

Issue 47
February 2006
<http://www.unepfi.org/ebulletin>

“... the biggest obstacles to the take up of technologies such as renewable sources of energy and "clean coal" lie in vested interests, cultural barriers to change and simple lack of awareness.”

- Avoiding Dangerous Climate Change, UK Meteorological Office -

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UNEP FI SECRETARIAT NEWS

1. UNEP FI Welcomes ASSET4

ASSET4, Switzerland

ASSET4 provides integrated assessment and benchmarking of the world's leading companies based on their principle intangible value constituents using a novel, standard-setting online platform. ASSET4 offers financial institutions and corporations a systematic and transparent framework to consistently integrate extra-financial aspects in their mainstream investment and decision-making processes. Headquartered in Switzerland, ASSET4 employs 110 people worldwide.

For further information, please visit: <http://www.asset4.com>

2. UNEP FI Vision for 2006 - 2010

Meeting on 23-24 January in Utrecht, Netherlands for its first quarterly meeting for 2006, UNEP FI's Steering Committee focused on establishing its strategic vision for the next 4 to 5 years. Major outcomes of the meeting included decisions to set up a UNEP FI Tool Kit for financial institutions, including online training and networking facilities, and to consider future work programmes on property, water scarcity, biodiversity and emerging market investment.

For further information, please write to: fi@unep.ch

NEWS FROM THE REGIONS

3. Africa

Investors Guide on Carbon Finance for Africa

Issued by investment and development communications agency, africapractice, "Carbon finance for Africa - An Investors' Guide" highlights new source of finance for clean energy projects in Africa, putting the continent firmly back on the map for clean energy project finance. With over \$3bn of carbon funds currently managed by public and private bodies for investment in projects that cut emissions of greenhouse gases, the Guide describes the types of energy and forestry projects in Africa most likely to qualify for extra finance through the Clean Development Mechanism (CDM) of the Kyoto Protocol.

The full report is available online at: <http://www.africappractice.com/case.html>.

4. Asia Pacific

National Workshop on Roles and Benefits of Sustainable Development for Banks, 15 December 2005, Batam, Indonesia

Hosted by the Indonesian Ministry of Environment and the central bank, Bank Indonesia, the participants of this high profile event were addressed, among others, by the UNEP FI Secretariat and UNEP FI's first Indonesian Signatory, Bank Negara Indonesia.

Discussions focused on a regulation issued by Bank Indonesia in January 2005 which stipulates that productive asset assessment by banks should refer to and comply with Ministry of Environment guidelines. The regulation implies that banks need to adjust their methodologies concerning the collectibility or quality of their credit provision. Banks were encouraged to improve their environmental credit quality in order to protect themselves from being legally implicated in failures to comply with environmental policies. Bank Negara, whose environmental risk management system includes an assessment of its customers' environmental awareness, provided an example of how this could be done.

Siti Fadrijah, Deputy Governor of Bank Indonesia, announced that the Central Bank Indonesia and the Ministry of Environment had signed an MOU aimed at improving the banking sector's role in protecting the environment. HE. Rachmat Witoelar, Minister of the Environment, further announced the Ministry's release of a performance rating programme that assesses environmental compliance. Corporations (including commercial banks) will be rated against a set of criteria and may receive incentives or sanctions according to results.

For a full report of the event, please visit: http://www.unepfi.org/regional_activities/asia_pacific/outreach
Contact: ap@unepfi.org

Event Wire

Islamic Finance Singapore 2006, 21-22 February, Singapore
<http://www.iqpc.com.sg/AS-3211>

The Asian Banker Summit 2006, 15-17 March, Bangkok, Thailand
<http://www.asianbankerforums.com/summit2006/>

Euromoney Renewable Energy Finance Forum, 30-31 March, Beijing, China
<http://www.euromoneyenergy.com>

5. Latin America

UNEP FI Latin American Task Force (LATF), 28-29 March, Lima, Peru

Organised jointly by the LATF and the International Finance Corporation (IFC), the one-and-a-half-day workshop will be hosted by Peruvian bank association Asbanc and will provide capacity-building for the country's financial institutions on both risks and opportunities associated to sustainable development issues.

Contact: la@unepfi.org

Event Wire

Carbon Markets America, 28-30 March 2006, Rio de Janeiro, Brazil
<http://www.greenpowerconferences.com/events/Latam.htm>

Convention on Biological Diversity COP 8 - Side Event by FBDS, 23-24 March, Curitiba, Brazil
Seminar on the Role of the Private Sector in the Implementation of the CBD
Contact: fbds@fbds.org.br

INVESTMENT

6. Analysts Continue to Explore ESG Materiality

A number of sell-side analyst reports submitted to UNEP FI's Asset Management Working Group (AMWG) for the Group's on-going work on the materiality of environmental, social and governance issues to equity pricing are now available on UNEP FI's website (<http://www.unepfi.org>). An analysis of these reports will form the bulk of a summary publication that will be launched in the spring.

Contact: investment@unepfi.org

CLIMATE CHANGE

7. Kyoto and Beyond: UNEP FI Publication Launch at the UNFCCC COP 11

5 December 2005, Montreal, Canada

The political timeframes currently built into the Kyoto regime are not aligned with investment timeframes, which require clarity over a 10-20 year period, sometimes longer. A clear, long-term framework, i.e. beyond 2012, is a must if the global carbon markets established under the Protocol, such as emissions trading and the Clean Development Mechanism, are to succeed in future. A liquid and efficient global carbon market is essential for achieving GHG emissions reductions at minimum cost. The creation of an international carbon market provides opportunities for companies to add value and profit from the development and commercialisation of low-carbon technologies, products and services.

The Future of Climate Policy: The Financial Sector Perspective, the latest CEO Briefing from UNEP FI's Climate Change Working Group (CCWG), argues that if the global community is serious about mitigating the impacts of climate change, the reduction commitments made under the Kyoto Protocol need to be enhanced. The CCWG calls for a long-term reduction target – essentially a continuation of Kyoto-style targets beyond 2012, when Kyoto's first commitment period ends.

The CCWG's publication was launched at the Eleventh Conference of the Parties (COP11), at a side-event that addressed the importance of future policies, and made recommendations on how international climate policy should develop up to 2012 and beyond. Panellists included representatives from Bank of America, Climate Change Capital, 3C Consulting and The Climate Group.

For further information, please visit: climate@unepfi.org

8. Citigroup Commits to Reduce Greenhouse Gas Emissions

In order to demonstrate its ongoing commitment to environmental and social issues globally, Citigroup Inc. announced on 23 January a commitment to reduce its greenhouse gas emissions by 10% by 2011. To accelerate this reduction, Citigroup is joining the U.S. Environmental Protection Agency's Climate Leader Program, a voluntary industry-government partnership. Citigroup will further be partnering with an EPA-appointed engineer to enhance its on-going global emissions reduction strategy. Citigroup's commitments follow two years of intensive dialogue with Rainforest Action Network.

For further information, please visit:

<http://www.citigroup.com/citigroup/press/community.htm>

http://www.ran.org/ran_campaigns/global_finance/citi_victory.html

9. Carbon Disclosure Project Launches Fourth Round of Disclosure Requests

Representing a group of 211 investors with \$31 trillion of assets under management, i.e more than 50% of the world's invested assets, the Carbon Disclosure Project (CDP) has invited 1,800 companies worldwide to disclose of investment-relevant information concerning their greenhouse gas emissions. The fourth iteration of such a request, this year's round will involve over twice as many companies as the previous rounds.

For further information, please visit: <http://www.cdproject.net>

SUSTAINABILITY REPORTING

10. New UNEP FI Signatory Sustainability Report

Sompo Japan Insurance – Corporate Social Responsibility Report 2005

<http://www.sompo-japan.co.jp/english/engl091.html>

INSURANCE

11. UNEP FI Insurance Working Group to Launch Benchmarking Survey

The Insurance Working Group (IWG) intends to send out the survey questionnaire to all UNEP FI insurance signatories and industry associates in the first quarter of the year. The aim of the survey is to benchmark the nature of the

environmental products offered by insurance companies and the environmental risk control methods already being used with clients. The Group plans to build on the results when deciding on its future work programme at its inaugural meeting this coming March (to be held at AXA Insurance in Paris).

Contact: insurance@unepfi.org

WATER & FINANCE

12. UNEP FI Expert Workshop on Water & Finance

2-3 March 2006, Davos, Switzerland

Convened jointly with the Stockholm International Water Institute (SIWI) and the UNEP Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities (UNEP GPA), the expert workshop will seek to agree on a set of water-related risk management guidelines for financial institutions and policy makers. The event will bring together financial institutions, policy makers, academia and other experts within the water sector to contribute their knowledge and expertise to the process. The guidelines are aimed towards building capacities in understanding how water-related risks can be assessed, both within the financial sector and at policy level.

For further information, please contact: water@unepfi.org

13. 4th World Water Forum: Seminar on Water & Finance

16-22 March 2006, Mexico City, Mexico

Co-convened by UNEP FI and the World Business Council on Sustainable Development, the session titled "Innovative Finance for Water Solutions" is set to explore upcoming water-related challenges and opportunities for the private sector, as well as how the latter can contribute to sustainable water usage. The session will further touch upon the key strategic importance of water in business and financial models.

For further information, please visit: <http://www.worldwaterforum4.org>

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The **UNEP FI e-bulletin** is a monthly publication of the United Nations Environment Programme Finance Initiative.
United Nations Environment Programme
Division of Technology, Industry and Economics
Economics and Trade Branch
Finance Initiative Unit

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