

NET-ZERO ASSET OWNER ALLIANCE

Financing Transition – All Members Call

March 16th 2022



Agenda

1. Andreas Hoepner Co-Inventor of the EU Climate Benchmark
2. Update - Scaling Blended Finance
 - Call to Action to Asset Managers - renewal
 - G7 stakeholder workshop
3. Update - EM Finance the Transition
4. Miscellaneous
 - Convergence – onboarding to the platform
 - FinTrack Survey – please see March Newsletter
 - Recordings

EU Climate Benchmarks – Andreas Hoepner

Andreas Hoepner

Professor of Operational Risk, Banking & Finance at University College Dublin, Ireland

Co-Inventor EU-Paris-Aligned Benchmarks and EU Climate Transition Benchmarks

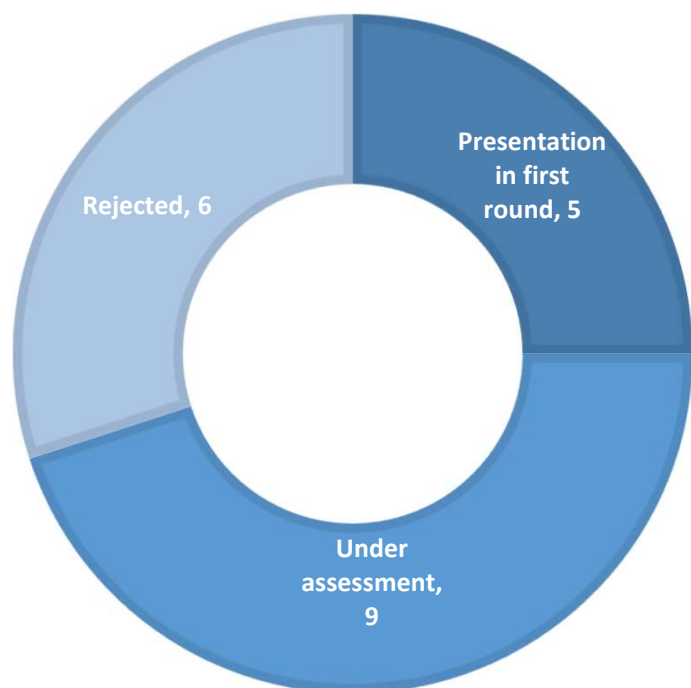


EU labels for benchmarks (climate, ESG) and benchmarks' ESG disclosures

Make benchmark methodologies more transparent when it comes to ESG & put forward standards for the methodology of low-carbon and ESG benchmarks in EU

Blended Finance: Call to action – status of submissions

Total submissions: 20



- 5 asset managers presented their vehicles in 1st round: Selected to present in the workshop with all Alliance members in September 2021
- 6 rejected: Declined, among others due to non-blended structures as well as questions marks around scalability
- 9 under assessment: Currently under review by the team with the aim to select another 3-5 vehicles to be presented in the 2nd workshop in Q2 2022

Blended Finance: Call to action – revival

Target of the exercise

- Raise awareness that much more vehicles are needed
- Be a platform for asset managers / asset owners – connecting
- Knowledge sharing / building

Motivation for a revival

- First round very well received by the Alliance members and asset managers
- We could receive more submissions
- Many asset managers are not aware of this call to action – we propose to also share via GFANZ and NZAMI platforms and via more media coverage
- Important in the context COP27 and G7 – scaling blended finance for investments in the emerging economies

Blended Finance: Planned Stakeholder „G7 Workshop“

Main goals:

- Share views on main obstacles for scaling blended finance and jointly identify potential solutions to overcome those barriers.
- Align on a concerted stream of next steps to work on prioritized solutions.

Envisaged participants: e.g. NZAOA members and partners, German Government, European Commission, Emerging markets Governments, development finance institutions, OECD

Envisaged timing: ~2 hour workshop in early June 2022

Status of preparation: Framing and workshop program currently under discussion among the core members of the sub-track focused on blended finance activities – everyone is invited to join.

Update on EM Finance the Transition

Led by Prudential: Don Kanak, Liza Jansen

1. Working collaboratively with the Sustainable Development Investment Partnership (SDIP; under the World Economic Forum) and the EU-ASEAN Business Council to put on 2-3 webinars on “Bridging emerging market and developed market perspectives on net zero and transition investment”

- TBC first webinar on **11 April 2022, 10am CET**, focusing on ASEAN, following the annual meeting of ASEAN Finance Ministers and Central Bank Governors
- Open webinar to all, on-the-record
- **Ask to NZAOA members:** attend and invite others from developing and developed markets

2. WEF-SDIP* taking lead to organize several roundtables. First roundtable will “Focus on green/transition/sustainability-linked bonds in emerging markets”

- Small group of expert stakeholders in developing markets (15-20 participants). Chatham House rules
- Tentatively planned for late April. Planned for 90 minutes, including breakout group discussions
- **Ask to NZAOA members:** Please suggest expert participants with emerging market investing experience to join

* World Economic Forum – Sustainable Development Partnership

Update on EM Finance the Transition

Exploring retention of **technical consultant, possibly sponsored by Asian Development Bank, to write-up insights from roundtables**, to be circulated to participants and stakeholders

Future roundtable topics (June/July)

- 1. Challenges for investors in EM investments** (barriers to transition investments), e.g. certification standards including taxonomies, unintended consequences of ESG rules/metrics on EM investing
- 2. What is “good engagement” from an EM perspective?**
- 3. Transition challenges for high-emitting industries** operating in emerging markets – “issuer perspective” (e.g. steel, cement, transportation, agri)

Miscellaneous

- Convergence – onboarding to the platform
- FinTrack Survey – please see March Newsletter
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Convergence Collaboration and Webinars

Process

1. Sign-up for the platform via this link: <https://forms.office.com/r/3bd4FGQvTU>
 - One colleague (main contact for blended finance) per organization needs to sign up
 - Credentials can then be shared with all colleagues of your organization
2. You will receive a mail from Convergence to register for the platform
 - Mail subject: Signing up to the Convergence Platform as part of the Net Zero Asset Owners Alliance
 - Please also check your junk/spam folder!
3. Click on the link (<https://www.convergence.finance/sign-up>) in the mail and fill out all the requested information to create your profile

In case of issues, please contact olive.munene@convergence.finance and eliya.devay@un.org

An additional webinar on the Convergence platform will be held for the Asian-Pacific region at the 22nd of March, 10am AEDT. Let us know, in case you would like to receive the calendar invite.

Financing the Transition Work track - Survey

- Survey distributed via the March Newsletter
- Engagement questions:
 - General questions how to improve the FinTrack set-up
 - Climate impact KPIs
 - Blended Finance
- *Your opportunity to weigh in and make suggestions how to improve*

APPENDIX

Information sharing

- **New file sharing tool:** <https://www.unepfi.org/climate-change/united-nations-convened-net-zero-asset-owner-alliance/alliance-extranet/>
- Password: AOAprivate
 - Strictly confidential – only for Alliance members
 - Only download possible, no uploading