

**SECTORAL**

**UPDATES**

**auctusESG**

**DEC 2023**





ESG

auctusESG

## EFRAG, GRI to Collaborate on Sustainability Reporting Standards Development, Training

*ESG Today, 1st December 2023*

The European Financial Reporting Advisory Group (EFRAG) and the Global Reporting Initiative (GRI) announced today a new cooperation agreement to deepen cooperation on sustainability reporting, including plans to collaborate in areas including reporting standards development and training. The organizations, as part of the new collaboration agreement, also released a GRI-ESRS Interoperability Index.

The organizations released a GRI-ESRS Interoperability Index that outlines the relationship between the European Sustainability Reporting Standards (ESRS) and the GRI standards' disclosure requirements. This aims at preventing 'double-reporting' for entities disclosing under both systems.

EFRAG and the GRI will collaborate in areas including standards and guidance development for both existing and new sector standards, proportionate reporting for SMEs in the EU, and on standards for non-EU companies for which the CSRD will apply. Along with this, the organizations intend to collaborate on education and training.

<https://www.esgtoday.com/efrag-gri-to-collaborate-on-sustainability-reporting-standards-development-training/>

## Top development banks, funds set up 'debt-for-nature' task force

*Reuters, 5th December 2023*

IA consortium of top multilateral development banks and climate funds launched a global task force to scale up the number and size of "debt-for-nature" swaps that cut a developing country's debt in return for protecting vital ecosystems.

The consortium will be led by the Inter-American Development Bank (IDB) and the US International Development Finance Corporation (DFC), and the ADB, AfDB, France's Agence Francaise de Developpement, the European Investment Bank, Green Climate Fund and the Global Environment Facility.

Development banks play a particularly important role in debt-for-nature swaps because they provide the credit guarantees and/or political risk insurance that make them viable. These swaps are gaining traction due to successful deals in places such as Belize and the Galapagos Islands.

<https://www.reuters.com/sustainability/sustainable-finance-reporting/top-development-banks-funds-set-up-debt-for-nature-task-force-2023-12-04/>

## Standard Chartered says investor participation in ESG fund sales surges amid climate change focus

*South China Morning Post, 11th December 2023*

Standard Chartered Bank, one of Hong Kong's three note-issuing banks, reported a 40 per cent increase in the number of customers buying ESG (environmental, social and governance) funds in the first 10 months of this year, reflecting growing investment interest in products focused on pollution and climate change.

This investment interest is witnessed not just among young investors, but across all age groups. Standard Chartered now sells about 90 funds, including those issued by other fund houses, with ESG investment features.

<https://www.scmp.com/business/article/3244542/standard-chartered-says-investor-participation-esg-fund-sales-surges-amid-climate-change-focus>

## GIB releases Sustainable & Transition Finance Framework

*Trade Arabia, 1st December 2023*

Gulf International Bank (GIB) has released its Sustainable and Transition Finance Framework to set out how GIB classifies and manages sustainable finance transactions.

Based on international best practice, it covers clear and comprehensive environmental, social and transition criteria that transactions must meet in order for GIB to consider them to be sustainable.

Within the environmental criteria, the Framework identifies a set of 'blue' categories: activities that support sustainable ocean, sea and marine resources.

[http://www.tradearabia.com/news/BANK\\_416330.html](http://www.tradearabia.com/news/BANK_416330.html)



## SUSTAINABLE FINANCE

auctusESG

# MAS finalises taxonomy on sustainable and transition financing

*The Business Times, 3rd December 2023*

The Monetary Authority of Singapore (MAS) has launched a key sustainable finance framework, the Singapore-Asia Taxonomy for Sustainable Finance, that defines eligible economic activities across eight sectors - energy, real estate, transportation, agriculture and forestry or land use, industrial, information and communications technology, waste and circular economy, and carbon capture and sequestration sectors.

Singapore taxonomy is the first in the world to comprehensively define transition activities across eight sectors. With a “traffic-light” approach where activities are either classified as green, amber or red, economic activities classified as green can qualify for green or sustainable financing, while those classified as amber can access transition financing.

To ensure credibility of the early coal phase-out process, the taxonomy has set out requirements that these plants have to be closed by 2040 and the electricity generated from their closure be fully replaced with clean energy within the same electricity grid.

<https://www.businesstimes.com.sg/esg/mas-finalises-taxonomy-sustainable-and-transition-financing>

## ADB, GEAPP and MAS join forces for energy transition finance partnership in Asia

*The Economic Times, 5th December 2023*

The Asian Development Bank (ADB), the Global Energy Alliance for People and Planet (GEAPP) and the Monetary Authority of Singapore (MAS) have unveiled plans to establish a blended finance partnership to accelerate energy transition initiatives in Asia. The MoU aims to mobilize concessional capital from philanthropic and public sectors, mitigate project risks and attract global private capital for financing energy transitions.

These projects encompass early coal asset phase-outs, the introduction of renewable energy, and decarbonization projects in challenging sectors. The partnership targets to raise up to USD 2 billion from various partners, with ADB offering origination, transaction and technical support.

<https://energy.economictimes.indiatimes.com/news/renewable/adb-geapp-and-mas-join-forces-for-energy-transition-finance-partnership-in-asia/105750865>



## UAE Launches \$30 Billion Climate Action Fund

*ESG Today, 2nd December 2023*

The government of the UAE announced the launch of ALTÉRRRA, a new investment platform aimed at driving private capital towards climate investments, and on improving access to climate finance in emerging markets, with a particular focus on the Global South. Launching with a \$30 billion commitment from the UAE, the new platform is the largest investment vehicle for climate change action, according to the UAE, adding that it aims to mobilize \$250 billion globally by 2030.

The new platform is aimed at supporting the creation of “a fairer climate finance system” noting a need for USD 2.4 trillion annually in emerging and developing countries to address climate change. This platform will utilize a two-part structure, including ALTÉRRRA ACCELERATION, a \$25 billion component that will act as an anchor investor and co-investor in climate strategies to help steer institutional capital towards climate investments at scale that support the net zero transition and climate resilience, and ALTÉRRRA TRANSFORMATION, a \$5 billion component providing risk capital to incentivize capital flows into the Global South and to leverage concessional finance to attract climate investments to Least Developed Countries (LDCs) and Small Island Developing States (SIDS).

<https://www.esgtoday.com/uae-launches-30-billion-climate-action-fund/>



## IFC Backs Emerging Markets Energy Transition With \$1bn

*Leadership Media Group, 11th December 2023*

With investment towards energy transition by emerging markets estimated to reach \$2.5 billion in 2030's, the International Finance Corporation (IFC) has signed a partnership agreement with the International Renewable Energy Agency (IRENA) and pledged \$1 billion to accelerate the transition to clean energy in emerging markets. This partnership has translated into IFC joining the Energy Transition Accelerator Financing Platform (ETAF), a climate finance mechanism managed by IRENA that advances the global energy transition in IRENA member countries.

IFC will bring its expertise to ETAF, increasing the flow of private capital towards ETAF projects, while IRENA will leverage its membership to attract project proposals through the platform.

<https://leadership.ng/ifc-backs-emerging-markets-energy-transition-with-1bn/>

## BNP Paribas Launches New Climate Impact Infrastructure Debt Fund

*ESG Today, 14th December 2023*

Paris-based global bank BNP Paribas announced the launch of BNP Paribas Climate Impact Infrastructure Debt, a new fund aimed at financing climate change mitigation, and supporting energy transition projects across continental Europe. The fund is targeting €500-750 million from institutional investors, including a seeding commitment from BNP Paribas' insurance business BNP Paribas Cardif.

The new initiative is being launched in close collaboration with BNP Paribas Asset Management (BNPP AM), BNP Paribas Corporate & Institutional Banking (CIB) and BNP Paribas Cardif, providing complementary expertise to offer financing solutions to projects and companies involved in energy transition and climate change mitigation.

<https://www.esgtoday.com/bnp-paribas-launches-new-climate-impact-infrastructure-debt-fund/>

## Nations strike deal at COP28 to transition away from fossil fuels

*The Financial Express, 14th December 2023*

Representatives from nearly 200 countries agreed at the COP28 climate summit on Wednesday to begin reducing global consumption of fossil fuels to avert the worst of climate change, signalling the eventual end of the oil age, after 2 weeks of negotiations. The deal calls for "transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner ... so as to achieve net zero by 2050 in keeping with the science".

The deal calls on governments to accelerate that - specifically by tripling of renewable energy capacity globally by 2030, speeding up efforts to reduce coal use, and accelerating technologies such as carbon capture and storage that can clean up hard-to-decarbonise industries.

A tougher language on fossil fuels, calling for its "phase-out", that had stalled negotiations for several days, could not be agreed upon and had to be changed to "transition away". The operationalisation of the loss and damage fund, with countries committing nearly USD 800 million and the tripling of renewable energy capacity by 2030, were the two main outcomes, which got widespread acceptance.

The Alliance of Small Island States said that the draft failed to deliver on "the course correction that was needed" and was concerned that the 2050 net zero target would be difficult to reach.

<https://www.financialexpress.com/business/industry-cop28-ends-with-a-deal-on-fossil-fuels-3338090/>

## Loss and Damage Fund Operationalized

*The Guardian, 6th December 2023*

COP28 opened with the launch of the Loss and Damage Fund, which was agreed upon by countries in Sharm El-Sheikh last year in COP27, which aims to financially compensate the countries vulnerable to the cascading effects of climate change for which the richer nations, being the developed nations are responsible for.

Total contributions to the Loss and Damage Fund totaled USD 726 million on Wednesday, although the requirement by developing countries is around USD 400 billion a year.

The fund, which will be managed by the World Bank in the initial five years, will see contributions by the US, UK and the EU, along with some developing countries.

UAE spearheaded the contribution by pledging USD 100 million, followed by Germany with USD 100 million, the EU with USD 225 million, Japan with USD 10 million, UK with 40 million pounds for the fund and an additional 35 million pounds for other loss and damage funding needs.

US pledged a mere amount of USD 17.5 million, compared to other donors and being among the top contributors to global warming.

Although the fund is being lauded, it is short of the estimated USD 400 billion required by developing countries to address the physical and economic consequences of climate change.

Uncertainties about the usage of the proceeds and the lack of established procedure for accessing the fund, along with the medium through which the money will be allocated to the distressed nations i.e. loans vs grants, poses critical questions on the ability of the initiative to address the climate challenges.

<https://www.theguardian.com/environment/2023/dec/06/700m-pledged-to-loss-and-damage-fund-cop28-covers-less-than-02-percent-needed>

## Vietnam Lays Out \$15.5 Billion Energy Transition Plan

*The Middle East North Africa Financial Network, Inc. (MENAFN), 7th December 2023*

Vietnam, on December 1st, launched its Resource Mobilization Plan, with a view to use climate finance from the G7 countries to cease the country's reliance on coal.

The country received USD 15.5 billion for a period of three to five years, largely in commercial loans at the market rate, which will be used to transition to renewable sources. This climate assistance is part of the Just Energy Transition Partnership (JETP) program launched by the developed nations to aid developing countries to wean off from coal usage.

Vietnam's economy is dependent on coal for its energy usage with coal accounting for 31% of its installed capacity in 2020, which the country aims to bring down to 20% by 2030. This transition finance aid will help the country move quicker towards its goal.

<https://menafn.com/1107558375/Vietnam-Lays-Out-155-Billion-Energy-Transition-Plan>



**auctusESG**

1008, Kohinoor Square, N. C Kelkar Road, Shivaji Park, Dadar West,  
Mumbai, 400028  
Tel: (+91) 98679 00090  
Email: [corporate@auctusesg.com](mailto:corporate@auctusesg.com)  
Website: [www.auctusesg.com](http://www.auctusesg.com)

**Connect with us!**

Twitter: [@auctusESG](https://twitter.com/auctusESG)

LinkedIn: [linkedin.com/company/auctusESG-llp](https://www.linkedin.com/company/auctusESG-llp)