UNEP Finance Initiative
Annual General Meeting

21 October 2009
14:30-18:00

Meeting Document

Auditorium II, Cape Town International Convention Centre,
Cape Town, South Africa
AGM Website and Online Registration

We have launched a dedicated, member-only AGM website for signatories. It is available at the following address: www.unepfi.org/extranet (username: signatory, password: unepfi). Participants are requested to complete the AGM online registration before 14 October, at the following webpage: http://www.unepfi.org/agmregistration/.

AGM Time & Venue

This year’s AGM will be from 14:30 - 18:00, 21 October, in the Auditorium II of the Cape Town International Convention Centre. There will be AGM signage guiding your way to the conference room when you arrive at the convention centre.

Cape Town International Convention Centre

Tel: +27 21 410 5000
Convention Square
1 Lower Long Street Cape Town, 8001, South Africa

Background Paper

The AGM background paper has been uploaded on the dedicated website. As this year’s AGM will be only three and a half hours, we suggest that all participants review the background paper prior to the meeting. Please be reminded that no copies of background paper will be available at the meeting on 21st.

Participant Registration on 21 October

Meeting registration on 21 October starts from 13:00 to 14:30 at the registration desk outside of the Auditorium II. AGM name badges will be handed out to the participants at the registration desk.

Lunch and Refreshments

Buffet lunch and refreshments will be served prior to the AGM from 13:00 to 14:30.

UNEP FI Banking Commission Face-to-Face Meeting

The first face-to-face meeting for the UNEP FI Banking Commission is to take place in the same conference room as the AGM from 18:00 to 18:45. All Banking Commission members are welcome to join.

Global Roundtable Welcome Reception

The Roundtable welcome reception will start from 18:45 on 21 October, at the Jasminum Restaurant, Ground Floor, CTICC.

Global Roundtable Pre-Dinner Reception and Conference Dinner

The Roundtable Pre-Dinner Reception will start from 18:30 on 22 October, in the foyer of CTICC. Formal Conference Dinner will be held in the Ballroom East, CTICC, from 19:45, 22 October. The Signing Ceremony for new UNEP FI Signatories will take place during the Conference Dinner. AGM participants who have registered for the Global Roundtable are welcome to attend the Dinner.

Contact

For any inquiries regarding AGM participation, please contact the UNEP FI Secretariat:
Lily Heinemann: lily.heinemann@unep.ch, Tel: +41 22 91 78375
Wei Peng: wei.peng@unep.ch, Tel: +41 22 91 78469
# UNEP Finance Initiative AGM Agenda

**21 October 2009, 14:30 – 18:00**  
*Cape Town International Centre, Cape Town, South Africa*

## Indicating – for Approval, Decision, Information

### Registration: Arrival & Lunch

13:00 - 14:30

### (1) Meeting Opening

Welcome by UNEP FI Steering Committee Chair & UNEP Representative

14:30 - 14:40

### (2) Summary Record from 21-22 October 2008 Annual General Meeting

*For Approval: Summary Record from 21-22 October 2008 AGM*

14:40 - 14:45

*Appendix 1*

### (3) UNEP Presentation

*For Information: Update on current and future UNEP Activities by UNEP DTIE*

14:45 - 15:00

*Pages 4-8*

### (4) Update and overview of Working Groups & Work Streams

*For Information: Update from UNEP FI followed by Q&A sessions*

15:00 - 15:40

*Appendix 2*

### (5) Treasurer’s Report

(i) *For Approval: 2008 Financial Report*

(ii) *For Information: 2009 Intermediary Financial Report*

15:40 - 15:50

*Page 9 & Appendix 3*

### (6) Global Roundtable

*For Information: Last minute notices for the Roundtable*

*For Decision: Location of the 2011 Global Roundtable*

15:50 - 16:00

*Page 10-11*

### Short Break

16:00 - 16:20

### (7) 2010 Work Programmes

*For Approval: 2010 theme, work programme planning process and framework budget*

16:20 - 17:10

*Pages 12-13 & Appendix 4*

### (8) UNEP FI Governance

(i) *For Approval: Steering Committee formation from Jan 2010*

(ii) *For Information: Modifications to the UNEP FI Constitution and Statement*

(iii) *For Discussion & Approval: Engagement with for-profit non-financial institutions*

17:10 - 17:50

*Pages 14- 20*

### (9) Any other business

Any other business

*For Information: Location of the 2010 AGM is Geneva*

17:50 – 18:00

## Closure of AGM and end of meeting

### Appendices

- Appendix 1: Summary Record from 21-22 October 2008 AGM
- Appendix 2: Overview of 2009 Activities
- Appendix 3: Financial Reports for 2008 and 2009 to 31 August
- Appendix 4: 2010 Draft Work Plans
Agenda 3: UNEP Presentation

UNITED NATIONS ENVIRONMENT PROGRAMME
Selection of current and Future Activities

Khalida Bouzar, Deputy Director
Division of Technology, Industry & Economics

Focus on 3 key areas

- Climate Change
- The Green Economy
- Biodiversity and Ecosystem Services
1- Climate Change

6 weeks ahead of the UN Climate Change Conference: some of the key issues for the finance industry

1- Financing the Climate Battle

• The costs are huge but can be managed

• The challenge is to unlock and absorb financial flows from developed to developing countries

• UNEP and the Financial industry can cooperate effectively to help design and implement:
  - appropriate financial mechanisms to *supply* necessary finance
  - appropriate action plans at country level to absorb the necessary amounts of investment for climate solutions and ensure *demand* for finance

• While focusing on financial issues, we should not leave out the challenges of capacity and institutions
2- The Green Economy Initiative

- Objective: Promoting investment in long-term environmental sustainability and putting the world on a climate-friendly path.

- Key messages:
  - Put green investment at core of fiscal stimulus
  - Include green investment in regular budget
  - Create public-private funding mechanism
  - Create enabling international conditions (trade, IPRs, ODA, tech transfer, climate agreement)
  - Create domestic enabling conditions (fiscal/pricing policy, standards, education & training)

GLOBAL GREEN NEW DEAL:
750Bn$ (1% Global GDP) over 2 years in 5 strategic green sectors by 2011
(UNEP Policy Brief for a Global Green New Deal, March 2009)

2- The Green Economy Report

- Objective: making a macro-economic case for investments in green sectors and providing the policy tools to enable a green economy


- UNEP FI’s contribution
  - Coordinating and producing the Finance Chapter in the Green Economy Report, with contributions from a wide range of FIs. Key question of the chapter is: What systemic change is required to mobilize private finance at the scale required to realize a green economy?
  - Providing a platform for communication of the GEI to the finance sector.
3 - Biodiversity and Ecosystem Services (1)
The Business and Industry meeting

- Combines Business & Industry Global Dialogue and CBD's 3rd Business and 2010 Biodiversity Challenge meeting (Jakarta, Indonesia 30 Nov-2 Dec 2009)

- **Objective:** to better engage private sector in biodiversity
  - stress biodiversity link with core business
  - highlight best case practices (LCA and incentive mechanisms)
  - upscale business engagement
  - develop recommendations for COP 10 and post 2010

- **Relevant DTIE work:**
  - UNEP FI biodiversity offsets and benchmarking initiatives
  - The Economics of Ecosystems and Biodiversity (TEEB) report of GEI
  - Life cycle-based tools that integrate biodiversity
  - DTIE supported World Resource Institute efforts to integrate ecosystem service reviews into EMS type efforts (focus on developing countries)

3- Biodiversity and Ecosystem services (2):
The Economics of Ecosystems and Biodiversity (TEEB)

- The TEEB study looks at the economic value of biodiversity and ecosystem services, as well as the long-term economic consequences of continuing biodiversity loss. The ultimate goal will be to provide tools needed to incorporate the true value of ecosystem services into the economy.

- The report under development focuses on the business end-user. It will include guidance on how to assess and manage the risks of biodiversity and economic loss in existing business sectors and aims to help business leaders identify and seize new opportunities linked to conservation and sustainable use of biological resources.

- The UNEP FI Secretariat will be coordinating and contributing the financial services sector perspective.
Thank you

Khalida Bouzar, Deputy Director
Division of Technology, Industry & Economics
### 2008 Financial Overview

<table>
<thead>
<tr>
<th></th>
<th>2008 Actual</th>
<th>2008 budget revised</th>
<th>2007 actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signatory contributions</td>
<td>1'667</td>
<td>1'760</td>
<td>1'534</td>
</tr>
<tr>
<td>UNEP Contributions</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Other</td>
<td>151</td>
<td></td>
<td>554</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1'968</td>
<td>1'910</td>
<td>2'238</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Programmes</td>
<td>557</td>
<td>504</td>
<td>1'008</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>1'088</td>
<td>1'130</td>
<td>944</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>195</td>
<td>276</td>
<td>217</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1'840</td>
<td>1'910</td>
<td>2'169</td>
</tr>
<tr>
<td><strong>Net Income/Expenses</strong></td>
<td></td>
<td>128</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** 2008 budget revised down at the 2008 AGM due to savings made.

### 2009 to 31 Aug Financial Overview

<table>
<thead>
<tr>
<th></th>
<th>2009 to 31 Aug</th>
<th>2009 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Signatory contributions</td>
<td>1'284</td>
<td>1'800</td>
</tr>
<tr>
<td>UNEP Contributions</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Other</td>
<td>136</td>
<td></td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1'570</td>
<td>1'950</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Programmes</td>
<td>402</td>
<td>615</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>628</td>
<td>1'156</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>7</td>
<td>179</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1'037</td>
<td>1'950</td>
</tr>
</tbody>
</table>

**Note:** Full financial reports in Appendix 3
Agenda 6: Global Roundtable

For Decision: Location of the 2011 Global Roundtable

The AGM is asked to decide the location of the 2011 Global Roundtable: To be held either in Mexico or Washington DC.

Reasons for Mexico
Two main reasons for recommending Mexico:

- The Mexican Roundtable will be backed by the Banking Association of Mexico (see the letter of support below).

- Since 2002, UNEP FI’s Global Roundtable has visited all five continents (see table below). Latin America has not been visited since 2002.

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Rio, Latin America</td>
</tr>
<tr>
<td>2003</td>
<td>Tokyo, Asia Pacific</td>
</tr>
<tr>
<td>2005</td>
<td>New York, North America</td>
</tr>
<tr>
<td>2007</td>
<td>Melbourne, Australia</td>
</tr>
<tr>
<td>2009</td>
<td>Cape Town, Africa</td>
</tr>
</tbody>
</table>

Reasons for Washington DC
Two main reasons for recommending Washington DC:

- A NATF member has indicated the possibility of inviting significant US politicians to the RT. Steering Committee’s NATF members have pledged to support a conference in Washington DC.

- Strategically, a good opportunity to revisit North America after the US administration change.

For information only
- The Korean Group of the Asia Pacific Task Force has indicated their interest to host the 2013 Roundtable in Korea.

- UNEP FI aims to hold a roundtable in China by 2019
Robert Tacon  
Chair  
UNEP FI Global Steering Committee  

Dear Mr. Tacon  

The Association of Mexican Banks (ABM – Asociación de Bancos de México) gathers the complete banking community in Mexico (41 banks) and our mission is to contribute to the economic development of México through the implementation of best banking practices and a strong relationship with our community.  

In line with our mission, and in an effort to better understand and address the environmental and social impacts of the everyday operations and decisions of Mexican banks, the ABM established an Environmental and Sustainability Committee in 2007. The Committee’s main goal is to establish a framework for the Mexican banking sector which will enable individual banks to develop adequate policies and practices on both an operational and a strategic level.  

As you are aware, through its Sustainability Committee the ABM has been working in close collaboration with UNEP Finance Initiative, in particular its Latin American Task Force. This collaboration has been most fruitful for us and we are keen to pursue this route, more so as the Mexican banking sector focuses increasingly on the adoption of international best practice and seeks to become a player in the global sustainable finance arena.  

In this spirit, it is my pleasure to be writing to you today to express the ABM’s interest in becoming the conference organizer for UNEP FI’s 2011 Roundtable.  

We would be delighted to take leadership in welcoming UNEP FI’s biannual conference to Mexico, which in our view is an incomparable opportunity for our banking sector to learn from and engage with the sustainability experts on a global level.  

I believe that the ABM is uniquely positioned to play such a role. The Association and its members are well known among the Mexican entrepreneurial sector and have equally strong relations with the Mexican authorities. I should also like to highlight our overall experience in organizing high-level events, including, naturally, in liaising with the local financial press.
Agenda 7: 2010 Work Programmes

For Approval: 2010 theme, work programme planning process and framework budget

- 2010 theme: Biodiversity

**Steering Committee recommends UNEP FI’s theme for 2010 to be ‘Biodiversity’**.

The UN has declared 2010 as the International Year of Biodiversity. UNEP and other UN agencies, governments and NGOs are already working towards the 10th meeting of the Conference of Parties (COP) to the Convention on Biological Diversity (CBD) in October 2010 which promises to be a significant event.

The UNEP FI’s Biodiversity and Ecosystems Services Work Stream, which is working with UNEP and CBD, can be the leading group to implement the theme. The Work Stream has been contributing to UNEP’s TEEB (Economics of Ecosystems and Biodiversity) study which will be completed in 2010. The TEEB study looks at the economic value of biodiversity and ecosystem services, as well as the long-term economic consequences of continuing biodiversity loss. The ultimate goal will be to provide tools needed to incorporate the true value of ecosystem services into the economy. It will be coordinating financial services sector contributions to the TEEB report.

UNEP FI’s 2009 theme was climate change, working towards the UNFCCC COP15 in Copenhagen. UNEP FI has submitted a recommendation paper to climate change policy makers (UNEP FI Green Paper) and has taken part in an international policy statement campaign (‘Investor Statement on a Global Agreement on Climate Change’).

- 2010 work programme planning process

The work plans shown in Appendix 4 are the first drafts submitted by each work programmes. The AGM is asked to approve the industry commissions and thematic working groups to review the plans in light of UNEP FI’s objectives and for the Steering Committee to sign off on the final plans in January 2010.

Understanding that the partnership seeks to reflect the interests and needs of both partners, the work programme needs to be aligned with the overall UNEP FI approach agreed within the Global Steering Committee Mission Statement which reflects the priorities of UNEP’s mid-term strategy and the needs and priorities of member institutions.

As a whole, the work programme must maintain a good balance across themes, regional-global issues, industry specific and universal sustainable finance issues while taking into account the most urgent interests/concerns of UNEP and member institutions.

With the set up of the three industry commissions (Banking, Insurance and Investment), the commissions together with the thematic working groups will review the UNEP FI work programmes for the FIs in the partnership. The review process will also examine whether it reflects UNEP FI’s commitments made in UNEP’s official work plans. (In the future, UNEP FI aims to synchronise its work planning process with UNEP’s bi-annual process.)
Time line of the 2010 process

<table>
<thead>
<tr>
<th>By 25 Sep</th>
<th>Submission of draft work plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>Review by the commissions and thematic working groups</td>
</tr>
<tr>
<td>November</td>
<td>Finalisation of work plans</td>
</tr>
<tr>
<td>Jan 2010</td>
<td>Final review &amp; sign off by the Steering Committee</td>
</tr>
</tbody>
</table>

- **2010 framework budget**

**UNEP FI 2010 DRAFT Budget**

<table>
<thead>
<tr>
<th></th>
<th>2010 budget</th>
<th>2009 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>USD'000</td>
<td>USD'000</td>
</tr>
<tr>
<td>Signatory contributions</td>
<td>1'760</td>
<td>1'800</td>
</tr>
<tr>
<td>UNEP Contributions</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1'910</td>
<td>1'950</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Programmes</td>
<td>615</td>
<td>615</td>
</tr>
<tr>
<td>Personnel costs</td>
<td>1'116</td>
<td>1'156</td>
</tr>
<tr>
<td>Administrative costs</td>
<td>179</td>
<td>179</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1'910</td>
<td>1'950</td>
</tr>
</tbody>
</table>
Agenda 8: UNEP FI Governance

In line with the 2008 AGM decisions, the 2009 AGM is reviewing the following:

i) Structure of the Steering Committee
ii) UNEP FI statements
iii) Specific sections of the UNEP FI Constitution

i) For Approval: Steering Committee formation from Jan 2010

With the structural change of UNEP FI introduced from July 2009, the current Steering Committee formation needs to be updated.

New Steering Committee Structure Proposed

<table>
<thead>
<tr>
<th>1 UNEP permanent representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Thematic Representatives (one year renewable*)</td>
</tr>
<tr>
<td>• Climate Change</td>
</tr>
<tr>
<td>• Green Economy</td>
</tr>
<tr>
<td>3 Industry Commissions (one year renewable*)</td>
</tr>
<tr>
<td>• Banking</td>
</tr>
<tr>
<td>• Insurance</td>
</tr>
<tr>
<td>• Investment</td>
</tr>
<tr>
<td>5 Regional Task Forces (one year renewable*)</td>
</tr>
<tr>
<td>• Africa</td>
</tr>
<tr>
<td>• Asia Pacific</td>
</tr>
<tr>
<td>2 open positions (2 year term)</td>
</tr>
</tbody>
</table>

Total: 15 positions

The UNEP FI Constitution states ‘No member may occupy a Steering Committee position for a period longer than two years’. To ensure some continuity on the Committee, it is recommended that for existing members who are representing Working Groups and Regional Task Forces this rule is waived for 2010. It is also recommended that the 2010 Steering Committee will act as a transition committee linking the old to the new structure. Those current members holding ‘open positions’ who have been on the committee for 2 years, will step down.

The above proposal is to be incorporated in an appropriate manner into the UNEP FI governance (eg. Constitution) as other aspects of the partnership are updated.

The role of the new Steering Committee will be to provide direction on strategic work programme and budgetary issues on a regular basis, ensuring all outputs are adequately related to the four UNEP themes.
For reference: Current steering committee structure

<table>
<thead>
<tr>
<th>1 UNEP permanent representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Working Groups</td>
</tr>
<tr>
<td>• Asset Management</td>
</tr>
<tr>
<td>• Climate Change</td>
</tr>
<tr>
<td>• Insurance</td>
</tr>
<tr>
<td>• Property</td>
</tr>
<tr>
<td>5 Regional Task Forces</td>
</tr>
<tr>
<td>• Africa</td>
</tr>
<tr>
<td>• Asia Pacific</td>
</tr>
<tr>
<td>• Central &amp; Eastern Europe</td>
</tr>
<tr>
<td>• Latin America</td>
</tr>
<tr>
<td>• North America</td>
</tr>
<tr>
<td>4 open positions</td>
</tr>
</tbody>
</table>

Total: 14 positions

Timeline going forward
- Elections by end 2009
- New steering committee in place from January 2010
- Hereafter, elections for the open positions will be undertaken at AGMs but the new steering committee will come into effect every January.
ii) **For Information: Modifications to the UNEP FI Constitution and Statement**

In light of the recent structural changes within the Initiative, the Steering Committee felt it would be appropriate to take the opportunity to look at the Initiative’s current Constitution and Statements and see how these documents would need to be updated to reflect the recent changes within the Initiative.

Therefore the Steering Committee would like to suggest a full consultation period with all signatories for both the Statement and the Constitution with a project timeline as follows:

**Projected Time Line**

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2009 – March 2010</td>
<td>Consultation with Signatories on Statement and Constitution.</td>
</tr>
<tr>
<td>April 2010</td>
<td>All feedback collated by the Secretariat, and Statement and Constitution amended where appropriate.</td>
</tr>
<tr>
<td>May – June 2010</td>
<td>Final Consultation with Signatories on Revised Merged Statement.</td>
</tr>
<tr>
<td>July – August 2010</td>
<td>Final consultation with the Steering Committee on any outstanding issues.</td>
</tr>
<tr>
<td>September 2010</td>
<td>Final Statement sent to all signatories for vote on at the AGM.</td>
</tr>
<tr>
<td>October 2010</td>
<td>Statement voted on at the AGM meeting in Geneva.</td>
</tr>
</tbody>
</table>
iii) **For Discussion & Approval:** Engagement with for-profit non-financial institutions

The AGM is requested to discuss on the possibility of a set up of a new fee-paying ‘Industry Associate’ category for for-profit non-financial institutions who want to work with UNEP FI members on sustainable finance.

The AGM is also requested to approve the process going forward:

- Allow the Steering Committee’s Review Group to continue the discussion and to submit a formal proposal to the Steering Committee in March 2010 for decision.
- To give the Steering Committee the mandate to make a final decision on whether or not to change the Constitution to allow for-profit non FIs to be ‘Industry Associate’ of UNEP FI.
- This decision to be reported back to the 2010 AGM.
- Steering Committee to build in a ‘review’ mechanism in a few years time to reconsider the decision made.

1. Introduction

UNEP FI has been approached by an IT company which has a strong sustainability profile with a request to become affiliated to UNEP FI. Overall dialogue with corporations is increasing and is set to continue on this track. In light of these developments, it is suggested that clear policy and guidelines be established in order to structure relations with non-financial institutions going forward.

2. Discussion points

- How should UNEP FI engage with non-FI for-profit companies on an ongoing basis?
- Should the 2006 AGM decision on ‘partners’ (see point 3) which includes for-profit non-FIs continue to be supported? Specifically: Should we keep for-profit partners as non-fee paying?
- How should we define the level of participation of for-profit partners?
- Need to avoid conflict of interest and reputational risk over engagement with for-profit partners.

3. Background: Membership applications by non-FIs

UNEP FI continues to frequently receive queries from non financial institutions who want to join UNEP FI.

Infosys, a large IT service provider based in India has recently written to the Steering Committee requesting to join UNEP FI. APTF is interested in working with them as the IT company has good links with both the financial services sector and with the Ministry of Finance in India. LATF has also been in discussions with IBM who have developed environmental websites for banks. As the sustainable finance agenda develops, IT companies are increasingly interested in offering IT solutions to the financial services industry. IT companies will gain a better idea of the sustainability issues FIs are faced with and UNEP FI will benefit from their expertise. The banking commission and/or the RTF maybe interested in working with them. It is probably in these kinds of cases where there is a win-win opportunity for both parties that UNEP FI should consider Industry Associates.
The 2006 AGM agreed the following criteria for membership:

<table>
<thead>
<tr>
<th>UNEP FI Signatories – lawfully established and appropriately licensed financial institutions, both public and private</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks</td>
<td>Various</td>
</tr>
<tr>
<td>Insurers</td>
<td>Various</td>
</tr>
<tr>
<td>Asset Managers</td>
<td>Various</td>
</tr>
<tr>
<td>Investment Advisors</td>
<td>Ethibel, Trucost, Good Bankers, Asset4</td>
</tr>
<tr>
<td>Institutional investors</td>
<td>VicSuper, CalPERS</td>
</tr>
<tr>
<td>Microfinance institutions</td>
<td>Various</td>
</tr>
<tr>
<td>Brokerage firms</td>
<td>Various</td>
</tr>
<tr>
<td>Rating Agencies</td>
<td>CoreRatings, Standard &amp; Poor’s</td>
</tr>
<tr>
<td>Stock Exchanges</td>
<td>London Stock Exchange</td>
</tr>
</tbody>
</table>

For Partners (ie. all those not above), the 2006 AGM specified that there would be no annual fee. Instead it was determined that they make payments of in-kind input & output, receipt of project based grants and exchange of financial contracts etc.

4. Ideas put forward by the Review Group

- Creation of a new “Industry Associate” category (change in the Constitution necessary)
- Set up of a new rule for working with individual consultants and consultancy firm

<table>
<thead>
<tr>
<th>For-profit types</th>
<th>Relationship</th>
</tr>
</thead>
</table>
| Companies (No Industry Associations permitted) | • Creation of a new associate’s category ‘Industry Associates’ for non-FI companies.  
• The Industry Associates will be associated to a particular work programme (WGs/RTFs/Commissions) and not to UNEP FI as a whole.  
• Further, the association will be on a project basis and ends when deliverables meet expectations. An annual review will be undertaken to that effect.  
• Interested companies do not automatically become 'Industry Associates' but that the host work programme would make a recommendation to SC if they would like to introduce an Industry Associate to their group. The host work programme can invite companies they identify as interesting to work with as well as responding to interest from companies. The SC will be ultimate approving body.  
• The potential associate will need to show how they can add appropriate value and are screened accordingly before being invited to join.  
• To filter out the companies that are not so serious, a ‘proper’ participation fee should be charged. (eg. USD30,000/year).  
• Governance surrounding Industry Associates should be prepared which prevents the Associate from using the members list for their marketing purposes and ensure that they provide real input to the work programme. A potential Associate will need to agree to this before joining.  
• There will be a clear distinction between Industry Associate and the FI members with strict parameters around use of UNEP FI logo/platforms/member details etc.  
• “Industry Associates” cannot be elected to Chair or have voting rights on the Group. Nor can it join the Steering Committee. |

| Individual consultants & consultancy firms | • Allow the continued involvement of individual consultants and consultancies in WG/TFs.  
• But offer two categories for involvement.  
(i) Non-contracting “Special Advisor (no votes, no fees, no special forums,
(ii) Consultants who are provided contracts to only be involved in the group on a project basis only.

5. Concerns put forward

- Dilution to the UNEP FI brand as the global voice of the finance sector.

- The financial community should already have a powerful influence over its supply chain and service providers should automatically adjust to appropriate requests for ESG integration. Is there a clear additional benefit in welcoming Industry Associates?

- A high participation fee will not help us to distinguish between the serious and the not serious but only filter out the small against the big players.

- Access to the intellectual property of UNEP-FI members is clearly a huge opportunity for other non-FI organisations - this has obvious implications for UNEP-FI.

- Industry Associates may, despite our best efforts, market services to members. UNEP FI is not a marketing convention. The host work programme needs to monitor their activities.

- Industry Associates may not possess sufficient knowledge of financial business to make much of a contribution. The host work programme needs to ensure they have the capacity.

- While the above system specifies that Industry Associates status should be attached to a project and expire when the project ends, how easy would it be in practice to implement?
6. Summary: Force field analysis of the pros and cons of Industry Associates

**Forces for change**

- Companies can offer expert solutions to sustainable finance
- Interests from companies
- New source of income

**Forces against change**

- Dilution to the UNEP FI brand as the global voice of the finance
- Abuse of members’ contact details for marketing purposes
- Risk related to members’ intellectual property
- Risk that they may stay on after the project ends
- They may not know enough about FIs and sustainable finance to make a contribution