

To divest or not to divest?

A tale of two discussons

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Presentasjon for Arbeiderpartiets klimapanel
Oslo, 12. mai 2015

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To divest or not to divest?

The economist's approach

- Keep target in sight
- Get the prices right
- Focus on efficiency
- Recognise the cost
- Raise consistency
- Avoid short-cuts



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A tale of two discussions

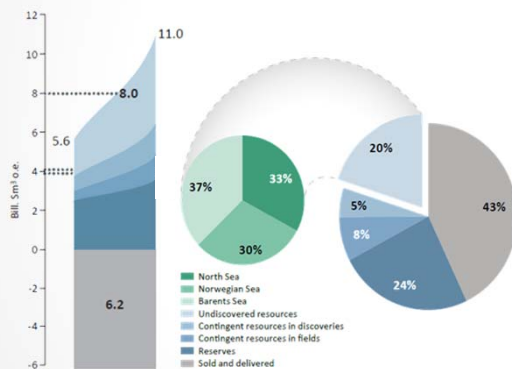
Arguments for divestment of fossil shares

- Diversification
 - Oil and gas exposure
 - National wealth perspective
- Climate concerns
 - Asset management guided by climate policies



The elephant in the ground

~50 per cent of the volumes remain in the ground



**DEAR NORWAY:
PLEASE DIVEST!**

It's time for the largest national fund in the world
to stop profiting from climate destruction

Photo: © Nelly Tokmagasheva

TO: NORWEGIAN POLITICAL LEADERS

Please divest your Global Pension Fund from fossil fuels, starting with companies mining and burning coal. Be a climate leader by reinvesting in a just transition to a 100% clean future fully powered by renewable energy.

Asset management and climate policies

Political pressures are building - at home and abroad

Fossil-fuel energy is a profitable business, but institutions are being urged not to invest in it.

Reality check for fossil-fuel divestment

Academics urge other ways to reduce carbon emissions.

BY JEFF TOLLEFSON

The fossil-fuel divestment movement has divided academics. On 24 April, SEAS University of London announced that it would sell off all of its investments in fossil-fuel companies within three years. Days later, an economist at Harvard, Students and environmentalists launched the divestment movement a few years ago, targeting major institutional investors such as public pension funds, government-held investment funds and philanthropic foundations. Organizers say that nearly 30 universi-

- Concerns
 - Expected returns and risk
 - Effectiveness and efficiency
 - Evaluation and control

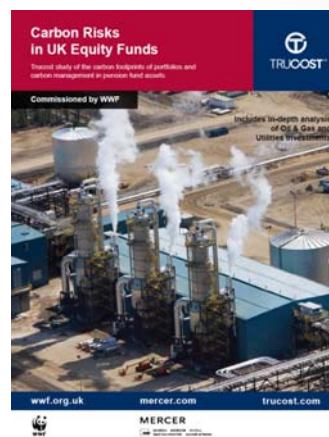
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Asset management and climate policies

Some thoughts on effectiveness and efficiency

- Active vs passive strategies
 - Green venture investments
- Carbon footprint reporting
 - Development of data
 - Get the incentives right
 - Challenges: reporting and restructuring
- Total restraint on climate risk
 - Let NBIM work out implications
 - Industry-neutral framework



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Thank you for your attention

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