

About CICERO

CICERO, the Center for International Climate Research, is an independent non-profit research center based in Oslo, Norway. CICERO is one of the world’s foremost institutes for interdisciplinary climate research; we count the IPCC WGI Vice Chair and 16 IPCC authors among our staff.

CICERO is the leading global provider of Second Opinions on green bond frameworks. We provided the Second Opinion for the first green bond issued by the World Bank and have completed over 70 Second Opinions for multinationals, corporates and municipalities across the world. Beyond green bonds, CICERO is a thought-leader on green integrity and climate risk for investment decision-makers. We work directly with institutional investors to improve understanding of climate risk.

CICERO Shades of Green Second Opinions



°CICERO Shades of Green

CICERO Second Opinions build on our renowned climate research. We provide independent environmental assessments of the green bond framework and the issuer’s relevant internal governance procedures. In providing independent reviews of green bonds since the market’s inception, we developed a scalable and flexible solution to provide environmental due diligence.

In 2015, we introduced the Shades of Green methodology, which gives transparent information on how well a green bond aligns with a low-carbon climate resilient future.

SHADES OF GREEN

EXAMPLES



Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future.



Wind energy projects with a governance structure that integrates environmental concerns



Medium green is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet.



Plug-in hybrid busses



Light green is allocated to projects and solutions that are environmentally friendly but do not by themselves represent or contribute to the long-term vision.



Efficiency in fossil fuel infrastructure that decreases cumulative emissions



Brown for projects that are in opposition to the long-term vision of a low carbon and climate resilient future.



New infrastructure for coal

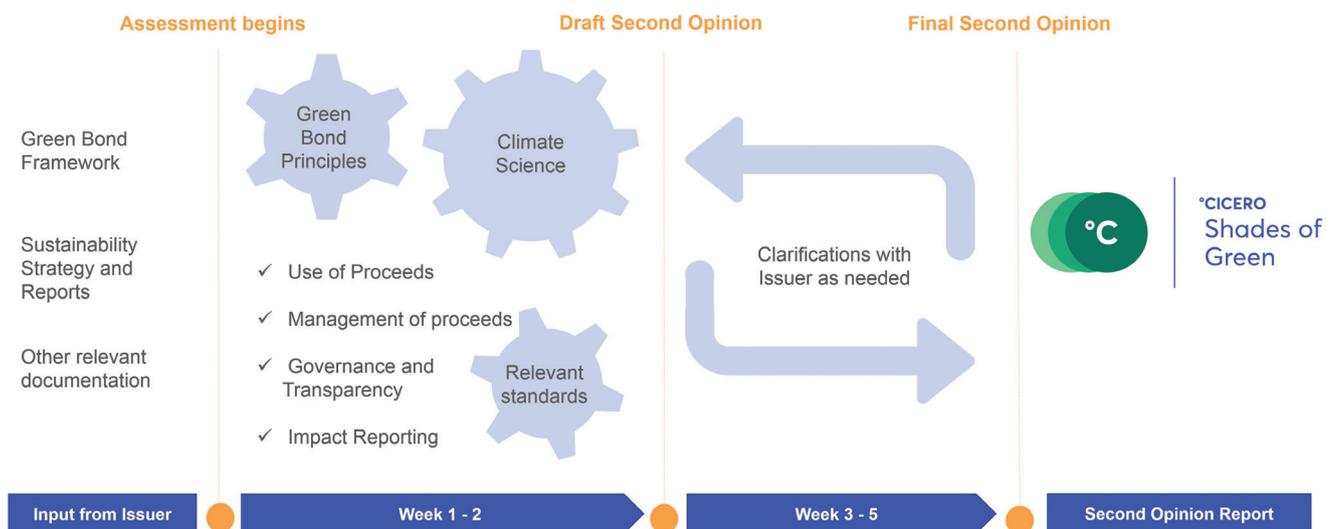
We assess whether a given activity or technology supports a low-carbon and climate resilient society in the long-term. In some cases, activities or technologies that reduce emissions in the near-term result in a prolonged use of high-emitting infrastructure and an increase in net emissions in the long term. CICERO strives to avoid locking-in of emissions through careful infrastructure investments and moving towards low- or zero-emitting infrastructure.

CICERO applies a tailored approach trying to shift the bond market towards greener investments and improved transparency without creating undue transaction costs on the financial sector.

Shades of Green methodology

- The Green Bond Principles outline voluntary guidance for green bonds, but does not take a position on the quality of green solutions. This is where CICERO finds its pivotal role, to connect climate change science with the financial markets.
- We assess the environmentally soundness of green projects: mitigation projects for their potential to reduce or abate emissions, and adaptation projects for their potential to help society adapt to concrete effects of climate change.
- Governance and transparency considerations also factor in as they give an indication of the capabilities of the issuer to implement the climate and environmental ambitions of the investment framework.
- Our Second Opinions are desk reviews, based on documentation provided by the issuer and information gathered during meetings, teleconferences and e-mail correspondence with the issuer.
- CICERO provides an ex-ante assessment based on knowledge that is available at the time of issuance.

CICERO Second Opinion process



Global reach through the ENSO Network

CICERO established the Expert Network on Second Opinions (ENSO) to broaden the technical, language and regional expertise for our Second Opinions. The network consists of independent non-profit research institutions specialising in climate change, environment and society. ENSO members currently include the Basque Center for Climate Change (BC3), the International Institute for Sustainable Development (IISD), the Stockholm Environment Institute (SEI), and Tsinghua University's Institute of Energy, Environment and Economy. The ENSO network includes institutions with extensive capacity and experience analyzing the social aspects of sustainability, in addition to environmental expertise.

