



CONCEPT NOTE

Banks Piloting the Implementation of the FSB Task Force Recommendations on Climate-related Financial Disclosures

Background:

On 14th December, the FSB Task Force on Climate-related Financial Disclosures (TCFD) published its draft recommendations. While the recommendations clearly define what should be reported on, their implementation will pose some practical challenges and require the use and/or development of metrics, methodologies and scenarios that remain unspecified. Ideally, these will be harmonized to enable comparability in reporting.

The UNEP FI Banking Programme thus suggests to establish a group of first-mover banks to work together and ensure that:

- costs per bank for developing scenarios, metrics and methodologies are kept minimal,
- each bank benefits from the expertise and experience of others and harnesses the benefits of joint problem solving,
- banks don't compete for but jointly benefit from the best outside expertise available,
- banks have an opportunity to test and confidentially discuss first results among a closed peer-group,
- scenarios, metrics and methodologies which are jointly developed by this first-mover group enable a certain amount of harmonization and comparability in reporting and gain traction with the industry more broadly.

Outline of Proposed Initiative:

Facilitated and supported by UNEP FI, a group of first-mover banks collaborates on piloting the implementation of the corresponding TCFD recommendations, potentially focusing on metrics and targets.

The group of banks would collaborate in terms of:

- exchanging experiences, expertise and ideas in order to jointly address implementation challenges,
- working with outside stakeholders/experts to jointly develop scenarios, metrics, and methodologies and conduct other research as needed.



At the end of the piloting phase, UNEP FI would compile the created methodologies, tools, metrics and scenarios, and other research and develop case studies describing the banks' practical experiences and approaches taken and highlight challenges and pitfalls that came up during the piloting. This document would then be disseminated and jointly promoted both as hands-on guidance for banks to implementing the TCFD recommendations and as early practical feedback towards the TCFD.

UNEP FI would provide the following support throughout this pilot:

- facilitate regular calls, webinars and other formats for group exchange/peer learning and joint problem solving,
- lead/project manage the development of relevant scenarios on which to base scenario analysis,
- bring in and manage collaboration with outside partners with relevant expertise, such as research institutions, data providers, NGOs, etc.,
- manage research/methodology development processes with consultants,
- compile jointly developed methodologies, metrics and scenarios as well as the participating banks' implementation case studies and manage the publication process of this guidance material,
- position the joint scenarios, metrics and methodologies and hence ensure that the leadership group as a first-mover significantly shapes implementation practices and standards for the TCFD recommendations going forward.

Banks would be expected to:

- pilot the implementation of the agreed-upon subset of TCFD recommendations within their institution (exact scope to be determined with participating banks – see timeline below, possibly focus on metrics and targets),
- contribute experiences, expertise and ideas to developing solutions for joint implementation challenges,
- contribute to development of scenarios, metrics, methodologies and any required research by:
 - bringing in their expertise and feedback where collaborating with external stakeholders (such as research institutions, NGOs, etc.)
 - funding external consultants/experts,
- provide materials for case studies on how each bank went about implementing the recommendations and what challenges they encountered,
- be available for presenting the joint work at relevant events, e.g. by the G20 or the FSB.

Proposed Timeline:

	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Call for Applications														
Calls/webinars to discuss in detail with teams from interested banks														
Constitution of Working Group														
Development of work plan (select recommendations to work on, decide on needs for external expertise)														
Setting up collaborations with external stakeholders/expert institutions; procure expert consultants														
Research and scenario/methodology/indicator/tool development with external experts														
Implementation, exchange of experience, developing joint solutions for challenges														
Compile scenarios, indicators, methodologies and implementation case studies from participating banks into guidance document(s)														