



**UNEP Finance Initiative**  
Innovative financing for sustainability

**« What is the  
environmental responsibility of banks? »**

**Paul Clements-Hunt  
Head, UNEP Finance Initiative  
Athens, 22 June, 2006**

<http://www.unepfi.org>

# UNEP Finance Initiative



## United Nations Environment Programme Finance Initiative

**UNEP FI** is a unique global partnership between **UNEP** and **financial institutions** worldwide.

**167** banks, insurers and asset management companies comprise the partnership with UNEP.

**UNEP FI** develops global standards, guidelines and best practice approaches to sustainability for financial institutions



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# UNEP Finance Initiative – Activities

Working Groups	Projects	Regional Task Forces
<ul style="list-style-type: none"> <li>✚ Asset management</li> <li>✚ Climate change</li> <li>✚ General Insurance</li> <li>✚ Sustainability management, reporting and indicators</li> </ul>	<ul style="list-style-type: none"> <li>✚ Principles for Responsible Investment</li> <li>✚ Responsible Investment &amp; Intl Development</li> <li>✚ Finance &amp; Biodiversity</li> <li>✚ Finance &amp; water</li> <li>✚ Finance &amp; conflict</li> <li>✚ Sustainability training</li> </ul>	<ul style="list-style-type: none"> <li>✚ Africa</li> <li>✚ Asia Pacific</li> <li>✚ Central &amp; Eastern Europe</li> <li>✚ Latin America</li> <li>✚ North America</li> </ul>



**International capital is now mainstreaming environmental considerations from both risk and opportunity perspectives:**

**•Capital markets worldwide worth USD47 Trillion. Pensions funds hold 25% of these markets. Institutional investors recognize they have to consider a broader range of environmental, social, governance and human rights (E,S, G& HR) risks.**

**•Principles for Responsible Investment: Backed by more than 4 trillion USD assets under management; Launched by Kofi Annan on 27 April 2006**

**•Today HSBC Group signs PRI. HSBC's investment arm holds USD 470 billion which they are committing across their mainstream portfolios in all asset classes to back ESG action.**



**International capital is now mainstreaming environmental considerations from both risk and opportunity perspectives:**

- **Equator Principles sees nearly 40 banks representing more than 80% of global project finance volume integrating environmental and other qualitative issues into the fabric of project lending criteria.**
- **By 2020 global renewable energy, climate change and cleantech markets predicted to offer USD 2 Trillion plus markets.**
- **Access to favourably priced international capital will depend on lenders ability to integrate and demonstrate sound management of ESG&HR issues.**



## **Top 10 wind farm financing**

**BBVA – USD 1,860 m**

**DEXIA – USD 1,612m**

**HVB – USD 1,399m**

**RBS – USD 1,173m**

**BNP Paribas – USD 1,139m**

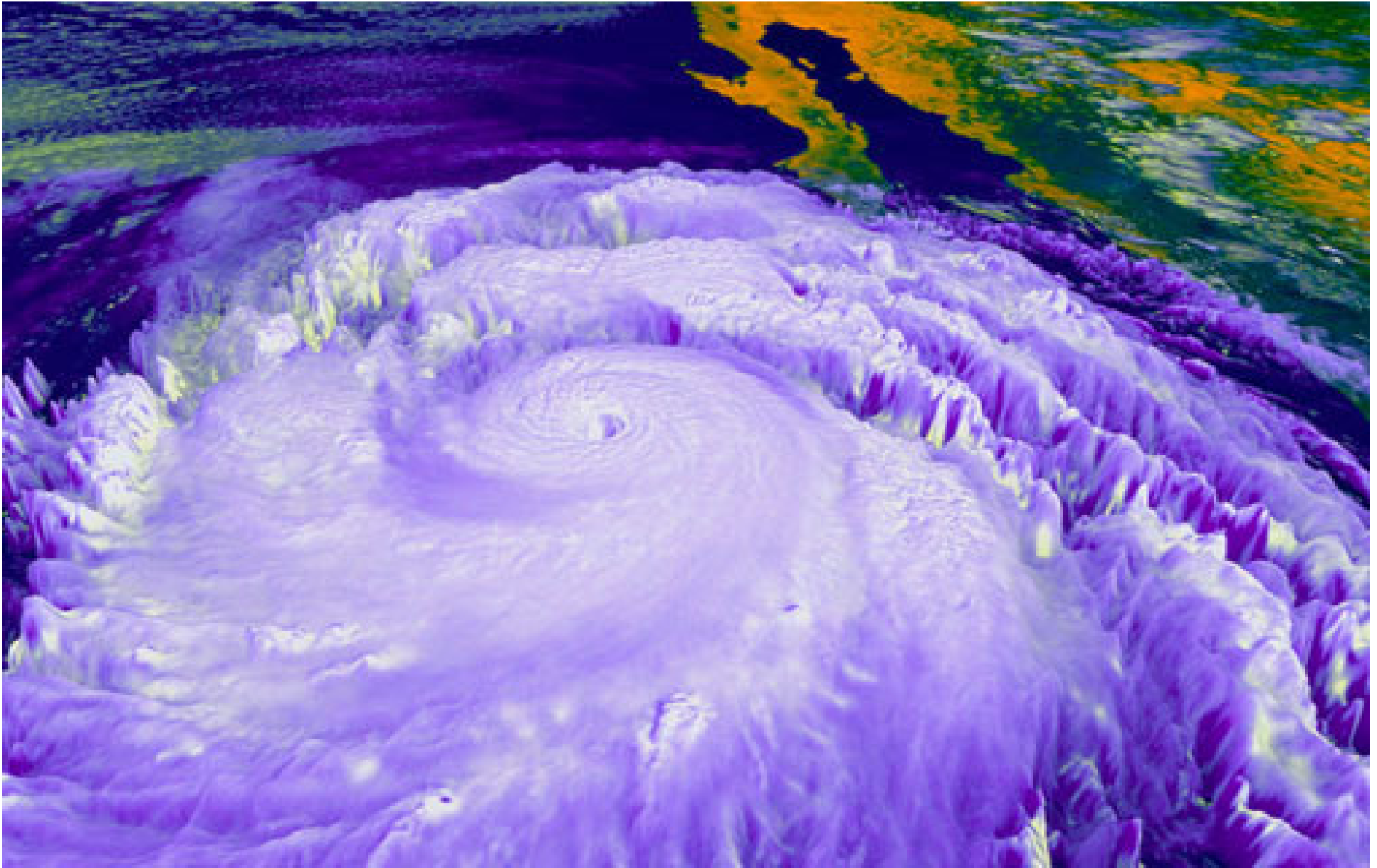
**CSFB – USD845 m**

**Calyon – USD 833m**

**Caja Madrid – USD 680m**

**Bank of Tokyo Mitsubishi –  
USD 609m**

**Caixa – USD 578 m**



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# Climate Change and Economic Losses

## Great Weather Related Natural Disasters 1950 - 2003

Decade comparison

	Decade 1950-1959	Decade 1960-1969	Decade 1970-1979	Decade 1980-1989	Decade 1990-1999	last 10 1994-2003	Factor 80s : 60s	Factor last 10: 60s
<b>Number</b>	<b>13</b>	<b>16</b>	<b>29</b>	<b>44</b>	<b>74</b>	<b>47</b>	<b>2.8</b>	<b>2.9</b>
<b>Economic losses</b>	<b>41.8</b>	<b>54.8</b>	<b>82.8</b>	<b>130.5</b>	<b>439.1</b>	<b>288.8</b>	<b>2.4</b>	<b>5.3</b>
<b>Insured losses</b>	<b>0/unknown</b>	<b>6.1</b>	<b>12.1</b>	<b>23.9</b>	<b>101.2</b>	<b>58.8</b>	<b>3.9</b>	<b>9.6</b>

Losses in bn. US\$ - 2003 values

MRNatCatSERVICE

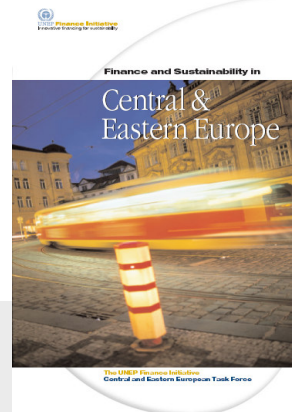
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# UNEP FI Central & Eastern European Task Force



## Development of work programmes at CEETF


- 1. Survey in 14 CEE countries:** Gain understanding of the current status of sustainable finance in the region
- 2. « Finance & Sustainability in CEE » report & conference:** Disseminating survey findings & raising awareness of UNEP FI CEE Task Force
- 3. Design future work programmes:** Survey found «environmental credit risk management » the most important sustainability issue in CEE (EU regulation, access to foreign capital).  
=> **2006 CEETF work programme:** Develop web-based information platform on CEE environmental credit risk



# Outreach


-  **Newsletter 0.618...:** yearly (thematic)
-  **e-bulletin:** monthly (8,000 subscribers)
-  **unepfi.org:** over 200,000 visitors a year

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### What we do

UNEP FI is a global partnership between UNEP and the financial sector. Over 200 institutions including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

→ Why get involved
→ How to join

**e-Bulletin sign up**

Subscribe

**Sign up to receive news and updates from UNEP FI.**

→ [More](#)

| UNEP FI launches new website

27 October, 2004


UNEP FI is pleased to release a completely redeveloped, redesigned, and restructured website to showcase the work of UNEP FI and its [signatories](#).

Send comments, feedback, and suggestions to [web@unepfi.org](mailto:web@unepfi.org).

**Feature Publication**

For Finance and Sustainability in Central and Eastern Europe

(423 KB | 8 pages)





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# 0.618...

The golden ratio... building quality without sacrificing quality

Sustainable finance goes global

As we step into the hopes and uncertainties of 2005, the UNEP Finance Initiative can look back on a two-year period of sound achievement.

Also, UNEP FI is thrilled to be starting 2005 with UNEP Finance and Sustainability Week in Paris from 10 January for 240 Western European institutions. The event will be hosted by Société Générale and supported by Citicorp, Deutsche Bank and CIBC.

**Highlights:** secret session in April 2004 UNEP FI embarked on a global tour, covering Africa, Asia-Pacific, Latin America and the Caribbean, and the European transition economies, to make the sustainability agenda relevant for financial institutions around the world.

Starting in Manila, UNEP FI invited financial institutions from the respective regions to a series of two-day conferences in the Philippines, Chile, South Africa and Hungary. Theoretical conference notes assisted UNEP FI in developing a list of policy and practice recommendations and a finance and insurance sector report both of which were presented to the August 2002 Johannesburg Summit.



## Corporate Governance

### When worlds collide

A dramatic re-engineering of corporate and capital market governance systems is playing out in a rapidly changing world. The implications for the market and financial institutions are far-reaching.

A system which remains unaltered, however, is the center to which environmental and social considerations will be embedded firmly into existing governance architecture.

India's special New Year 2005 edition of 0.618... we explore what new challenges and opportunities will emerge for finance globally in the world of governance, environment and corporate social responsibility (CSR) collide.

**Integrity dissolving**

As governments gathered for the Johannesburg Summit in August last year, the integrity and credibility of an ever increasing number of listed corporate providers and the financial institutions are under increasing pressure to be "cleaning" regulators, CEOs, analysts, market pundits, auditors and accountants – and remain – under the spotlight. Ordinary investors were asking, "How could it..."

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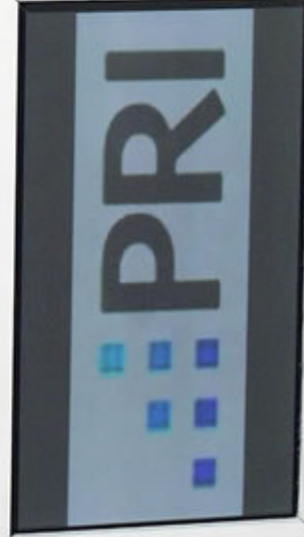
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**PRI**

# Principles for Responsible Investment



**NYSE Group**





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