LTIIA to aid emerging markets on climate action

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The infrastructure association is launching a task force that will support emerging countries in achieving their sustainable investment goals, an announcement that comes on the heels of LTIIA’s publication of its ESG Handbook.

The Paris-based Long Term Infrastructure Investors Association (LTIIA) is creating a task force that will provide research, advice and support to emerging countries in fulfilling their national post-2020 climate action commitments.

These commitments, known as Intended Nationally Determined Contributions (INDCs), will form the foundation of the 2015 climate agreement resulting from the COP21 conference in Paris, the non-profit organisation announced during the event.

LTIIA members including Allianz, the California State Teachers’ Retirement System (CalSTRS) and the Development Bank of Japan will comprise the task force that will help the six countries initially participating
in the programme assess their country’s investment attractiveness to long-term investors, sharing relevant best practices and formulating recommendations and action plans to attract private investment in infrastructure projects.

The pilot programme is a culmination of the work LTIIA performed in the past year in collaboration with its members and the United Nations Principles for Responsible Investment (PRI) in compiling its Environmental, Social and Governance (ESG) Handbook, which the association also presented during COP21.

“The ESG handbook is more than just putting forth standards,” Thierry Deau, chairman of LTIIA as well as founder and chief executive of Meridiam, a France-based infrastructure fund manager and founding member of LTIIA, told Infrastructure Investor.

“Instead of trying to re-invent new standards, the handbook focuses on best practices and how to make ESG operational,” he explained. “It offers a path to adopting the most pragmatic approach on how to integrate sustainability in infrastructure and we see this as a critical piece to engage with the public sector.”

The publication also focuses on carbon-related issues covering the integration of risks related to adaptation and mitigation of climate change in investors’ due diligence and the systematic establishment of carbon footprint assessments once an investment has been made using transparent methodology.

Founded in August 2014, the non-profit organisation aims to promote private long-term investment in infrastructure, establish benchmarks to encourage financial stability and promote responsible investment.

LTIIA currently has more than 40 members, including Amundi Asset Management, Campbell Lutyens, the European Bank for Reconstruction and Development, InfraRed Capital Partners, Infravia, MACIF, Marguerite Adviser, OFI Asset Management and Skandia Mutual Life Insurance Company.