

climate arc

**The role of open data
in the climate transition**

During London Climate Week 2022, [Climate Arc](#) and [Icebreaker One](#) brought together 65 experts to explore how open data could be used to mainstream climate science into investment decisions. This is an outline of the group's discussion.

Climate data is critical for net zero

Despite all the net-zero commitments, financing decisions are not yet leading to the pace and scale of change required in the real economy.

Financing decisions must be underpinned by robust climate data. Broadly defined, this data includes not only greenhouse gas emissions, but also science-based targets, corporate transition plans and capital expenditures, among others.

Such data is essential for decision-makers tracking their own commitment to align financing to net zero – and for all stakeholders to hold them to account along the journey.

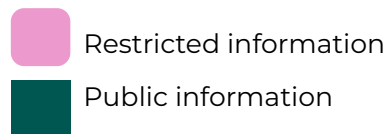
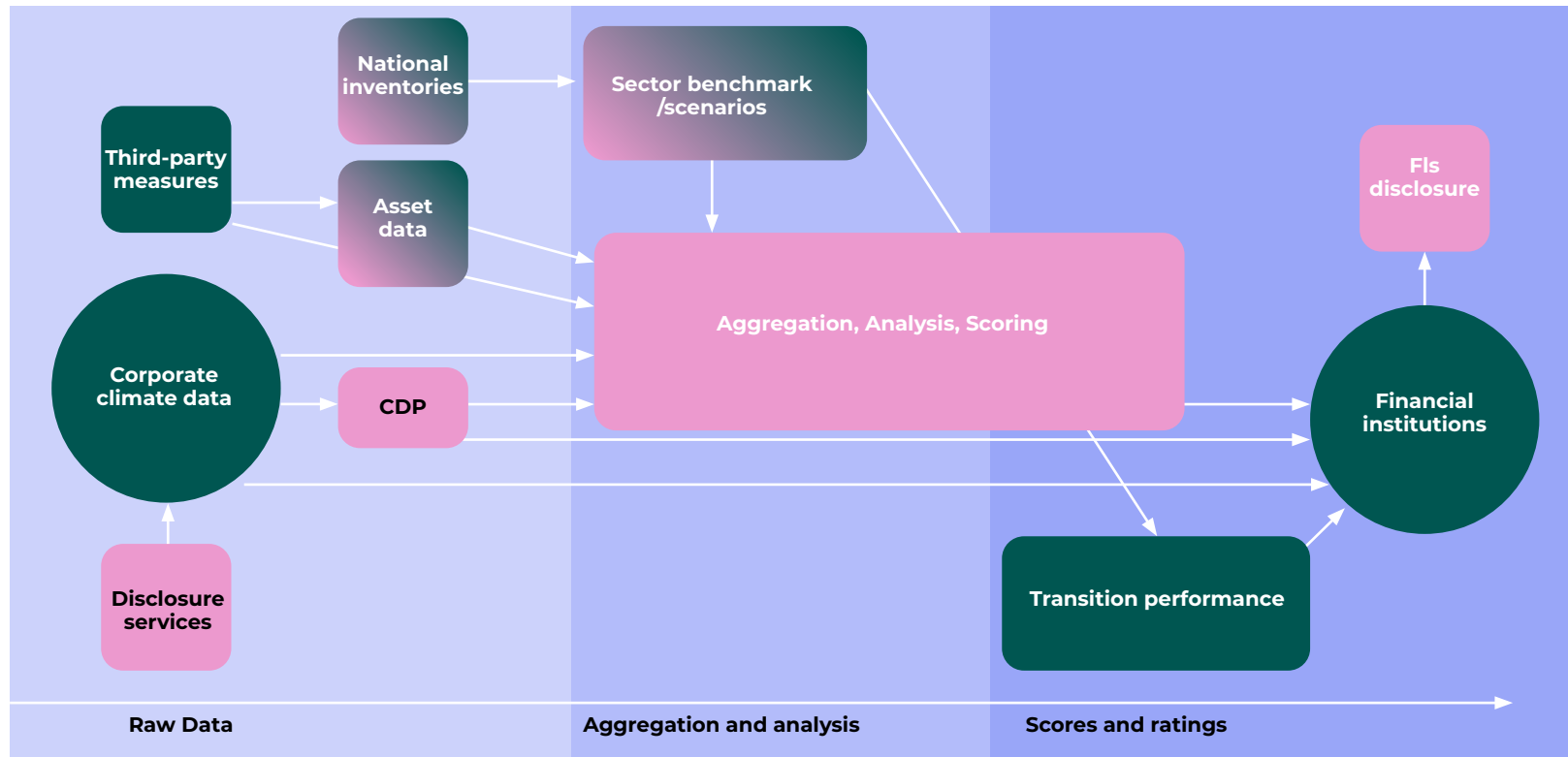
Climate data should be the critical link between the world of finance and business. But today, the climate data disclosed by companies loses transparency and trust as it flows through several stages of processing and analytics, before finally reaching the financial sector.

Collectively, we need to solve this problem – and fast.

In June 2022, President Macron and Michael Bloomberg announced a new **Climate Data Steering Committee**.

Representatives from international organisations, regulators, policy-makers and data service providers will advise on the creation and design of an open-data public platform. This is an opportunity to transform and accelerate climate finance.

The climate data ecosystem



The world of climate data is increasingly complex and challenging to discuss given the range of different organisations and initiatives involved and the rapidly growing demands from the finance sector. Above is a simplified version of Climate Arc's ongoing mapping of the flow of climate data – from corporates to financial institutions.

Why do we need open climate data?

How will stakeholder roles need to change?

Building bridges: how will Climate Arc help?



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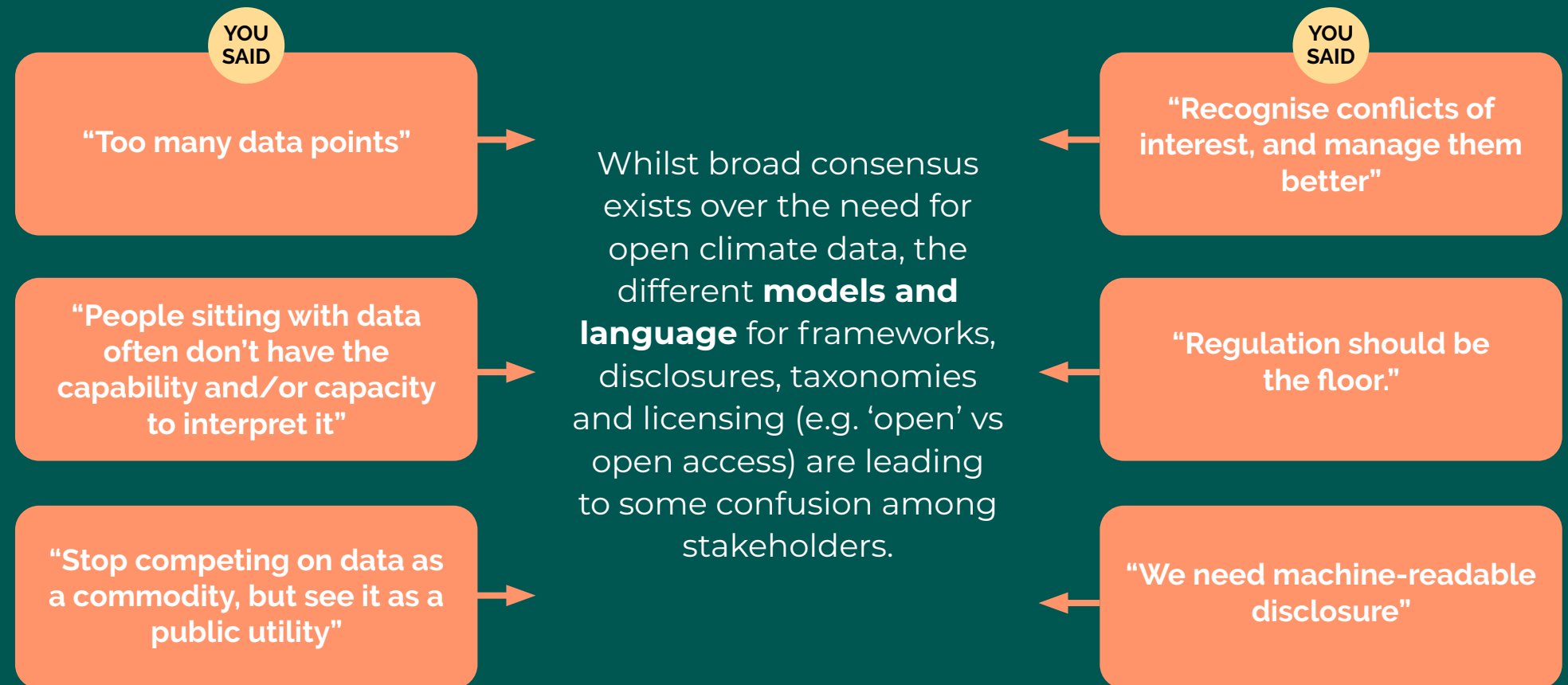


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- In a more open data ecosystem, commercial vendors would be competing on the **quality of analytics and insight**, not on scraping the same underlying information from company websites, where much resource is duplicated today.
- This would require a set of rules and processes so that climate data is transparent, machine-readable and trusted. It could be achieved, for example, via a new **Open Climate Data Standard**. A federated, web-based approach could allow stakeholders to 'connect' rather than 'collect'.
- **CDP**, a not-for-profit charity, plays a unique role in the global climate data ecosystem. Today, most data disclosed by corporates is shared in response to the CDP questionnaire. Much of the value-add by commercial vendors incorporates data from CDP and other non-profits. As the market matures, CDP's role in the market might need to evolve to meet the emerging needs of the financial community.
- Several participants argued for establishing a **common set of critical datapoints** that can be used to assess climate transition. There was less agreement over who has the mandate to agree this, especially as data needs will continue to evolve.
- A more open approach will require a **transformation of the roles and responsibilities** of non- and for-profit stakeholders. Many participants argued that this can and should happen soon. But it will require some risk-taking and trust-building. This is a role that philanthropy can play.

Why do we need open climate data?

How will stakeholder roles need to change?

Building bridges: how will Climate Arc help?

- Arc will continue to **map the data ecosystem** to identify gaps and solutions – particularly where philanthropic support has a role to play. Arc will publish an interactive version of the climate data flow map (above), to enable productive conversations.
- This workshop focused on the flow of data from corporates to financial institutions will now **do further analysis** of a) climate data upstream of the company, including the role of open data in asset-level assessments; b) feedback loops in the data ecosystem, such as how the demand for climate data from the finance sector can be transmitted back to corporates.
- **Respond to stakeholder demand** for clarity over the role of open/shared data, including language and terminology. Arc will explore working with Icebreaker One to identify a range of options and paths forward.
- Arc will **convene small group sessions** with stakeholders on specific solutions emerging from the workshop. We encourage stakeholders to reach out so that we can include you in these processes.
- Arc will **partner with and support organisations**, especially non-profits, that need to go through a transition to a different approach or business model. And we will continue to **act as a 'bridge'** between different stakeholders and **existing initiatives** to support, upskill and accelerate an effective climate finance ecosystem.

Want to be part of the community?

This event was designed to be the start of a dialogue. There will be more opportunities to engage. Do please get in touch with us at events@climatearc.org if you would like to be part of this and our wider community.

About the event

The event was held on 27 July at Chatham House in London, as part of London Climate Action Week. Climate Arc hosted the event alongside the expert in open and shared data, Icebreaker One, and organised in association with the Glasgow Financial Alliance for Net Zero (GFANZ) to ensure alignment with the workings of the Climate Data Steering Committee.

65 leaders attended, from right across the climate data ecosystem, including financial institutions, commercial data providers, the NGO community, academia and consulting firms. Many of the initiatives working to solve parts of this problem were in the room. We are hugely grateful to them for sharing their time, insight and experience with us.

The event was held under the Chatham House rule to create a safe space for open exchange and problem-solving.

About Climate Arc

Climate Arc is a new philanthropic organisation with the ambition of facilitating global capital flows aligned to the Net Zero goal in 2050.

To do this, we will work to mainstream climate science-based data into investment decisions, supported by a global workforce with relevant skills.

Climate Arc will work collaboratively with all key stakeholders to optimise this collective effort and achieve global climate goals.