



UNEP Finance Initiative
Innovative financing for sustainability

Issue 70

February - March 2009

<http://www.unepfi.org/ebulletin>

"For millions of people from Detroit to Delhi these are the worst of times.....We must not let the urgent undermine the essential. Investing in the green economy is not an optional expense. It is a smart investment for a more equitable, prosperous future."

- Secretary-General Ban Ki-moon and Al Gore, Financial Times, February 16, 2009

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*****HIGHLIGHT*****

Paul Clements-Hunt, Head of UNEP Finance Initiative Secretariat, writes: "On 12 March more than 100 executives from UNEP FI member companies joined our latest cross UNEP FI "Copenhagen Call." These are calls the UNEP FI Secretariat is co-ordinating each month to ensure as broad a cross section as possible of the UNEP FI family is kept up to speed with the latest developments as the international community prepares for the landmark UNFCCC climate summit that takes place in the Danish capital this coming December. Henry Derwent, the President and CEO of the Geneva-base International Emissions Trading Association (IETA) joined yesterday's call as guest speaker and UNEP FI Climate Change Co-Chairs, Armin Sandhoevel, CEO of Allianz Climate Solutions, and Nick Robins Head of HSBC's Climate Change Centre of Excellence, also updated

participants on, respectively, UNEP FI's on-going climate work related to the UNFCCC process and a recent research report published by HSBC Global Research. The potential synergies between the "climate agenda and the recession agenda" was a theme running through the call. The existence of significant amounts of "cash sitting on the sidelines" after being taken out of markets as a result of the recent financial turmoil was noted several times as was the resulting need for carbon focused investment structures capable of mobilizing such private capital. The possible challenges for the public sector to effectively deploy green capital embedded in what is approaching USD 2.8 trillion worth of stimulus packages, the evaporation of debt financing, and the reduction in risk appetite and financial capacity to act of private equity players, were all noted as factors that could impede the "green credentials" of the various stimulus packages being maximised. Estimates presented in the aforementioned 25 February, 2009, report published by HSBC Global Research, entitled: **A Climate for Recovery: The colour of stimulus goes green**, suggest that: " governments have allocated more than USD 430 billion in fiscal stimulus to key climate change investment themes" with China and the US leading the way. The report also headlined the fact: "the construction and capital goods sectors will be primary beneficiaries as governments expand green infrastructure." It continued: "We expect the emphasis on a low-carbon recovery to intensify as part of the G-20 process and Copenhagen negotiations." During his briefing on the research report, Nick Robins of HSBC stressed the need to "make public money work hard on the margins to free up private money" in the carbon and climate change space. Armin Sandhoevel of Allianz Climate Solutions updated participants on UNE FI's evolving "green paper" that will be submitted into the UNFCCC consultation process. He said that the UNFCCC Secretariat had requested UNEP FI to focus the partnership's comments on the "mobilization of funds" and to directly address the Copenhagen agenda in that manner."

WHAT OUR SIGNATORIES ARE DOING...

1. UNEP FI Welcomes 2 New Signatories

*Industrial Development Bank of Turkey (TSKB), Turkey

Established in 1950, TSKB is Turkey's first privately-owned investment and development bank. TSKB is a pioneer in renewable energy, corporate lending and project financing loans. TSKB headquarters are located in Istanbul, the bank also has two domestic branches in Ankara and Izmir, as well as one international branch in Bahrain.

In the environment and renewable energy sectors, the bank ranks as number one in terms of number of projects financed in Turkey. TSKB has integrated environmental aspects in its project appraisal activities as well as initiating environmental management systems regarding its activities. It is also the first Turkish-owned bank awarded the ISO-14001 Certificate for Environmental Management System Standard. TSKB has won the "Sustainable Emerging Markets Bank of the Year-Eastern Europe" award in the event jointly organized by Financial Times and the International Finance Organization in 2008.

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

* Fideicomisos Instituidos en Relación con la Agricultura (FIRA), Mexico

FIRA was established in 1954 and has 129 offices across the country; its headquarters are located in Morelia, Michoacán. FIRA is a second tier development institution which provides funding and guaranties, along with training, qualified technical information, market and economic research, for implementation of projects in the rural sector, the food industry, forestry, fishery and other related industries. For 55 years, FIRA has been the main source of financing for agribusiness in Mexico.

FIRA's mission is to contribute to sustainable development in the rural sector in Mexico. FIRA is committed to sustainable banking practices and is in the process of developing a number of implementation measures. These include an array of policies and tools including technical assistance, lending and guaranties, as well as internal business practices covering issues such as equal opportunities and gender policies, sound environmental practices, water and energy saving, social responsibility, etc. As a result, FIRA was recently identified as one of the best places to work in Mexico, and also received acknowledgements from the Mexican authorities for implementing energy and water saving measures.

For further information, please visit: <http://www.fira.gob.mx>

*2. 93% of Italian Companies see Climate Change an Opportunity to Seize

First Italy Report reveals growing awareness among Italian companies about the advantages that environmental factors bring in investment decisions. The report finds that a large majority of Italian companies (93%) see at

least one opportunity in climate change. Companies in the financial sector, in particular, see the opportunity for the development of new financial and insurance services to support low carbon investments as well as adaptation and mitigation activities.

The Report was launched in Rome on 13 February by the Carbon Disclosure Project in collaboration with Banca Monte dei Paschi di Siena and Kyoto Club.

To read the report, please visit:

<http://www.mps.it/NR/rdonlyres/D7D20ACD-838D-4B25-96AB-AE191D53CED8/23535/CDPIItalyReport2008.pdf>

TOOLS & TRAINING FOR SUSTAINABLE FINANCE IMPLEMENTATION

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

The Environmental & Social Responsibility Observatory (ESRO), an online database of real-life stories compiled jointly by UNEP FI and 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 (eg. 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>

4. New Online Training Programme: Corporate Ecoefficiency for Financial Institutions

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

5. UNEP FI e-Learning Course on Climate Change: Risks and Opportunities for the Finance Sector REGISTRATIONS NOW OPEN – Register at <http://www2.unitar.org/uneffi>

8 to 26 June 2009 - Physical climate change is happening; regulatory climate change will happen. Will your institution be prepared to successfully be part of the game? If you're not sure, then block your diaries to push your institutions' climate change skills ahead of the curve. If you'd you like to:

- better understand the science of climate change and its effects on economic systems and its financial sectors,
- know what greenhouse-gas markets, carbon finance, cat-bonds and weather derivatives are all about, or

- find out how your institution could optimally minimize the resulting risks and embrace the opportunities, plus
- do all of this from home and under a flexible timetable, this is the course for you.

For further information, please visit: <http://www2.unitar.org/uneffi>

6. Environmental & Social Risk Analysis (ESRA) E-Learning Programme

* Up-coming courses:

13 April - 1 May (English)

4 to 22 May (English)

25 May to 12 June (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.uneffi.org/training/risk_training/index.html

SPREADING SUSTAINABLE FINANCE ACROSS THE GLOBE

7. LATIN AMERICA & THE CARIBBEAN

*** Latin American Task Force / Caribbean Group in the Making**

Following successful outreach events in Barbados and Trinidad & Tobago in late 2008, the Latin American Task Force (LATF) has started to work with Caribbean-based branches of UNEP FI Signatories and key stakeholders in the region to set up a Caribbean Group. The aim of the Group will be better embed Signatory branches in UNEP FI's core work while also supporting local sustainable finance initiatives as needed.

Watch this space for further updates.

*** Environmental & Social Risk Awareness & Training? Latin American Task Force Continues to Tour**

With training activities reaching back to 2005, the Latin American Task Force (LATF) has now offered training workshops on Environmental & Social Risk Analysis to the financial sectors of 9 different countries in Latin America. In 2009 the LATF will continue to strive for capacity-building in the region, offering further workshops in several more countries, but also offering a two-day Advanced Workshop for the first time in countries already visited in previous years.

Stay tuned for information on up-coming events and training workshops.

For further information on the LATF, please visit:

http://www.uneffi.org/regional_activities/latin_america/index.html

PROPERTY

8. Spot the Difference: Socially Responsible Investment (SRI) in Asset Classes and in Direct Property

The UNEP FI Property Working Group (PWG) has written, and will shortly be releasing on its website, a brief article presenting the essential differences between Socially Responsible Investment (SRI) in equities and in property. This practical note should help investors understand why and how Socially Responsible Property Investment (SRPI) is uniquely different to other, "regular" assets. In particular, it explains that, whilst the same principles can be applied to property as equities with regards to SRI, the unique nature of direct property as an investment type means that there are a number of practical differences in how to implement them.

For further information, please visit: <http://www.uneffi.org/publications/property/index.html>

INSURANCE

9. Sustainability & the African Insurance Sector

On 23 February, UNEP FI representatives participated at the Ad Hoc Expert Meeting on Capacity-Building for the Insurance Sector in Africa organised by UNCTAD which was held in Geneva. During the ad-hoc meeting UNEP FI contributed with ideas and comments throughout the discussion about challenges facing the insurance industry in Africa.

UNEP FI regularly participates in events that fall under its global partnership activities and contributes by offering its expertise in related areas.

10. Renewable Energy Insurance Online Training application

The Renewable Energy Insurance Training Application has been designed to enhance the understanding of insurers, financiers and other renewable energy project sponsors, of climate change issues, renewable energy policy frameworks, insurance practices, risk management tools and approaches that can be developed for the renewable energy markets. It covers key aspects of insurance for renewable energy projects, with a focus on developing country conditions.

The Renewable Energy Insurance Training Kit is a product of the United Nations Environment Programme (UNEP) and CarbonRe, with support from the Global Environment Facility (GEF).

For further information, please visit: <http://www.unep.fr/energy/activities/frm/training.htm>

BIODIVERSITY

11. Seminar: Biodiversity & Ecosystem Finance

22 April 2009, Sao Paulo, Brazil

Organised by Green Power Conferences, this one-day seminar collocated with the Carbon Markets Americas conference (23-24 April), will take place at the Hotel Bourbon Convention Ibirapuera. The status of these new environmental markets will be assessed independently of the carbon market but will also look at linkages between the two. The seminar will bring together the corporate and finance communities with the biodiversity and ecosystem conservation sector to drive this critical early stage market forward.

For further information and registrations, please visit:

http://www.greenpowerconferences.com/carbonmarkets/biodiversity_americas_2009.html

CLIMATE CHANGE

12. "Stop throwing money out of the window!" Energy Efficiency Finance @ UNEP FI

According to research undertaken by the Rocky Mountain Institute, energy efficiency activities could achieve, alone in the US, nearly 60% of all cost-effective emissions reductions from all sources, including renewables. Furthermore, from the perspective of the financial community, the low-hanging fruit of EE is abundant: China has been experiencing consistent energy intensity decreases of 5% p.a. Its overall energy intensity, however, remains at 4 times that of the US, and even 8 times that of the UK.

"Stop throwing money out of the window!" - According to the upcoming survey report by the Climate Change Working Group of UNEP FI, exploiting the financial global goldmine of energy efficiency is indeed a bit harder than that. Nevertheless, only some very straightforward but fundamental steps need be undertaken within financial institutions and through regulation before that awkwardly low-hanging fruit can be finally harvested. Are you interested? Then stay tuned: the report will be launched at the upcoming Carbon Market Insights conference (17-19 March 2009) in Copenhagen and posted on the UNEP FI website soon.

And if you think that's all on energy efficiency @ UNEP FI, you're wrong. It's only the beginning. Get in touch or stay tuned if you'd like to know more.

For further information and contact details, please visit:

http://www.unepfi.org/work_streams/climate_change/working_group/index.html

WATER & FINANCE

13. Australia, Brazil, India, Mediterranean Basin, South Africa and the US: Water-critical Regions Critical for you?

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.

As part of the activities of UNEP FI's Water & Finance Work Stream (WFWS) in 2009, a set of geography/sector specific water briefings for financial institutions are being developed. Their key feature is the much increased level of regional and contextual specificity, which is needed for financial institutions to address water considerations. Why? Because of the local dimension of water; water challenges and the way they translate to financial risks and opportunities considerably vary across geographic contexts and sectoral activities: Climate-change induced water scarcity issues in the Australian agribusiness context, for instance, will entail a whole different set of implications and appropriate risk management measures than those derived from industrial groundwater pollution in India.

Should your institution have operations in one of the above regions and be interested in having a closer look at how water-related risks will affect the operations of your clients and investees, then get it touch. UNEP FI Signatories based or active in the target countries/regions are invited to provide their local insights.

For further information and contact details, please visit: http://www.unepfi.org/work_streams/water/index.html

14. Sustainable Finance for Sustainable Water Supply UNEP FI to Partner with GTZ to Enable Local Dialogues with Global Impacts

As part of its 2009 awareness raising activities, the UNEP FI Water & Finance Work Stream (WFWS) will partner with German development agency GTZ to zoom in at a new level of detail when discussing the mobilization of private finance for sustainable water operations in developing countries. The first public dialogue on questions around the bankability of a reformed water utility in Uganda will take place in Stockholm during World Water Week 2009.

The core question to be addressed will be: what is needed to transform the water sector into a strategic opportunity for responsible investment in order to finally equip it with the financing it has chronically lacked? To deliver valid answers to this question the main objective of the event will be to analyze, using this concrete example, the progress many water utilities and authorities in developing countries have made with regards to resource efficiency, tariff discipline, cost recovery and regulatory independence vis-à-vis the requirements of financial institutions and capital markets.

For further information and contact details, please visit: http://www.unepfi.org/work_streams/water/index.html

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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

Chief Editor: Paul Clements-Hunt
Editors: Careen Abb, Susan Steinhagen

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