

UNEP Finance  
Initiative Annual  
General Meeting:  
Combined Minutes

2016

---

AGM-By-Webinar October 12th and 13th,  
2016 AGM-In-Person October 27th, Dubai

Draft Minutes

## Part 1: 2016 UNEP FI AGMs-By-Webinar

Two identical meetings were held by webinar on October 12<sup>th</sup> and 13<sup>th</sup> 2016.

Questions from the two webinars are integrated into this document.

### Agenda Item 1 – Opening Remarks

presented by Eric Usher, Head, and the Global Steering Committee Co-Chairs Christian Thimann and Denise Hills in the respective meetings

There have been some major developments over the last months

- The membership unanimously approved the new Global Steering Committee
- Erik Solheim is the new Executive Director of the United Nations Environment Programme
- The membership has approved and adopted a new [Governance Framework](#) through an Extraordinary General Meeting held in May 2016.

### Agenda Item 2 – Summary Record from 2015 AGM

The Summary Record from the 2015 AGM and other supporting documents are available online [here](#). The documents were for review and approval as an 2016 AGM voting item.

### Agenda Item 3 – Governance Update

presented by Eric Usher, Head

2 framework documents were introduced adopted:

- [Governance Framework](#) adopted at EGM, May 2016
- [Implementation Framework](#) to be delivered for the AGM in-person meeting in October 2016

#### Governance Framework – What's the change

- The new Global Steering Committee (GSC) based on the Governance Framework is now in place
- In the new Governance Framework some of the main changes are that the thematic bodies (on ecosystems and climate change, for example) are integrated into the industry committees
- Each industry (banking, investment, insurance) Committee will therefore have representatives on thematic areas (e.g. climate change representative for banking sector)
- The industry bodies will also include regional representatives and UNEP experts
- The GSC and Industry Committees will guide the operation of initiatives, programmes and projects

#### Implementation Framework – What it covers

- Strategic orientation & work programme development:
  - o It covers how strategies will be developed. These are led by GSC and fed into industry bodies
- Guiding principles for strategic decision-making on work programme issues
  - o They ensure the programme will be aligned with core value of UNEP-FI when it is operated and initiated
- Partner & donor engagement
  - o It indicates how UNEP FI will work with donors with defined objectives
  - o It ensures there will be appropriate alignment of the objectives
  - o It indicates when and where to partner
  - o Making sure the activities are in line with the interest of membership

\*Change in terminology:

- o Banking commission → banking membership
- o Commission board → committee

## Agenda Item 4 – Membership and Work Programme Discussions

Membership presented by Liesel Van Ast, Signatory Relations Manager; Work Programme presented by Eric Usher and Yuki Yasui

### Global partnership:

- Data presented as below



- Over 2017-2018 UNEP FI will organize its first set of Regional Roundtables in the five regions
- The Regional Roundtables will
  - facilitate knowledge sharing
  - enable more networking
  - provide members and opportunity to learn from each other
  - increase sharing of UNEP FI research and tools
  - highlight member expertise

### Membership update – Strategy development

- Key aims include:
  - o Developing capacity in sustainable finance
  - o Network engagement
  - o Promoting market leadership (provision of platform for exchanging ideas)
  - o Focusing resources on regional priorities (e.g. specific industries, knowledge-building in interested areas)
  - o Supporting work programme implementation across regions.
- The Membership Strategy will be developed in late 2016 and finalized in early 2017

### Presenting the [2016 Interim Overview](#)

At the AGM-In-Person the 2016 Interim Overview will be shared. Some of 2016's event highlights include:

- UN process (May): UN Environmental Assembly (biennial event) in Nairobi, Kenya
- UN Habitat III (Oct): Housing and sustainable Development issues in Quito, Ecuador
- UNFCCC COP 22 (Nov) in Marrakech, Morocco
- Convention on Biodiversity Diversity (Dec) in Cancun, Mexico

Some of 2016's publications highlights include:

- 2 reports from the Fiduciary Duty in the 21<sup>st</sup> Century project
  - o [Global Statement on Investor Obligations and Duties](#)
  - o [Investors obligations and duties in 6 Asian Markets](#)
- [2016 Sustainable Stock Exchanges \(SSE\) Report on Progress](#): covers updates on SSE progress, guidance and standards; publicize disclosures and initiatives related to green bond, green exchange
- [ERISC Phase II: How food prices link environmental constraints to sovereign credit risk](#)
- [Sustainable Real Estate Framework](#)

- There will be a numbers of reports published at COP 22 [Post-AGM addition to the publications launched]
  - o [Demystifying Adaptation Finance for Private Sector](#)
  - o [Investment Portfolios in a Carbon Constrained World](#): second annual report from the Portfolio Decarbonization Coalition (PDC)
- New report from the UNEP Inquiry: [The Financial System We Need: From Momentum to Transformation](#) – UNEP Inquiry Progress Report

#### Key projects in 2017:

- A brief introduction to some projects and ideas for 2017 was presented
- These will be further to be discussed in Dubai at the AGM-In-Person

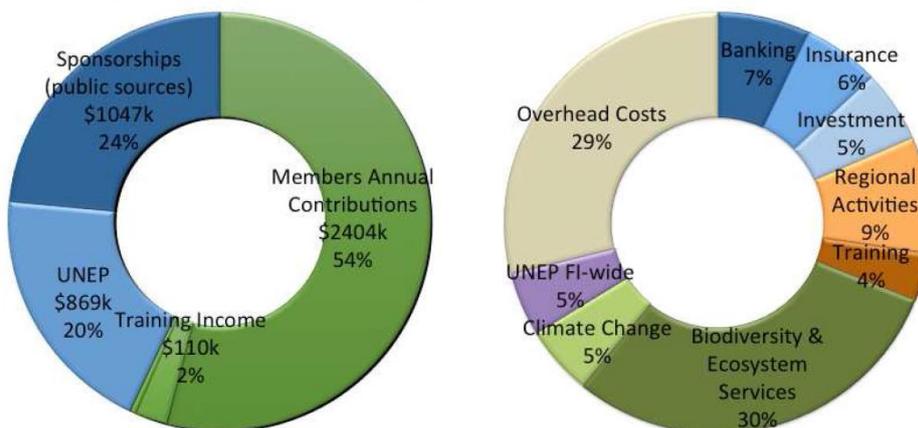
## Agenda Item 5 – Financial Discussion

presented by Frank Hovorka, Steering Committee Member and Financial Focal Point

UNEP FI 2015 official report: income = USD 6.7 million. Adjusted revenue after carry forward of unspent sponsorship = USD 2.5 million

- Growing contributions from sponsorship, but members contributions remains the main source of income

**UNEP FI Income 2015: Total \$4.5 million    UNEP FI Expenses 2015: Total \$3.7 million**



- The 2015 net income was 757,000. It's working capital at end Dec 2015 was USD 2,625,000.
- The Global Steering Committee has recommended continuing the annual 3% increase for membership fees
- For proposed 2017 budget, both income and expenses are planned to increase.

Question from meeting participants:

How does UNEP FI address the impact of currency fluctuation on developing countries?

- Income is planned and estimate based on historical income growth patterns
- Every year there were situation 'lose on one currency & gain on others currency'
- Generally currency exchange will not affect a lot as Swiss Franc is a relatively stable currency (Exception in 2015 when the Swiss unpegged the CHF from the EUR)
- In principle, the Membership invoices do not adjust to exchange rate fluctuations; but if there would be major changes, the secretariat is willing to discuss with affected members
- It is up to members to contact the secretariat if they are being affected by the exchange rate

## Agenda Item 6 – Closing of the AGM-By-Webinar

Presented by Yuki Yasui

Briefing on the GRT & AGM in-person

- Voting on AGM voting items started from 13th Oct and will continue until 27th Oct; voting can be done on online or in-person at the AGM in Dubai
- Reminders on Dubai logistics.

## Part 2: UNEP FI AGM-In-Person

Thursday 27 October 2016

Grand Hyatt, Dubai, UAE

Hosted by the Ministry of Climate Change and Environment of the UAE

### Agenda Item 1 - Opening remarks – Reflections on the Global Roundtable and Looking Ahead to 2017

presented by Denise Hills, UNEP FI Global Steering Committee (GSC) Co-Chair and Eric Usher, Head, UNEP Finance Initiative

- Through UNEP FI's work in the Middle East and North Africa Region over the last couple of years, we have learned that there are many committed actors in the region. We are seeing growth in sustainable finance in the region.
- One next step for us following the Global Roundtable will be to continue to engage with the Islamic banking sector.
- UNEP FI currently has many activities being implemented as well as an increasing membership. However, only 20 to 30% of our members are fully active. We still need to integrate more leading groups across the industry and to increase the synergy between all the different elements.
- We are currently undertaking a new membership strategy, which includes getting members more engaged in our programs
- We need to determine how to strengthen our regions
- As we have been discussing at the Global Roundtable, this is a key moment in determining what the future will look like.

### Agenda Item 2 - Membership & Governance Updates

#### i. Membership Update and Introduction of New Members

presented by Liesel Van Ast, Signatory Relations Manager

UNEP FI is now 24 years old. Here are some numbers as we enter our 25th year.

- 25 investment members	- 125 institutions trained
- 132 banking members	- 57 countries
- 58 insurance members	- 62tr \$ in assets
- 60 investments exchanges	- 9 new members since the last AGM (2015)

2 new members who recently joined UNEP-FI shared their enthusiasm and objectives in joining - Adel El Ashmawy, CIB Central Bank (Egypt), and Henry Alakhume from WEMA Bank (Nigeria). Both aimed toward increasing capacity and sharing their experience with others.

#### Presentation of Membership Engagement Strategy

Key aims of the strategy include:

- Developing capacity in sustainable finance
- Network engagement
- Promoting market leadership
- Focusing resources on regional priorities
- Supporting work programme implementation across regions.

To guide and refine the strategy, the Secretariat has been interviewing members. To date 14% of members have been interviewed. Member interviews have been across sectors and regions.

Some results of the interviews include that:

- 85% interviewees agree that it is important for UNEP FI to expand membership

The activities that interviewees think UNEP FI should prioritize include

- Showcasing best practices
- Engaging Board level for making change
- Adapting international programs to regions

The Membership Strategy is being developed over the following timeline:

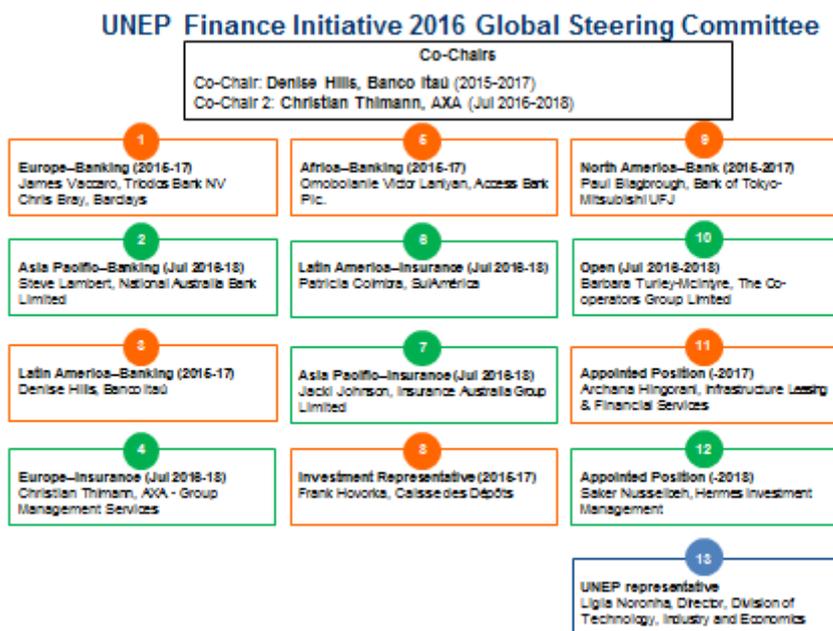
- Nov 2016 Interviews completed
- Nov/Dec 2016 UNEP-FI members consulted on draft strategy
- Jan/Feb 2017 Plan finalised by Global Steering Committee (GSC)
- March/Apr 2017 Membership Strategic Plan published

## Regional Roundtables

As part of increasing its impact and engaging members, UNEP FI will conduct Regional Roundtables in all regions in 2017-2018.

## ii. Global Steering Committee and Governance Update

There is now a new Global Steering Committee in place.

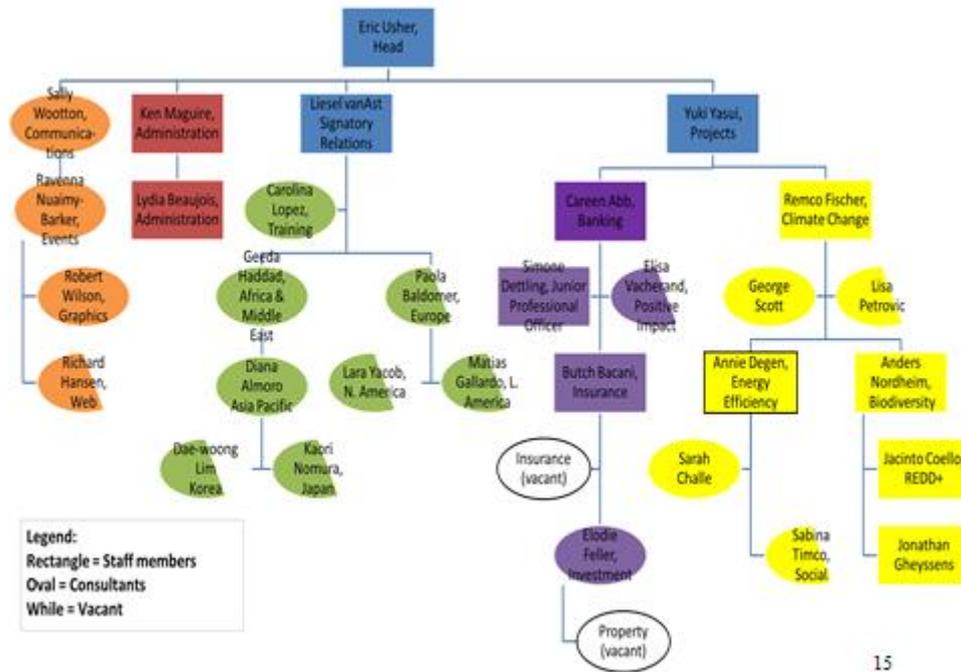


UNEP FI has also completed its Governance Reform.

UNEP FI has also just launched a new website aimed at making info more accessible to members and stakeholders.

## iii. Secretariat update

This is who currently makes up the UNEP FI Secretariat



### Agenda Item 3 - AGM-By-Webinar Round-Off

Participants were invited to ask any further questions related to the voting items or other AGM-By-Webinar items and were asked to submit their final votes.

The voting items are:

#### Voting Item 1.

Summary Record from the 2015 Annual General Meeting (Appendix 1)

#### Voting Item 2.

Approval of the 2015 Financial Report (Appendix 2)

#### Voting Item 3.

Approval of the proposed 2017 budget (Appendix 2)

#### Voting Item 4.

Approval of the proposed 2018 membership fee

### Agenda Item 4 - Work Plan Discussion

**Panel Discussion: Changing Finance, Financing Change in 2017 - What are the urgent & important actions to be taken?**

Moderated by Eric Usher, Head, UNEP FI

*Panelists:*

Banking: Chris Bray, Barclays

Investment: Tatiana Bosteel, Hermes

Insurance: Butch Bacani, UNEP FI Secretariat

Climate Change: Madeleine Ronquest, First Rand

Ecosystems: Rosemary Bissett, National Australian Bank

#### Banking Sector – Chris Bray

- In the 1990s, focus of UNEP FI was on banking risks, mainly from regulators

- COP21 highlighted focusing on risk and climate change
- Launch of Sustainable Development Goals focus on opportunities rather than risk only
- Banks will certainly retain most of their work on risk
- There is an increased focus on “Sustainable Banking” (including a new guide launched on the topic)
- There is now a more holistic approach on risk and due diligence
- Emphasis on public-private partnership

#### **Insurance sector-** Buch Bacani

- UNEP FI’s work with the insurance industry through the Principles for Sustainable Insurance (PSI) has evolved quite substantially over recent years. We conducted a global survey in 2009, drafted of the 4 principles in 2010, did a road test in 7 regions around the world in 2011, and the principles were endorsed by the Secretary General of the United Nations in 2012. This has led to a strong legitimacy for these principles of the insurance industry in their role toward sustainable development.
- A 3 year Principal of Sustainable Insurance (PSI) strategy (2014-2017) was established via a survey of various issues as well as a macroeconomic survey which was done to determine how to modify the industry.
- In December, a Sustainable Insurance Forum for supervisors will be launched.
- PSI was involved in several major global events in 2015, including the Sendai Disasters Conferences and the Paris Climate Negotiations and have connected with all the major actors in the sector to enhance the intergovernmental perspective.
- One of our major next steps is to determine how do you write a set of sustainable underwriting guidelines.

#### **Investment sector –** Tatiana Bosteels – Hermes

Initiatives by the Investment Commission:

- Updating fiduciary duty regulations so that they better align with sustainability
- Working on specific regional issues
- Support of the Sustainable Stock Exchanges Initiative, which now involves over- 60 stocks exchanges
- In February we will launch an “Action Framework on Price Agreements in Real Estate” brochure, which is part of our on-going Real Estate Investment work
- Focusing on lending communities with 12 events planned
- Work with Banking Commission on Positive Impact, and on Energy Efficiency and buildings, moving from a risk perspective to positive impact
- Challenge ahead: Integrating social goals into investments and defining terminology and understanding of positive impact in the investment industry
- Disclosure will be crucial
- Analytic work to be done: develop tools for integrating impact investments and social and governance issues into decision-making processes
- UNEP FI value to the investment industry is the sharing of knowledge

#### **Climate Change -** Madeleine Ronquest – First Rand

- UNEP FI has led the creation of the Portfolio Decarbonisation Coalition (PDC). The PDC convenes 25 investors overseeing the decarbonisation of \$600bn in commitments out of \$3.2 trillion in assets under management, pledged at the Paris Conference
- UNEP FI members have great influence in some sectors: power, energy, industries related, etc.
- Strategic interventions done from leadership to market transformation with focus on regulations, smart transparency and disclosure via meaningful reporting
- Determination of a matrix to be utilised in the analysis of decarbonisation
- For 2017, redesign of online training courses

#### **Ecosystems –** Rosemary Bissett – National Australian Bank

- In the process of developing a stress testing tool for banks: development tools for assessing risk (launch planned for next quarter)
- Mapping Natural Capital Risk Assessment for pricing risk to be developed for 2018

#### **Discussion of Work Plan by Meeting Attendees**

- Question: What is the strategy to bring coherency between all the 5 programs (banking, Investments, Insurance, CC, Ecosystem)?

- Steering Committee will support integration and coherence
- We are focusing on connectivity and collaboration between the different sectors and communities
- UNEP FI can open up channels of communication

- Comment: Recognition of the diversity of the industry and the need to be selective and to find common points or cross-cutting themes

- Suggestion: UNEP FI should host more specific, more focussed conferences

- Plan: Split the region which is currently Africa and Middle east into Middle East North Africa (MENA) and Africa

### Presentation of UNEP FI Strategy and Work Plan Development Timeline

presented by Eric Usher

## Strategy & work plan development timeline



## Agenda Item 5 -Closing the AGM

### Voting Results

57 members voted

- Approval of the Summary Record from the 2015 AGM Meeting records (Y: 57, N: 0)
- Approval of the 2015 financial report (Y: 58, N: 0)
- Approval of the 2017 proposed budget (Y: 57, N: 1)
- Approval of the proposed 2018 membership fees (Y: 52, N: 7)

## Agenda Item 6 – Next AGM

The next AGM will be held in Geneva (or elsewhere in Europe) in October or November of 2017