Green Bonds in Mexico
Workshop Series

Mexico City, 10/11 October 2016

Christine Majowski, Project Manager, Green Finance, GIZ
• GIZ is a public-benefit federal enterprise that supports the German Government as well as many public and private sector clients in the field of international cooperation for sustainable development.

• As service provider, GIZ works with its partners in a wide variety of areas, including economic development and employment, energy and the environment.

• GIZ has offices in 130 countries with 18,000 employees. Headquarters are located in Eschborn/Germany.

• Business volume of EUR 2.1 billion.
Emerging Markets Dialogue on Green Finance

Objective
Redirect capital flows away from assets that deplete natural capital towards climate- and eco-friendly investments.

Approach
Work with financial institutions from G20 economies to integrate environmental indicators in lending and investment decisions, product development and risk management.

Joint Development of Tools and Methodologies
Research and Capacity Building
Market Development for Green Bonds: Strategic Alliance
Emerging Markets Dialogue on Green Finance

Joint Development of Tools and Methodologies

Water Risk Tool for Corporate Bond Valuation

- Developed a tool for financial institutions to incorporate water risk in corporate bond credit risk analysis

Environmental Stress Testing

- Develop and test an analytical framework and model that allows banks to assess the potential impact of environmental shocks on the performance of their corporate loan portfolio.
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Green Finance on the International Agenda

Achieve sustainable development – economic, social and environmental:

- Goal 6: Clean Water and Sanitation
- Goal 7: Affordable and Clean Energy for All
- Goal 9: Resilient Infrastructure and Sustainable Industrialization
- Goal 11: Sustainable Cities and Communities
- Goal 13: Climate Action

Combat climate change and accelerate and intensify the actions and investments needed for a sustainable low carbon future:

- Mexico’s Nationally Determined Contribution (NDC):
  - Reduce emissions by 25% below 2000 levels until 2030

Scale up green financing:

- G20 Green Finance Study Group → Greening the Bond Market
Financing the Green Transformation

Global Financial Markets:
USD 255 trillion

Annual need of additional climate investments ca. USD 1.5 trillion

Hence:

Instrument: Green Bonds
# The Strategic Alliance on Green Bonds

<table>
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<tr>
<th>Objective</th>
<th>Support the development of efficient, prosperous and sustainable Green Bond markets in G20 emerging economies</th>
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| Activities | - Green Bond symposia  
- Theme-focused workshop series  
- Tailored advisory support & technical assistance |
| Stakeholders | | |
| Policymakers and Regulators | Support the adaptation and enhancement of a conducive regulatory framework |
| Public and Private Sector Issuers | Transfer knowledge on green bonds as (re)financing tool and provide tailored advisory support |
| Investors | Provide in-depth knowledge on the risks and opportunities offered by green bonds |
| Domestic Verifiers | Enable the delivery of second opinions based on the highest certification and verification standards |
The Strategic Alliance on Green Bonds – Partners

Strategic Partners

Academic Partner

Regional Implementation Partners
Thank you for your kind attention.

www.emergingmarketsdialogue.org

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