



## Signs to discourage the dirtiest energies

The announcements of investment funds and banks at the Macron Summit on climate Change put the point of view on fossil fuels

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The ads from Paris are crowded on Tuesday. The AXA insurance Company and ING Bank will take ir money from companies more Carboneras; The World Bank will no longer finance oil and gas extractions from 2019; A huge group of investment funds — including HSBC and largest U.S. public workers ' Pension fund — will mark 100 multinational companies that more greenhouse gases emit in world to combat change Climatic ...

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In appointment organized by President Emmanuel Macron to commemorate two years of Paris agreement, proposals were made from financial sector that put fossil fuels — principal emitters of greenhouse gases — at point of view. It was a carousel of statements similar to that which has been repeated in last climate summits organized by UN. But, apart from concrete impact of se statements of intent on billionaire funds and banks, y launch a message to entire economy.

"These are signs that will have a very powerful effect," summarizes Xavier Labandeira, director of Economics for Energy. Signals that "discourage certain sectors" — such as fossil fuels — and "incentivize ors" — for example, that of renewables —. "They have an indirect effect," says Teresa Ribera, director of Institute for Sustainable Development and international relations, on Tuesday's announcements. "The funds are going to think very well what y finance," he adds. "And economic actors are taking note."

"There are already companies that have had difficulty financing certain projects," explains Alberto Amores, partner at Monitor Deloitte and energy expert. "It is not very widespread", but it is an "incipient movement" that "five or six years ago was not given," emphasizes this expert.

Rating agency Moody's warned this week of "risk" that older, inefficient, and costly coal plants are replaced by renewables and most efficient rmal generation, which are cheaper and emit less or no CO2, Main greenhouse gas. And risk is greater, he warned, in United States and EU.

Green Benefit

An illustrative example is two coal plants that Iberdrola has in Spain and wants to close despite rejection of Ministry of Energy. Sector sources ensure that company made informal consultations with some Chinese investment funds to try to sell m. And y rejected operation.

In many cases, it is not a matter of environmental awareness. "There are funds that directly seek green investments," explains Labandeira. But most people pursue "protecting ir investments in future," he adds. and pacts such as Paris agreement, European policies against climate change, or announcements such as those made in Macron quote, launch message that assets linked to fossil energies are at risk of "losing value," details Labandeira.

The "risk" of substitution to which Moody's referred was very focused in US and EU. But what happens in developing countries whose battle is that ir population simply has access to electricity? This is where World Bank's announcement is being played, main role of which is to help those poorer states. The World Bank, which already decided on 2010 to put aside financing of coal-fired rmals, now takes a step furr by announcing that from 2019 will not support oil and gas extractions. It is thus aligned with scientific studies that warn that, in order for global warming not to reach unmanageable levels, part of oil reserves should not be removed from bowels of Earth.

Although institution adds a somewhat ambiguous exception — it will fund projects in countries with specific energy-access needs — Ribera believes announcement is "very important." "The World Bank had a very charred portfolio of projects," he says in reference to fossil fuels. "These multilateral entities are not big investors," adds loves, but y do "are a landmark" for ors.