UNEP FI
Global Roundtable 2020
Financing a Resilient Future

Event Summary
UN Environment Programme Finance Initiative (UNEP FI) hosted its 16th Global Roundtable on 13–14 October 2020, in collaboration with Responsible Investor as a fully virtual event. UNEP FI’s biennial Global Roundtable (GRT) is a major global agenda-setting event on sustainable finance. Held under the theme of “Financing a Resilient Future”, the GRT brought together decision-makers, experts and thought leaders on a virtual event platform to help shape approaches to integrating environmental, social and governance (ESG) issues and accelerating sustainable banking, insurance and investment.

The event in 2020 convened over 4500 finance professionals to highlight the development of financial products with positive impacts, explore emerging approaches to financing the Sustainable Development Goals, provide invaluable insight into alignment with the Paris Agreement, innovation, emerging guidance and good practice. The sessions also helped identify trends and issues on the horizon at a global level to explore the finance sectors’ responses to science, policy and business developments in areas such as climate change, biodiversity, circularity and ocean health.
Key Speakers

Amina Mohammed
Deputy Secretary-General, United Nations

Inger Andersen
Under-Secretary-General of the United Nations and Executive Director of the UN Environment Programme

Mark Carney
UN Special Envoy on Climate Change and Finance

Christine Lagarde
President, European Central Bank

Kristalina Georgieva
Managing Director, International Monetary Fund

Christiana Figueres
Convenor, Mission2020

Gustavo Montezano
CEO, Brazilian Development Bank (BNDES)

Robert Swaak
CEO, ABN Amro

Bill Winters
CEO, Standard Chartered

Johan Rockström
Director, Potsdam Institute for Climate Impact Research

Frank Elderson
Executive Director, Dutch National Bank and Chair, Network for Greening the Financial System

Sola David Borha
CEO, Africa Regions, Standard Bank
Media coverage

Bloomberg
Net-Zero Investors to Cut Emissions of Holdings by Up to 29%

EXPERT INVESTOR
$5trn net-zero GHG investors set decarbonisation target

The Guardian
Mark Carney says banks should link executive pay to Paris climate goals
Top asset owners commit to big carbon emissions cuts

Circular.
Financiers ‘can and must’ make the shift to circularity – UNEP

LE FIGARO
ECB: Lagarde criticizes the delay in green finance

FINANCIAL TIMES
ECB to consider using climate risk to steer bond purchases, says Lagarde

Hacienda highlights Chile’s robust green finance agenda at UN seminar

$5 trillion investor group sets tougher portfolio carbon targets
Keynotes
Amina Mohammed
Deputy Secretary-General, United Nations

The stellar line-up of speakers was led by Amina Mohammed, Deputy Secretary-General, United Nations, who gave the opening keynote address by reminding participants that sustainable finance wields an enormous opportunity to transform our markets, businesses, societies and environment. Economic systems and financial markets must put fair price on, and invest in nature to shift finance away from destructive activities and towards nature-based solutions.

Inger Andersen
Under-Secretary-General of the United Nations and Executive Director of the UN Environment Programme

UNEP’s Executive Director Inger Andersen said finance industry and its future profitability and our very own survival need natural systems. She called for the financial sector to show leadership to address the climate, nature and pollution crises, altering investments away from unsustainable consumption and production patterns, and to stop financing coal. She highlighted five essential actions for the finance industry to shift gears: 1. Start measuring the impacts of its financing, 2. Set real sustainability targets, 3. Follow the science 4. Align the entire portfolio; and 5. Be transparent and accountable. She cited the UN-convened Net Zero Asset Owner Alliance and the UN Principles for Responsible Banking’s Civil Society Advisory Body as examples of initiatives that are setting targets, following the science and promoting transparency and accountability.

“I encourage banks, insurers and investors to show their leadership in this space. To take an integrated approach to the environmental emergency, including addressing risks due to climate change and the loss of biodiversity and natural capital.”

Elizabeth Mrema
Executive Secretary, UN Convention on Biological Diversity
President, European Central Bank

European Central Bank President, Christine Lagarde, warned that there is not enough green finance, and finance that claims to be green may not be green enough. More needs to be done because financial markets are probably not measuring risk properly, and have not priced it in. In the absence of a common shared definition and compulsory disclosure by companies, we lack granular information assess whether something is green. This calls for intervention from legislators and regulators to correct market failures in green finance, such as the EU Taxonomy. She also stated that ECB should no longer remain neutral in their asset purchase programme and rather start to integrate climate risks into their investment decisions.

Managing Director, International Monetary Fund

Kristalina Georgieva, Managing Director of the International Monetary Fund (IMF), outlined three priorities for financing a resilient future: channel investments into climate resilient infrastructure and low carbon industries; put the right global price on carbon – from its current USD2/tonne to around USD75/tonne to achieve the goals of the Paris Agreement, as well as implementing a carbon-price floor across major emitter nations, and enhancing the sustainable finance sector to mobilise green investments.

“...founders, customers, NGOs and the finance industry itself to address the slow movers – who will find themselves with stranded assets and toxic portfolios if they do not ride the wave of change that is coming. We need every cent and every penny to be spent on shifting the needle to sustainability.”

Inger Andersen
Executive Director, UNEP
“We have been working on approaches to steer portfolios towards net zero and an approach to assess the greenhouse gas emissions of portfolios. We are looking forward to experts coming up with their proposals to enhance our approach to define a first interim target towards a net zero 2050... To achieve this, we need to achieve a change in the economies, to achieve real-world impact. We need approaches based on scientist inputs, climate models and scenarios, to define pathways for individual assets, from directly owned real estate to publicly listed companies.”

Günther Thallinger
Member of the Board of Management, Investment Management, Environmental, Social and governance (ESG), Allianz

Mark Carney, UN Special Envoy on Climate Action and Finance, a former Governor of the Bank of England, saluted UNEP FI on its work with its two major initiatives, the Principles for Responsible Banking and the UN-convened Net Zero Asset Owner Alliance as good examples of translating principles into action. In a fascinating conversation with Eric Usher, he went on to say that while the net-zero destination is important, it will not happen overnight and there will be delta or change as we embark on a whole economy transition to navigate the climate crisis. He emphasised the importance of financial institutions not just managing the risk but also seizing the opportunities in tackling climate change and doing that across all sectors of the real economy and across all mainstream finance sectors, and called for banks to link executive pay to the goals of the Paris Agreement on Climate Change.

Johan Rockström, Director, Potsdam Institute for Climate Impact Research told delegates that planetary boundaries provide a scientific target for a safe operating space, with science able to provide the guardrails for sustainable financial sector investment. He said the financial sector is best placed to measure and value risk, and it’s important for them to combine that risk assessment with the evidence that investing in sustainability makes sense for better economic development. The financial sector is one of the most important actors to determine where the fluxes are and to tell the story of opportunity – with sustainability as modernity and the path to the future.
“The difference between 2008/9 and now has to do with perceptions of risk. One area where we are seeing a convergence of interest between the business sector, financial sector, policymakers and academia is on recognizing that risks from another pandemic or climate change are in the real economy. We have to think of the longer-term path that we want to be on and whether we want to come back with a greener economy that’s more productive and innovative, and that will spread the benefits more. The challenge is for us to think about the future we want.”

Edward Barbier
Distinguished Professor,
Colorado State University

Christiana Figueres, Convenor of Mission2020 pointed out that where finance goes, so go emissions, or emission reductions. Since every financial decision today locks in emissions for decades to come, the finance sector has a primal role to play in addressing climate change in a timely fashion and holds tremendous leverage in determining our future. Efforts to decarbonize are about managing financial risk, increasing financial stability in the medium and long-term and ultimately it’s about prosperity.

Elizabeth Maruma Mrema
Executive Secretary, UN Convention on Biological Diversity

Enric Sala, National Geographic Explorer in Residence highlighted the three main risks to the ocean, and considers how banks, insurers, investors can take a sustainable approach to the blue economy. Elizabeth Mrema, Executive Secretary, UN Convention on Biological Diversity, called on financial institutions to bring a collective commitment to take action on biodiversity loss in line with the Post-2020 Global Biodiversity Framework and Peter Thomson, UN Special Envoy on the Oceans said financial institutions cannot ignore the enormous impact their activities have on the oceans’ health, and calling on them to engage with the Sustainable Blue Economy Finance Initiative and Principles.
Eric Usher
Head, UN Environment Programme Finance Initiative

UNEP FI Head, Eric Usher noted that while communities have faced a challenging year with the COVID-19 pandemic, the finance industry has stepped up and kept the economy functioning while working closely with governments. He highlighted that in a world of uncertainty, what we know is that the role of responsible finance, the sharpening of the environmental, social and governance (ESG) agenda to deliver real-world impacts, and the alignment of portfolios with international frameworks to protect people and planet are more critical than ever. As we build back, decisions will need to be made whether to prop up the destructive systems of the past or to invest in transforming our economies of the future.

Kristalina Georgieva
Managing Director of the International Monetary Fund (IMF)

“We know that climate change presents a major threat to long term growth and prosperity and it has a direct impact on the economic well-being of all countries, so it is critical that we have policies to mobilise financial resources for the green transformation that is so urgently needed. As we emerge from the pandemic, we have the chance to make this transformation and build forward low-carbon, climate-resilient economies.”

Click here to read the full summaries of: day 1 and day 2
Plenary sessions
Banking for the Sustainable Development Goals: **Principles for Responsible Banking**

- Guy Cormier, CEO, Desjardins Group
- Arshad Mohamed Ismail, CEO, Bank Pembangunan Malaysia
- Joshua Oigara, CEO, KCB Group
- Fabian Kon, CEO, Banco Galicia
- Robert Swaak, CEO, ABN Amro
- **Moderator:** Simone Dettling, Banking Lead, UNEP FI

CEOs from banks, in a panel celebrating the **1st year anniversary of the UN’s Principles for Responsible Banking**, shared examples of the progress they have made in implementing the sustainability framework. For example, **Joshua Oigara, KCB Group**, explained the positive impact they are having on society as they operate at the forefront of financial inclusion, extending microloans to youth and women. **Arshad Mohamed Ismail, Bank Pembangunan Malaysia**, explained how the bank has used an impact assessment framework to evaluate every transaction against five of the Sustainable Development Goals, and guides customers to improve their scores over time. Measuring impact is a crucial element of banks’ implementation of the Principles for Responsible Banking.
The New Climate Leadership in Finance: **The Race to Net-Zero**

- Nigel Topping, High Level Climate Action Champion, COP26
- Gunther Thallinger, Chair of Net-Zero Asset Owner Alliance and CIO of Allianz Group
- Pedro Guazo, Representative of the Secretary-General, UN Joint Staff Pension Fund
- Anne Simpson, Interim Managing Investment Director, Board Governance & Sustainability, CalPERS
- Bill Winters, CEO, Standard Chartered

The high-level panel "New Climate Leadership in Finance: The Race to Net-Zero", led by Nigel Topping, High Level Climate Champion for COP26, explained what "net zero by 2050" means, highlighted the critical role of the finance sector and reflected on previous interventions that day from Mark Carney and Johan Rockstrom. Gunther Thallinger, Chair of the UN-convened Net-Zero Asset Owner Alliance took the opportunity to announce plans to implement greenhouse gas (GHG) emissions reductions by the Alliance members in the 16% to 29% range by 2025, and launched the consultation on a draft 2025 Target Setting Protocol. This is integral to coherent and comprehensive plans to reduce emissions, increase investment in the net-zero emissions transition and enhance influence on markets and government policies.
Leila Fourie, CEO, Johannesburg Stock Exchange and Co-Chair of GISC
Martina Macpherson, Senior Vice-President, Moody’s
Veronica Scotti, Chairperson, Public Sector Solutions, Swiss Re
Ed Barbier, University Distinguished Professor in the Department of Economics, Colorado State University

Moderator: Elliott Harris, Chief Economist, United Nations

In the panel titled “Build Back Better”, Elliott Harris, Chief Economist of the UN highlighted the need to accelerate implementation of the Agenda 2030 as a foundation for recovery of the current crisis, and the important role that the financial sector has to play to achieve this. The session highlighted the need for long-term public investment and innovations in industrial strategy for a greener recovery to build back better, as well as the need to change incentives and target pricing reforms at fossil fuels and carbon. The panel also saw the launch of UNEP’s new report Building a Greener Recovery: Lessons from the Great Recession.
Driving Change, Creating Impact – a conversation with Sir Ronald Cohen

- Sir Ronald Cohen, Chairman, The Portland Trust
- Moderator: Fiona Reynolds, CEO, Principles for Responsible Investment

In a dialogue with Fiona Reynolds, CEO, Principles for Responsible Investment, Sir Ronald Cohen, Chairman of the Global Steering Group, Impact Investment and The Portland Trust said that the weight of ESG money has already shifted the scales in favour of companies creating less environmental damage. **Investors should invest all their assets in ESG and impact investment to help build a fairer and more sustainable world.** Now that we can measure the impact performance of companies, we need governments to mandate that every company starting three years from now has to publish impact-rated financial accounts, in order to move down the path of shifting from shareholder capitalism to stakeholder capitalism and to provide the tools for companies to have transparency on impact.
High-level dialogues: Development Banks and Paris Alignment

- Gustavo Montezano, CEO, BNDES
- Remy Rioux, CEO, AFD
- **Moderator:** Inger Andersen, Executive Director, Under-Secretary-General of the United Nations and Executive Director of the UN Environment Programme

Inger Andersen led a dialogue with leaders from two development banks: Gustavo Montezano, President & CEO BNDES from Brazil and Rémy Rioux, CEO, of Agence Francaise de Développement. Discussions highlighted the important role of development banks in promoting sustainable finance, bringing together public and private sectors, and reaching the goals of the Paris Climate Agreement. Rémy Rioux said members of the International Development Finance Club have exceeded a target to mobilise USD150 billion in the first year since they committed to providing USD$1 trillion in climate finance at last year’s Climate Action Summit 2019. Both speakers agreed that action by private banks and development banks need leadership and incentives from policymakers.

The role of regulators in delivering a sustainable financial system

- Geoff Summerhayes, Executive Board Member at the Australian Prudential Regulation Authority (APRA) and Chair of UNEP Sustainable Insurance Forum
- Frank Elderson, Executive Director, DNB and Chair, NGFS
- **Moderator:** Elodie Feller, Investment Lead, UNEP FI

*The high-level dialogue* on the role of regulators in delivering a sustainable financial system focused on aligning international efforts on sustainable finance, Chairs of the Network for Greening the Financial System (NGFS) and the Sustainable Insurance Forum (SIF) Frank Elderson and Geoff Summerhayes explored recent developments to steer the financial industry and regulation to converge solutions to the fragmented approaches to regulation on a global level, as well as leadership roles in international finance. They covered the need for a harmonized and sound policy and regulatory framework that ensures clarity of purpose, protects consumers, supports market development, and facilitates transition in key economic sectors to meet the Sustainable Development Goals.

Watch recordings of further panels and keynotes [here](#)
Launches
UN-convened Net-Zero Asset Owner Alliance: 2025 Target Setting Protocol Consultation

Thirty of the world’s largest investors with $5 trillion assets under the UN-convened Net-Zero Asset Owner Alliance plan to implement greenhouse gas (GHG) emissions reductions in the 16% to 29% range by 2025 from 2019. The Alliance has launched a consultation on a draft 2025 Target Setting Protocol which is integral to coherent and comprehensive plans to reduce emissions, increase investment in the net-zero emissions transition and enhance influence on markets and government policies.

The Protocol enables Alliance members to employ the combination of approaches that best supports their unique decarbonization and engagement strategies and acknowledges their current different carbon levels. Each member is unique and as such may identify unique levers that exist within their institutions for accelerating net-zero emissions. The Alliance members aim to have “transparent, and unique” targets, which suit individual institutions, but which can also be aggregated such that progress for individual members and for the Alliance as a whole can be tracked and reported transparently.
Financing Circularity: Demystifying Finance for the Circular Economy

UNEP launched a report that highlights the critical role of banks, insurers and investors in advancing circular economies and supporting sustainable production and consumption. Panelists discussed how moving from linear economies to circular ways of doing business will require a different mindset from financiers as well as cooperation between business, financiers and governments. To help financial institutions access the trillions of dollars in business opportunities expected from the transition to circular economies that use resources more efficiently while minimizing pollution and waste, UNEP FI’s report Financing Circularity: Demystifying Finance for the Circular Economy provides technical insight and recommendations for financial institutions to integrate circularity into business strategies and re-orient loans and investments towards more sustainable technologies and innovative business models.
Building a Greener Recovery:
Lessons from the great recession

The paper, Building a Greener Recovery: Lessons from the Great Recession, is the first in a series of UNEP reports designed to help countries build back more sustainably from the pandemic. The paper finds that in the wake of the financial crisis, some countries made investments in energy efficiency and clean energy projects. Those efforts created jobs and expanded the use of renewable energy for several years but provided little long-term support for de-carbonizing the world economy.

The paper also calls on governments to commit to a five- to 10-year strategy of public investment and legislative reforms, including implementing levies that would make it more expensive to pollute. It says that will help spur a transformation towards a green economic order and foster a sustained financial recovery.
Climate Risk Applications: Outputs from UNEP FI’s The Task Force on Climate-related Financial Disclosures (TCFD) Banking Pilot

UNEP FI released two reports as outcomes of UNEP FI’s second banking pilot to implement the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. The first provides concrete and actionable guidance on integrating climate risk within a financial institution.

From Disclosure to Action: A Guide to Implementing the TCFD framework within Financial Institutions

Provides a stock-take on the myriad ways financial institutions are incorporating climate risk considerations into their operations. Thirty-nine financial institutions across six continents worked to improve their climate risk assessments and disclosures through the pilot. Applications of climate risk principles from the governing board to business line are explored and the report shares case studies and results of a survey of participating banks to provide vivid insights into the latest practices in the financial sector.

You can access the Guide [here](#).
Beyond the Horizon: New Tools and Frameworks for Transition Risk Assessments

Beyond the Horizon, New Tools and Frameworks for Transition Risk Assessments – outlines advances in transition risk analysis resulting from the year-long TCFD Banking program. Sector-specific working groups participants explored transition risks in a broad range of economic sectors to extend a transition risk methodology to include the latest climate scenarios, including reference scenarios from the Network for Greening the Financial System.

The report accompanies the release of the first user-friendly webtool, Transition Check, which is free for all UNEP FI members. The program also developed a comprehensive transition risk heatmap that provides insights into how climate-sensitive sectors may be impacted by a low-carbon transition. The Transition Check and the transition heatmap are expected to be valuable tools for the financial industry in evaluating, disclosing, and managing transition risks, as they will enable institutions to conduct climate risk analysis in a standardized and comparable format, which is essential for improving climate risk disclosures overall.

You can find the report [here](#).
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### Partners

- Ceres
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“We ran our Global Roundtable virtually for the first time ever to an audience of over 3300 participants. We hope to continue hosting important discussions virtually to reach a truly global audience.”

Eric Usher

“Excellent online sessions as a solution to events during the Covid-19 pandemic”

“Great discussions in the virtual format - better than the live event would have been!”

“Access to big names due to the virtual format was excellent, plus recordings made it easier to watch the sessions instead of waking up early”

“The virtual format made information more accessible”
United Nations Environment Programme Finance Initiative (UNEP FI) is a partnership between UNEP and the global financial sector to mobilize private sector finance for sustainable development. UNEP FI works with more than 300 members—banks, insurers, and investors—and over 100 supporting institutions—to help create a financial sector that serves people and planet while delivering positive impacts. We aim to inspire, inform and enable financial institutions to improve people’s quality of life without compromising that of future generations. By leveraging the UN’s role, UNEP FI accelerates sustainable finance.

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