

## NORWAY'S LARGEST ASSET MANAGERS SAY NO TO COAL

Political pressure associated with climate change policies have led to funds rethinking their investments in coal firms.

Political pressure is mounting on the USD815bn Norway SWF to divest its coal investments. While coal investments account for [less than 1%](#) of the fund's AuM, BHP Billiton (BHP AU) and Anglo American (AAL LN) will lose their sixth and ninth-largest investors, respectively, if the government votes in favor of the motion.

Officials didn't specify as to which coal firms would be affected, but said they are concerned about the fund's heavy exposure

to fossil fuel firms that face significant financial risks over climate change policies.

Norwegian pension fund and insurance firm Storebrand (STB NO) also announced its [divestment of coal powered utility stocks](#). With the latest divestment, 10% of the coal sector is not eligible for investment by STB. STB claimed it is likely to further reduce its exposure to the fossil fuel industry in a bid to ensure long-term stable profits.

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## CLEAN-ENERGY COMPANIES TO DRIVE GREEN BOND MARKET GROWTH

Green bonds may account for 10%-20% of bond market by 2024 as renewables firms face financing cuts from governments and financial institutions.

Renewable energy companies are focusing on the bond market to raise capital as financial institutions and governments curb funding due in part to falling technology costs, particularly in the US, Europe, and Japan.

Citigroup expects green bonds—bonds supporting clean-energy and environmental venture—to account for 10%-20% of the USD7tn/year bond market within a decade.

HSBC predicts that green bond sales will amount to USD25bn in 2014, which is 2x its assessment of USD11.4bn for 2013.

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## WEALTHY COUNTRIES GREW WHILE LOWERING CARBON INTENSITY

Implementation of pro-environmental policies allowed the world's largest economies to grow while keeping a tab on carbon intensity.

The EPI concluded that wealthy countries produce the highest levels of climate emissions, but have for the most part successfully reduced the carbon intensity of economic growth over the last decade. Rapidly developing economies, such as India and China, have seen the steepest increase in emissions over the last decade. For poor countries, such as Nepal, emissions are comparatively low.

Germany, [one of the world's largest coal consumers](#), ranked 6th among 178 countries in an index that assessed countries based

on protection of human health from environmental harm and protection of ecosystems. The country ranked the highest amongst the world's largest economies where the UK ranked 12<sup>th</sup>, Japan 26<sup>th</sup>, and the US 33<sup>rd</sup>.

The report notes that China ranks 118<sup>th</sup> and India ranks 155<sup>th</sup> as these countries have sidelined environmental policies to achieve quick economic growth.

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