The Management of Environmental Risk as a Sustainable Finance Practice within Barbadian Financial Institutions

Jerry Blenman
Managing Director
Calidad Investment & Financial Services

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1. Survey Objectives
2. Emerging Trends
3. Conclusion & Next Steps
**Broad Objectives**

1. **Objective 1**
   - To formulate a national definition of Sustainable Finance within the Financial Services Sector

2. **Objective 2**
   - To provide a national framework for decision making based on principles of Sustainable Finance

3. **Objective 3**
   - To promote principles and encourage the adoption of Sustainable Finance by all persons

4. **Objective 4**
   - To sensitive and educate all persons about key issues and conflicts between development, environment and sustainable finance
Sectoral Groups

Harmonization through agreed codes

Integration of Environmental Risk Underwriting

- Commercial Banks
- Insurance Companies
- Develop. Banks
- Finance Companies
- Credit Unions
Target Population

- **Target Population**
- **15 Institutions**
  - 1 Development Bank
  - 7 Finance Companies
  - 18 Insurance Companies
  - 34 Credit Unions
  - 6 Commercial Banks
Progress Phases

Phase 1
Institutional Research & Analysis

Phase 2
Encouraging the broadening of Institutional mandate through integration of Environmental Risk Analysis

Phase 3
Encouraging sustainable finance practice through offer of green products and services
Institutional Profile

6 Commercial Banks

- 3 - Global
- 3 - Regional
- All in existence over 20 years
- Lending limits exceeding Bds$10M
- Primary lending category - Corporate
Some Emerging Trends

Relevance of Sustainability Agenda

• Trending towards a degree of high importance

• Is likely to be a major agenda item among financial institutions within the next 5 years
**Emerging Trends**

**Importance of key topics to the Banking Sector**

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<tr>
<th>Topic</th>
<th>Emerging Trend</th>
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<td>Renewable Energy Markets</td>
<td>Low</td>
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<td>Environment Credit Risk Management</td>
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<td>Sustainable Venture Capital</td>
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<td>Asset management and socially responsible investing</td>
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<td>Importance of Carbon Finance &amp; Climate Change</td>
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## Importance of key topics to the Banking Sector

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Emerging Trends

Main Barriers to Implementation

- Lack of Senior Management Commit
- Lack of Stakeholder Demand
- No Clear Business Case
- Difficult to Measure Benefits
- No Legal Requirements
- Main Barriers

Commit

Lack of
• Creation of a sustainable plan towards achievement of set objectives is an immediate critical imperative