

## CLIMATE CHANGE CONFERENCE AGREES...SORT OF

Hopes were high that the Lima conference would pave the way for Paris 2015

The Lima Conference ([see Insights Edition 71](#)) was aiming to provide detailed guidelines about emission commitments, so that they could be scrutinized before the December 2015 Paris Conference. On this issue there was some success. This is the first time all countries agreed to cut greenhouse gas emissions (but not until 2020).

Leading economies will publish detailed information about climate action plans by end-March next year – the so-called [intended nationally determined contributions \(INDCs\)](#). However, the post conference text mentions the “significant gap” between emission

reductions pledged and the level required to adhere to a temperature increase of 2°C or below. Further, there appears wiggle room in the requirements the countries are obliged to reveal.

The Lima text mentions that actions should reflect countries’ circumstances; it is widely understood that this requires richer countries to make the [steepest emission cuts](#). This replaces the simple split of developed and developing nations seen in previous climate change discussions. Developing countries did achieve recognition for the “loss and damage” vulnerable countries face from climate change. Some NGOs have expressed concern that the INDCs should only be “fair and ambitious”, suggesting to some that eventual commitments will fall short of what is required.

### QUOTE OF THE WEEK

“No national leader in the history of humanity has ever faced the question: ‘Will we survive or will we disappear under the sea?’” said Tuvalu Prime Minister Enele Sopoaga

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## TRANSPARENCY IN THE GREEN BOND MARKET

ESG enthusiasts are forever demanding more transparency. The tables have turned.

The Climate Bonds Initiative, a not-for-profit organization that aims to mobilize debt capital markets for climate change solutions, has published a full list of labeled green bonds. The Initiative is promoting greater transparency in the green bonds market. This is believed to be the first time that an organization has collected a [publicly available green bonds list](#). All those on the list are believed to be green bonds – labeled as such by the issuer – that have earmarked the

proceeds for climate and environmental projects.

To further assist the reader, where possible, second opinion documents are listed as well as comments on the Climate Bonds blog. What this list does not do is provide an opinion on whether the [Climate Bonds Initiative](#) agrees with the green label. This is an important step. As of 11th December 2014, US\$ 35 billion green bonds had been issued. The Initiative forecasts this will rise to US\$100bn by end 2015 and treble again by end 2018. Certainly a number of investors will welcome this transparency ([see Insights Edition 71](#)).

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## BIG DATA IS HELPING

### Will it show the way on sustainability?

Few doubt that making available large datasets will help ESG supporters, especially in the environmental field. Recently the US Geological Survey has developed an interactive website which shows drought coverage and a timeline of its impacts on water resources. For example, the connection between snowpack and reservoir levels can be viewed, as can streamflow. This

is part of the [US Open Water Data Initiative](#). In the UK, the [Environment Agency](#) will publish detailed information on flood risks. At the start of 2014, 200 software developers and computer programmers were given access to flooding data, including 15 minute readings from every river level sensor in the country. Such information is likely to have an effect on property prices as well as assist flood warning systems ([See Insights Edition 64](#)).

## WATCH THIS SPACE

The scientists have clashed again, this time over sugar and salt. Does sugar (particularly fructose) play a stronger role in high blood pressure than salt? Opinion is divided.

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## TELL US MORE ABOUT FOSSIL FUELS

### Concerns over stranded costs in the oil, gas and coal companies will not go away

The Carbon Tracker Initiative really brought the issue of fossil fuel stranded costs into the mainstream with its report '[Unburnable Carbon](#)', in March 2012. and others have joined the cacophony. More recently it was a [central banker](#) who thought this issue worthy of further investigation, notably in relation to the risks fossil fuel companies pose to financial

stability. Now a senior UK politician, Energy Secretary Ed Davey, has called for transparency over "[risky](#)" [fuel assets](#). He has expressed concern that fossil fuel companies could become "the sub-prime assets of the future", causing severe knock-on effects to investors like pension funds. He summed up his views as, "We're seeing a move from the carbon economy to the climate economy.

## BELIEVE IT OR NOT

An estimate of the amount of plastic afloat in the oceans is a 'highly conservative' 5.25 trillion pieces weighing in at nearly 269,000 tonnes.

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