UNEP Finance Initiative
Annual General Meeting Combined Minutes

AGM by Webinar, 28 September 2015
08:00-09:30 (CET) / 16:00-17:30(CET) - Repeat

AGM in person, 12 October 2015
10:00-17:45 (CET)

In person AGM hosted by Amundi

Draft Minutes
Agenda 1. Opening Remarks

The opening sessions were chaired by UNEP FI Global Steering Committee (GSC) Co-Chair David Pitt-Watson and Co-Chair Denise Hills.

Opening remarks at the sessions were also delivered by Pierre Schereck, Head of Socially Responsible Investment, Amundi; Ligia Noronha, Director, Division of Technology, Industry & Economics (DTIE), UNEP; Steven Stone, Chief of UNEP’s Economics and Trade Branch, and Eric Usher, Acting Head of UNEP FI.

The members present discussed the role of UNEP FI and the key items touched on included:

UNEP FI Business:
- UNEP FI contributed to the Sustainable Development Goals launched recently in New York
- UNEP FI is engaged in preparing for COP 21 in Paris, December 2015
- UNEP FI expressed gratitude to Amundi for hosting the in-person meeting
- UNEP FI continues in the process of seeking and appointing a new Head and an announcement is expected soon

UNEP FI and the Sustainable Finance System:
- In terms of delivery of the Sustainable Development Goals, the Financial system will be key and is starting to come under scrutiny; for the first time questions are being raised at the highest levels whether the finance sector is fit for purpose
- In early October 2015 in Lima, Peru UNEP launched the final report of the UNEP Inquiry, titled ‘The Financial System We Need’ that explores how to align the financial system with sustainable development, which was to be presented on day two of the in-person AGM by the Inquiry’s Co-Director Nick Robins
- With regards to the real economy, there is a lot going on in UNEP and in the intergovernmental processes, much of which is relevant to UNEP FI members
- Working with the finance sector is an increasing priority for UNEP as a whole, including the highest levels of leadership

Agenda 2. Administrative & Governance Issues

1) Membership update and introduction of new members

UNEP FI members are 213 financial institutions from the global banking (62%), insurance (25%) and investment sectors (13%), from around the globe North America (10%), Latin America(18%), Europe (41%) Africa & Middle East (9%) and Asia Pacific (22%). In 2016 8 new members joined and 25 terminated their membership.

Members in initiatives co-organised by UNEP FI:
- 27 Partner Exchanges in Sustainable Stock Exchanges Initiative
- 41 Natural Capital Declaration signatories
- 17 Portfolio Decarbonization Coalition members

2) GSC and Secretariat update

The Global Steering Committee 2015 structure is presented in

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1 Includes UNEP FI members
2 Includes UNEP FI members
Figure 1. The UNEP FI Secretariat 2015 structure is presented in Error! Reference source not found..

Figure 1 UNEP FI 2015 Global Steering Committee

Figure 2 UNEP FI 2015 Secretariat as at October 2015

3) Approval of Minutes of 2014 Annual General Meeting

It was explained that the minutes of the 2014 AGM was an approval item. No objections or comments were received against the approval of the 2014 AGM minutes.
Agenda 3. 2016 Work Plan Discussion

A review of where banking, investment and insurance industries stand on sustainability today was presented, including an assessment of key accomplishments and main challenges ahead. There was also a preliminary discussion on the strategic focus sought and the role of UNEP FI.

The moderator of the discussion was David Pitt-Watson, UNEP FI Global Steering Committee (GSC) Co-Chair. The panel comprised:

- Banking Commission Co-Chair – Chris Bray, Head of Environmental Risk Management, Barclays
- Investment Commission Co-Chair - Frank Hovorka, Head of Real Estate Sustainability Policy, Caisse des Dépôts
- Insurance Commission Co-Chair - Andreas Spiegel, Head Sustainability and Political Risk, Swiss Re

This was followed by presentations on how UNEP FI activities are responding to and leading developments in sustainable finance.

The moderators of the panel discussions were Denise Hills and David Pitt-Watson, UNEP FI Global Steering Committee (GSC) Co-Chairs.

The panels comprised:

- Remco Fischer, Climate Change Coordinator, UNEP FI. *Boosting Climate Performance of Financial Institutions*
- Giorgio Capurri, Environmental Management System Representative, UniCredit. *Exploring Financial Institution Performance in Managing Natural Capital*
- Andreas Spiegel, Head Sustainability and Political Risk, Swiss Re. *Building Climate and Disaster Resilience and Filling the Protection Gap*
- Frank Hovorka, Head of Real Estate Sustainability Policy, Caisse des Dépôts. *From the Boiler Room to the Board Room; Setting in motion integrated metrics in property investment*
- Leonie Schreve, Head of Sustainable Lending, ING. *Driving Positive Impact*

Agenda 4. UNEP FI Governance Reform Proposal

A UNEP FI Governance Global Steering Committee (GSC) Reform Proposal3 was presented by Eric Usher, Acting Head of UNEP FI. The proposal aims to enhance the governance structure’s adaptability and reactivity to the fast-advancing sustainable finance agenda, especially given challenges in the current structure. It was proposed that the reform take place in two-parts. The first part would be the approval of the governance reform’s principles and process. The second part would be a 6-month redesign process. If the reform proposal is accepted, those GSC positions expiring in Dec 2015 will be extended by 6 months to accommodate the development of a reform proposal.

3 The UNEP FI Governance Global Steering Committee (GSC) Reform Proposal can be found in the Appendix 2 of the UNEP FI AGM by webinar Agenda & Background Papers under the following link: (http://www.unepfi.org/fileadmin/extranet/agm/2015/agm2015backgroundpapers_webinar.pdf)
Agenda 5. Financial Report

The financial reports\(^4\) were presented by Frank Hovorka, Treasurer of UNEP FI and Investment Commission representative of the UNEP FI Global Steering Committee.

1) 2014 Financial Report

The official UNEP financial report for the UNEP FI Trust Fund account for 2014 was presented. It was clarified that the Other Income of $1,131,000 was income from UNEP and governments, a growing source of UNEP FI's revenue. An analysis of UNEP FI incomes highlighted members' annual contribution to be the main source of revenue, accounting for 65% of UNEP FI's $3.9 million total income for 2014. Member annual contribution growth was observed to be steadily increasing. Cash flow resultant from members' annual contributions was assessed, showing that members in the last two years were responding to Secretariat's request to pay in advance.

Expenses under the trust fund for 2014 were examined, with explanation that the Trust Fund Statement did not include all UN staff costs and that there were other sources of income which supported this cost. It was also explained that consultants' costs under the Trust Fund Statement included both internal and external consultants and that only internal consultants were included in the Secretariat’s definition of Personnel Costs.

The balance sheet for 2014 was presented showing a funding buffer of approximately $967,000.

2) 2015 Interim Report with 2016 Budget Proposal

In the 2015 Interim Report presentation, it was clarified that the UNEP cash injection of $400,000 had been provided by UNEP to kick-start the strengthening of the Secretariat.

During the 2016 Budget Proposal presentation the $270,000 for funding and sponsorship income budget (which is much smaller than 2015 and 2014 figures) was explained to only reflect income presently secured. Consequently, the net income showed a deficit of $130,000 which reflects the planned expenditure of the 2014 UNEP cash injection. However, this deficit may be averted if additional sponsorship income covers for core activities. The secretariat organigram was provided, highlighting positions which are strengthening the secretariat in 2015-2016.

3) Proposed 2017 membership fees

The proposal for 2017 membership fees was presented as an approval item. The GSC recommendation for the continuation of an annual 3% increase was presented as the preferred option, over the alternate option of periodic jumps in fees. No objections were voiced or registered.

Table 1 Proposed Membership fees 2017

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<thead>
<tr>
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<th>2016</th>
<th>2017 3% increase</th>
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<tbody>
<tr>
<td>Total assets (US Dollars)</td>
<td>CHF</td>
<td>CHF</td>
</tr>
</tbody>
</table>

\(^4\) The financial reports can be found in the Appendix 3 of the UNEP FI AGM by webinar Agenda & Background Papers under the following link: [http://www.unepfi.org/fileadmin/extranet/agm/2015/agm2015backgroundpapers_webinar.pdf](http://www.unepfi.org/fileadmin/extranet/agm/2015/agm2015backgroundpapers_webinar.pdf)
Appendix 10

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<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>
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### Agenda 6. Joint Membership Pilot Proposal with PRI

The joint membership pilot proposal with PRI was brought forward as an approval item (Appendix 4\(^5\), UNEP FI AGM by webinar Agenda & Background Papers). The proposed 1-2 year pilot program would offer Investment Commission members who are also PRI members a 10% discount on both membership fees as well as the delivery of one invoice from both organisations, separately raised but jointly sent out. The proposal was said to reflect UNEP FI’s growing collaboration and complementary relationship with PRI, responding to the demands of Investment Commission members. The possibility of the joint membership being extended to other commissions after the pilot project was confirmed.

### Agenda 7. Close of Meeting

The AGM reaffirmed the existing and long-standing partnership between the UN and the finance sector as a critical driving force in unlocking private finance towards sustainable economy. This message was echoed outside of the AGM at the same time as a CHF 4.2 Million pledge was made by the Swiss State Secretariat for Economic Affairs (SECO) also on 12 October 2015 in Bern towards the UNEP FI’s Natural Capital Declaration (NCD) to fast track the integration of natural capital issues in the finance sector.

### Agenda 8. AGM Vote Results

There were a number of items that UNEP FI members voted on between the webinar and in-person meetings. The total number of votes for each voting item were 78,

- The “Summary Record from the 2014 AGM” was cast with 75 voting Yes, 0 voting No, and 3 voting Abstain
- The “Approval to start work on the “governance revision” proposal” was cast with 76 voting Yes, 0 voting No, and 2 voting Abstain
- The “Approval of the 2014 Financial Report” was cast with 76 voting Yes, 0 voting No, and 2 voting Abstain
- The “Approval of the proposed 2016 budget” was cast with 75 voting Yes, 0 voting No, and 3 voting Abstain
- The “Approval of the proposed 2017 membership fee” was cast with 71 voting Yes, 5 voting No, and 2 voting Abstain
- The “Approval for Joint Membership Pilot with PRI” was cast with 73 voting Yes, 2 voting No, and 3 voting Abstain

\(^5\) The Appendix 4 entitled “Joint membership pilot proposal with PRI” can be found under the following link: [http://www.unepfi.org/fileadmin/extranet/agm/2015/agm2015backgroundpapers_webinar.pdf](http://www.unepfi.org/fileadmin/extranet/agm/2015/agm2015backgroundpapers_webinar.pdf)