



Open letter to Governments of the world,

Last year a record number of investors signed the 2018 *Global Investor Statement to Governments on Climate Change*¹ in which investors declare their strong support for the Paris Agreement and the implementation of its goals. The statement is now signed by 477 investors representing over US \$34 trillion in assets – just under half the world’s assets under management².

In 2018, we – the CEOs of the seven partner organizations of The Investor Agenda – strongly welcomed the **Intergovernmental Panel on Climate Change’s (IPCC) Special Report on 1.5°C** which emphasised the urgency required to successfully tackle climate change and the need for average **annual sustainable energy investments of up to US \$830 billion** to transition to a zero-carbon and climate resilient global economy. We especially underline the IPCC report's finding that to achieve no or limited overshoot of 1.5°C, global net emissions need to decline by 45% by 2030 and reach net zero emissions around 2050. In parallel, we note that even in limiting warming to 1.5°C, the IPCC report still finds that climate-related risks and impacts will increase, requiring adaptation and resilience measures.

This year, in response to this accelerating climate threat and to lend our strong support to the aims of the upcoming UN Secretary General’s Climate Action Summit in September, we are **restating to world governments the urgency of decisive action to achieve the goals of the Paris Agreement** and highlighting three outstanding policies from the 2018 statement which we urge you to enact by 2020, a key milestone in the global negotiations to implement the Paris Agreement, in order to unlock private sector capital in addressing this challenge.

In particular, we ask world governments to strengthen their Nationally Determined Contributions (NDCs) to be in line with the objectives of the Paris Agreement by 2020.

Current NDCs would lead to an unacceptably high temperature increase, potentially in the range of 2.9 to 3.4°C relative to pre-industrial levels. Enhancement is essential to close the current ambition gap and send a strong, positive signal to investors.

Part of this enhancement should entail a clearly defined role for private finance. This includes clear timelines for the phase-out of fossil fuel subsidies and thermal coal power, and for the introduction of appropriate carbon pricing by 2020, as well as implementation of the Task Force for Climate-related Financial Disclosure (TCFD) recommendations by 2020.

Raising ambition has a direct read-across to raising finance: those countries who adopt strong, ambitious NDCs will send the signals necessary to attract the trillions of capital necessary to support the low-carbon and climate resilient transition.

We also underscore our support for a Just Transition for workers and communities, as called for in the Paris Agreement. Investors have a key role to play, in partnership with government, to direct their stewardship of their assets, their allocation of capital and their voice in public policy to back a transition that leads to inclusive, sustainable development.

¹ <https://www.theguardian.com/environment/2018/dec/10/largest-ever-group-of-global-investors-call-for-more-action-to-meet-paris-targets>

² http://www.agefi.fr/sites/agefi.fr/files/fichiers/2016/07/bcg-doubling-down-on-data-july-2016_tcm80-2113701.pdf



Ceres



Investor Group on Climate Change



The Institutional Investors Group on Climate Change



Principles for Responsible Investment



FINANCE INITIATIVE

The *Global Investor Statement to Governments on Climate Change* remains open for signature, and updates will be published at the United Nations Secretary General’s Climate Change Summit in September as well as at COP25 in December.

This statement was drafted through a collaboration among our seven organisations – AIGCC, CDP, Ceres, IGCC, IIGCC, PRI and UNEP-FI – that are the founding partners of The Investor Agenda. The statement is published at www.theinvestoragenda.org.

We would welcome further engagement with your staff to discuss the policy asks presented in the attached statement. We believe institutional investors, given their universal ownership, long-term horizon and ability to engage with corporations globally, represent a unique political ally on decarbonisation and the implementation of the Paris Agreement. We therefore remain at your disposal for further partnership and support.

Kind regards,

On behalf of the seven partner organisations,

Rebecca Mikula-Wright
Director, Asia Investor Group on Climate Change

Stephanie Pfeifer
CEO, Institutional Investors Group on Climate Change

Paul Simpson
CEO, CDP

Fiona Reynolds
CEO, Principles for Responsible Investment

Mindy S. Lubber
CEO and President, Ceres

Eric Usher
Head, UNEP Finance Initiative

Emma Herd
CEO, Investor Group on Climate Change