

EL SISTEMA FINANCIERO QUE NECESITAMOS
ALINEANDO EL SISTEMA FINANCIERO AL DESARROLLO SUSTENTABLE

DEL MOMENTO A LA TRANSFORMACIÓN

OCTUBRE 2017



COUNTRY ENGAGEMENT*

-  **CHINA:** green finance as a national strategy
-  **INDIA:** new tools for financing clean energy
-  **KENYA:** from mobile banking to green finance
-  **UK:** City of London Green Finance Initiative

SECTORAL FOCUS*



POLICY DIALOGUE*



'THE FINANCIAL SYSTEM WE NEED'

1st Edition



2015: 'ALIGNING THE FINANCIAL SYSTEM WITH SUSTAINABLE DEVELOPMENT'



WORKING PAPERS (80+)

2nd Edition



2016: 'FROM MOMENTUM TO TRANSFORMATION'

* Examples only



A quiet revolution is changing the way in which the financial system responds to the sustainable development imperative.



The momentum has grown in 2016 – in key capital markets, countries and global arena (e.g. G20) – and keeps growing in 2017.



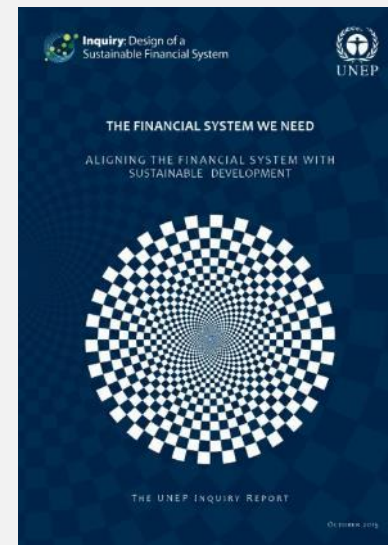
This momentum, however, remains insufficient in terms of breadth, depth, scale and speed.



A series of steps can help to deliver transformation – national strategies, fintech, leveraging public finance, building capabilities and developing common tools.



Lima, 8 Octubre 2015



Mark Carney, Gobernador,
Banco de Inglaterra

“Las finanzas verdes no pueden ser un nicho”

Yi Gang, Subgobernador,
Banco del Pueblo de China

“China impulsará las finanzas verdes durante su presidencia del G20 en 2016”

“La reforma del sistema financiero sigue siendo un asunto pendiente - tenemos un largo camino por recorrer para diseñar un sistema financiero que satisfaga las necesidades del desarrollo sostenible.”

John Lipsky, Ex Director Adjunto, FMI; Miembro del Consejo Consultivo UNEP Inquiry



Green Finance Study Group: lanzado en Beijing en enero de 2016, incluye a todos los miembros del G20 ya las principales organizaciones internacionales.

Co-chairs: China y el Reino Unido, representados por el Banco Popular de China y el Banco de Inglaterra.

Secretariat: el Programa de las Naciones Unidas para el Medio Ambiente (PNUMA) gestiona la plataforma y coordina el programa de trabajo.

Mandato: explorar los desarrollos del sistema financiero que incrementarán el flujo de financiamiento verde.

Establecido dentro del G20 Finance Track, convirtiéndolo en el negocio de ministros de Finanzas y gobernadores de bancos centrales.

Primer año de trabajo: fundamental centrado en la cartografía, extracción de lecciones y destacando las opciones para la acción nacional y la cooperación internacional.

Áreas de enfoque: bancos, bonos e inversores institucionales, evaluación de riesgos y medición del progreso

“La Presidencia de China del G20 proporcionará una rara oportunidad histórica para crear un sistema financiero verde.”
Hank Paulson, Former US Treasury Secretary



DESAFÍO DE LA FINANCIACIÓN

RAZONES DE DESALINEACIÓN CON LA SUSTENTABILIDAD

RACIONALES PARA ACCIÓN EN EL SIST FINANCIERO

US\$16 trillion

Inversión global anual

Necesidades para ser verdes y resilientes

US\$5-7 trillion

Inversión anual necesaria para los ODS

US\$7 trillion

Externalidades ambientales anuales

US\$6 trillion

Reducción de combustibles fósiles e inversión energética (2015-2030)

Debilidad de la economía real para regular y fijar precios

Gasto público inadecuado/ineficiente

Desalineación del sistema financiero



Gestión de riesgo

Fallas de mercado en el sistema financiero pueden agravar las externalidades, corto-plasismo e incentivos desalineados

Promoviendo innovación

Mejorar las normas y reglamentaciones necesarias para catalizar la inversión, por ejemplo, en los mercados de bonos

Fortaleciendo la resiliencia

Los factores ambientales pueden plantear riesgos para los activos y la estabilidad del sistema

Garantizar coherencia política

Garantizar coherencia entre la regulación financiera y objetivos más amplios, como inversión a largo plazo, acceso a financiamiento y seguridad ambiental

Mandato de UNEP Inquiry

Promover opciones para mejorar la alineación del sistema financiero con el desarrollo sustentable



REALLOCATION OF CAPITAL



BRAZIL: Agricultural credit contingent on environmental compliance.



INDIA: Priority sector lending to distributed renewables.

RISK MANAGEMENT



NETHERLANDS: DNB review of climate risk.



UK: Insurance prudential review of climate risk.

RESPONSIBILITIES OF INSTITUTIONS



US: Department of Labor recognizes ESG issues as fiduciary factors.



SOUTH AFRICA: Code for Responsible Investment in South Africa (CRISA).

REPORTING AND DISCLOSURE



FRANCE: New investor reporting requirements.



CALIFORNIA: Fossil fuel disclosure for insurance firms.

ROADMAPS



INDONESIA: OJK Roadmap for Sustainable Finance.



SWEDEN: Budget Bill: Finance sector to serve sustainable development.

In addition, considerable progress was done over the last 12 months on the 7 options listed in the G20 green finance synthesis report of July 2016.



The Inquiry is working on greening the financial system across developing, emerging and developed countries.



Argentina: Work with the Ministry of Finance on the development of a strategic stocktake on sustainable finance in Argentina.



EU: Member of the High-Level Expert Group on Sustainable Finance that will provide recommendations for a comprehensive EU strategy on sustainable finance.



Kazakhstan: Part of the Advisory Group of the EBRD-supported project “Green Financial System for Kazakhstan”.



Morocco: Supporting the implementation of Morocco’s Roadmap for Sustainable Finance – including the development of a sustainable insurance strategy with ACAPS.



Mongolia: Upcoming work with a range of stakeholders, including the Mongolian Bankers Association, to develop a sustainable finance roadmap by end 2017.



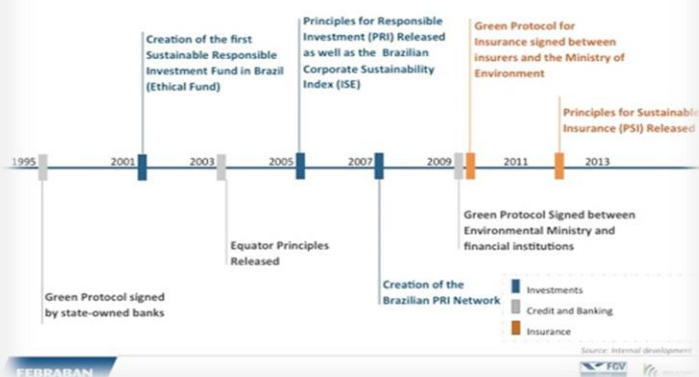
Nigeria: Partnership with the Climate Bonds Initiative to assist the government of Nigeria as it moves forward with the launch of its sovereign green bond.



Singapore: Collaboration with the Monetary Authority of Singapore and the Singapore Institute for International Affairs to advance a national dialogue on sustainable finance.



Self Regulation and the Financial Industry in Brazil



Enhancing the market: BM&F Bovespa stock exchange launch ISR Index in 2005.

Managing risks: In 2014, BACEN introduced new requirements for banks to manage socio-environmental factors as part of core risk system to improve governance and strengthen soundness.

Performance measurement: Brazilian Bankers Association (FEBRABAN) starting to track green lending flows: c9% of corporate lending.



“Sustainability is a positive asset for financial and monetary stability.”

Aloisio Tupinamba, Chief of Staff, Financial Regulation, Central Bank of Brazil



Energy Transition Law: Most ambitious national law on climate disclosure

- **Investors** to disclose how they manage sustainability factors, carbon footprint and contribution to the energy transition, and
- **Banks** to incorporate climate factors into stress tests (end 2016)

Tax incentives for households: Savings in *Livret A* tax-exempt fund utilized by CDC – 50% allocated to loans for social housing and local infrastructure.

Product labelling: SRI and Energy Transition labels for financial products to increase product visibility, expected in 2016.

“It is essential that the financial system as a whole takes climate risk into account, anticipates ambitious targets and integrates this into investment decisions.”

Laurent Fabius, Foreign Minister, France



Green investment needs: US\$400 billion per annum to finance green investment; only 15% from public sources.

Green Finance Committee: over 100 private and public financial institutions convened by the People's Bank of China.

Green Finance Study Group: Boosting green finance onto the G20 agenda.

Green Bonds Standards: National green bonds standards to support development of half a trillion dollar green bond market.



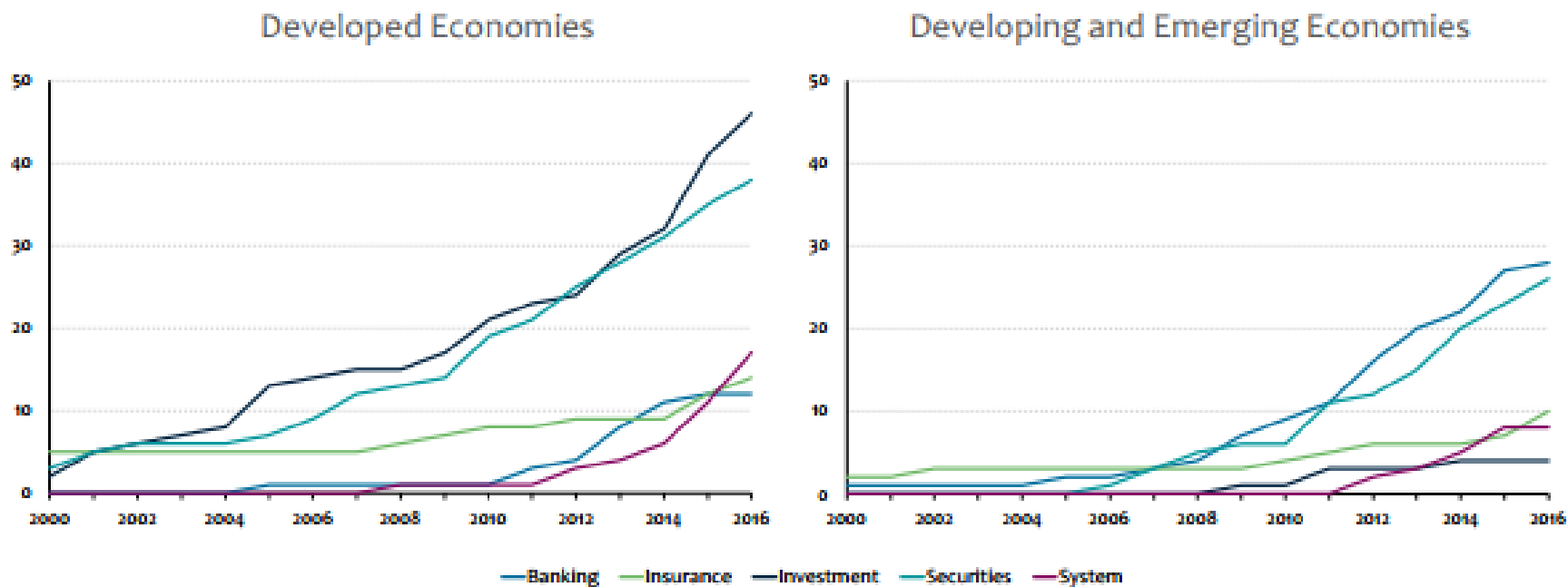
"In China, establishing a green finance system has become a national strategy. In the first quarter of 2016, China was responsible for around 50% of the world's green bond issuance."

Zhou Xiaochuan, Governor, People's Bank of China



CERCA DE 200 POLÍTICAS Y MEDIDAS REGULATORIAS EN 60 PAISES

FIGURE 1: THE EVOLUTION OF POLICY AND REGULATORY MEASURES FOR SUSTAINABLE FINANCE



Source: UN Environment Inquiry, 2016

“Existe un gran capital global, pero los gobiernos... tienen un papel importante que tomar en el establecimiento de políticas, regulaciones, incentivos, y asegurar que sean estos cumplidos.” **Hank M. Paulson, Chair, Paulson Institute**



The Inquiry is working with the international organizations that set the rules for the global financial system.



G20: The Inquiry runs the secretariat of the G20 Green Finance Study Group, co-chaired by China and the UK. The 2016 Leaders' summit in Hangzhou saw for the first time the inclusion of green finance in the final communiqué.



G7: Green finance is one of the themes of the G7 Italian Presidency, and the Inquiry is assisting with the logistics of the environment track.



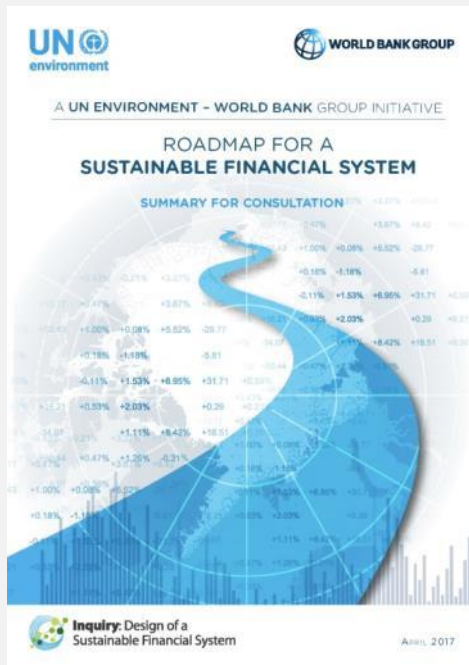
United Nations: The President of the 71st session of the General Assembly made green finance one of the themes of his presidency, which the Inquiry is supporting.



WORLD BANK GROUP

World Bank: The Inquiry and the World Bank are collaborating on a 'roadmap for sustainable finance' to be released later in 2017 for advancing a transformational agenda internationally.

- UN Environment and the World Bank Group are collaborating on the Roadmap for a Sustainable Financial System.
- The Roadmap initiative intends to design an action plan that moves towards a sustainable financial system, including its elements, sequencing and principal actors, and a basis for measuring progress.
- The summary for consultation was released during the World Bank/IMF Spring meetings. The full document will be published later in 2017.





The Inquiry is managing platforms for international dialogue on specific issues.



GreenInvest: The Inquiry is managing the GreenInvest dialogue platform to engage developing countries in the mainstreaming and mobilization of green finance.

The initial consultation took place in Singapore with representatives of 25 developing countries. The second meeting took place in Berlin on 30-31 May. www.green-invest.org



SUSTAINABLE
INSURANCE
FORUM

Sustainable Insurance Forum: The SIF is a network of insurance supervisors and regulators working together on the sustainability challenges facing the business of insurance. It is convened by the Inquiry and the Principles for Sustainable Insurance, and was launched at the end of 2016 in San Francisco.



- Green and sustainable finance represents a strategic opportunity for the world's 100+ financial centres.
- A growing number of financial centres are mobilizing on sustainability and green finance, such as London, Casablanca, Luxembourg, Hong Kong and Paris.
- A review of leading international centres for Italy's 2017 G7 highlights some key features of sustainable financial centres.
- Now is the time for centres to develop a comprehensive approach and cooperate internationally.



***Financial Centres for Sustainability* report to be launched at the Bologna Summit of Environment ministers (10-12 June 2017)**



www.unepinquiry.org

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