

G7 ENVIRONMENT

Sustainable Finance

Bologna, 11 June 2017



MINISTERO DELL'AMBIENTE
E DELLA TUTELA DEL TERRITORIO E DEL MARE



Canada – Toronto

Green bond issuance, cleantech listing, provincial ‘Green Bank’ planned



France – Paris

Paris Europlace: Green and Sustainable Finance Initiative (2016)



Germany – Frankfurt

Deutsche Boerse: Accelerating Sustainable Finance Initiative (2017)



Italy – Milan

Supporting Italian National Dialogue, action on Green Mini-Bonds



Japan – Tokyo

Global Finance City Initiative, Tokyo Green Bond



UK – London

City of London Corporation: Green Finance Initiative (2016)



USA – New York

Leading stock exchanges, credit rating agencies, state Green Bank

Action in G7 Countries



Casablanca CFCA:

Developing as an African Green Finance Leader



Hong Kong:

Establishing a Regional Green Finance Hub



Luxembourg:

Climate Finance Task Force

RoW



National Action

- Encourage financial centres to develop strategies that scale up green and sustainable finance.

International Cooperation

- Formation of an international network of sustainable financial centres to exchange experience and promote best practice.
- Focus on priority areas, such as definitions and measurement, strengthening the pipeline of green assets and improving market development.





SMEs: central to growth and employment and major drivers of sustainability

Main channels to close sustainable finance gap for SMEs include:

- 1. Public Finance Institutions:** Green loans for energy efficiency, anchor investment in clean tech, technical support
- 2. Banking:** Commercial banks are seeking to target positive impacts among their SME clients
- 3. Debt Markets:** Aggregating & securitizing green loans, issuance of green mini-bonds
- 4. Impact Investing:** Social stock exchanges, private equity and venture capital financing models
- 5. Fintech:** Crowdfunding and peer to peer investing models



A set of options for G7 countries to implement in partnership with stakeholders such as commercial financial institutions, SME business associations, public financial institutions, as well as financial authorities.

Strategy

- Develop a strategy on green and sustainable finance for SMEs.

Assessment

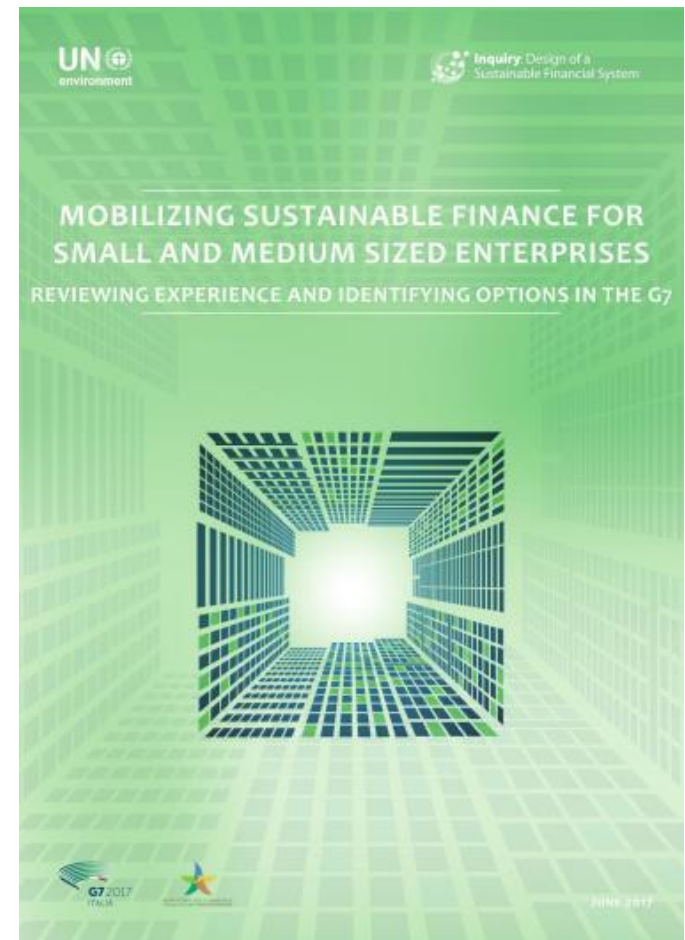
- Evaluate SME needs and measure flows of green and sustainable finance.

Promotion

- Scale up promising instruments such as green bonds, fintech.
- Provide catalytic financial support as well as fiscally neutral incentives.

Cooperation

- Raise awareness and commitment from commercial financial institutions.
- Share examples and experience across countries and identify common principles that emerge.



SUSTAINABLE FINANCE: DISCUSSION

1. Scaling up climate finance towards developing Countries with the involvement of the private sector is key to implement the 2030 Agenda on Sustainable Development and the Paris Agreement on climate change. ***Which are the main international and national strategies of your Country to implement these commitments?***
2. Mobilization of the G7's Financial Centres for a more Sustainable and Greener Finance is a key step to support the transition of the world economies towards a more sustainable future, contributing to strengthen the stability of financial markets as well. ***What is the potential contribution of the Financial Centres of your Country in achieving these Goals & what would be the role of G7 Environment Ministries & Agencies in supporting this potential?***
3. Many SMEs and start-ups contribute to innovation and to the diffusion of technologies and processes that help achieve the transition to sustainable development. ***As an Environment Ministry, which financial markets' best practice would you support or which policy action would you recommend in order to favour and encourage SMEs and start-ups access to financial instruments for sustainable, resource efficient, low-carbon investments? How would you cover the costs?***