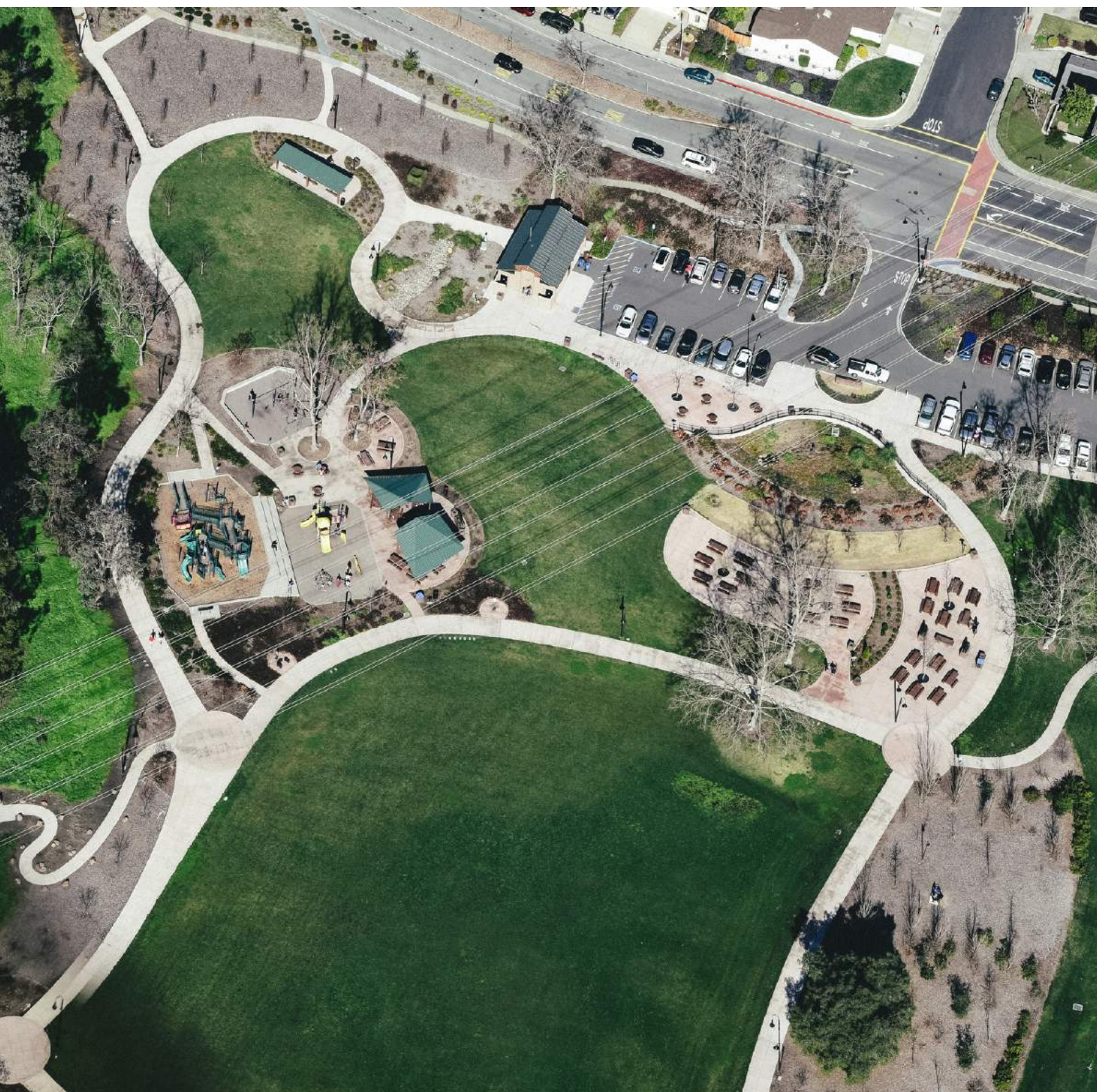


**SECTORAL**

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## Driving Private Equity Towards Net-Zero: Guidance for Sustainable Investing

*ESGClarity, 23rd May 2023*

The Institutional Investors Group on Climate Change (IIGCC), Ceres, and Anthesis have launched guidance to drive the private equity sector towards net-zero investing. The Net Zero Investment Framework Component for the Private Equity Industry aims to establish a consistent approach to measuring progress towards net zero, focusing on decarbonization of portfolio companies.

The guidance standardizes target setting, engagement, and reporting between limited partners, general partners, and portfolio companies, supporting progress at scale. While asset allocation is important, the primary focus is on decarbonization goals at the portfolio company level. The guidance recognizes the unique characteristics of private equity and aims to integrate climate change risks and opportunities into investment practices.

It forms part of the broader Net Zero Investment Framework, which provides a foundation for aligning portfolios with net-zero emissions by 2050 or sooner. The guidance is intended to catalyze climate-related action across the private equity industry, supporting lead partners, general partners, and portfolio companies in achieving real decarbonization. It enables collaboration and communication among all parties involved in the private equity asset class, fostering the clean energy transition and contributing to a sustainable future.

<https://esgclarity.com/private-equity-gets-net-zero-guidance/>

## Reserve Bank of India Takes Action Against Greenwashing

*The Economic Times, 11th May 2023*

The Reserve Bank of India (RBI) is taking steps to combat greenwashing in the financial services sector in order to enhance market confidence in ESG credentials. As part of its efforts, the RBI will participate in a virtual TechSprint hosted by the UK Digital Sandbox, which brings together regulators, firms, and innovators to collectively address sustainable finance challenges. The TechSprint aims to develop a solution that can effectively tackle the risks of greenwashing in financial services. By taking action against greenwashing, the RBI seeks to ensure that ESG products and services accurately represent their environmental impact and align with investor expectations.

Developing effective tools or solutions to tackle greenwashing will enhance transparency and accountability in the financial services sector. This can lead to clearer standards for ESG reporting and verification, facilitating more accurate assessment of sustainability claims. Investors will have greater assurance that their investments are genuinely aligned with ESG principles, driving increased demand for genuinely sustainable financial products. The collective actions of international regulators through initiatives like the TechSprint can create a global framework to combat greenwashing, promoting responsible investing practices and fostering a sustainable financial ecosystem.

<https://economictimes.indiatimes.com/news/economy/finance/rbi-invites-firms-to-participate-in-greenwashing-techsprint/articleshow/100167477.cms>



## G7 Summit: Leaders Take Action on Climate Change

*ESGtoday, 22nd May 2023*

Leaders of the G7 nations gathered in Hiroshima and announced a series of measures to fulfill their Paris Agreement commitments. They pledged support for the development of sustainability and climate-related corporate reporting standards by the International Sustainability Standards Board (ISSB). They also called for an end to the construction of new unabated coal-fired power plants and advocated for increased climate transition finance for developing countries.

Mobilizing finance for emissions reduction and climate-resilient development, including private finance for clean technologies, was highlighted as a crucial issue. The G7 leaders emphasized the importance of consistent and reliable disclosure of sustainability and climate information.

The G7 expressed their endorsement of the ISSB's work, including finalizing standards for sustainability reporting and climate-related disclosures. They also anticipated the ISSB's future focus on disclosure related to biodiversity and human capital.

Energy transition-related announcements included a commitment to work towards ceasing the construction of new unabated coal power plants. The leaders acknowledged the significance of low-carbon and renewable hydrogen for decarbonizing challenging sectors. They emphasized the development of standards, certifications, and emissions calculation methodologies for hydrogen production. Additionally, the G7 unveiled goals to increase offshore wind capacity by 150 GW and solar PV capacity to over 1 TW by 2030.

While reaffirming their commitment to phasing out unabated fossil fuels, the leaders acknowledged that temporary support for the gas sector could be appropriate in response to reducing reliance on Russian energy after the invasion of Ukraine.

Other factors addressed in the communique included the importance of Carbon Capture, Utilization, and Storage (CCUS) as part of decarbonization solutions and support for high-integrity carbon markets and carbon pricing initiatives.

<https://www.esgtoday.com/g7-leaders-support-development-of-global-sustainable-disclosure-standards/>



## EIB Approves EUR 6.6 Billion for Sustainable Initiatives: Accelerating Europe's Green Transition

*ESGnews, 4th May 2023*

The European Investment Bank (EIB) has approved EUR 6.6 billion in new financing for sustainable transport, clean energy, corporate innovation, and education. This decision signifies the EIB's commitment to the green transition and supports European climate and sustainability goals.

The allocation of EUR 3.8 billion for sustainable transport will modernize rail networks, enhance urban mobility, and improve safety. Another EUR 1.2 billion will boost renewable energy deployment, including rooftop solar projects and initiatives in Spain, Portugal, and Germany. The EUR 998 million for corporate innovation will drive research and development in electric vehicle battery technology, facilitating the transition to sustainable transportation. Additionally, EUR 625 million for education will create new school campuses and promote knowledge exchange.

This funding will contribute to reducing carbon emissions, increasing renewable energy capacity, and fostering a greener future. It aligns with the EIB's commitment to sustainable development goals and the Paris Agreement. The financing will drive advancements in sustainable sectors, support education and innovation, and accelerate the transition to a more sustainable and climate-friendly economy. It reinforces the EIB's role in promoting a greener and more sustainable future for Europe and beyond.

<https://esgnews.com/eib-approves-eur-6-6-billion-for-sustainable-transport-clean-energy-and-education-investment/>



## SUSTAINABLE FINANCE

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# RBI's New Framework for Green Deposits: Promoting Green Finance

*The Economic Times, 21st May 2023*

Starting from June 1 2023, depositors in India can convert their fixed deposits into "green" deposits, allowing banks and non-bank financial institutions to raise funds for environmentally friendly projects.

The Reserve Bank of India (RBI) has established guidelines to promote green finance. Green deposits are similar to regular fixed deposits, with the proceeds allocated to activities such as energy efficiency, carbon reduction, climate resilience, and biodiversity preservation.

While interest rates on green deposits are comparable to traditional deposits, depositors benefit indirectly by supporting initiatives that reduce emissions, improve air quality, enhance biodiversity, and promote fair resource allocation.

Businesses can access green deposits by identifying projects that meet the RBI's green asset criteria. To mainstream green deposits, additional incentives like higher interest rates may be required.

Further, ensuring a steady supply of projects meeting the RBI's green criteria and introducing a green taxonomy are crucial for green finance's growth. Several banks already offer green deposit options, but future scrutiny of mobilization and deployment activities is expected.

<https://bfsi.economictimes.indiatimes.com/news/policy/explainer-i-how-will-rbis-new-green-deposits-framework-that-kicks-in-on-june-1-work/100400209>

## AIM for Climate: Advancing Sustainable Agriculture and Innovation Globally

*ESGnews, 8th May 2023*

Partners at the AIM for Climate Summit, including the US and UAE, are increasing investment in climate-smart agriculture and food systems innovation. Secretary of Agriculture Tom Vilsack announced over US \$13 billion in investments, surpassing the US \$10 billion goal set by US Special Envoy for Climate John Kerry.

New innovation sprints worth \$1.8 billion were introduced, bringing the total to 51 sprints with a combined investment of over \$3 billion. Governments such as Argentina, Fiji, Guatemala, India, Panama, Paraguay, and Sri Lanka have joined as partners.

Secretary Vilsack also unveiled the USDA's Science and Research Strategy, focusing on innovative technologies, climate-smart solutions, nutrition security, resilient ecosystems, and translating research into action.

The International Climate Hub was launched, providing a platform for climate-informed agricultural decision-making, including the COMET-Planner Global Assessment Tool for estimating greenhouse gas benefits. The Summit addressed the impact of climate change on food availability and the role of agri-business in driving credible climate action for COP28.

<https://esgnews.com/funding-for-us-uae-farm-climate-project-grows-to-13-billion/>



## Economic Implications of El Niño: Trillions in Global Losses and Long-Term Impact

*ScienceDaily, 18th May 2023*

Dartmouth researchers have revealed that El Niño, a recurring climate pattern, can have long-term financial consequences, with losses exceeding US \$84 trillions globally. The study indicates that the economic impact of El Niño can persist for several years after the event, exacerbating existing inequalities and hindering economic growth.

These findings highlight the need to consider year-to-year climate variations, including El Niño, when estimating the costs of global warming. The study emphasizes the importance of investing in prediction and adaptation measures for El Niño and addressing climate change. By understanding the economic implications, policymakers and stakeholders can better allocate resources for mitigation and adaptation strategies.

The projected trillions of dollars in losses due to El Niño and climate change underscore the urgency for action and may drive efforts to strengthen early warning systems and enhance climate resilience. This research serves as a wake-up call to prioritize climate action and work towards a sustainable future.

<https://www.sciencedaily.com/releases/2023/05/230518172010.htm>



## Shrinking Farms, Growing Risks: Implications for Food Systems and Future Changes

*ScienceDaily, 16th May 2023*

A new study from the University of Colorado Boulder predicts that the number of farms worldwide will halve by the end of the 21st century, while the average size of existing farms will double. This trend poses significant risks to global food systems and has far-reaching implications. The research, published in the journal *Nature Sustainability*, is the first to track farm numbers and sizes over time, from the 1960s to 2100.

The declining number of farms and the consolidation of larger farms have profound environmental and social consequences. As economies grow, rural-to-urban migration reduces the agricultural workforce, leading to fewer operating farms. This shift not only threatens biodiversity but also impacts food supply. Smaller farms are more resilient to climate shocks and pest outbreaks, and they play a critical role in maintaining crop diversity. Moreover, the consolidation of farms erodes valuable Indigenous knowledge accumulated over centuries.

The shift towards larger, consolidated farms may amplify risks to global food systems and have long-term implications. With fewer farms and increased farm sizes, the impact of shocks on agricultural production becomes more concentrated, posing greater risks to food security. This trend also highlights the need to diversify the world's food source portfolio, just as a diversified investment portfolio performs better. Policymakers will have to consider the potential consequences and address the challenges posed by farm consolidation, such as biodiversity loss, the preservation of Indigenous knowledge, and support systems for farmers.

<https://www.sciencedaily.com/releases/2023/05/230516115544.htm>

## Human Toll and Economic Burden: Climate-Related Disasters Unleash Havoc Worldwide

*Eco-Business, 23rd May 2023*

A new analysis by the World Meteorological Organization (WMO) reveals the devastating impact of climate-related disasters on human lives and economies. Between 1970 and 2021, 138,377 Indians and 520,758 Bangladeshis lost their lives in such events, making them the second-highest and highest number of casualties in Asia, respectively. Myanmar and China also recorded significant casualties.

Globally, these disasters caused over 2 million deaths and \$4.3 trillion in economic losses, with developing countries bearing over 90% of the death toll. The WMO emphasizes the vulnerability of the most at-risk communities and highlights the urgent need for early warning systems to save lives.

The analysis also sheds light on the wide-ranging impact of weather, climate, and water-related hazards across different regions, with Asia and North America, Central America, and the Caribbean being the most affected.

The figures released during the WMO's quadrennial session underscore the importance of international efforts to protect populations through early warning systems. These alarming statistics serve as a call to action for prioritizing disaster management, climate adaptation, and mitigation strategies to mitigate the severe consequences of climate-related disasters.

<https://www.eco-business.com/news/nearly-150000-indians-have-died-in-the-past-51->





## Climate Change's Abrupt Tipping Points: Implications for Species Survival and Conservation

*CarbonCopy, 22nd May 2023*

A study published in *Nature Ecology & Evolution* warns that climate change could push species over abrupt tipping points, resulting in habitat loss and limited adaptation within short timeframes. The research analyzed over 36,000 marine and terrestrial animal species, seagrasses, and climate projections until 2100. By examining thermal exposure thresholds, the study found that when temperatures consistently exceed a species' historical range, it faces an abrupt loss of habitat. The findings also suggest that many animals will encounter unfamiliarly hot temperatures in a relatively short time span.

Lead author Alex Pigot highlights the species' limited ability to survive higher temperatures or adapt quickly. As global warming intensifies, the risks escalate, with approximately 30% of species potentially facing unfamiliar heat across a significant part of their range with just 2.5°C of warming. Urgent action is necessary to identify at-risk species and plan conservation efforts accordingly. The study's insights emphasize the need to address climate change promptly to mitigate its irreversible consequences on global ecosystems.

The study's implications extend to species survival and ecosystem stability. The projected exposure to unprecedented temperatures and subsequent habitat loss could disrupt ecological interactions and jeopardize ecosystem functioning. The heightened risks associated with rising global temperatures underscore the urgency of addressing climate change to protect vulnerable species. The study's early warning system for identifying at-risk species can guide conservation strategies and enable proactive measures to safeguard biodiversity and enhance ecosystem resilience in the face of ongoing climate change challenges.

<https://carboncopy.info/30-of-species-could-be-abruptly-lost-at-2-5c-of-warming-study/>

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