



**UNEP**  
**FINANCE**  
**INITIATIVE**

**INTEGRATED  
WORKPLAN**

**2018–2019**

July

June

# IMPLEMENTING THE STRATEGY THROUGH THE INTEGRATED WORKPLAN

2018–2019  
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## STRATEGY STATEMENT

Our strategy to achieve this mission is:

- to create the most effective network for sharing knowledge and best practice; and
- to amplify the collective voice from the finance sector in policy debate.

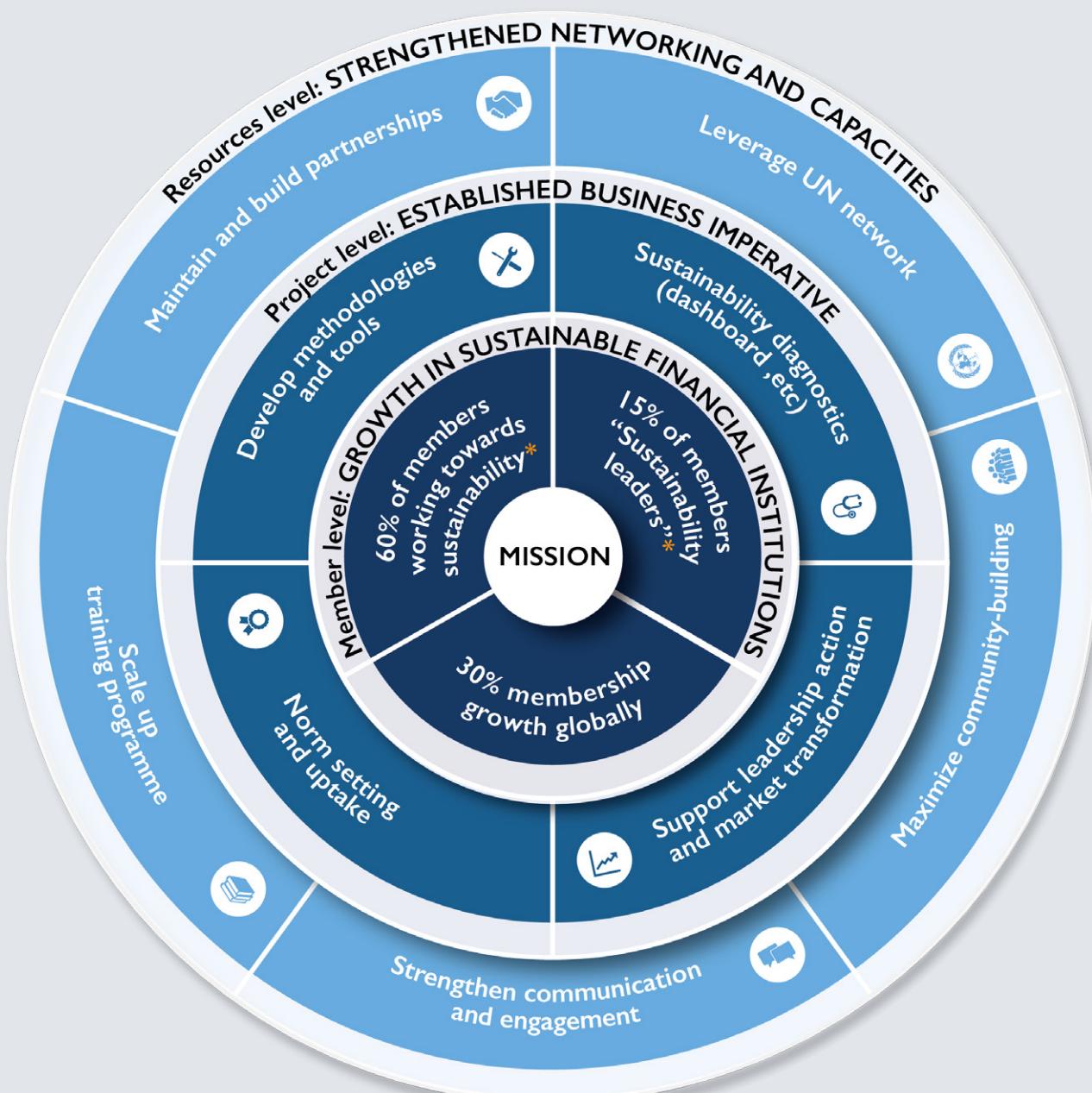
Success is measured through the growth in the quantity and quality of “sustainable financial institutions”.

## STRATEGY

In 2017, the Global Steering Committee led the development of the UNEP FI strategy for the next 5 years, 2018-2022 (Figure 1).

## MISSION STATEMENT

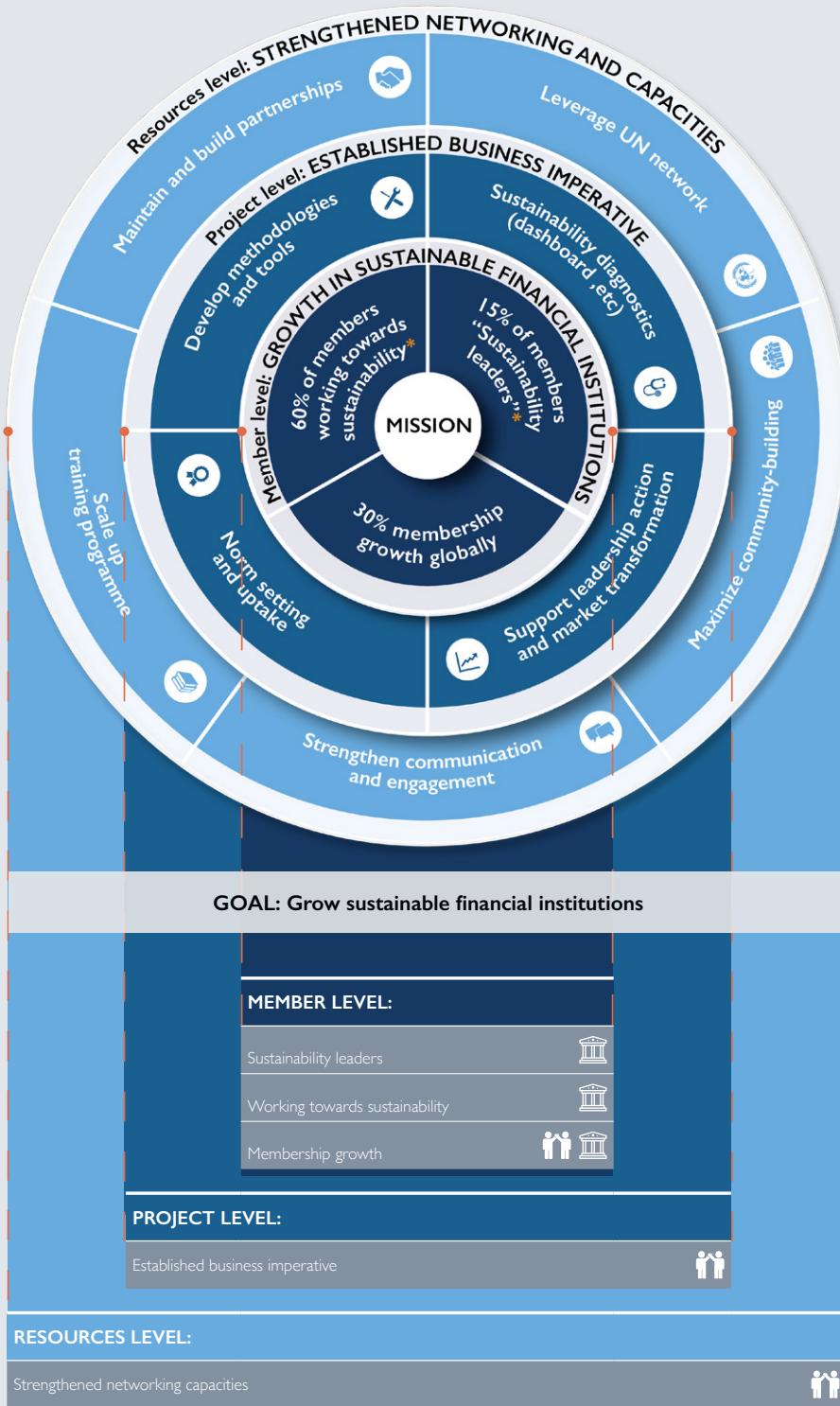
Accelerate the global development of financial institutions that integrate sustainability as a value creation driver and which contribute to the UN Sustainable Development Goals (SDGs).



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## STRATEGIC GOAL AND THE INTEGRATED WORKPLAN

The strategic goal to grow sustainable financial institutions is not achieved by UNEP FI but through the decision and efforts of UN Environment FI members to develop itself towards a sustainable institution. The principle objective of the UNEP FI integrated workplan therefore is to ensure the UNEP FI's offerings provide the best support for all members to work towards this goal.

## STRATEGY WHEELS AND THE INTEGRATED WORKPLAN

In the Strategy Wheel (Figure 1), the strategic goal is the centre wheel identified as the member level. This wheel is supported by two outer wheels which are at the project level “established business imperative” and at the resource level “strengthened networking capacities”. These two outer wheels and its components provide the strategic foundation of UNEP FI’s integrated workplan. The 2018–2019 workplan has been built to ensure each activity implement one or more strategic components in the wheel.



Implemented by UNEP FI partnership



Implemented by members

# STRATEGIC COMPONENTS AND THE INTEGRATED WORKPLAN

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The section provides a brief explanation of each of the strategic component in the two outer wheels and examples of activities that implement the strategy

## PROJECT LEVEL:

Established Business Imperative



### SUSTAINABILITY DIAGNOSTIC

The need for transparency and accountability with regard to ESG related activities of financial institutions is growing. In response, the development of the UNEP FI Sustainability Dashboard as the overarching framework and self-assessment diagnostic tool to support sustainability integration for members and the Pilot Projects on implementing the TCFD Recommendations by banks, investors and insurers are projects that respond to this strategic component.



### SUPPORT LEADERSHIP ACTION & MARKET TRANSFORMATION

Many UNEP FI activities are initiated and led by sustainability leaders with a vision to transform markets. One such example is the Positive Impact Initiative which is working to develop both the demand and supply of the SDGs finance market. The Energy Efficiency Finance work, in collaboration with the G20 and European Commission, is aiming to enhance energy efficiency investment and contribute to standardization, thereby transforming the energy efficiency market to full maturity.

Globally facilitate and promote leadership on sustainability by financial institutions. Examples include raising awareness of members' leadership activities.



### NORM SETTING & UPTAKE

UNEP FI has framed the sustainable finance agenda through the development of principles, standards, statements of commitments, etc. For example, the development of the Banking Principles and the Fiduciary Duty in the 21<sup>st</sup> Century project respond to this strategic component.



### DEVELOP METHODOLOGIES, GUIDANCE & TOOLS

Many UNEP FI activities provide practical methodologies and tools to assist financial institutions in applying sustainable finance to their business decision-making, products and services. For example, the global guidance on the integration of ESG risks into insurance underwriting in development will be a major tool for the insurance industry to identify and define ESG risks from an insurance underwriting perspective, while the framework for natural capital-related portfolio risk will help financial institutions to evaluate the dependencies of economic sectors on natural capital.

# STRATEGIC COMPONENTS AND THE INTEGRATED WORKPLAN

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## RESOURCE LEVEL: Strengthened Networking & Capacities



### MAXIMIZE COMMUNITY BUILDING

As a unique partnership between the UN and the finance sector, one of UNEP FI's offerings is its ability to convene a wide range of stakeholders under a neutral platform. The 2018 edition of the UNEP FI Global Roundtable in Paris in November will be a key global agenda-setting event on sustainable finance, bringing together hundreds of leaders from all parts of the financial system as well as from civil society, academia, government and the United Nations. Regional Roundtables in 2019 will help foster UNEP FI's regional networks.

Engage the broader membership in work programme implementation, through relationship management and activities such as communications to inform members of planned projects, progress, consultations and outputs.



### STRENGTHEN COMMUNICATION & ENGAGEMENT

Strengthen financial sector commitment through growth in signatories to Statement.

Identify priority themes and initiatives across regional hubs, undertake outreach to key stakeholders to grow networks, and provide market intelligence on priority countries.

To support the effectiveness of implementing the workplan and maximise its impact, the Secretariat will continue improving its communications and engagement activities. For example, it has invested in a new Customer Relations Management systems and is looking at upgrading the UNEP FI website. Membership surveys are to be contacted on a regular basis to review and improve on the membership engagement strategy.



### LEVERAGE UN NETWORK

The ability to mobilize a wide range of expertise from within the UN system is another strength increasingly utilised by UNEP FI. For example, UNEP FI's natural capital and sustainable landuse activities work extensively with the UN Environment's Ecosystems Division. UNEP FI's Social Issues work bridges UNEP FI with specialized UN fora on human rights such as the UN Office of the High Commissioner on Human Rights and the UN Working Group on Business and Human Rights.



### SCALE UP TRAINING PROGRAMME

Partner with institutions that provide training to finance professionals to expand capacity building on sustainable finance, and to broaden knowledge development on emerging best practice, methodologies, tools, guidance etc.



### MAINTAIN & BUILD PARTNERSHIPS

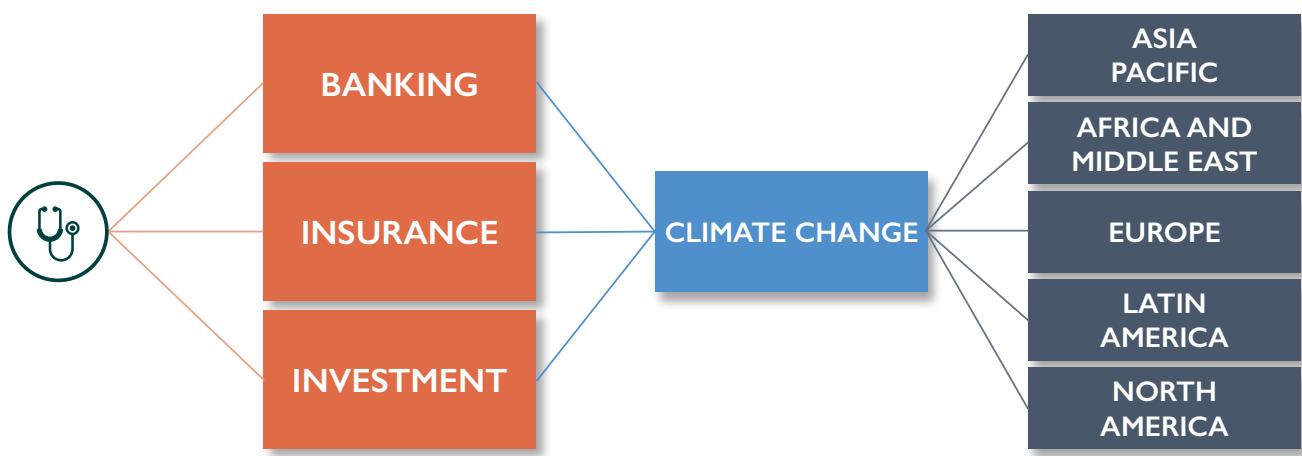
Supporting Institutions play a significant role in UNEP FI's activities. For example, many Principles for Sustainable Insurance projects such as the development of a risk management protocol for Illegal, unreported and unregulated (IUU) fishing and creation of Insurance Development Goals for Cities are made possible through collaborations with partners. UNEP FI's regional activities also rely on regional and national partners such as the Banking Associations and academia.

# ACTIVITIES IN THE WORKPLAN

UNEP FI's activities, as per its strategy, are centered around supporting growth of sustainable financial institutions.

Activities typically follow one or more industry and/or thematic themes. There are also regional activities and training programmes

The visualization of how the TCFD Pilot Working Group is implemented under the UNEP FI structure



# ACTIVITY HIGHLIGHTS

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## CROSSCUTTING PROJECTS

BANKING

INVESTMENT

INSURANCE

<p> UNEP FI Global Roundtable and Climate Finance Day 2018, 26-28 November 2018, Palais Brongniart, Paris</p>		
<p> Development of the Banking Principles</p>	<p> Fiduciary Duty in the 21<sup>st</sup> Century project</p>	<p> Develop global guidance on the integration of ESG risks into insurance underwriting</p>
<p> Dissemination of the Guide to Banking and Sustainability - 2nd Edition</p>	<p> Developing the sustainable real estate agenda - Property Working Group (PWG)</p>	<p> New working group to frame the sustainable health insurance agenda</p>
<p> Maintaining and consolidating UNEP FI Guidance Tool on Finance and Human Rights Risks</p>	<p> Develop work under the Energy Efficiency Financial Institutions Group</p>	<p> PSI market events</p>
<p> Global Alliance for Buildings and Construction - Work Area 4 on Finance (funding not secured)</p>		<p> Shaping the sustainable insurance agenda in North America</p>
<p> Development of the dashboard</p>		
<p> Pilot projects on implementing the TCFD recommendations</p>		
<p> Support the financing of pollution abatement</p>	<p> Support EC's Sustainable Energy Investment Forums</p>	<p> Developing national sustainable insurance roadmaps in Morocco and elsewhere</p>
<p> Supporting green mortgage market development in Sri Lanka</p>	<p> Sectoral update of G20 Energy Efficiency Investment Toolkit</p>	<p> Sectoral update of G20 Energy Efficiency Investment Toolkit</p>
<p> Support the creation of the sustainable banking committee in felaban (with ifc)</p>	<p> Sustainable Stock Exchanges (SSE) initiative</p>	
<p> Development of a natural capital-related risk framework</p>		

# ACTIVITY HIGHLIGHTS

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 Removing Deforestation from commodity supply chains: Developing financing models and training programme	 Pollution insurance
 Formulating business and investment models for REDD+ finance	 Launch of the Tobacco-Free Finance Protocol
 EU, G7 and G20 engagements	
 Collaborations with UN Environment	
 Training	 Development of an Investor Energy-Climate Action Toolkit
 Supporting developing country FIs to seek Green Climate Fund (GCF) accreditation	 Collaboration with Korean National Assembly Budget Office (NABO)
 Positive Impact Product workstream - Identification of Positive Impact Products and Development of Guidance Notes	
 Positive Impact Programmes – Public Sector engagement in creating the demand side of the SDGs market	
 Forest and landscape restoration finance: Developing investment readiness evaluation model and training programme	 Forging the sustainable marine insurance agenda
 Supplement to the natural capital protocol - Database development in “Connecting finance and natural capital”	
 Supporting developing country FIs to seek Green Climate Fund (GCF) accreditation	 Outreach for green Bonds training in Mauritius
 Partnerships and awareness raising to develop sustainable finance agenda across Arab region	 Portfolio Decarbonization Coalition
 Support the implementation of the Sustainable Insurance and Takaful Facility in Climate Vulnerable Forum member countries	
 Report on inclusive insurance	

# ACTIVITY HIGHLIGHTS

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	<b>Social issues mainstreaming in Positive Impact Initiative</b>
	<b>Outreach and support for sustainable finance agenda in Jordan, UAE.</b>
	<b>Sustainable Investment Forum with Climate Action</b>
	<b>Launch of the Tobacco-Free Finance Protocol</b>
	<b>Mainstreaming social issues and a rights-based approach across UNEP FI</b>
	<b>Support on the expanded Green Finance protocol of Colombia</b>
	<b>Research in Earth System Finance (For Investors)</b>
	<b>Partnering with G7 InsuResilience stakeholders</b>
	<b>Support on the El Salvador sustainable Finance protocol</b>
	<b>Promoting uptake and implementation of “Insurance Development Goals for Cities”</b>
	<b>Creating synergies with finance and human rights, and social finance, initiatives</b>
	<b>Building a network of social issues and human rights champions within the membership (Social Issues strategy, cutting across the 3 pillars)</b>
	<b>Safeguarding World Heritage Sites: Launch of the Statement of Commitment and best practices paper</b>

# PROJECTS FROM A REGIONAL PERSPECTIVE

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AFRICA & MIDDLE EAST	ASIA PACIFIC	EUROPE	LATIN AMERICA & CARIBBEAN	NORTH AMERICA
 Engaging the broader membership in global workplan implementation and outreach to amplify impacts.				
Lead green finance stocktaking study for PAGE project in Ghana  Support Ministerial Conference 2018  Support ecosystems projects in Ivory Coast, Zambia, Liberia, Tanzania, Cameroon, DRC, Guinea-Bissau, Kenya, Central African Republic, Tanzania, Sao Tome & Principe  Work with the Egyptian banking sector to support Conference of the Parties 13- Convention on Biological Diversity Egypt in November  Outreach for green bonds training in Mauritius  Partnership with ILO on Pathways to creating positive impact through finance in Zambia	Engagement with policymakers & regulators on creating an enabling environment  Banking principles workshop(s)  China: Member engagement and outreach to key stakeholders; training; engagement and outreach on TCFD pilots; ChinaSIF week; support Fiduciary Duty and natural capital projects in China  India: Positive Impact outreach, engagement of India Banks' Association  Japan: Support sustainable finance agenda; develop partnerships for awareness raising and knowledge sharing, Positive Impact and Property Working Group events	Engage on European Commission Action Plan on Financing Sustainable Growth  Global Roundtable in Paris, November 2018  Guide to Banking and Sustainability (translation into Spanish and Portuguese)  Support Fiduciary Duty in the 21 <sup>st</sup> Century project in UK, France and Germany  Support EC's Sustainable Energy Investment Forums  Development of the Luxembourg Sustainable Finance Roadmap  Developing national sustainable insurance roadmaps in Norway  2018 SSE Global Dialogue in Geneva	Support the creation of the sustainable banking committee in FELABAN (with IFC)  Support PSI Market event in Brazil  Develop a sustainable finance course in Ecuador (and two other countries)  Support on the expanded Green Finance protocol of Colombia  Support on the El Salvador sustainable Finance protocol  Support on G20 Presidency in Argentina  Support ecosystems projects in Brazil, Paraguay, Costa Rica, Colombia, Peru  Support Fiduciary Duty project in Brazil	Launch of Insurance Development Goals Montreal  Sustainable Investment Forum with Climate Action  Global Climate Action Summit San Francisco  Support Fiduciary Duty in the 21 <sup>st</sup> Century project in Canada and US  Shaping the sustainable insurance agenda in North America  Presentation of the first Positive Impact Programme at the UN Finance Summit in New York

# PROJECTS FROM A REGIONAL PERSPECTIVE

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AFRICA & MIDDLE EAST	ASIA PACIFIC	EUROPE	LATIN AMERICA & CARIBBEAN	NORTH AMERICA
<p>Work with Egyptian Banking Institute in Egypt to build capacity and raise awareness on ESG issues (supported by GIZ)</p> <p>Finance sector engagement through ITC partnership</p> <p>Partnerships and events to promote ESG integration in Islamic Finance</p> <p>Partnerships and awareness raising to develop sustainable finance agenda across Arab region</p> <p>Support Morocco's National Sustainable Insurance Road Map</p> <p>Engage with policymakers &amp; regulators on creating an enabling environment</p> <p>Outreach and support for sustainable finance agenda in Jordan, UAE</p> <p>Support Fiduciary Duty in the 21<sup>st</sup> Century project in South Africa</p> <p>Positive Impact Programme in Morocco and South Africa</p> <p>Development of a natural capital-related risk framework in South Africa</p> <p>Removing Deforestation from commodity supply chains: Developing financing models and training programme in Liberia</p>	<p>South Korea: PSI Market Event, partnerships to develop insurance industry agenda to tackle pollution; NABO-KoSIF-UNEP FI joint-report launching event and follow up on ESG integration in pension funds; International green finance conference of KEITI</p> <p>Australia: PSI Market Event with broader agenda for banks and insurers in Oceania</p> <p>Belt &amp; Road country roadmaps and follow-up activities</p> <p>Outreach to support Fiduciary Duty and ecosystems projects in Myanmar, Viet Nam, Indonesia, Pakistan</p> <p>Guide to Banking and Sustainability (translation into Vietnamese)</p> <p>Support the financing of pollution abatement (Mongolia; India)</p> <p>Support Fiduciary Duty in the 21<sup>st</sup> Century project in Australia, Japan, China and Korea</p> <p>Developing national sustainable insurance roadmaps in Philippines and Fiji</p> <p>Supporting green mortgage market development in Sri Lanka</p>	<p>5<sup>th</sup> meeting of the Sustainable Insurance Forum (SIF) in Luxembourg</p> <p>Positive Impact Programme in France and the Netherlands</p>	<p>Guide to Banking and Sustainability (translation into Spanish and Portuguese)</p> <p>Sectorial update of G20 Energy Efficiency Investment Toolkit during the 2018 Argentinian presidency</p> <p>PSI market event in Argentina</p> <p>Developing national sustainable insurance roadmaps in Colombia</p> <p>Removing deforestation from commodity supply chains: Developing financing models and training programme in Brazil and Paraguay</p>	

# PROJECTS FROM A **REGIONAL PERSPECTIVE**

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AFRICA & MIDDLE EAST	ASIA PACIFIC	EUROPE	LATIN AMERICA & CARIBBEAN	NORTH AMERICA
<p>Formulating business and investment models for REDD+ finance in Ivory Coast, Zambia and Liberia</p> <p>Forest and landscape restoration finance: Developing investment readiness evaluation model and training programme in Cameroon, Central African Republic, Democratic Republic of Congo, Guinea-Bissau, Kenya, São Tomé and Príncipe, Pakistan and Tanzania</p>	<p>Removing Deforestation from commodity supply chains: Developing financing models and training programme in Indonesia</p> <p>Formulating business and investment models for REDD+ finance in Myanmar, Vietnam and Indonesia</p> <p>Forest and landscape restoration finance: Developing investment readiness evaluation model and training programme in China and Myanmar</p> <p>Support the financing of pollution abatement (Bangladesh)</p>			

# MONITORING THE IMPLEMENTATION OF THE STRATEGY: MEASURES OF SUCCESS

UMBRELLA GOALS	MONITORING OF UMBRELLA GOALS	NOTES
15% of members “Sustainability leaders”	<p>Source: UNEP FI Sustainability Dashboard*</p> <p>Proxies to combine the following:</p> <ul style="list-style-type: none"> <li>• Dow Jones Sustainability Index</li> <li>• Public commitments to TCFD, UNEP FI organised Statements (eg. Investor Statement on Climate Change, Tobacco free finance pledge), FI's own commitments, etc.</li> <li>• CEO participation in UNEP FI activities</li> <li>• Member of UNEP FI projects</li> <li>• Member of UNEP FI Global Steering Committee and Industry Committees</li> <li>• Signature to additional initiative/principles – Positive Impact Principles, Natural Capital Finance Alliance, Banking Principles working group, etc</li> </ul>	<p>Monitoring of the 15% and 60% may not be possible in 2018–2019 as the Dashboard will be under pilot in 2018</p> <p>Proxies to be used in the meantime</p>
60% of members working towards sustainability	<p>Source: Incremental changes in UNEP FI Sustainability Dashboard result over the years*</p> <p>Proxies to combine % of members participating in:</p> <ul style="list-style-type: none"> <li>• UNEP FI events</li> <li>• Dashboard</li> <li>• Membership survey</li> </ul>	
30% membership growth globally	<p>Baseline: Number of UNEP FI members reported at the 2017 AGM = 215</p> <p>Other KPIs to monitor:</p> <ul style="list-style-type: none"> <li>• Retention rates and new member's growth</li> <li>• Deeper assessment in key markets – Identifying key FIs and which are members and non-members</li> <li>• Potential members list.</li> </ul>	<p>Membership retention and growth to be separately monitored</p>