IMPLEMENTING THE STRATEGY THROUGH THE INTEGRATED WORKPLAN

STRATEGY STATEMENT

Our strategy to achieve this mission is:

- to create the most effective network for sharing knowledge and best practice; and
- to amplify the collective voice from the finance sector in policy debate.

Success is measured through the growth in the quantity and quality of “sustainable financial institutions”.

STRATEGY STATEMENT

In 2017, the Global Steering Committee led the development of the UNEP FI strategy for the next 5 years, 2018-2022 (Figure 1).

MISSION STATEMENT

Accelerate the global development of financial institutions that integrate sustainability as a value creation driver and which contribute to the UN Sustainable Development Goals (SDGs).
STRATEGIC GOAL AND THE INTEGRATED WORKPLAN

The strategic goal to grow sustainable financial institutions is not achieved by UNEP FI but through the decision and efforts of UN Environment FI members to develop itself towards a sustainable institution. The principle objective of the UNEP FI integrated workplan therefore is to ensure the UNEP FI’s offerings provide the best support for all members to work towards this goal.

STRATEGY WHEELS AND THE INTEGRATED WORKPLAN

In the Strategy Wheel (Figure 1), the strategic goal is the centre wheel identified as the member level. This wheel is supported by two outer wheels which are at the project level “established business imperative” and at the resource level “strengthened networking capacities”. These two outer wheels and its components provide the strategic foundation of UNEP FI’s integrated workplan. The 2018–2019 workplan has been built to ensure each activity implement one or more strategic components in the wheel.
The section provides a brief explanation of each of the strategic component in the two outer wheels and examples of activities that implement the strategy.

**PROJECT LEVEL:**

**Established Business Imperative**

**SUSTAINABILITY DIAGNOSTIC**

The need for transparency and accountability with regard to ESG related activities of financial institutions is growing. In response, the development of the UNEP FI Sustainability Dashboard as the overarching framework and self-assessment diagnostic tool to support sustainability integration for members and the Pilot Projects on implementing the TCFD Recommendations by banks, investors and insurers are projects that respond to this strategic component.

**NORM SETTING & UPTAKE**

UNEP FI has framed the sustainable finance agenda through the development of principles, standards, statements of commitments, etc. For example, the development of the Banking Principles and the Fiduciary Duty in the 21st Century project respond to this strategic component.

**SUPPORT LEADERSHIP ACTION & MARKET TRANSFORMATION**

Many UNEP FI activities are initiated and led by sustainability leaders with a vision to transform markets. One such example is the Positive Impact Initiative which is working to develop both the demand and supply of the SDGs finance market. The Energy Efficiency Finance work, in collaboration with the G20 and European Commission, is aiming to enhance energy efficiency investment and contribute to standardization, thereby transforming the energy efficiency market to full maturity.

Globally facilitate and promote leadership on sustainability by financial institutions. Examples include raising awareness of members’ leadership activities.

**DEVELOP METHODOLOGIES, GUIDANCE & TOOLS**

Many UNEP FI activities provide practical methodologies and tools to assist financial institutions in applying sustainable finance to their business decision-making, products and services. For example, the global guidance on the integration of ESG risks into insurance underwriting in development will be a major tool for the insurance industry to identify and define ESG risks from an insurance underwriting perspective, while the framework for natural capital-related portfolio risk will help financial institutions to evaluate the dependencies of economic sectors on natural capital.
**STRATEGIC COMPONENTS AND THE INTEGRATED WORKPLAN**

**RESOURCE LEVEL:**
Strengthened Networking & Capacities

**MAXIMIZE COMMUNITY BUILDING**

As a unique partnership between the UN and the finance sector, one of UNEP FI's offerings is its ability to convene a wide range of stakeholders under a neutral platform. The 2018 edition of the UNEP FI Global Roundtable in Paris in November will be a key global agenda-setting event on sustainable finance, bringing together hundreds of leaders from all parts of the financial system as well as from civil society, academia, government and the United Nations. Regional Roundtables in 2019 will help foster UNEP FI’s regional networks.

Engage the broader membership in work programme implementation, through relationship management and activities such as communications to inform members of planned projects, progress, consultations and outputs.

**STRENGTHEN COMMUNICATION & ENGAGEMENT**

Strengthen financial sector commitment through growth in signatories to Statement.

Identify priority themes and initiatives across regional hubs, undertake outreach to key stakeholders to grow networks, and provide market intelligence on priority countries.

To support the effectiveness of implementing the workplan and maximise its impact, the Secretariat will continue improving its communications and engagement activities. For example, it has invested in a new Customer Relations Management systems and is looking at upgrading the UNEP FI website. Membership surveys are to be contacted on a regular basis to review and improve on the membership engagement strategy.

**LEVERAGE UN NETWORK**

The ability to mobilize a wide range of expertise from within the UN system is another strength increasingly utilised by UNEP FI. For example, UNEP FI’s natural capital and sustainable landuse activities work extensively with the UN Environment’s Ecosystems Division. UNEP FI’s Social Issues work bridges UNEP FI with specialized UN fora on human rights such as the UN Office of the High Commissioner on Human Rights and the UN Working Group on Business and Human Rights.

**SCALE UP TRAINING PROGRAMME**

Partner with institutions that provide training to finance professionals to expand capacity building on sustainable finance, and to broaden knowledge development on emerging best practice, methodologies, tools, guidance etc.

**MAINTAIN & BUILD PARTNERSHIPS**

Supporting Institutions play a significant role in UNEP FI’s activities. For example, many Principles for Sustainable Insurance projects such as the development of a risk management protocol for Illegal, unreported and unregulated (IUU) fishing and creation of Insurance Development Goals for Cities are made possible through collaborations with partners. UNEP FI’s regional activities also rely on regional and national partners such as the Banking Associations and academia.
UNEP FI’s activities, as per its strategy, are centered around supporting growth of sustainable financial institutions. Activities typically follow one or more industry and/or thematic themes. There are also regional activities and training programmes.

The visualization of how the TCFD Pilot Working Group is implemented under the UNEP FI structure.
### CROSSCUTTING PROJECTS

#### BANKING

- **UNEP FI Global Roundtable and Climate Finance Day 2018, 26-28 November 2018, Palais Brongniart, Paris**
- **Development of the Banking Principles**
- **Dissemination of the Guide to Banking and Sustainability - 2nd Edition**
- **Maintaining and consolidating UNEP FI Guidance Tool on Finance and Human Rights Risks**
- **Global Alliance for Buildings and Construction - Work Area 4 on Finance (funding not secured)**
- **Development of the dashboard**
- **Pilot projects on implementing the TCFD recommendations**
- **Support the financing of pollution abatement**
- **Supporting green mortgage market development in Sri Lanka**
- **Support the creation of the sustainable banking committee in felaban (with ifc)**
- **Development of a natural capital-related risk framework**

#### INVESTMENT

- **Fiduciary Duty in the 21st Century project**
- **Developing the sustainable real estate agenda - Property Working Group (PWG)**
- **Develop work under the Energy Efficiency Financial Institutions Group**
- **PSI market events**
- **Shaping the sustainable insurance agenda in North America**

#### INSURANCE

- **Develop global guidance on the integration of ESG risks into insurance underwriting**
- **New working group to frame the sustainable health insurance agenda**
- **Developing national sustainable insurance roadmaps in Morocco and elsewhere**
- **Sectoral update of G20 Energy Efficiency Investment Toolkit**
- **Promoting supervisory and regulatory Leadership on sustainability challenges and opportunities for the insurance sector**
- **Support EC’s Sustainable Energy Investment Forums**
- **Sectoral update of G20 Energy Efficiency Investment Toolkit**
- **Sustainable Stock Exchanges (SSE) initiative**
<p>| Removing Deforestation from commodity supply chains: Developing financing models and training programme | Pollution insurance |
| Formulating business and investment models for REDD+ finance | Launch of the Tobacco-Free Finance Protocol |
| EU, G7 and G20 engagements | |
| Collaborations with UN Environment | |
| Training | Development of an Investor Energy-Climate Action Toolkit |
| Supporting developing country FIs to seek Green Climate Fund (GCF) accreditation | Collaboration with Korean National Assembly Budget Office (NABO) |
| Positive Impact Product workstream - Identification of Positive Impact Products and Development of Guidance Notes | Ecosystem Resilience - Proposed (For Insurers) |
| Positive Impact Programmes – Public Sector engagement in creating the demand side of the SDGs market | Promoting and building capacity around the UNFCC clearing house for risk transfer |
| Forest and landscape restoration finance: Developing investment readiness evaluation model and training programme | Forging the sustainable marine insurance agenda |
| Supplement to the natural capital protocol - Database development in “Connecting finance and natural capital” | |
| Supporting developing country FIs to seek Green Climate Fund (GCF) accreditation | Outreach for green Bonds training in Mauritius |
| Partnerships and awareness raising to develop sustainable finance agenda across Arab region | Support the implementation of the Sustainable Insurance and Takaful Facility in Climate Vulnerable Forum member countries |
| | Report on inclusive insurance |</p>
<table>
<thead>
<tr>
<th>Activity Highlights</th>
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<tbody>
<tr>
<td><strong>Social issues mainstreaming in Positive Impact Initiative</strong></td>
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<tr>
<td>Outreach and support for sustainable finance agenda in Jordan, UAE.</td>
<td>Launch of the Tobacco-Free Finance Protocol</td>
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<td>Sustainable Investment Forum with Climate Action</td>
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<tr>
<td><strong>Mainstreaming social issues and a rights-based approach across UNEP FI</strong></td>
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<td>Support on the expanded Green Finance protocol of Colombia</td>
<td>Partnering with G7 InsuResilience stakeholders</td>
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<tr>
<td>Research in Earth System Finance (For Investors)</td>
<td>Promoting uptake and implementation of “Insurance Development Goals for Cities”</td>
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<td>Support on the El Salvador sustainable Finance protocol</td>
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<tr>
<td><strong>Creating synergies with finance and human rights, and social finance, initiatives</strong></td>
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<tr>
<td><strong>Building a network of social issues and human rights champions within the membership (Social Issues strategy, cutting across the 3 pillars)</strong></td>
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<tr>
<td>Safeguarding World Heritage Sites: Launch of the Statement of Commitment and best practices paper</td>
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PROJECTS FROM A REGIONAL PERSPECTIVE

Across all regions, outreach and co-ordination activities will support global workplan implementation across industries and thematics by:

• Identifying regional priorities and needs to inform Secretariat
• Stock-take of regional projects/components of global projects to determine activities most relevant to regional priorities and needs
• Relationship management with members and their subsidiaries
• Raising awareness of opportunities for members to participate in relevant activities

Communications to engage members in project pipeline, initiation, project updates, and consultations; disseminate and follow up on outputs for adoption and uptake

Awareness raising and knowledge management - convening meetings, webinars, calls, events for regional sharing of knowledge and best practice to complement the global workplan; facilitating peer-to-peer learning for cross-industry and thematic learning and development.

Engage on European Commission Action Plan on Financing Sustainable Growth
Global Roundtable in Paris, November 2018
Guide to Banking and Sustainability (translation into Spanish and Portuguese)
Support Fiduciary Duty in the 21st Century project in UK, France and Germany
Support EC’s Sustainable Energy Investment Forums
Development of the Luxembourg Sustainable Finance Roadmap
Developing national sustainable insurance roadmaps in Norway
2018 SSE Global Dialogue in Geneva

Support the creation of the sustainable banking committee in FELABAN (with IFC)
Support PSI Market event in Brazil
Develop a sustainable finance course in Ecuador (and two other countries)
Support on the expanded Green Finance protocol of Colombia
Support on the El Salvador sustainable Finance protocol
Support on G20 Presidency in Argentina
Support ecosystems projects in Brazil, Paraguay, Costa Rica, Colombia, Peru
Support Fiduciary Duty project in Brazil

Lead green finance stocktaking study for PAGE project in Ghana
Support Ministerial Conference 2018
Support ecosystems projects in Ivory Coast, Zambia, Liberia, Tanzania, Cameroon, DRC, Guinea-Bissau, Kenya, Central African Republic, Tanzania, Sao Tome & Principe
Work with the Egyptian banking sector to support Conference of the Parties 13- Convention on Biological Diversity Egypt in November
Outreach for green bonds training in Mauritius
Partnership with ILO on Pathways to creating positive impact through finance in Zambia
Engagement with policymakers & regulators on creating an enabling environment
Banking principles workshop(s)
China: Member engagement and outreach to key stakeholders; training; engagement and outreach on TCFD pilots; ChinaSIF week; support Fiduciary Duty and natural capital projects in China
India: Positive Impact outreach, engagement of India Banks’ Association
Japan: Support sustainable finance agenda; develop partnerships for awareness raising and knowledge sharing, Positive Impact and Property Working Group events
Engage on European Commission Action Plan on Financing Sustainable Growth
Global Roundtable in Paris, November 2018
Guide to Banking and Sustainability (translation into Spanish and Portuguese)
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Support Fiduciary Duty project in Brazil

Launch of Insurance Development Goals Montreal
Sustainable Investment Forum with Climate Action
Global Climate Action Summit San Francisco
Support Fiduciary Duty in the 21st Century project in Canada and US
Shaping the sustainable insurance agenda in North America
Presentation of the first Positive Impact Programme at the UN Finance Summit in New York
## Projects From a Regional Perspective

### Africa & Middle East
- Work with Egyptian Banking Institute in Egypt to build capacity and raise awareness on ESG issues (supported by GIZ)
- Finance sector engagement through ITC partnership
- Partnerships and events to promote ESG integration in Islamic Finance
- Partnerships and awareness raising to develop sustainable finance agenda across Arab region
- Support Morocco’s National Sustainable Insurance Road Map
- Engage with policymakers & regulators on creating an enabling environment
- Outreach and support for sustainable finance agenda in Jordan, UAE
- Support Fiduciary Duty in the 21st Century project in South Africa
- Positive Impact Programme in Morocco and South Africa
- Development of a natural capital-related risk framework in South Africa
- Removing Deforestation from commodity supply chains: Developing financing models and training programme in Liberia

### Asia Pacific
- South Korea: PSI Market Event, partnerships to develop insurance industry agenda to tackle pollution; NABO-KoSIF-UNEP FI joint-report launching event and follow up on ESG integration in pension funds; International green finance conference of KEITI
- Australia: PSI Market Event with broader agenda for banks and insurers in Oceania
- Belt & Road country roadmaps and follow-up activities
- Outreach to support Fiduciary Duty and ecosystems projects in Myanmar, Viet Nam, Indonesia, Pakistan
- Guide to Banking and Sustainability (translation into Vietnamese)
- Support the financing of pollution abatement (Mongolia; India)
- Support Fiduciary Duty in the 21st Century project in Australia, Japan, China and Korea
- Developing national sustainable insurance roadmaps in Philippines and Fiji
- Supporting green mortgage market development in Sri Lanka

### Europe
- 5th meeting of the Sustainable Insurance Forum (SIF) in Luxembourg
- Positive Impact Programme in France and the Netherlands

### Latin America & Caribbean
- Guide to Banking and Sustainability (translation into Spanish and Portuguese)
- Sectorial update of G20 Energy Efficiency Investment Toolkit during the 2018 Argentinian presidency
- PSI market event in Argentina
- Developing national sustainable insurance roadmaps in Colombia
- Removing deforestation from commodity supply chains: Developing financing models and training programme in Brazil and Paraguay

### North America

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**2018–2019 Workplan**

*July 2018 to June 2019*
<table>
<thead>
<tr>
<th>AFRICA &amp; MIDDLE EAST</th>
<th>ASIA PACIFIC</th>
<th>EUROPE</th>
<th>LATIN AMERICA &amp; CARIBBEAN</th>
<th>NORTH AMERICA</th>
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<td>Formulating business and investment models for REDD+ finance in Ivory Coast, Zambia and Liberia</td>
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## Monitoring the Implementation of the Strategy: Measures of Success

### Umbrella Goals

<table>
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<th>Monitoring of Umbrella Goals</th>
<th>Notes</th>
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| 15% of members “Sustainability leaders” | Source: UNEP FI Sustainability Dashboard*  
Proxies to combine the following:  
• Dow Jones Sustainability Index  
• Public commitments to TCFD, UNEP FI organised Statements (e.g. Investor Statement on Climate Change, Tobacco free finance pledge), FI’s own commitments, etc.  
• CEO participation in UNEP FI activities  
• Member of UNEP FI projects  
• Member of UNEP FI Global Steering Committee and Industry Committees  
• Signature to additional initiative/principles – Positive Impact Principles, Natural Capital Finance Alliance, Banking Principles working group, etc | Monitoring of the 15% and 60% may not be possible in 2018–2019 as the Dashboard will be under pilot in 2018  
Proxies to be used in the meantime |
| 60% of members working towards sustainability | Source: Incremental changes in UNEP FI Sustainability Dashboard result over the years*  
Proxies to combine % of members participating in:  
• UNEP FI events  
• Dashboard  
• Membership survey | |
| 30% membership growth globally          | Baseline: Number of UNEP FI members reported at the 2017 AGM = 215  
Other KPIs to monitor:  
• Retention rates and new member’s growth  
• Deeper assessment in key markets – Identifying key FIs and which are members and non-members  
• Potential members list. | Membership retention and growth to be separately monitored |