"Today it is increasingly clear that UN objectives – peace, security, development – go hand in hand with prosperity and growing markets. If societies fall, so will markets."
- Kofi Annan, UN Secretary-General, New York, 27 April 2006 -

BREAKING NEWS: UN SECRETARY-GENERAL LAUNCHES PRINCIPLES FOR RESPONSIBLE INVESTMENT

UNEP FI SUSTAINABILITY BEAT
1. UNEP FI WELCOMES THREE NEW SIGNATORIES

SUSTAINABLE FINANCE IN THE REGIONS
2. ASIA PACIFIC
3. LATIN AMERICA
4. NORTH AMERICA
5. WESTERN EUROPE

INVESTMENT
6. EVIDENCE OF PERFORMANCE?
7. BOOKMARKS

INSURANCE
8. US INSURANCE ASSOCIATION ESTABLISHES CLIMATE CHANGE TASK FORCE

SUSTAINABILITY REPORTING
9. TWO NEW UNEP FI SIGNATORY SUSTAINABILITY REPORTS

CLIMATE CHANGE
10. AUSTRALIAN BUSINESS MOBILISES AROUND CLIMATE CHANGE
11. CORPORATE CLIMATE RESPONSE CONFERENCE - LONDON

WATER & FINANCE
12. OUTCOMES OF UNEP FI EXPERT WORKSHOP ON WATER & FINANCE

BIODIVERSITY
13. CONVENTION ON BIOLOGICAL DIVERSITY DECISION RECOGNISES UNEP FI ROLE
14. U.S. EPA ANNOUNCES NEW FEDERAL REGULATION FOR WETLAND MITIGATION

BREAKING NEWS:
UN Secretary-General Launches Principles for Responsible Investment

In a historic development for global financial markets, United Nations Secretary-General Kofi Annan was joined today by a group of the world’s largest and most powerful institutional investors to launch the Principles for Responsible Investment (PRI). The heads of leading institutions from 15 countries, representing more than USD $2 trillion in assets owned, officially signed the Principles at a special launch event at the New York Stock Exchange.

The Principles were developed during an almost year-long process convened by the UN Secretary-General and facilitated by the UN Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact.

The Principles, which are voluntary, identify a range of steps investors can take to integrate ESG issues in several areas, including investment decision-making, active ownership, transparency, collaboration and gaining wider support for these practices from the whole financial-services industry.

Resources from event, including the Principles for Responsible Investment, the list of Signatories, high resolution photographs, video coverage, and additional quotes will be available shortly from: http://www.unpri.org/

A further launch, aimed at investment managers, will be held on 2 May, in Paris, France.

For further information, please contact: info@unpri.org
UNEP FI SUSTAINABILITY BEAT

1. UNEP FI Welcomes Three New Signatories

Mitsubishi UFJ Trust and Banking Corporation, Japan
Mitsubishi UFJ Trust and Banking Corporation (MUTB) is a major trust bank in Japan, providing trust and banking services to meet the financing and investment needs of clients in Japan and the rest of Asia, as well as in the United States and Europe. MUTB engages in the following businesses; banking business, trust assets business, real estate business, stock transfer agency business, and global market business. In October 2005, The Mitsubishi Trust and Banking Corporation and UFJ Trust Bank Limited were merged, resulting in the current “Mitsubishi UFJ Trust and Banking Corporation”. MUTB’s registered head office is located at Chiyoda-ku, Tokyo, Japan. MUTB is a member of Mitsubishi UFJ Financial Group.

For further information, please visit: http://www.tr.mufg.jp/english/

Rowet Group Limited, Nigeria
Rowet Group was established in 2000. Areas of activity include financial services, energy, communications, real estate and construction; these are covered by Rowet’s various subsidiary companies, some of which have been in operation for 54 years. The company manages assets totalling over $50 million; it operates 15 branches in the major cities of Nigeria and employs some 250 staff.

Rowet Group maintains a policy of healthy environment by providing sustainability training for all staff. The company has also established two non-profit capacity-building Institutions: the International Institute for Energy and Environment and the International Institute for Management and Governance.

For further information, please visit: http://www.rowet.com

Wachovia Corporation, USA
Wachovia Corporation is one of the largest diversified financial services companies in the United States, providing 13.4 million households and businesses with a broad range of banking, asset management, wealth management and corporate and investment banking products and services. Wachovia operates as Wachovia Bank through 3,159 offices in 16 states from Connecticut to Florida and west to Texas. Two core businesses operate under the Wachovia Securities brand name: retail brokerage in 49 states and in Latin America, and corporate and investment banking in selected industries nationwide. Globally, Wachovia serves clients through more than 40 international offices. Wachovia had assets of $541.8 billion, market capitalization of $90.2 billion, stockholders’ equity of $49.8 billion and 97,000 employees at March 31, 2006.

For further information, please visit: http://www.wachovia.com/

SUSTAINABLE FINANCE IN THE REGIONS

2. Asia Pacific

Bookmarks

Development Bank of Japan (DBJ) Report on Climate Change & CDM Projects
The latest DBJ report focuses on the adverse environmental impact caused by climate change in Southeast Asia and how governments in the region have embarked on Clean Development Mechanism (CDM) projects under the Kyoto Protocol.

“Climate Change & CDM Projects in Southeast Asia” provides case studies on six countries: Indonesia, Thailand, Malaysia, Vietnam, Philippines and Singapore. Each of these examines the factors contributing to climate change and the approval processes for implementing CDM projects. The report includes specific examples, such as biomass power projects in Indonesia and Thailand, a landfill power project in Malaysia, and a gas recovery and utilization project in Vietnam. Besides providing information on CDM projects, the report also provides an outline of the overall problems and barriers faced by Southeast Asian countries in their efforts to protect the environment.

For further information, please contact: yamamoto@dbj.org.sg
To download the report, please visit: http://www.dbj.go.jp/singapore/english/

New Report on Sustainability Investment in Asia
Recently released by the Association of Sustainable and Responsible Investment in Asia (ASrIA), Taking Stock, aims to provide guidance to investors seeking to assess environmental, social, and governance factors in Asian businesses. The report analyses eight sectors, including banking, thus contributing significantly to the yet scarce information available on investment in Asia, one of the world’s fastest growing regions.

To view the report, please visit, http://www.asria.org/publications
For further information, please contact:

Event Wire

TBLI Asia 2006, 26 May, Bangkok, Thailand
3. Latin America

UNEP FI Latin American Task Force (LATF) Workshop Outcomes
28-29 March 2006, Lima, Peru

Co-organised with the International Finance Corporation, and Peruvian banking association ASBANC, this was the second training workshop on environmental and social risks convened by the LATF in the Andean Region. The event was marked by the Peruvian financial sector’s strong interest in and awareness of the sustainability agenda. Participants pooled ideas and recommendations, which were presented during the ensuing CEO Breakfast. Among these were the importance of securing both governmental and private sector engagement, and need for widespread dissemination and training.

For further information, please visit: http://www.unepfi.org/events/2006/lima/index.html
Contact: la@unepfi.org

UNEP FI Latin American Task Force (LATF) Seminar for Public Banks
10 May 2006, Rio de Janeiro, Brazil

Co-organised with Fundação Brasileira para o Desenvolvimento Sustentável, the one-day seminar will provide the Brazilian public banking sector with a unique forum for discussing new trends and next steps in sustainable finance. In particular, two problem-solving sessions will generate interactive debates on policy-making and implementation dilemmas.

For further information and registrations, please contact: la@unepfi.org

Available Soon: Online Course on Environmental and Social Risk Assessment
Coordinated by the UNEP FI Latin American Task Force, INCAE Business School, and InWent, supported by Bank of America, the course will provide in-depth materials and training on ESG risk assessment and management over a three-week period for small groups. A pilot course will be run in June, the first full course is scheduled in the autumn.

For further information, please visit: http://www.unepfi.org/regional_activities/latin_america/index.html

4. North America

Event Wire

Roundtable on Microfinance and the Environment, 5-6 May, Philadelphia, Pennsylvania
http://www.greenmicrofinance.org

6. Western Europe

Workshop on Environmental Credit Risk
4 May 2006, Copenhagen, Denmark

The Danish Bankers Association has invited UNEP FI and its Nordic Signatories to participate in a workshop on environmental credit risk. UNEP FI’s involvement will provide members of the Danish Bankers Association an opportunity to learn the latest developments regarding sustainable banking within the international financial market, from some of the key leaders in the sustainability field.

Contact: signatory@unepfi.org

Annual Meeting of UNEP FI Francophone Signatories
7 April 2006, Paris, France

Hosted by Caisse des Dépots et Consignations, this was the second such meeting of UNEP FI’s Francophone network, which is part of the Initiative’s Western European Forum. The network was developed to provide French-speaking Signatories with a platform to share experiences, develop best practices and promote UNEP FI’s mission in making sustainable development a fundamental aspect of sound business management. The meeting was attended by all French Signatories, as well as the Agence française de développement, Crédit Agricole S.A and the Observatoire sur la responsabilité sociétale des entreprises (ORSE), who attended as observers. It was agreed that closer cooperation would be fostered between UNEP FI and ORSE in order to promote dissemination amongst Francophone financial institutions.

The report of the meeting will be available shortly in both English and French under: http://www.unepfi.org
Contact: signatory@unepfi.org
INVESTMENT

6. Evidence of Performance?

UNEP FI Signatory Sustainable Asset Management (SAM) recently issued a report grading over 1200 companies representing more than 50 different sectors, according to their level of preparedness in terms of environmental and other issues, providing more evidence for a link between non-financial and financial performance.

SAM’s 2006 Sustainability Yearbook provides an analysis of each sector’s sustainability risks and opportunities, and identifies clear links between performance on sustainability issues and financial performance.

To view the report, please visit: http://www.sam-group.com/html/research/output/studies/sam_sustainability_yearbook.cfm

7. Bookmarks

Responsible Investment, Rory Sullivan & Craig Mackenzie
Do responsible investment strategies systematically result in improvements in the social, ethical and environmental performance of companies? To what extent is it in investors’ interest to encourage higher standards of corporate responsibility? Do responsible investment strategies enhance financial performance for investors? Sullivan and Mackenzie bring together leading practitioners and commentators in the field of responsible investment to explore these questions.

For further information and orders, please visit: http://www.greenleaf-publishing.com/

White Paper on Finance Teaching in MBA Programmes
Finance is seductive. It is numbers-intensive, based on fundamental mathematic principles, and seems values-neutral, almost scientific. Yet finance involves substantial moral judgments about the world in which we live. And financial tools can help to solve many of the world's biggest problems. In A Closer Look at Business Education: FINANCE, Beyond Grey Pinstripes, a biennial survey and ranking of business schools, explores how business schools are integrating social and environmental into the teaching of finance.

To download the report, please visit: http://www.beyongreystripes.org/pdf/financereportun.pdf

INSURANCE

8. US Insurance Association Establishes Climate Change Task Force

Following several disastrous hurricane seasons which entailed record losses for the US insurance industry, the National Association of Insurance Commissioners (NAIC), voted in March to set up a task force with the purpose of examining the impact of climate change on the U.S. insurance sector. The task force will be analysing how global warming could affect the availability and affordability of insurance for consumers and the financial health of insurance companies. It will also consider actions needed to enable state regulators and insurers to mitigate and respond to climate-related issues.

For further information, please visit: http://www.naic.org

SUSTAINABILITY REPORTING

9. Two New UNEP FI Signatory Sustainability Reports

ABN AMRO Third Sustainability Report
http://www.abnamro.com/reports

BBVA Corporate Responsibility Report
http://www.bbva.com/TLBB/tlbb/jsp/ing/relinver/infofina/infanual/Copia_de_index.jsp#0

CLIMATE CHANGE

10. Australian Business Mobilises around Climate Change

Together with the Australian Conservation Foundation, six major enterprises, including UNEP FI Signatories IAG, Swiss Re and Westpac, have come together to form the Australian Business Roundtable on Climate Change.

Research commissioned by the Roundtable to quantify climate impacts on Australia recently confirmed that Australia is particularly vulnerable to climate change, resulting in significant economic impacts, especially for two of Australia’s leading export earners, agriculture and tourism. The Roundtable now suggests that business and governments work together to frame policies on three fronts: establishing a legal framework to establish a carbon price signal; encouraging innovation and investment in new technologies; reinforcing Australia’s resilience to the impacts of climate change.
11. Corporate Climate Response Conference
22-23 May 2006, London, UK

This year's Corporate Climate Response conference will bring together a line-up of corporate social responsibility and financial experts who will address the economic opportunities for companies and investors willing to take a lead on energy efficiency and new technologies.

For further information and registrations, please visit: http://www.greenpowerconferences.com/events/ccr.htm

WATER & FINANCE

12. Outcomes of UNEP Fi Expert Workshop on Water & Finance
19-20 April 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 event brought together financial institutions, policy makers and experts within the water arena to contribute their expertise in developing a set of risk management guidelines. These guidelines are intended to serve as a basis to build capacities in the financial sector and at policy level into what and how water-related risks should be assessed, thus encouraging new sources of long term sustainable investments in the sector.

For further information, please visit: http://www.unepfi.org/events/2006/davos/index.htm
Contact: water@unepfi.org

BIODIVERSITY

13. Convention on Biological Diversity Decision Recognises UNEP Fi Role

Adopted by the Parties during the 8th Conference of the Parties (COP 8) in Curitiba in late March, Decision VIII/17 on Private-sector engagement, “Invites businesses and relevant organizations and partnerships, such as the UNEP Finance Initiative, to develop and promote the business case for biodiversity, to develop and promote the wider use of good practice guidelines, benchmarks, certification schemes and reporting guidelines and standards, in particular performance standards in line with the 2010 indicators, to share information on biodiversity status and trends, and to prepare and communicate to the Conference of the Parties any voluntary commitments that will contribute to the 2010 target”. The decision further “invites businesses to align their policies and practices more explicitly with the three objectives of the Convention and its goals and targets”.

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


Released by the Environmental Protection Agency (EPA) in late March, the new regulation bears the name “Compensatory Mitigation for Loss of Aquatic Resources”. Mitigation bankers, who restore wetlands and bank credits to sell to others, have welcomed the regulation, which places less importance than has previously been the case on on-site mitigation, while tightening accountability standards for organisations which receive fees to put toward future restoration efforts. Mitigation banking is therefore likely to become an increasingly attractive option for developers needing to compensate for the destruction of wetlands.

For further information, please visit: http://www.epa.gov/wetlandsmitigation/

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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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