In January 2015 we made seven predictions about 2015. We review them below. We discuss our successes but also our shortcomings.

1. **Sustainable Financial Products.** We predicted ‘a boom in the diversity of sustainable products’ as well as definitions becoming ‘more transparent’. Diversity was more gradual than we predicted; the focus was more on the depth of existing products rather than product innovation. Investors welcomed the improving definitions and standards, whether this was for green bonds or for ESG mutual funds. As we noted in our Mid-Year Review, even private equity has been discussing ESG standards. A number of countries tightened rules on elements of the ESG spectrum, particularly corporate governance (Sustainable Insights Edition 117 & Sustainable Trends Edition 8).

2. **Climate change agreement.** We predicted an ‘agreement in Paris’ focused on ‘intended nationally determined contributions’. We were perhaps too worried (Sustainable Insights Edition 117) about the apparent differences between developed and developing countries, although it went down to the wire, even debating into which category certain countries should fall (Sustainable Insights Edition 121 & 123). Again we were right that China would stick to its bilateral agreement with the US while India would give priority to economic growth. A change in the Australian PM made the country look marginally less isolated on this issue.

3. **The overuse of antibiotics.** We forecast that antibiotic use would hit the headlines in 2015. Most worrying was our hope that ‘superbugs remain in the realm of the film industry’ looked overoptimistic. Reports on antibiotic overuse, whether in humans or animals (Sustainable Trends Edition 8), hit the mainstream media headlines a number of times (Sustainable Insights Edition 119 & 122). Alas, towards the end of the year a superbug was identified. Depressingly, it proved difficult to call the demise of the Ebola crisis (Sustainable Insights Edition 120).

4. **Water and corporates** The management and treatment of water rose up the corporate agenda in 2015 as investors demanded more transparency on this issue (Sustainable Insights Edition 122). The OECD weighed in with its report on the importance of water security. NASA warned about subsiding underground water levels (Sustainable Insights Edition 97), while drought conditions persisted on the US West Coast (Sustainable Insights Edition 65), Brazil (Sustainable Insights Edition 80 & 99) and Pakistan (Sustainable Insights Edition 98). Furthermore, online tools have been made available for corporates to reduce water use (Sustainable Insights Edition 116 & 107). Substantial reductions in water costs have been achieved in the last 18 months (Sustainable Insights Edition 122).

5. **The value of big data.** We forecast that the use of big data would become ‘more widespread as organizations make additional datasets available’. We also believed that ‘drones may assist in its collection’. We were correct on both fronts but wonder what would have happened if worries over data privacy had not curtailed further use. As we stated in our mid-year review, big data has found uses in everything from environmental mapping (Sustainable Insights Edition 96) to nutrition analysis (Sustainable Insights Edition 86). Medical applications appear to be making promising progress with the use of big data (Sustainable Insights Edition 121).

6. **Exporting pollution.** We reported in our mid-year review that ‘news on this topic has been more subdued than we anticipated’ (Mid-Year Review Edition II). This remained the case for the rest of the year as an OECD report that countries were funding fossil fuel export technology was drowned out by the preparation for the Paris Climate Change Conference (Sustainable Insights Edition 86). The focus was on individual country pledges (Sustainable Insights Edition 86 & 87), rather than the mechanisms for achieving them.

7. **The economics of sustainability.** In our 2015 predictions we stated ‘we anticipate a rising profile in the economics of sustainability’. We also forecast more ‘cross-fertilization of ideas’ with other disciplines. Both turned out to be true. There was obvious evidence of this in the forecasted costs associated with climate change (Sustainable Insights Edition 106). Also sustainability and inequality were often discussed jointly. The IMF published a report on income inequality while the OECD focused on inequality and economic growth. The adoption of the 17 new sustainable development goals ensured the spotlight remained on the economics of sustainable policies throughout 2015 (Sustainable Trends Edition 9).

See our 2016 predictions on our website here
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