Symposium and Signing Event

Greening Financial Decision Making – Financing the Green Transition

4th April 2016, RG Germania, Schaumainkai 65, Frankfurt am Main

AGENDA

Moderator: Yannick Motz and Simone Dettling, GIZ

09:30 – 10:00 Registration and Welcome Coffee

10:00 – 10:15 Welcome

- Dr. Katharina Spieß, Deputy Head of Division, German Federal Ministry for Economic Cooperation and Development (BMZ)
- Dr. Christoph Beier, Vice Chair of the Management Board, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Johan Andersson, CEO, Skandinaviska Enskilda Banken (SEB) AG

10:15 – 11:35 Presentations and Panel Discussion

Environmental Risk and Financial Decision Making

- Measuring Risk Exposure and Positive Environmental Impacts
  Richard Mattison, CEO, Trucost Plc
- Integrating Water in Financial Decision-Making
  Simone Dettling, Emerging Markets Dialogue on Green Finance, GIZ
- Environmental Indicators and Strategies in Asset Management
  Helmut Kotschwar, Head of Asset Management Bonds & Absolute Return, J. Safra Sarasin
- Modeling Drought Risk to Stress Test Corporate Lending Portfolios
  Robert Muir-Wood, Chief Research Officer, Risk Management Solutions (RMS)
- Monitoring and Managing Environmental Risk in the Brazilian Financial Sector
  Rodrigo Porto, Head of Division Financial System Regulation, Banco Central do Brasil

Moderator: Michael Wilkins, Managing Director of Infrastructure Finance Ratings and Global Head of Environmental & Climate Risk Research, Standard & Poor’s
In order to stay on a two degree path, we need additional climate investments of 1.5 trillion USD per year (IEA). The 100 billion USD that are to be raised for climate finance by the Green Climate Fund as well as public investments from governments across the globe can only cover a fraction of these needs. In order to mobilize 1.5 trillion, we need to turn to the global financial sector. In 2014, global financial markets reached a size of 294 trillion USD (WB). This means two things: First, there is more than enough capital around to finance 1.5 trillion USD in additional climate investments. Second, even an additional 1.5 trillion USD in climate-friendly investments will make little difference if a significant share of the remaining 292.5 trillion USD flows into CO2-intensive industries. Hence, to succeed in the green transformation of our economies, we need to redirect capital flows in the financial system away from carbon-intensive assets towards climate- and eco-friendly investments. This requires the integration of environmental indicators in financial decision-making. GIZ and specifically the Global Programme Emerging Markets Dialogue on Green Finance have been working in partnership with leading financial institutions from G20 economies to enable the integration of environmental indicators in investment decisions. Partner financial institutions include some of the world's largest banks from China, Mexico, Brazil, Europe and the US. Together, they hold and manage more than 10 trillion USD in assets, meaning that every small change we achieve in their decision-making processes moves hundreds of billions of USD.

In light of the 2016 G20 focus on Green Finance and its implications for the German presidency in 2017, join us for a Symposium on “Green in Greating Financial Decision Making – Financing the Green Transition” to discuss with G20 regulators, German Ministries, financial institutions and international experts how the global financial sector can mobilize the needed climate finance and support a sustainable green transformation. Learn, what different GIZ departments contribute to this topic and discuss, how different approaches can be brought together and work complimentary.

This half-day symposium targets colleagues working on climate and environmental issues, G20 processes, sustainable economic development and cooperation with the private sector as well as representatives from BMU and BMZ, colleagues from other German development institutions and partners from the consulting industry.

For further information please contact Simone Dettling (simone.dettling@giz.de) or Yannick Motz (yannick.motz@giz.de)

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In order to prevent global temperature increase from exceeding two (or even 1.5) degrees, additional climate investments of USD 1.5 trillion per year are needed, as estimated by the International Energy Agency (IEA). The climate funding raised by governments across the globe can, in addition to the USD 100 billion provided annually through the Green Climate Fund, however only cover a fraction of the investments required. In order to close this financing gap, we need to turn to the global financial sector.

In 2014, global financial markets reached, according to the World Bank, a size of USD 294 trillion. If we want to succeed in the green transformation of our economies, we need to redirect capital flows away from resource- and carbon-intensive assets and towards climate- and eco-friendly investments. This can be achieved both through the integration of environmental indicators in financial decision making and the development of innovative financial instruments, such as green bonds, to spur targeted green investments.

GIZ and specifically its Global Programme Emerging Markets Dialogue on Green Finance, commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ), has been working in cooperation with leading financial institutions from G20 economies to develop models and methodologies that enable the integration of environmental indicators in lending and investment decisions, product development and risk management. Partner financial institutions include some of the world’s largest banks from Brazil, China, Mexico, Europe and the U.S., jointly holding and managing more than USD 10 trillion in assets.

Expanding its commitment to green financial sector development, GIZ is entering a Strategic Alliance on Green Bond Market Development in G20 Emerging Economies with the Swedish Skandinaviska Enskilda Banken (SEB), which developed the green bond concept in response to increased investor demand for engagement in climate-related investment opportunities. SEB is the leading knowledge provider with regards to green bond product and market development worldwide.

In light of the 2016 G20 focus on Green Finance and the German G20 presidency in 2017, join us for a symposium on Greening Financial Decision Making – Financing the Green Transition. The objective of the event is to present new research, instruments and approaches to integrate environmental indicators in financial decision making in order to mobilize the capital urgently needed for green investments. Based on these presentations, we will discuss with policy makers, finance professionals and international experts, what steps need to be taken to enable our financial system(s) to support the green transformation.

Furthermore, celebrate with us the official signing and start of the Strategic Alliance between SEB and GIZ on Green Bond Market Development in G20 Emerging Economies.