bodies and stakeholders.

Measurement of Outcomes

As a non-business participant committed to upholding the ten principles of the United Nations Global Compact (UNGC), BCI measures its outcome of engagement with the UNGC in several ways, including:

- 1. Research output: BCI measures its success in advancing the principles of the UNGC in the environment through its research output. In 2021-2022, we have published at least six research papers, participated in at least 25 climate-related conferences (both online and in-person) and engaged with broad range of stakeholders in the international climate change policy community.
- 2. Policy influence: BCI measures its success in influencing policy at the national and international level. A total of 74 governments have completed BCI's online course on emerging digital technologies for climate policy implementation in partnership with the UN Climate Technology Centre & Network. Around 60 governments have participated in BCI's online information session before UNFCCC COPs. We have secured 5 seats at the ISO TC 307 Blockchain & Distributed Ledger Technology Standard Working Groups where we are playing a key role in standardising blockchain programs for sustainability actions. BCI has also become a partner of the UNFCCC Technology Mechanism according to its work plan for the next five years.
- 3. Technical assistance: BCI measures its success in providing technical assistance to governments, corporations, and other stakeholders to address climate change policy implementation issues. Since 2021, we have been delivering or developing over 10 technical assistance programs with at least one country in every continent.
- 4. Partnership building: BCI measures its success in building partnerships and collaborations with other organizations, including governments, businesses, and civil society groups. In 2021-2022, we established a couple of new international partnerships and signed at least three Memorandum of Understanding on blockchain- / climate change-related project research and development programmes.
- 5. Outreach and engagement: BCI measures its success in outreach and engagement activities to raise awareness about the potential of distributed ledger technology to transform climate finance and green investment markets. We published a new book "*Governing Carbon Markets with Distributed Ledger Technology*" in August 2022 which contributed to advancing the conversation around the use of DLTs in carbon markets. It also sparked discussions around the need for effective governance frameworks to ensure that these technologies are used in a responsible and sustainable manner in the implementation of the Paris Agreement.