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ESG NEWS YOU CAN USE

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Environmental

[At the first day of COP28, nearly all the world's nations approved a landmark deal creating a "loss and damages fund" to assist developing nations impacted by climate emergencies.](#) The fund will launch in 2024 and be hosted by the World Bank for the next four years. While the fund has initial funding commitments of more than \$400 million dollars (including \$100M from UAE and Germany, \$24.5M from the U.S., and \$10M from Japan), some studies have estimated that loss and damage in developing countries to be greater than \$400 billion annually.

According to LinkedIn's 2023 Global Green Skills Report, the demand for green skills is outpacing supply. In the last year, LinkedIn job postings requiring at least one green skill increased by 22.4%, while profiles featuring at least one green skill only increased by around 12%. Furthermore, more than 80% of transitions to sustainability jobs have been made by workers who already had green skills or prior experience in a sustainability-dedicated position. According to the report, the finance sector lags other industries – with only 6.8% of finance workers having green skills compared to 12.3% for all industries. Still, many of the fastest-growing skills are finance-related, including carbon accounting, carbon credits, emissions trading, and sustainable reporting.

Brazil has ramped up its conservation efforts under its new President Luiz Inacio Lula da Silva and his administration states that deforestation could reach historic lows in one to two years. In the last annual measurement period, there was about 9,001 square kilometers of destruction in Brazil's Amazon. President Lula aims to reduce that amount by half within two years and has pledged to end deforestation by 2030.

Regulation and Reporting

Members of the European Parliament agreed to set up a certification framework to improve the EU's capacity to quantify, monitor and verify carbon removals, aiming to increase the use of carbon removals, build trust with stakeholders, and counter greenwashing. Members stressed that the framework needs to be consistent with international standards and promote transparency, provide information to the public, and reduce the risk of double counting and fraud. The system also needs to distinguish between rules regarding carbon removal, carbon farming and carbon storage -- since each has a different environmental impact.

The UK's Financial Conduct Authority has published rules focused on preventing greenwashing and accurately labeling sustainable funds, which will allow the FCA to review and challenge new funds submitted for authorization and bring enforcement actions in cases of serious misconduct. These rules include **four new investment labels**: (1) sustainability focus, (2) sustainability improvers, (3) sustainability impact, and (4) sustainability mixed goals. The FCA also plans to establish an independent working group to help financial advisors feel more comfortable about discussing sustainability with clients.

Some of the world's largest finance and investment companies have launched the Impact Disclosure Taskforce, a new initiative to help

[businesses and governments measure and report their progress towards the UN Sustainable Development Goals \(SDGs\).](#) The Taskforce has published voluntary guidance to specifically help entities that operate in economies with the largest SDG gaps and in jurisdictions without sustainability disclosure regulations – though the guidance can be used by entities no matter their location.

[Michigan’s Governor Gretchen Whitmer signed the Clean Energy and Jobs Act into law, a sweeping clean energy package](#) that makes Michigan the second swing state to set a goal of 100% clean energy use by 2040. The Act includes several pieces to improve state energy efficiency requirements and expedite permitting processes for solar and wind projects; it also aims to add more than 160,000 clean jobs to Michigan’s growing green economy.

Investing

[The European Commission announced a €4 billion investment to fund the innovation of decarbonization technologies,](#) focusing on cleantech manufacturing projects. The investment will utilize funds raised through the EU Emissions Trading System (EU ETS), which puts a price on carbon emissions and is expected to generate revenues of about €40 billion from 2020-2030. The Commission will assess projects based on their potential to reduce greenhouse gas emissions, as well as their level of innovation, maturity, replicability, and cost efficiency.

Resources & Membership

[Please join Finpublica, The Impact Capital Forum, and Harvard Alumni in Impact on December 12th \(at 11am ET\) for a virtual panel on How to Make an Impact in Impact Investing.](#) Learn the ways that every person can invest with impact; strategies for aligning impact, wealth creation, and happiness; how to make an impact by investing in urban areas; and more. Panelists will include: (1) [Dr. Caroline Flammer](#), Professor of International and Public Affairs and of Climate at Columbia University; (2) [Karyn Polak](#), Founder of Shift the Prism Advisory and the former General Counsel of Transamerica; and (3) [Tami Kesselman](#), CEO of Next Gen Success LLC and President of Harvard Alumni in IMPACT. You can [register here](#).

[With COP28 underway in Dubai, learn more about ESG regulation in the United Arab Emirates \(UAE\).](#) Finpublica’s website summarizes the UAE’s country level initiatives, corporate disclosures, and fund disclosures.

Finpublica's [membership portal](#) is live. If you are interested in joining a community of 250 global leaders focused on sustainable finance and ways to implement environmental, social, and governance initiatives inside their organizations and across the industry, we invite you to apply.

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