



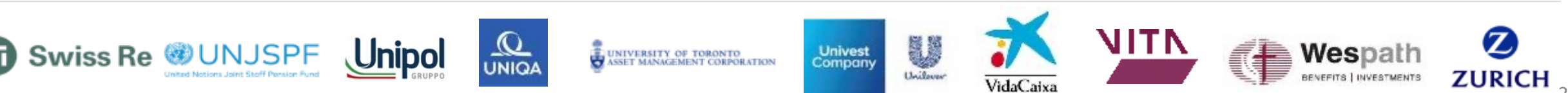
Welcome, the call will start shortly.

NET-ZERO ASSET OWNER ALLIANCE

Financing Transition – All Members Call

April 19th 2023





Agenda

1. *Anthropocene Fixed Income Institute*
2. The Alliance in the context of GFANZ, RtZ, & the HLEG
3. MDBs reform – updates
4. MSCI guidance update – how to fill out the Climate Solution Template
5. Climate solutions investment platform
6. Future events
7. Webinar calendar

Anthropocene Fixed Income Institute

- Climate risks in oil and gas sector bonds: What is priced in?
- Adani Group: Coal funding fall-outs from the Hindenburg report
- Private (fossil) assets, public bonds and ESG bond indexes
- Kunming-Montreal Agreement: Biodiversity impact on government bond portfolios
- Green vs grey bank league tables: updates including UBS/CS
- Ask to members: Please suggest topics they would like AFII to focus on for our upcoming webinars in June and November

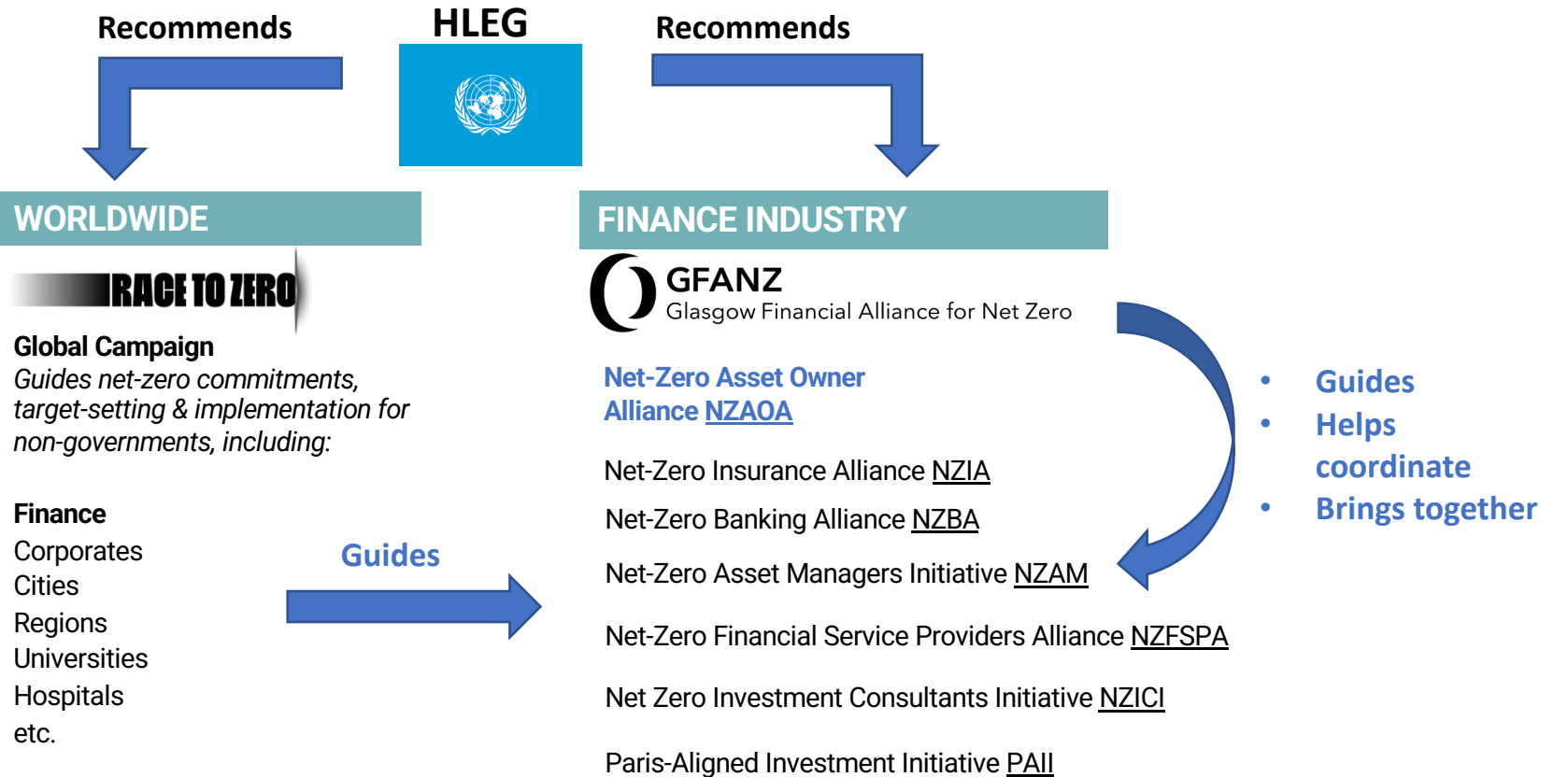
The Alliance in the context of GFANZ, Race to Zero, & the HLEG

The Net Zero Ecosystem

AOA in the context of GFANZ, Race to Zero, & the HLEG



AOA is part of a global net-0 ecosystem



AOA and GFANZ

GFANZ revised TORs and our response

- The relationship between GFANZ and AOA has remained unclear, including to AOA membership and the general public, media etc.
- GFANZ developed TORs in early 2022 that did not achieve to clarify. As a result, GFANZ has agreed to revise those TORs.
- PRI & UNEP FI, on behalf of AOA, have participated in that revision, to ensure clarity by establishing:
 - ✓ GFANZ is a 'forum' for the Alliances
 - ✓ AOA members are only accountable to AOA governance and AOA-related minimum requirements; there is no formal link between AOA members and GFANZ
 - ✓ GFANZ Governance is not accountable to AOA membership and hence cannot speak on behalf of AOA membership
 - ✓ There needs to be in-depth and genuine coordination between AOA and GFANZ on work-plans and activities

AOA response to RtZ and HLEG

Approach of AOA on Race to Zero revised criteria & HLEG recommendations

The Secretariat undertook an alignment assessment between AOA's Commitment, RtZ Updated Criteria & HLEG Recs

Findings:

1. The AOA - given its strong existing [minimum requirements](#), its [accountability mechanism](#), its Target-Setting Protocol, as well as its Alliance Positions on Fossil Fuels – already meets a great number of RtZ Updated Criteria and HLEG Recs
2. Key gaps in the 'AOA set-up' remain as follows:
 - i. AOA lacks guidance and positioning on land-use emissions / deforestation / soft commodities
 - ii. AOA lacks guidance and positioning on responsible policy engagement by institutional investors, including its members
 - iii. AOA lacks guidance on how its members can harness their existing net-0 commitment and net-0 actions to produce state-of-the-art investor transition plans

AOA response to RtZ and HLEG

Approach of AOA on Race to Zero revised criteria & HLEG recommendations

Based on these findings, the Steering Group is proposing the following course of action, along 3 prongs:

1. In time for NYC Climate Week, publish a consolidated narrative conveying the AOA's existing ambition and credibility, evidenced by its existing various instruments
2. Until the middle of the year, publish guidance on how its members can utilise their existing AOA commitment and existing net-0 actions to produce state-of-the-art investor transition plans
3. In Q2 of 2023 commence development of Alliance Positions on a) Deforestation and Soft Commodities and b) Responsible Public Policy Engagement by Investors

MDBs reform

Updates

MDBs reform update

Updates

Letter was sent to the finance ministries of five countries:



- MDBs and DFIs should be incentivised through ambitious target-setting to optimally **leverage their balance sheets and make private capital mobilisation** for the net-zero transition a core focus topic.
- The risk frameworks of MDBs and DFIs should ensure additionality by **increasing the type of financing currently undersupplied** in the target markets (e.g. equity, including early-stage project development finance, and local currency financing). Equally, the provision of guarantees should be enhanced.
- MDBs and DFIs should be steered to **focus on collective solutions, involving both domestic governments and the private sector**, to accelerate capacity building and to create a robust pipeline of investable financial assets, which meet investors' fiduciary requirements.

Op-ed was published at the [Euractiv](#) on the 12th of April

Why the World Bank must boost green investment in emerging markets

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV Media network.

By Günther Thallinger

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Opinion



Pierre-Olivier Gourinchas, the Director of the IMF Research Department, arrives for the World Economic Outlook press conference during the 2023 Spring Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG) in Washington, DC, USA, 11 April 2023. The Spring Meetings run from 10 to 15 April 2023. [EPA-EFE/SHAWN THEW]

The Blended Finance working group and Engagement Track are jointly collaborating to find ways to keep engaging with the relevant stakeholders

MSCI guidance update

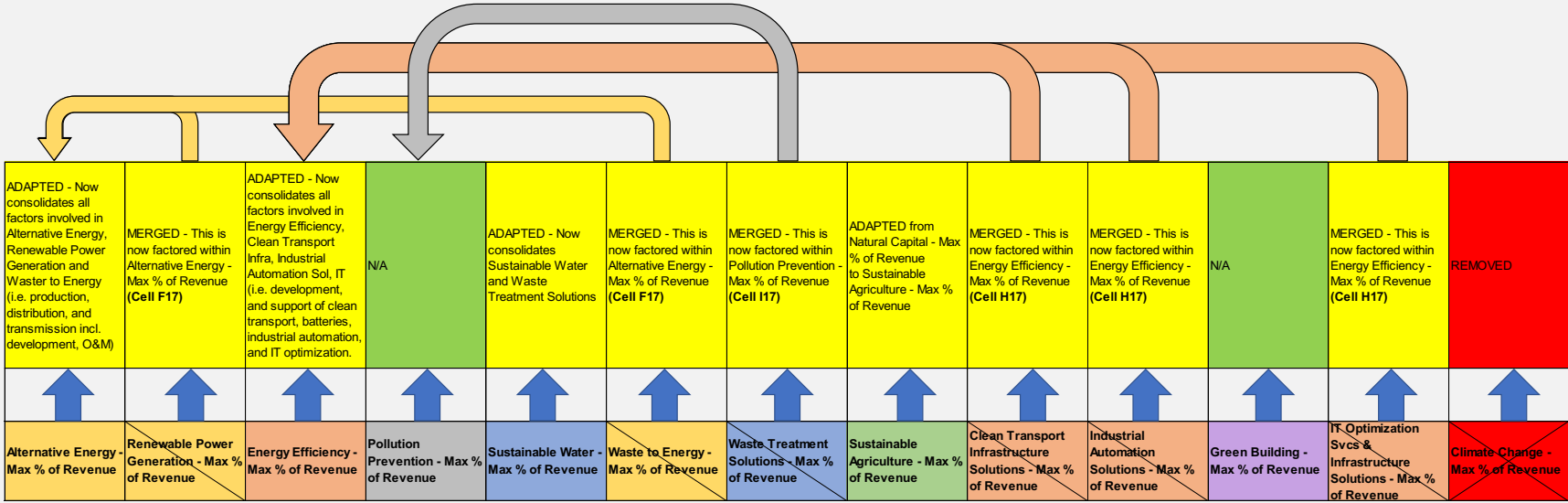
How to fill out the Climate Solution Template

MSCI guidance update

MSCI updated guidance and study case will be readily available for reporting purposes

Objective is to align with MSCI internal taxonomy, simplify the process and avoid potential double counting

Categories (Tier 1)	Factor Name (Tier 2) / Metrics Used
Alternative Energy	Alternative Energy - Maximum Percentage of Revenue
Energy Efficiency	Energy Efficiency - Maximum Percentage of Revenue
Green Building	Green Building - Maximum Percentage of Revenue
Sustainable Water	Sustainable Water - Maximum Percentage of Revenue
Pollution Prevention & Control	Pollution Prevention - Maximum Percentage of Revenue
Sustainable Agriculture	Sustainable Agriculture - Maximum Percentage of Revenue

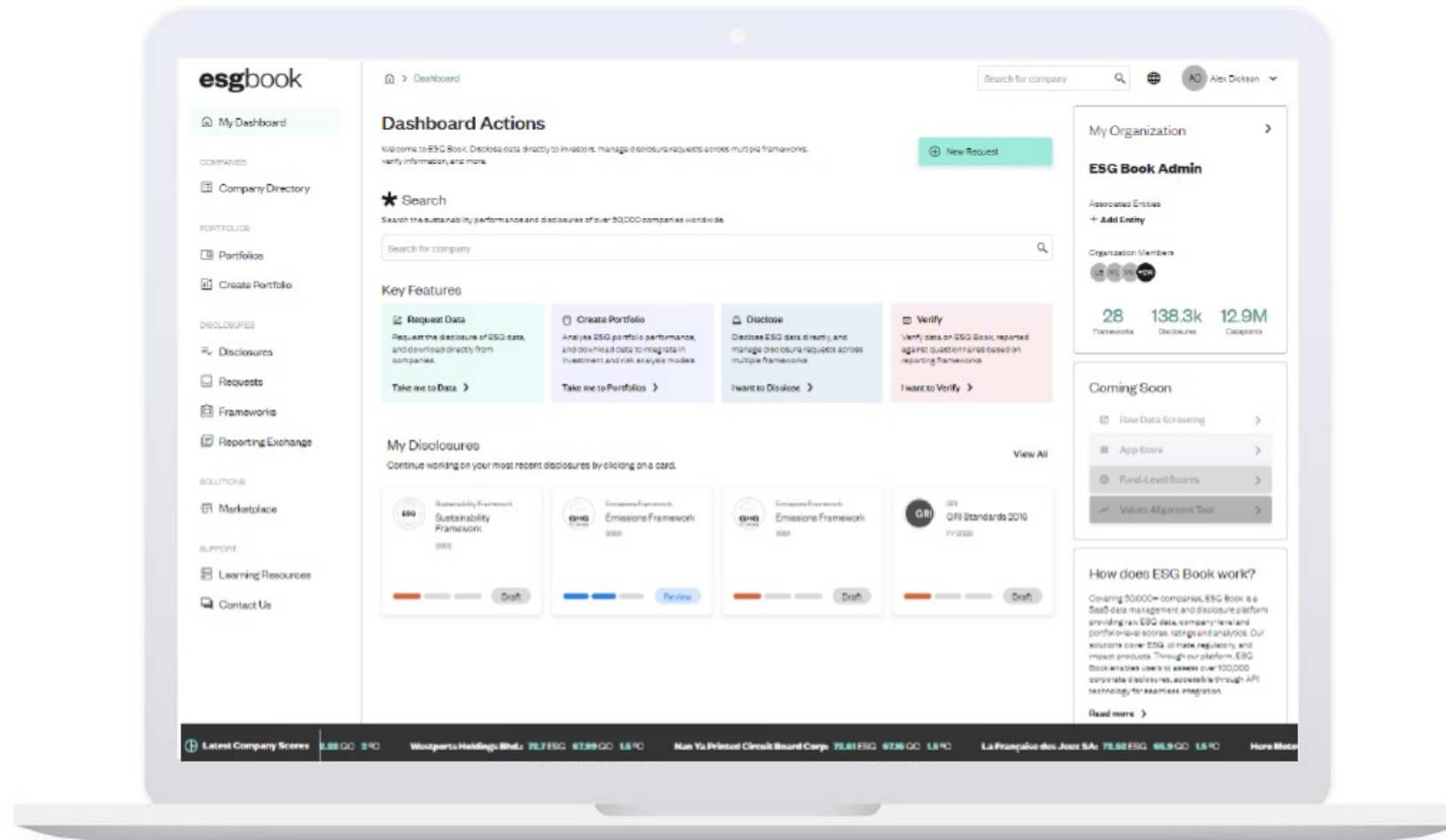


Climate Solutions Investment Platform

Kick-off of the testing phase

Climate Solutions Investment Platform

Kick-off of the testing phase



Events and webinars

In person events

Future events

Event: Scaling Blended Finance to Support the Net-Zero Transition in Asia

When: 4th of May from 12:30pm to 2pm Korean time (in person event)

Description: ADB Luncheon with partnership of Prudential plc. This high-level event is aimed at answering the question: **What kind of policy, regulatory and market backdrop should be in place to support blended finance.**

Registration: link [here](#)

Webinars

FinTrack Webinar calendar

Date	Time	Topic	Status
05/04/23	4pm CET	NZAOA MDBs/DFIs webinar series: IFC (World Bank Group)	Recording available here