2015 Annual General Meeting by Webinar

Monday 28 September 2015
8:00-9:30 CEST and
16:00-17:30 CEST – Repeat
Agenda 1. Opening remarks

i. Welcome by David Pitt-Watson (Session 1) and Denise Hills (Session 2), UNEP FI Global Steering Committee (GSC) Co-Chairs

i. Welcome by Eric Usher, Acting Head, UNEP FI
Agenda 1. Opening remarks

About the AGM by webinar

What it is
• Briefing & discussion concerning administrative/governance issues within the AGM.
• Further discussion time available at the AGM in-person.

What it isn’t
Does not replace the AGM in-person (12-13 Oct in Paris)
Agenda 2.

For Discussion & Approval

Summary Record from the 2014 Annual General Meeting (Appendix 1)

All AGM Meeting documents are online: http://www.unepfi.org/extranet/
Username: signatory
Password: unepfi
Agenda 3.

For Discussion & Approval

UNEP FI Governance Reform Proposal (Appendix 2)

All AGM Meeting documents are online: http://www.unepfi.org/extranet/
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Challenges of current UNEP FI GSC Governance set up

1. Complex GSC nomination processes

2. Double or even triple burdening of people carrying governance roles

3. Composition mirroring FI operational structure tends to entrench status quo

4. Lack of decision-making processes vis a vis work programme development and implementation

5. Need for mechanisms to draw on broader expertise as the sustainable finance agenda has become more complex and more crowded (e.g. scientific, economic, policy)
Basic Principles for Reforming the Global Steering Committee

1. Decouple composition and nomination process from operational-level governance bodies

2. Refocus mandate on strategic planning and equip with proper decision-making tools / guidelines

3. Leverage relevant and strategic expertise and connections
Global Steering Committee & Secretariat

- Organise GSC election
- 6 month extension for expiring GSC position

All members

- Governance Reform Principles & Process proposal
- Discuss at AGM by webinar (28 Sep) and in-person (12 Oct 2015)
- Agree with the proposal
- Further inputs/feedback accepted to 15 Nov 2015

Development of Reform Proposal (Mar 2016)

- Discuss at EGM (Mar 2016)

- Agree with the proposal

Phase in & implementation
Agenda 4. i

*For Discussion & Approval*

2014 Financial Report
(Appendix 3)

All AGM Meeting documents are online: http://www.unepfi.org/extranet/
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General Trust Fund to Support the Activities of the UNEP Financial Services Initiative on the Environment  
(Fund code: FIL)

I. Statement of Financial Performance for the year ended 31 December 2014  
(United States Dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voulnary Contributions</td>
<td>2,633,861</td>
</tr>
<tr>
<td>Investment Revenue</td>
<td>11,188</td>
</tr>
<tr>
<td>Non exchange revenue</td>
<td>98,171</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>2,743,220</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
</tr>
<tr>
<td>Employee salaries, allowances and benefits</td>
<td>770,368</td>
</tr>
<tr>
<td>Non-employee (compensation and allowances)</td>
<td>937,382</td>
</tr>
<tr>
<td>Grants and other transfers</td>
<td>86,259</td>
</tr>
<tr>
<td>Travel</td>
<td>128,919</td>
</tr>
<tr>
<td>Other Operating expenses</td>
<td>142,702</td>
</tr>
<tr>
<td>Other expenses</td>
<td>–</td>
</tr>
<tr>
<td>Programme Support costs</td>
<td>161,923</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>2,227,553</strong></td>
</tr>
<tr>
<td><strong>Surplus/(deficit) for the period</strong></td>
<td><strong>515,667</strong></td>
</tr>
</tbody>
</table>
2014 Income
(Income & expense report)

Voluntary Contributions

Members Annual Contributions 2,512
Sponsorships 122
Investment revenue & Non-exchange revenue (inter-organisational arrangements) 109

FI Trust Fund Income 2,743

Other income

UNEP Contributions: Environment Fund Income 270
REDD Funding: Government funding 825
NCD – Norway funds under TEEB 36

Total Other Income 1,131

TOTAL INCOME 3,874

USD’000

Slide 11
UNEPI FI Income 2014:
Total $3.9 million

- Governments: 22%
- UNEP: 7%
- Members Annual Contributions: 65%
- Interest: 3%
- Sponsorships: 3%
Members Annual Contribution - Historical Growth

- $235k to $2512k
- 2000 to 2014

Yearly Contributions:
- 2000: $235k
- 2001: $249k
- 2002: $500k
- 2003: $702k
- 2004: $884k
- 2005: $1160k
- 2006: $1305k
- 2007: $1507k
- 2008: $1667k
- 2009: $1722k
- 2010: $1806k
- 2011: $2069k
- 2012: $2182k
- 2013: $2512k
Members Annual Contributions - Cash Flow

2015
- Received in advance: $862
- Received in the year: $1,125
- Still expected: $400
- Total: $2,387

2014
- Received in advance: $868
- Received in the year: $1,292
- Received Late: $50
- Still expected: $50
- Total: $2,260

2013
- Received in advance: $533
- Received in the year: $1,281
- Received Late: $372
- Total: $2,186

2012
- Received in advance: $385
- Received in the year: $1,623
- Received Late: $96
- Total: $2,104

Unit: $ Thousands

Status as at Sep 2015
### 2014 Expenses (Under Trust Fund)

(Income & expense report)

<table>
<thead>
<tr>
<th>Category</th>
<th>USD'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel</strong></td>
<td></td>
</tr>
<tr>
<td>UN staff (5 professional &amp; 1 general staff)</td>
<td>1,040</td>
</tr>
<tr>
<td>Consultants</td>
<td>657</td>
</tr>
<tr>
<td>(Equivalent to 8.5 full time consultants)</td>
<td></td>
</tr>
<tr>
<td><strong>Personnel Costs</strong></td>
<td>1,697</td>
</tr>
<tr>
<td><strong>Work Programmes</strong></td>
<td>1,440</td>
</tr>
<tr>
<td><strong>Overhead Costs</strong></td>
<td>222</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>3,359</td>
</tr>
<tr>
<td>of which Total Expenses under Trust Fund</td>
<td>2,228</td>
</tr>
</tbody>
</table>
UNEP FI Expenses (2014)
Total: $3.4 million

- Overhead Costs: 7%
- Work Programmes: 43%
- Personnel Costs: 50%
How members contributions were spent to deliver UNEP FI outputs in 2014

- Banking: 14%
- Biodiversity & Ecosystem Services: 18%
- Climate Change: 16%
- Regional Activities: 19%
- Investment: 13%
- UNEP FI-wide activities: 4%
- Social Issues: 2%
- Insurance: 14%
## Balance Sheet 2014

### Assets
- Cash & Short-term investments: 1,201
- Accounts Receivables & others: 226
- Long-term investments: 673

**Total Assets**: 2,100

### Liabilities
- Liabilities: 232
- Reserves: 1,868

**Total liabilities & reserves**: 2,100

### UNEP FI’s funding buffer
- Total Net Assets/Reserves: 1,868
- Less: Deferred Revenue (2015-16 contributions already received): (901)

**UNEPI FI’s funding buffer**: 967
Agenda 4. ii

For Discussion & Approval

2015 Interim report with 2016 Budget Proposal (Appendix 3)

All AGM Meeting documents are online: http://www.unepfi.org/extranet/
Username: signatory
Password: unepfi
### Income

<table>
<thead>
<tr>
<th></th>
<th>2016 budget USD'000</th>
<th>2015 forecast USD'000</th>
<th>2014 actual USD'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members Annual Contributions</td>
<td>2,400</td>
<td>2,190</td>
<td>2,512</td>
</tr>
<tr>
<td>UNEP Contributions</td>
<td>300</td>
<td>300</td>
<td>270</td>
</tr>
<tr>
<td>UNEP one-off injection</td>
<td></td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Funding &amp; Sponsorships</td>
<td></td>
<td>270</td>
<td>1,739</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>2,910</strong></td>
<td><strong>4,629</strong></td>
<td><strong>3,874</strong></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th></th>
<th>2016 budget USD'000</th>
<th>2015 forecast USD'000</th>
<th>2014 actual USD'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UN Staff</td>
<td>1,600</td>
<td>848</td>
<td>1,040</td>
</tr>
<tr>
<td>Consultants</td>
<td>700</td>
<td>1,186</td>
<td>657</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>3,100</strong></td>
<td><strong>4,229</strong></td>
<td><strong>3,359</strong></td>
</tr>
</tbody>
</table>

**Work Programme** (proj consultants, events, publications, travel, etc)

**Overhead Costs** (UNEP admin fee, premises, etc)

<table>
<thead>
<tr>
<th></th>
<th>2016 budget USD'000</th>
<th>2015 forecast USD'000</th>
<th>2014 actual USD'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>3,100</strong></td>
<td><strong>4,229</strong></td>
<td><strong>3,359</strong></td>
</tr>
</tbody>
</table>

**Net Income/(Expenses)**

|                      | **(130)**            | **400**                | **516**             |
Acting Head: 1) Eric Usher

Supporting structures

Programme Coordination: 2) Yuki Yasui, Signatory Relations: 3) Vacant

Administration: 4) Ken Maguire; 5) Lydia Beaujois (upgraded in 2015); 6) Oro Cohen

Communications: 7) Rob Bartram (position to be upgraded); 8) Richard Hansen (part-time)

Events management: 9) Vacant

Banking
10) Careen Abb
11) Teresa Hartmann

Investment
12) Elodie Feller (position to be upgraded)
13) Annie Degen (@50%) – secondee
14) Katharina Luetkehermoeller
15) Sarah Challe

Climate Change
18) Remco Fischer
19) George Scott
20) Lisa Petrovic
21) Christopher Weber

Social Issues Coordinator
29) Sabina Timco (@50%)

Training
30) Carolina Lopez

Ecosystems Management
22) Anders Nordheim (upgraded in 2015)
23) Sudeep Rathee

Sustainable Landuse
24) Iain Henderson, 25) Jacinto Coello, 26) Jonathan Gheyssens (position to be upgraded), 27) Rob Wilson, 28) Laurie Cruz (position to be upgraded)

Asia-Pacific
36) Diana Almoro
37) Dae-woong Lim (@50%) – Korea
38) Kaori Nomura (@50%) – Japan
39) Vacant (@50%) - China

Africa/Middle East
31) Geeda Haddad

Europe
32) Vacant

Latin America
33) Matias Gallardo (@50%)
34) Vacant - Brazil

North America
35) Ryan Cunningham
Agenda 4. iii

For Discussion & Approval

2017 membership fees (Appendix 3)
## Proposed Membership Fees

### 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>2017 3% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (US Dollars)</td>
<td>CHF</td>
<td>CHF</td>
</tr>
<tr>
<td>From 100 billion and above</td>
<td>18,600</td>
<td>19,100</td>
</tr>
<tr>
<td>From 5 billion to less than 100 billion</td>
<td>9,300</td>
<td>9,550</td>
</tr>
<tr>
<td>From 1 billion to less than 5 billion</td>
<td>3,700</td>
<td>3,800</td>
</tr>
<tr>
<td>Below 1 billion</td>
<td>2,250</td>
<td>2,300</td>
</tr>
</tbody>
</table>

GSC recommends continuation of an annual 3% increase as a preferred option for members over the alternative option to make periodic jumps in fees.
Agenda 5.

*For Discussion & Approval*

Joint membership pilot proposal with PRI (Appendix 4)

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Joint membership pilot proposal with PRI – Background

Growing collaboration with the PRI
- Have a Memorandum of Understanding
- Jointly deliver the Property Work and the Fiduciary Duty work streams under UNEP FI lead
- Runs the Sustainable Stock Exchange initiative together with other partners
- UNPE FI has a permanent non-voting seat on the PRI Board.

Based on increase in joint activities,
- joint fee discussed
- at UNEP FI Investment Commission where 80% of members are signatories to both UNEP FI & PRI
Joint membership pilot proposal with PRI – Proposal

• 1-2 years pilot program to start from 2016 fees if possible

• Pilot offer to UNEP FI Investment Commission members who are also PRI members (21 qualifying institutions as of September 2015)

• PRI and UNEP FI invoices to be separately raised but jointly sent out

• 10% discount in each membership fee
Joint membership pilot proposal with PRI –

Notes

a. Pilot to use PRI billing cycle (1 April – 31 March)

b. UNEP FI maintains its calendar accounting cycle

c. Hence UNEP FI invoices still represent Jan-Dec membership even if issued on 1 April

d. Would mean a postponement of the UNEP FI invoices under the pilot by half a year.

e. Pilot program to run for 1-2 years before deciding on next steps.
Agenda 6: Closing of the AGM by webinar

Briefing on the AGM in-person on 12-13 October in Paris

Any other business
Briefing on the AGM in-person on 12-13 October in Paris

Voting & Proxy Voting

- All voting items for 2015 AGM were covered by the AGM by-webinar
- Votes accepted from today until the first day of the AGM (12 October 2015)
- Vote online from the extranet (NEW from 2015)

AGM in-person

- Please register to gain access
- Bring your own background documents
- Cocktail Reception, 12 Oct from 18:00
- Includes Side Meetings & Public Sessions
- Please consult the extranet

All AGM Meeting documents are online: http://www.unepfi.org/extranet/
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Closure of the AGM by webinar

Thank you for attending!
We look forward to seeing you in Paris