



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.

EMERGING
MARKETS
DIALOGUE
ON FINANCE



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**.

Emerging Markets Dialogue on Green Finance

Objective

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

EMERGING
MARKETS
DIALOGUE
ON FINANCE



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



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



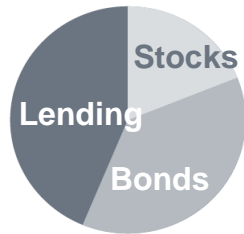
Scale up green financing:

- G20 Green Finance Study Group → Greening the Bond Market



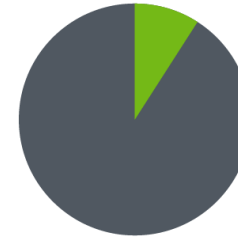
Financing the Green Transformation

Global Financial Markets:
USD 255 trillion



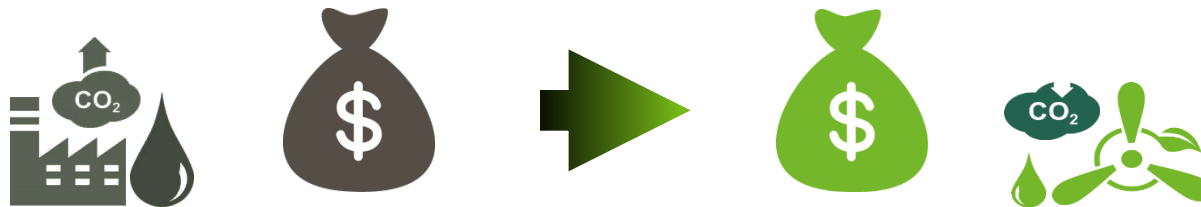
Source: IMF 2013

Annual need of additional climate
investments ca. *USD 1.5 trillion*



Source: IEA 2015

Hence:



Instrument: Green Bonds





The Strategic Alliance on Green Bonds

Objective	Support the development of efficient, prosperous and sustainable Green Bond markets in G20 emerging economies			
Activities	<ul style="list-style-type: none">• Green Bond symposia• Theme-focused workshop series• Tailored advisory support & technical assistance			
Stakeholders	Policymakers and Regulators	Public and Private Sector Issuers	Investors	Domestic Verifiers
Services	Support the adaptation and enhancement of a conducive regulatory framework	Transfer knowledge on green bonds as (re)financing tool and provide tailored advisory support	Provide in-depth knowledge on the risks and opportunities offered by green bonds	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

Contact:
Christine Majowski (christine.majowski@giz.de)