



## UNEP Finance Initiative

Innovative financing for sustainability

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*"The issue of climate change is one that we ignore at our own peril..... Not only is it real, it's here, and its effects are giving rise to a frighteningly new global phenomenon: the man-made natural disaster."*

- Barack Obama, President, USA

### UNEP FI January Thoughts

**Paul Clements-Hunt, Head of UNEP Finance Initiative writes:** On 28 January, 2009, UNEP Finance Initiative member company Innovest co-hosted with Corporate Knights, an independent Canadian media company, the fifth annual Davos dinner to recognise the 100 Most Sustainable Companies in the World -- the Global 100. The dinner was attended by UNEP Executive Director Achim Steiner and included three keynote guest speakers: George Soros, Investor and Philanthropist; Lord Nicholas Stern, author of the landmark 2006 Stern Report on the economic implications of climate change; and Nobel Laureate Joseph Stiglitz of Columbia University. Representatives from some of the Global 100 were present also.

In a wide-ranging set of presentations during the two-hour dinner the speakers covered their perspectives on many of the opportunities and challenges created by the current financial crisis in the context of the new environmental and carbon-related markets. The dinner discussion was held under Chatham House rules with an agreement note to attribute comments.

For more on the key issues discussed, please visit: <http://www.unepfi.org/events/2009/davos/index.html>

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### \*\*\*HIGHLIGHT\*\*\*

UNEP FI Global Roundtable 2009, Cape Town: The Heat is On

### SUSTAINABILITY BEAT

1. What our Signatories are Doing...

### TOOLS & TRAINING FOR SUSTAINABLE FINANCE IMPLEMENTATION

2. Environmental & Social Risk Analysis (ESRA) E-Learning Programme 2009
3. Corporate Ecoefficiency Online Training Programme 2009
4. Showing You the Money: Coming Soon, Stories of Real-life Finance & Sustainability

### SPREADING SUSTAINABLE FINANCE ACROSS THE GLOBE

5. Asia
6. Europe
7. Latin America & the Caribbean
8. North America

### INVESTMENT

9. UNEP FI Property Working Group Meets in Tokyo, Japan

### CLIMATE CHANGE

10. Making Forests Competitive: UNEP FI Side-event at UNFCCC COP 14
11. 2009: The Climate Change Year for UNEP FI – Yours as Well?

### WATER & FINANCE

12. You Think Water Matters? We Think Action Matters Too
  13. UNEP FI's Water & Finance Work Stream Welcomes New Members
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\*\*\*HIGHLIGHT\*\*\*

## **UNEP FI Global Roundtable Cape Town 2009**

### **'Financing Change, Changing Finance'**

Cape Town, South Africa

22-23 October 2009

Following on from the extremely successful 2007 Melbourne event, the 2009 UNEP FI Global Roundtable will again be the main focus of attention in the increasingly globalised world of sustainable finance. The Global Roundtable will be cutting-edge and set the agenda on environmental, social and governance (ESG) issues for the next few years during two days of interactive panel sessions, expert training and in-depth debates.

In light of the financial crisis in 2008, the Cape Town Roundtable has become all the more relevant and timely with the finance sector reevaluating itself from its traditional approaches that have been severely exposed. The Global Roundtable is also an important and unique milestone event for the finance sector in the run up to the momentous UNFCCC conference in Copenhagen this December that aims to define the world's response to climate change with a new global agreement to reduce greenhouse gas emissions.

The title for the 2009 event, '**Financing Change, Changing Finance**', encompasses the current economic climate with the need to examine the future direction of the global economy. UNEP FI would like to invite you to join up with its vibrant global network of regional Task Forces and partner organisations to explore and understand the latest key developments in these challenging and changing times.

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## **WHAT OUR SIGNATORIES ARE DOING...**

### **1. 250 CEOs Issue Global Human Rights Statement**

To mark the 60th Anniversary of the Universal Declaration of Human Rights on December 10, 2008, nearly 250 CEOs---including CEOs of UNEP FI members BBVA Group, Credit Suisse, Deutsche Bank and Standard Chartered---issued a statement published in all editions of the Financial Times, renewing their commitment to respect and support human rights within their sphere of influence. This statement was organized by the UN Global Compact's Human Rights Working Group (in which UNEP FI is a member).

To access the statement, please visit:

[http://www.unglobalcompact.org/docs/news\\_events/9.1\\_news\\_archives/2008\\_12\\_10/FT\\_AD13.pdf](http://www.unglobalcompact.org/docs/news_events/9.1_news_archives/2008_12_10/FT_AD13.pdf)

## **TOOLS & TRAINING FOR SUSTAINABLE FINANCE IMPLEMENTATION**

### **2. Environmental & Social Risk Analysis (ESRA) E-Learning Programme**

*Interested in training your staff? Contact us to find out about our new course offerings.*

\* Up-coming courses

9 - 27 February (English)

23 February - 13 March 2009 (Spanish)

A product of the United Nations Environment Programme Finance Initiative (UNEP FI), Capacity Building International (InWent), and the INCAE Business School, with the support of the Ecobanking Project. Initially developed in Spanish in 2006 by the UNEP FI Latin American Regional Task Force, with the support of Bank of America, the English-language edition of the course was produced thanks to the help of FMO, the Dutch development bank.

For further information, please visit: [http://www.unepfi.org/training/risk\\_training/index.html](http://www.unepfi.org/training/risk_training/index.html)

### **3. Latin American Task Force Launches Ecoefficiency Online Training Programme**

Keen to reduce your FI's footprint and looking for guidance on how to tread lightly? We have what you need.

Following a successful pilot run in Latin America in September-October, UNEP FI's LATF and the Ecobanking Project are pleased to present their new online training course on corporate eco-efficiency, designed specially for financial institutions.

Directed specifically at middle and higher level FI representatives responsible for operational and procurement matters within their institutions, each course will run over a period of 4 weeks in total, including one week of in-house implementation. Participants will be guided through five key areas in which FIs have a direct impact on the environment: Water, Energy, Transportation, Buildings and Supply Chains.

\* Dates of the first course:  
23 March - 24 April, 2009 (Spanish)

For further information, please visit: [http://www.unepfi.org/training/ecoef\\_training/index.html](http://www.unepfi.org/training/ecoef_training/index.html)

#### **4. Showing You the Money: Coming Soon, Stories of Real-life Finance & Sustainability**

Through the Environmental & Social Responsibility Observatory (ESRO), a comprehensive online database of real-life case studies, UNEP FI, in collaboration with the Ecobanking Project, will soon start showcasing how its Signatories and other financial institutions are successfully managing to align financial and sustainability performance by channelling funds into activities that have a net positive impact – on environment, society and their own bottom line. The Observatory will also showcase stories of environmental and social risk management in financial transactions involving a variety of industry sectors.

Interested in gaining access? Become a contributor, send us your '*Finance for Sustainability*' or your "*E&S Risk*" stories for inclusion in the Observatory.

Stories should illustrate either: cases of financial transactions channelled towards activities or projects that directly address environmental and/or social problems by contributing to their solution (areas of focus: climate change mitigation and adaptation, water and sanitation, biodiversity and ecosystem services), or cases of ESG risk management in any kind of financial transaction.

The Observatory aims to be a desktop tool for financial analysts; it is about sharing experiences and best practice, not naming and shaming. ESRO operates within a strict confidentiality policy, thus protecting any confidential information associated with the stories.

If you would like to showcase experiences and achievements to your peers and a global audience please visit: <http://www.unepfi.org/tools/observatory/index.html>

### **SPREADING SUSTAINABLE FINANCE ACROSS THE GLOBE**

#### **5. ASIA**

UNEP FI was involved in hosting the following three events in Tokyo, Japan which all took place during the week of 17 November 2008.

##### **\*\*The Role of Finance & Insurance in Climate Change** 18 November 2008

The seminar was hosted by the Asahi Shimbun, the Tokio Marine & Nichido Fire Insurance and the Tokio Marine Research Institute, and supported by UNEP FI. The seminar was attended by approximately 150 participants from the general public, insurance specialists and NGOs. Paul Clements-Hunt, UNEP FI, presented on the role of insurance in climate change with emphasis on climate change adaptation. Other speakers were from the three hosting institutions, the Tokyo University, Japan Carbon Finance and E-Square.

##### **\*\*Towards a Sustainable Society: The Roles expected of Corporations and Investors** 19 November 2008

This was a symposium jointly hosted by UNEP FI, UN Global Compact Japan Network, and Sustainable Investment Forum (SIF) Japan. The event was also attended by approximately 150 participants from corporations, NGOs and academia. At the event, Paul Clements-Hunt, UNEP FI, stressed the importance of "Greening the Economy" and how financial institutions and investors are starting to take into account environmental, social and governance (ESG) issues in evaluating corporations. Also featured: Yoshiaki Shin, Chairman of Mitsui Sumitomo Insurance Group Holdings; Toshio Arima, Former President and Executive Corporate Advisor of Fuji Xerox Co. Ltd & UN Global Compact Board Member.

Presentation slides are available from [http://www.ungcjp.org/inf\\_01.html](http://www.ungcjp.org/inf_01.html) (Japanese).

## **\*\*2008 SRI Seminar: CSR Disclosure and its Effect on Corporate Valuation**

20 November 2008

This was the third annual SRI seminar hosted by the Mitsubishi UFJ Trust & Banking Corporation and supported by UNEP FI. This year Paul Clements-Hunt, UNEP FI presented on the work by the Asset Management Working Group on mainstreaming responsible investments and on the work by the Property Working Group on responsible property investment. Also featured Kinya Okauchi, President of MUTB; Kazuhito Yoshihara, CIO, Fortis Investments Japan; Paul McNamara (PRUPIM) and Gary Pivo (University of Arizona) of the UNEP FI Property Working Group. A booklet on the seminar (in Japanese only) will be published by the Mitsubishi UFJ Trust & Banking Corporation in early 2009.

For further information, please visit: [http://www.unepfi.org/regional\\_activities/asia\\_pacific/japan/index.html](http://www.unepfi.org/regional_activities/asia_pacific/japan/index.html)

## **6. EUROPE**

### **UNEP FI outreach event in Turkey, Istanbul**

22 January 2009, Istanbul, Turkey

UNEP FI's Central and Eastern European Task Force organised a conference which looked at current sustainable finance initiatives in Turkey, presented by high-level speakers of TSKB, Isbank and Vakifbank. In a second panel, speakers from the Task Force added their own experience and best practices on green financial products, environmental risk management in lending and internal environmental management issues for financial institutions. The event was supported by Turkish chapters of the Regional Environmental Center for Central and Eastern Europe and the United Nations Development Programme. On 23 January, the CEETF will meet for its annual meeting to determine its 2009 work programme.

For more information, please visit: <http://www.unepfi.org/events/2009/istanbul/index.html>

## **7. LATIN AMERICA & THE CARIBBEAN**

### **\*UNEP FI Latin American Task Force (LATF) Training Workshop & CEO Breakfast**

24-25 November 2008, Bridgetown, Barbados

Reaching out to the Caribbean financial sector for the first time, the LATF pursued its awareness-raising and training efforts by holding its 9th Workshop on environmental and social and risk analysis (and ensuing CEO Breakfast), this time in Barbados, in close collaboration with both the country's Environment Ministry and Banking Association.

A select group of participants from financial institutions from several countries of the region were addressed by Dr. Esther Byer-Suckoo, Minister of Family, Youth, Sports and the Environment and Mr. Robert LeHunte, Vice President of the Bankers Association, Managing Director and CEO of the Barbados National Bank, where after they received training on how to identify and manage social and environmental risks and opportunities in their lending and investment operations. The training was conducted by Christopher Wells, Environmental Risk Manager at Banco Real/Grupo Santander (Brazil) and Chair of the LATF, and Lawrence Pratt, Associate Director of CLACDS/INCAE Business School, an Associate Member of the LATF.

The outcomes of the Workshop were presented the next day to a gathering of CEOs and high-level executives, who in turn were addressed by Mr. William Layne, Permanent Secretary Ministry of Finance, and Ray Royer, Vice President & Country Head of RBC, and Chair of Barbados National Finance Task Force.

The Barbados Environment Ministry and the country's top financial institutions will now continue to push the sustainable finance agenda by the means of the recently established Barbados National Finance Task Force; as such one of the Task Force's first undertakings will be the delivery of a survey on the state of the art of sustainable finance in Barbados, to be conducted by Calidad Investment & Financial Services Inc. Initiated last year, the preliminary results of the survey were presented at both events by Jerry Blenman, Managing Director of Calidad and a Founding Member of the Task Force.

For further information, please visit: <http://www.unepfi.org/events/2008/barbados/index.html>

### **\*UNEP FI Latin American Task Force (LATF) Outreach Event**

26 November 2008, Port of Spain, Trinidad & Tobago

Following on from the previous day's events in Barbados, LATF Chair Christopher Wells, Environmental Risk Manager of Banco Real/Grupo Santander, together with Jerry Blenman, Managing Director of Calidad Investment & Financial Services Inc, addressed an audience of FI and stakeholder representatives at

an awareness-raising session in Trinidad & Tobago, an event organised in close collaboration with the country's Ministry of Environment.

The audience was also addressed by Dr. Emily Dick-Forde, exiting Minister of Planning, Housing and the Environment, who pointed out the need for both local and international financial institutions in Trinidad to observe sustainable finance best practice. The Ministry of Environment and the LATF will seek to further collaborate in this sense in 2009.

For further information, please visit: <http://www.unepfi.org/events/2008/trinidad/index.html>

## **8. NORTH AMERICA**

### **\*UNEP FI North American Task Force (NATF) Report on Disclosure Launched at Davos**

January 2009, Davos, Switzerland

Confused about disclosure requests? Ever wondered deep down if it was worth the trouble? The North American Task Force's newest report, "If You As Us ... [Understanding Corporate Sustainability Disclosure Requests](#)" seeks to frame the business case for companies – financial institutions or otherwise – who are asked to respond to sustainability-related surveys. In this concise to-the-point piece, readers will find guidance on how to deal with the increasing number of requests for information on sustainability practices which land daily, in different shapes and hues in the trays of sustainability departments throughout the financial sector. The report was launched in Davos on 28 January 2009 at a high-level dinner hosted by UNEP FI member company Innovest Strategic Value Advisors (ISVA).

To view further information on the launch and the report itself, please visit: [http://www.unepfi.org/fileadmin/documents/if\\_you\\_ask\\_us.pdf](http://www.unepfi.org/fileadmin/documents/if_you_ask_us.pdf)

## **INVESTMENT**

### **9. PWG face to face meeting in Tokyo, Japan**

On 20-21 November, 2008 the UNEP FI Property Working Group gathered in Japan for their annual face to face meeting, hosted by The Sumitomo Trust and Banking Co. The group used the occasion for developing a comprehensive work programme for 2009, focusing on the widespread dissemination of the PWG work to date. Furthermore, the group will develop a report on tenant engagement, provide input into policy development, build up an academic support network and continue to work on its series of toolkits. Connected to the meeting the group had the opportunity to learn more about responsible property investment in Japan through a site visit to sustainable buildings. On 20th November, the PWG was invited to present their research in a breakout session of the Mitsubishi Responsible Investment Seminar.

## **CLIMATE CHANGE**

### **10. Making Forests Competitive: UNEP FI Side-event at UNFCCC COP 14**

9 December 2008, Poznan, Poland

UNEP FI's Climate Change Working Group (CCWG) organised a side-event at the United Nations Framework Convention on Climate Change (UNFCCC) COP 14 on "Making Forests Competitive – Practical Solutions for Permanence", hosted by international legal practice firm Norton Rose and the Carbon Markets and Investors Association (CMIA). The event explored adequate risk management tools to assure permanence in the context of a future international agreement, taking into consideration legal, financial and practical aspects.

To view the background documents and presentations, please visit: <http://www.unepfi.org/events/2008/poznan/index.html>

Norton Rose has produced a detailed summary and analysis of the outcomes of Poznan including key decisions agreed to by the parties.

To view the summary of the outcomes, please visit: <http://www.nortonrose.com/knowledge/publications/2009/pub19337.aspx>

### **11. 2009: The Climate Change Year for UNEP FI – Yours as well?**

From Poznan to Copenhagen

In around 4 years, the Kyoto Protocol will cease to exist and, if everything goes well, a new and more powerful global deal to fight climate change will be put in place; a deal that could boost carbon markets to the scale and coverage needed to actually keep the atmospheric concentration of greenhouse gases at acceptable levels. Again, only if everything goes well. And only if the agreement actually achieves to create a platform that the private sector around the globe can use to align its mandate with that of the climate regime. Why? Because 90% of the USD 200 billion needed to successfully address climate change will have to come from the private sector.

Therefore, from a climate change perspective this year will be a critical, even more so than 1997 when the Kyoto Protocol was put into existence. What is at stake is the global treaty needed to effectively – incorporating the private sector - fight climate change and lead us to a low carbon economy. Therefore, UNEP FI has made the fight against Climate Change the top-priority on its Agenda this year: a work programme on carbon is being designed across Working Groups and the Regions. Furthermore, briefing con-calls by climate change experts to all UNEP FI Signatories will take place regularly providing relevant information on key developments. Finally, as a Signatory you will get the unique opportunity to tell us what you'd like to tell climate change negotiators this year: via a position-building survey being conducted just now. Interested? Then get in touch!

## **WATER & FINANCE**

### **12. You Think Water Matters? We Think Action Matters Too**

Worldwide

Climate change may be the biggest single environmental challenge of the coming decades, but it is becoming increasingly apparent that its effects on business will mostly manifest themselves via water. Circumstances of too little, too much or inadequate timing and quality of supply will expose businesses as well as their financiers and owners to considerable stress throughout the next decades, be it in Canada, the Mediterranean Basin, Bangladesh or Australia.

Given the great importance of water issues to the global financial community and the wide range of water-related projects UNEP FI is currently undertaking, its Water & Finance work stream (WFWS) has started to recruit new UNEP FI Signatory members interested in issues around water: be it the mobilization of investment and finance into the strategic water sector, the assessment of corporate water performance across the economy or the relevance of water-related intra-portfolio externalities to the universal owner and institutional investor.

Especially, but not exclusively, we are looking for financial institutions with activities in the following geographies: Brazil, India, Indonesia, South Africa, the United States and the Mediterranean Basin. Especially, but not exclusively, we are looking for institutions with exposure to agribusiness activities.

For more information, please visit: [http://www.unepfi.org/work\\_streams/water/index.html](http://www.unepfi.org/work_streams/water/index.html)

### **13. UNEP FI's Water & Finance Work Stream Welcomes New Members**

In recent months the group of institutions dedicated to changing the way water is looked at by the financial sector has grown with 5 institutions formally joining the Water & Finance Work-stream (WFWS) of UNEP FI. These institutions are of different types, they are different in the geographies they cover, they have different interests, but they share the same commitment to doing something about what will be the most endangered resource of the 21<sup>st</sup> century.

**Rabobank Brazil** and **Rabobank Netherlands** will support the *WFWS Team 1* in briefing the financial sector on why water sustainability is one of the most important investment criteria in agribusiness activities.

US-based **Calvert Investment Management**, having recently launched a Global Water Fund, and the Directorate for Financial & Enterprise Affairs of the **OECD** will work with the *WFWS Team 2* to display to the finance sector and capital markets the strategic investment opportunities in the otherwise chronically under-funded water sector.

To these institutions we say: thank you and welcome aboard.

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