

# ESG Digest News: for July and August 2025

SW Tenet presents a selection of recent sustainability news

## International scope

### 1. Adaptation plans among G20 priorities

G20 finance ministers and central bank governors [reaffirmed](#) the urgent need to increase financing for climate change adaptation and a just transition. They highlighted key recommendations from a comprehensive analysis, which included guidance on integrating adaptation into voluntary transition planning, addressing insurance gaps, expanding financing mechanisms, and strengthening enabling environments. They also committed to implementing Basel III principles.

### 2. Study on climate risks in credit risk assessment models released

The Group of Governors and Heads of Supervision (GHOS), the oversight body of the Basel Committee on Banking Supervision, has [prioritised](#) a further analysis of the financial risks posed by extreme weather events. A significant challenge for banks is the lack of standardised industry credit risk models that factor in physical risk factors. This raises the question of whether banks should elaborate their own internal models, so as to incorporate climate-related adjustments to their internal probability of default calculations.

### 3. UN focuses on financing and insurance for climate and disaster risks

With climate-change-induced natural disasters becoming more frequent and intense, Climate and Disaster Risk Finance and Insurance (CDRFI) solutions are becoming vital tools. They offer timely financial support for emergency responses and recovery, protect national budgets, and foster long-term economic stability. CDRFI also strengthen public-private collaborations, enhance risk assessment, and provide financial protection for vulnerable sectors and climate investments. A recent analytical [report](#) examines how CDRFI instruments are being integrated into national climate policies, such as National Adaptation

Plans (NAPs) and Nationally Determined Contributions (NDCs). The findings have informed the UNDP's Supplemental Guidance "Integrating Disaster Risk Finance into National Adaptation Plans".

### 4. Bloomberg publishes major review of "new" energy sector

The [New Energy Outlook](#) by BloombergNEF presents long-term energy and climate scenarios for the transition to a low-carbon economy. The publication is based on real-world industry and country practices for the energy transition, and offers an independent set of scenarios covering the power, industry, buildings, and transport sectors, as well as the key drivers shaping these sectors up until 2050.

### 5. Vatican to become first carbon-neutral state

The Holy See and the Italian Republic have signed an [agreement](#) to build an agro-voltaic installation in the Vatican-owned territory of Santa Maria di Galeria, Rome. The goal is to supply the Vatican with 100% renewable electricity. The project will use modern solutions to combine solar power generation with agricultural land use, paying special attention to preserving a hydrogeological balance, minimising environmental impacts, and protecting the cultural and natural landscape.

### 6. CDP disclosure dividend 2025 published

The [report](#) highlights that environmental risk is a financial risk, with growing costs, and ignoring these risks could cost the global economy USD38 trillion by 2050. The study, which draws on data from over 24,800 organisations, highlights that the potential financial benefits of environmental opportunities far outweigh the implementation costs. Key findings include that for every USD1 spent on combating climate risks, up to USD21 in returns can be generated, and the costs of addressing environmental risks are nearly 13 times lower than the financial risks they pose.

### 1. GCC states advocate "gradual and balanced" energy transition

In a [statement](#) on 1 July 2025 Gulf Cooperation Council (GCC) member states highlighted the need for a gradual and balanced climate change strategy, especially concerning the phasing out of fossil fuels. The council emphasised that any transition must safeguard development achievements and permit countries to implement policies that align with their particular country situations, and not go in for "prescriptive one-size-fits-all approaches".

### 2. Abu Dhabi launches 2025-2050 climate change adaptation plan for environment sector

The Environment Agency – Abu Dhabi (EAD) has [introduced](#) a detailed, science-based plan to shield the emirate's natural resources from the effects of climate change. The plan forms part of the wider Abu Dhabi Climate Change Strategy and concentrates on three vulnerable areas: groundwater, soil, and biodiversity. It details 142 adaptation measures to be carried out by 2050, with 86 high-priority projects scheduled for the next five years.

### 3. Oman's renewable energy share more than doubles in 2025

The share of solar and wind energy in Oman's total electricity generation [increased](#) to 11.5% in the first five months of 2025, up from 4.88% at the end of 2024. This growth was chiefly attributable to solar output from major projects, such as the Ibri II and Manah I & II Solar IPPs, which supports the country's long-term clean energy goals.

### 4. UAE and China deepen ties for a sustainable future

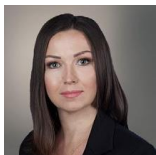
A high-level UAE delegation visited China from 7-10 July 2025, to enhance the strategic partnership on climate action and food security. The visit was aimed at utilising China's advanced agricultural technology to bolster the UAE's National Food Security Strategy 2051. [Discussions](#) focused on innovations in seed science, sustainable agriculture, and pollution control, reflecting a commitment to integrating governmental, academic, and private sector efforts.

### 5. UAE launches 2027-2029 budget cycle with focus on sustainability and AI

On 16 July 2025 the UAE [announced](#) its 2027-2029 budget cycle, moving from an annual plan to a long-term strategic framework. The new cycle emphasises sustainability and the use of Artificial Intelligence (AI) to boost financial efficiency and promote data-driven decision-making. The budget gives precedence to key sectors, such as education and healthcare, while also investing in smart technologies to align public finances with the nation's sustainable development objectives.

## **Contacts:**

[info@tenetcons.com](mailto:info@tenetcons.com)



**Daria Goryachkina**  
Associate Director  
Head of ESG

E: [dgoryachkina@tenetcons.com](mailto:dgoryachkina@tenetcons.com)



**Vyacheslav Zavgorodniy**  
Associate Director  
Consulting

E: [vzavgorodniy@tenetcons.com](mailto:vzavgorodniy@tenetcons.com)

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