

US & CHINA AGREE ON CLIMATE ACTION... IS IT ENOUGH?

China announces a cap-and-trade system; US finalizes its Clean Power Plan. But is it too little too late?

Nearly a year after announcing climate goals in November 2014, China and the United States released a Joint Presidential [Statement](#) on Climate Change this week, which includes [significant climate actions](#). China announced that it will launch a national cap-and-trade emissions trading system in 2017 as well as a “green dispatch” system which will give priority to cleaner, more efficient power sources. The U.S. has committed to implement carbon emission standards for power plants in states that choose not to implement their own plans. In addition, both countries will develop more stringent vehicle fuel standards.

Meanwhile, [India's Prime Minister Narendra Modi](#) met U.S. President Barack Obama and European leaders this week calling for a climate change agenda from upcoming climate talks in Paris that helps developing countries with access to finance and technology. Modi said he and President Obama shared an “uncompromising” commitment to fighting climate change without hurting development.

But is it enough? Research at [Climate Interactive](#) has found that commitments made as of today to reduce greenhouse gases will still lead to a 3.5-degree Celsius (6.3-degree Fahrenheit) [increase in the global average](#) temperature from pre-industrial levels.

See the Climate Interactive's latest assessment displayed as an infographic on their [website](#).

CENTRAL BANKER: COMPANIES MUST BE MORE OPEN ABOUT THEIR “CLIMATE CHANGE FOOTPRINT”

Mark Carney, [Bank of England](#) Governor, said this week that “companies must be more open about their ‘climate change footprint’ to avoid abrupt changes in asset prices that could destabilize markets.” He warned in a [speech](#) at Lloyds of London that the speed at which fossil fuel assets could be repriced to reflect the [impacts of climate change](#) could pose huge financial risks to British insurers and other institutional and individual investors.

“Risks to financial stability will be minimized if the transition begins early and follows a predictable path,” Carney told the insurance market event earlier this week.

Carney's remarks will be front and center at upcoming [International Monetary Fund/World Bank](#) annual meeting in Peru next month.

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THIS WEEK IN NUMBERS

70,000

ways to get sick, hurt or mortally injured in the US.

21,000

personnel have been sent to fight forest fires in Indonesia's northern islands.

757

million people is the estimated number of illiterate people in the world.

33

million US Dollars is the divestment in coal companies by the New York city pension funds that Mayor Bill de Blasio has encouraged.

28

of September was the date that the Energy Transitions Commission (ETC) was launched, aiming to promote economic development and climate change mitigation.

18

billion Euros is the financing that the European Bank for Reconstruction and Development (ERBD) plans to raise for green projects in the next five years.

10

million people could face hunger in 2015 and 2016 because of El Nino.

6

of October is the date on which Volkswagen will be removed from the Dow Jones Sustainability Index.



SHELL WITHDRAWS FROM THE ARCTIC

This week [Royal Dutch Shell](#) announced that it will end its nine-year exploration for oil in the Alaskan Arctic — a USD7 billion investment. This comes as another sign pointing to a reduction in capital expenditure in the wake of falling oil prices.

According to the Energy Information Administration ([EIA](#)) Alaskan oil production topped out in 1988 at more than 2 million

barrels a day. It has [declined steadily](#) since then, falling below 500,000 last year for the first time since the late 1970s.

Meanwhile, investors applaud BHP Billiton and AGL Energy after the two companies made significant moves to improve environmental policies amidst shareholder pressure.

[READ MORE ABOUT THE RESOLUTIONS](#)

WHAT WE'RE WATCHING

UN Sustainable Development Goals

The Chief Executive of Aviva, a £246 billion asset manager, made a speech at the UN General Assembly last week calling for a resolution on sustainable finance which would “set out the U.N.’s own roadmap for sustainable capital markets which to date does not exist”.

[More details are available on Aviva's website](#)

JAPAN'S \$1.2 TRILLION GPIF PENSION SIGNS ONTO PRI

This week Japan's Prime Minister Shinzo Abe announced that Japan's USD 1.2trn Government Pension Investment Fund ([GPIF](#)), the largest pension plan in the world, has signed up to the United Nations-supported Principles for Responsible Investment ([PRI](#)). In addition, going forward, the plan is expected to ask its external managers whether they are also signed up. The GPIF is a large and influential player in the Japanese investment

world, and it is likely that other major pension funds in Japan will follow its lead. “This will surely contribute to the achievement of sustainable development,” Abe said. “The principles represent a pledge by signatories to consider environmental, social and corporate governance factors while investing.”

[See Prime Minister Shinzo Abe speak at the Japan Finance Forum this week](#)

BELIEVE IT OR NOT

An entrepreneur has developed a kid-friendly biology kit that encourages the young scientists to hunt for materials with antibiotic properties.

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