

General context

The Paris Agreement and IPCC special report on global warming of 1.5°C have established a consensus on climate goals and need to quickly reduce greenhouse gas emissions in order to avoid the worst impacts of climate change. However, investment flows are currently not aligned with these goals and ambitions.

WWF has published research (2018) on how the public equity and corporate bond portfolios of 33 large European asset owners compare to the well below 2°C target. Asset owners are more inclined to address climate change because of their long-term duty to safeguard the pensions or provide insurance to the assets of current and future generations. They also have a unique position in the financial system, and can notably create a demand for climate-related products and services from investment managers and other service providers (e.g. investment consultants, benchmark and data providers, etc.). They are hence the WWF's main target group.

Climate misalignment exposes investors to climate-related financial risks. The financial industry (e.g. Mercer, MSCI) and academic research (e.g. Cambridge University, London School of Economics) find that aligning investments with the Paris climate agreement's goal to keep global warming well below 2°C will ultimately lead to both higher investment returns and lower financial risks than no action would. The EU Disclosure Regulation, which was agreed in March 2019, includes a provision for EU investors to disclose 'the degree of alignment with the long-term global warming targets of the Paris Climate Agreement'.¹ Asset owners will have to comply with the Disclosure Regulation by March 2021.

The growing understanding derived from the above initiatives has convinced various actors of the need and feasibility to align their investments with the Paris climate goals. The UN-convened net zero asset owner alliance (henceforth 'NZAOA'), most notably, is bringing together asset owners that commit to 'transitioning their investment portfolios to net-zero GHG emissions by 2050 consistent with a maximum temperature rise of 1.5°C above pre-industrial temperatures'. The NZAOA to-date has 23 members that represent over US\$ 4.6 trillion in assets under management, and WWF is a strategic and scientific partner to the initiative from the start. The NZAOA major added value is the high level public 1.5°C target setting at portfolio level of its members.

WWF considers the commitment NZAOA to be ambitious and accountable. We therefore activate our well-established links with 100 of the largest asset owners across the EU27 to increase sign-on to NZAOA. WWF was funded by ECF to upscale its activities, with a focus on France and the Netherlands. We are therefore seeking a consultant to support implementation in France.

Scope of the Project

In France, **WWF-FR aims to work with a consultant to deploy the following strategy to increase sign-on to the NZAOA:**

¹ The high level provisions of this regulation have to be translated into technical guidelines by the European Supervisory Authorities by end of 2020. WWF will ensure this work results in a robust and common template for disclosure, including most notably a requirement to assess investment portfolios against the 1.5°C goal of the Paris Agreement, using forward-looking scenario analysis. Draft regulatory technical standards were published for consultation on 23 April, and can be consulted [here](#)

- Inside strategy. A group of asset owners that WWF-France assembled on science-based target setting in 2018 will be reconvened to discuss joining NZAOA and its implications. In addition WWF will work with partner investors (AXA), specialised organisations and federations (Finance for Tomorrow, Forum pour l'Investissement Responsable - FIR, Asset Management Association and Insurance Federation) and regulators (AMF, ACPR) to reach a broader audience.
- Outside strategy. WWF will increase the public profile of the need for asset owners to commit to climate alignment by developing public messaging through twitter, work with other NGOs that are part of RAC-France (e.g. letter), and organise two high-level public events (one to present findings of an ongoing research).

The work under this project is linked to private finance work set up by The UK UNFCCC COP26 presidency. A COP26 finance unit, which is led by Mark Carney, has presented five priorities for this work: reporting, risk management, return, MDBs/DFIs and innovative finance. An additional COP26 Financial Coalitions Coordination was set up that consists of investor coalitions (UNEP FI, UN PRI, IIGCC, Ceres, etc.) and NGOs (E3G, WWF): its aim is to further drive the COP26 private finance programme to their constituents, and it has therefore developed activities along the five priorities of the COP26 private finance unit – one of which is to secure 'new, ambitious and accountable net zero commitments from financial institutions'.

Roles and Responsibilities

WWF is accountable for the project towards the primary donor, and will be responsible for the following activities:

- Lead the strategic direction to the project
- Maintain the relationship with the primary funder (ECF) and the COP26 Financial Coalitions Coordination
- Attend and support events and key high-level bilateral meetings with asset owners.
- Support the formalization of sign-on to the NZAOA.
- Provide technical background material on the subject matter (i.e. what constitutes a credible net zero commitment from asset owners and alignment methodologies)
- Provide access to its experts and network for intelligence and event speakers.

The consultant's activities are the following

- Organize workshop(s) and webinar(s) on portfolio alignment, the NZAOA.
- Engage bilaterally with asset owners and relevant platforms.
- Explore how asset managers could participate in the NZAOA and help translate the net zero commitments at the asset manager level.
- Communicate the level of interest and potential of asset owners in entering the NZAOA in detail to WWF.
- Develop a communication campaign aiming at informing asset owners and other market stakeholders towards the NZAOA and strongly encourage them to join.
- Coordinate as much as possible with other NGOs.
- Develop educational communication materials and implement a communication plan.

Timeline

Most of the activities will take place from the 1st of August 2020 until COP26 (12th of November 2021).

Target group

We expect that these activities will result in at least 10 additional sign-on from French asset owners to the NZAOA by COP21.