



SUSTAINABLE FINANCE

International initiatives

Energy Lab 22nd of May 2018
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Agenda

- ① What is Sustainable Finance?
- ② UN Sustainable Development Goals
- ③ UN Environment (UNEP)+ World Bank
- ④ EU initiatives
- ⑤ National reports, national initiatives
- ⑥ Branch initiatives
- ⑦ What's next?





What is Sustainable Finance?

- Green Finance, Green Economy, Environmental Economics
 - Low carbon footprint
 - Renewable energy
 - Circular economy
 - Resource efficiency
- Financing the UN Sustainable Development Goals





UN Sustainable Development Goals

- The 2030 Agenda
- 17 goals
- 169 targets
- 232 indicators



- EU on Sustainable Finance:

... how to integrate sustainability considerations into its financial policy framework in order to mobilise finance for sustainable growth





The Paris Agreement



United Nations
Climate Change



- Global response to climate change
- 195 parties to the PA, including EU
- Increase of global temperature < 2°C
- Efforts to reach < 1,5°C
- Finance flows consistent with
 - Low greenhouse gas emissions
 - Climate-resilient development
- Parties report regularly to UN
 - on their emissions and
 - on their implementation efforts.

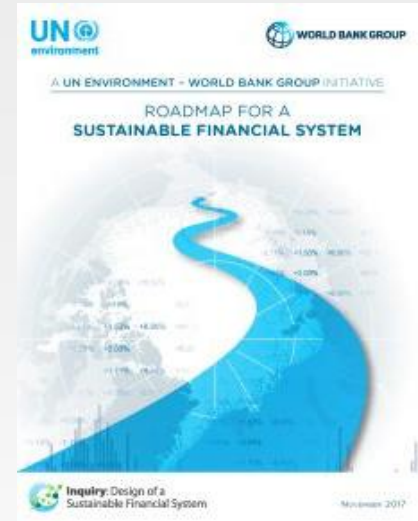




World Bank + UNEP

- Nov 2017: Roadmap for a Sustainable Financial System
- Integral approach for all stakeholders in the financial sector
- Ultimate goal: reorientation of the flow of resources towards sustainable activities
- Identifying 3 drivers of change
 - Market based initiatives
 - National initiatives
 - International initiatives

<http://documents.worldbank.org/curated/en/903601510548466486/Roadmap-for-a-sustainable-financial-system>





WTO and SDG

- The SDGs put significant emphasis on the role that trade can play in promoting sustainable development.
- Direct references to WTO activities in
 - SDGs 2, 3, 8, 10, 14 and 17
- 2030 Agenda: Commits UN member states to promote a "meaningful trade liberalization over the next 15 years to help maximize the contribution of trade to the success of the sustainable development goals".
- No tariffs on Environmentalfriendly goods?
 - Revitalizing initiative from 2014?

<https://sustainabledevelopment.un.org/content/documents/14240wtomc.pdf>





EU: Aiming at taking a leading role

- High Level Expert Group's recommendations (Jan 2018)
- Commission: Action Plan on Sustainable Finance (Mar 2018) COM (2018) 97 final
 - EU sustainability standards, common taxonomy
 - EU Green Bond Standard
 - Establish Sustainable Infrastructure Europe
 - Include sustainability in the mandate of ESA
- "Think sustainability first"-principle





High priority tasks from EU:

- Energy policy
 - EU Energy Union/Energy Market
 - Discussions in Norway spring 2018
- Lowering the carbon footprint
 - Reducing CO₂ emission by 40% by 2030
 - CO₂ quotas and trading scheme, Co₂ storage
- Common taxonomy, minimum standards, transparency
- "Tagging" green/brown





Main objectives of the action plan

The action plan on sustainable finance adopted by the European Commission in March 2018 has 3 main objectives

- reorient capital flows towards sustainable investment, in order to achieve sustainable and inclusive growth
- manage financial risks stemming from climate change, environmental degradation and social issues
- foster transparency and long-termism in financial and economic activity





Branch initiatives (bottom-up)

- International
 - International Finance Corporation (IFC)
 - European Banking Federation
 - Initiatives from London and Frankfurt
- National
 - Finans Norge
 - Nordea





National responsibilities

- UN duties
 - Reduce CO₂ emission
 - Plan for reaching the 2/1,5° goal
 - National reports on the SDGs
- EU/EEA level duties
 - Implement and cope with EU legislation
 - Report national developments





From nice words to action...

- Sustainable Finance to do-list for 2018-2019:
 - National roadmaps,
 - Data information, transparency, financial technology,
 - Common taxonomy, common standards
 - "tagging" green/brown assets
 - Closer cooperation between public and private sector





Challenges for lawyers?

- Public/private cooperation on finance
- Property and use of infrastructure and expensive equipment
- Harmonisation of security interests possible?
 - Analyse possibilities and limits under existing regulation (national and EU)
 - Addressing need for new legislation, interdisciplinary cooperation is needed
 - Look for new solutions in cooperation with FinTech
 - Revitalize our traditional legal disciplines, thinking across "silos"
- https://ec.europa.eu/info/sites/info/files/180308-action-plan-sustainable-growth-factsheet_en.pdf





Thank you for your attention!



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