

SDG Forum

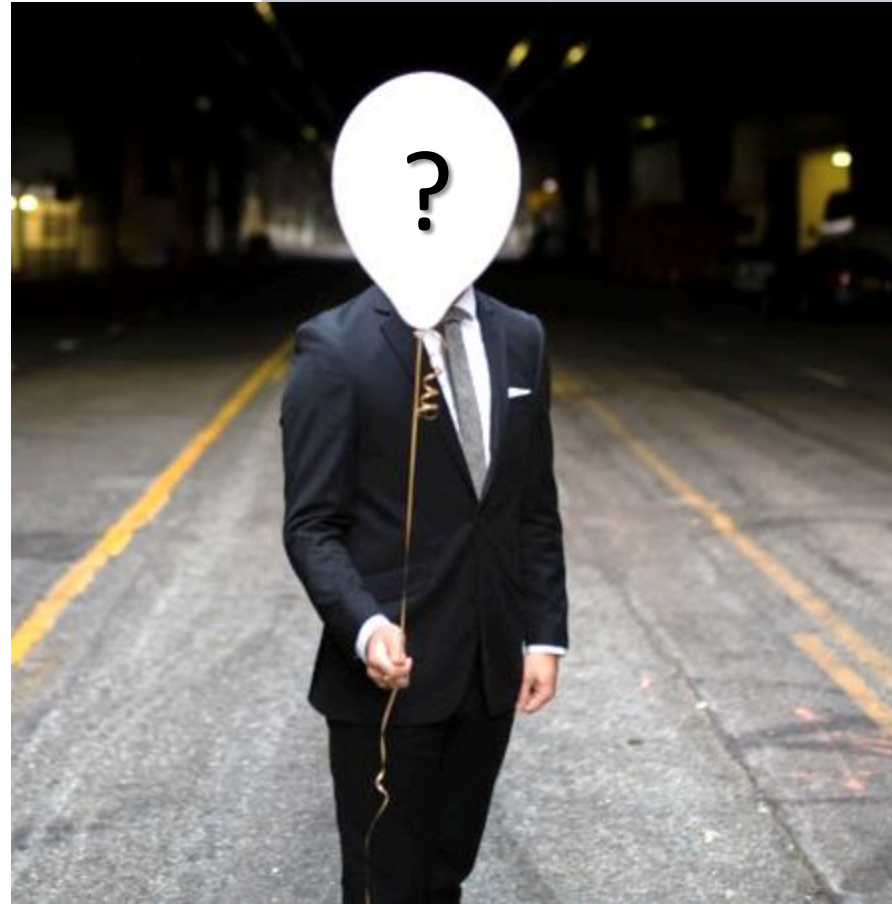
Finance



What is Febelfin?

Represents **264** financial institutions in Belgium

- Banks
- Credit providers
- Asset managers and funds
- Stockbroking firms and stockbrokers
- Stock Exchange members
- Leasing companies
- Euroclear
- SWIFT
- ...



5 constituent associations



11 associate members with a special status



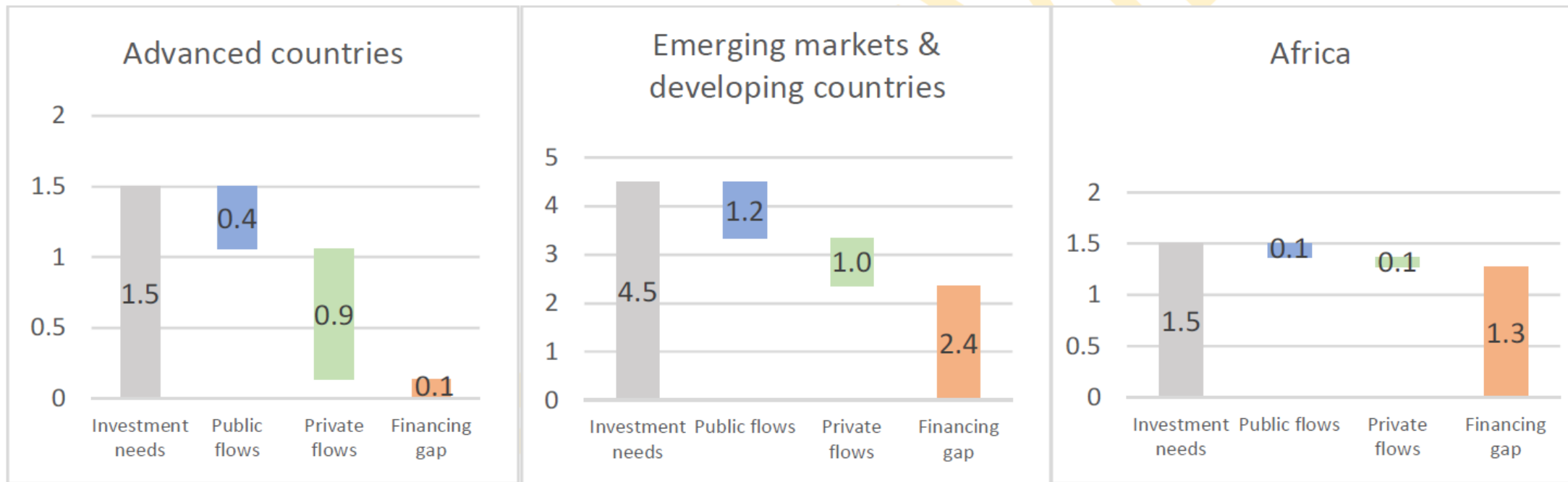


Financing gap

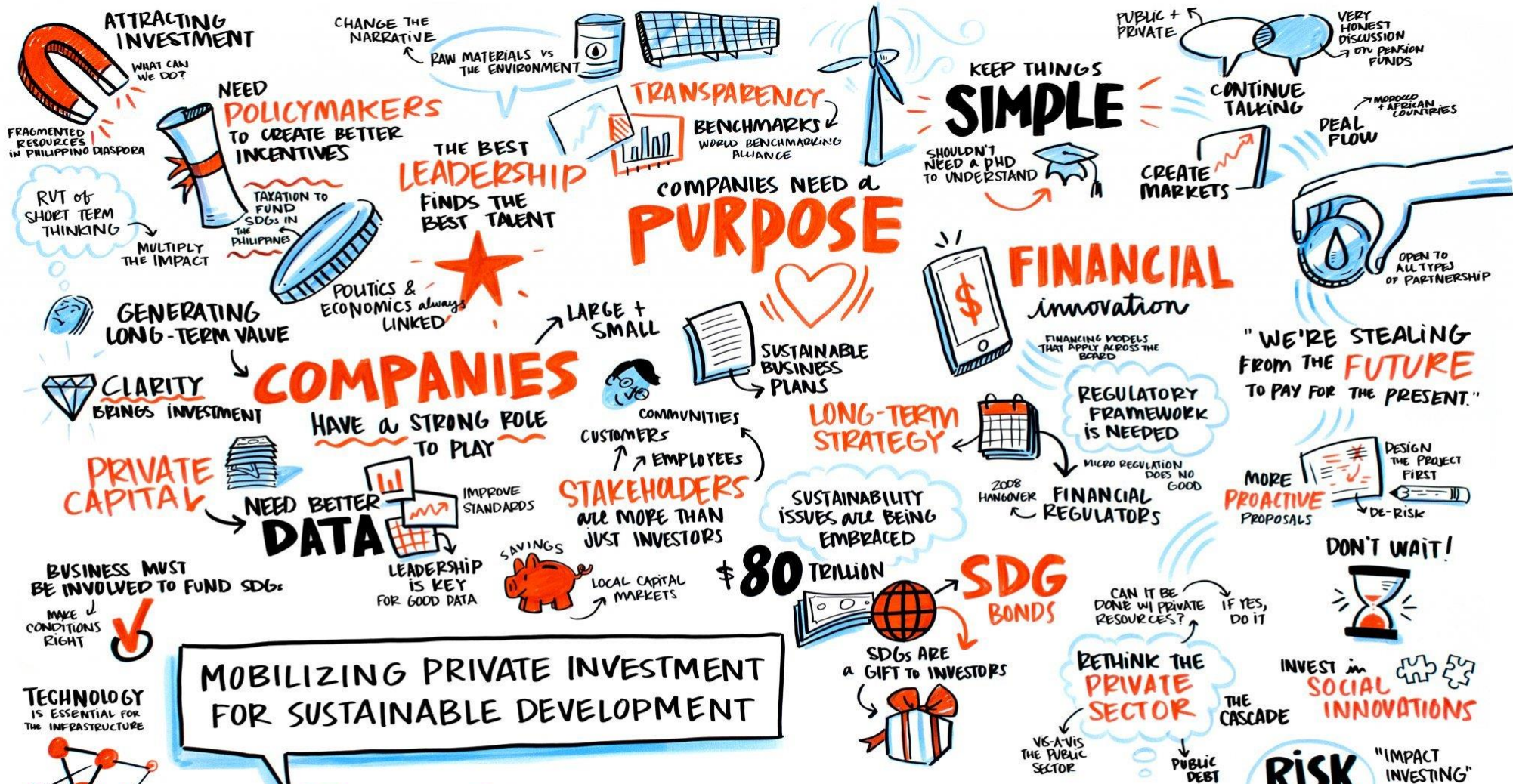


A financing gap

- \$2500 billion/year
- Impact-based business models vs impact as an externality



Source: 'Rethinking impact to finance the SDGs' (Consultation version), UNEP FI, +Impact (2018)



SG's HIGH LEVEL MEETING ON FINANCING THE 2030 AGENDA



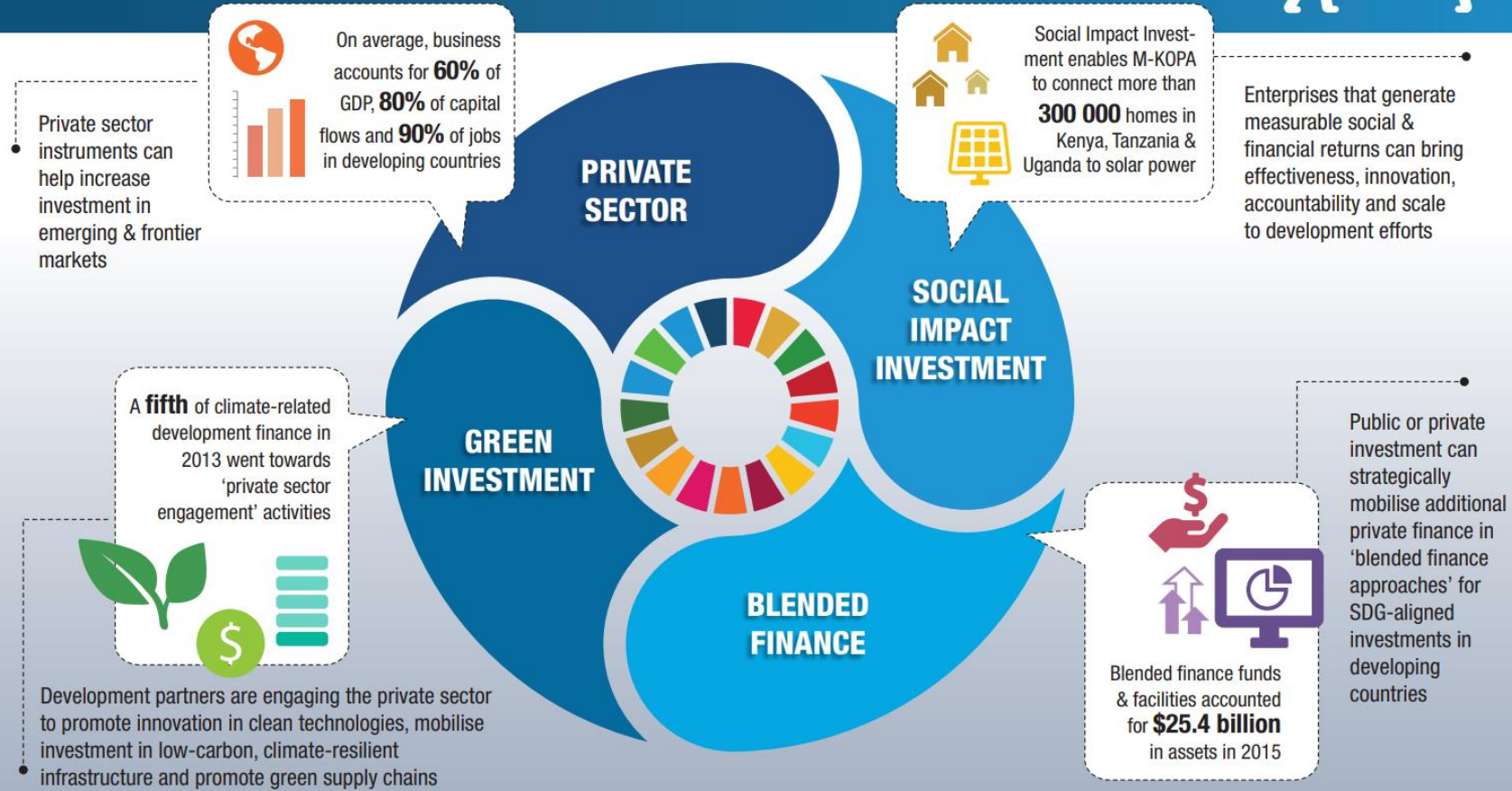


Actors

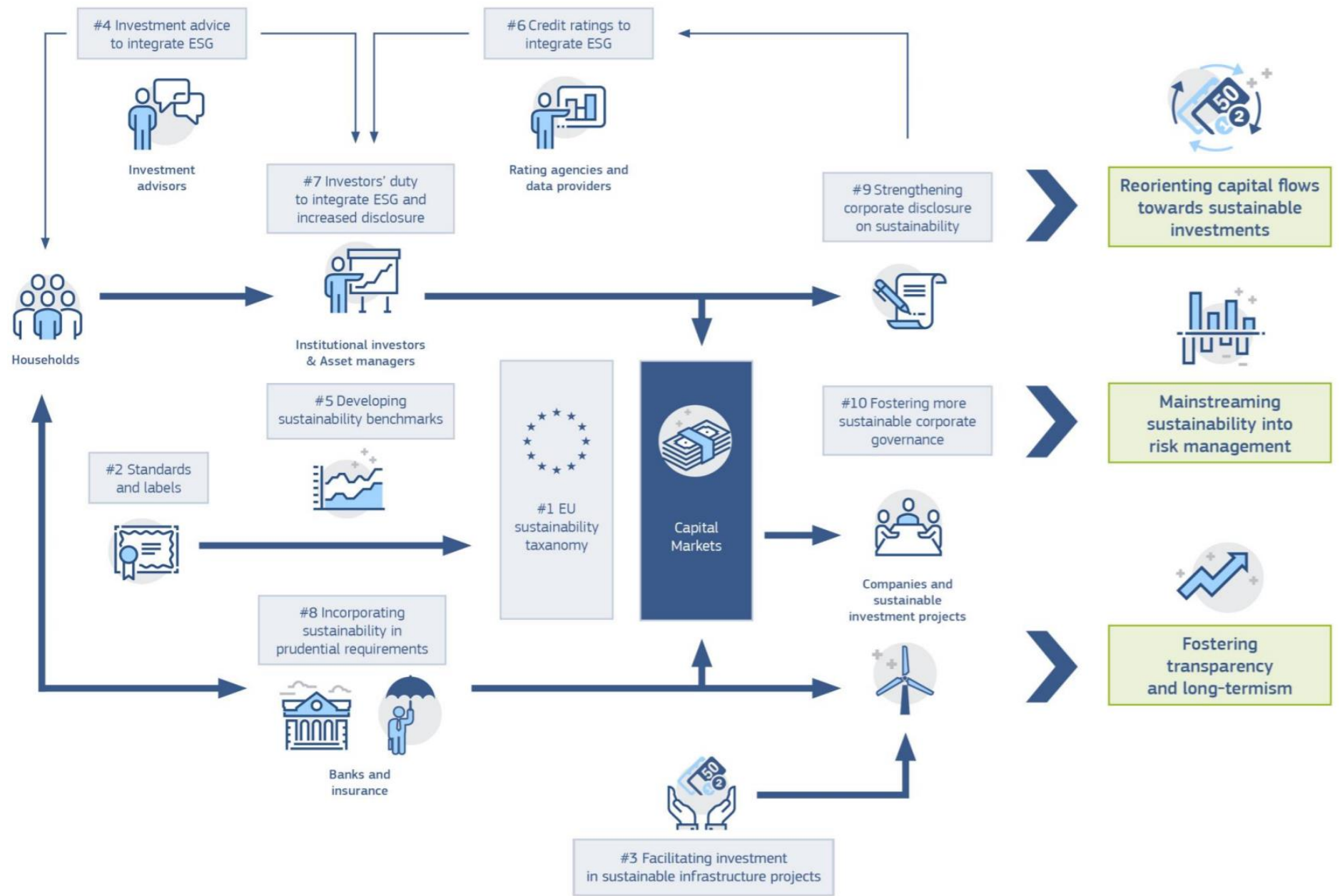
- Public
- Private

- Blended

The Private Sector: The Missing Piece of the SDG Puzzle



GOVERNMENT & PRIVATE SECTOR WORKING TOGETHER TO BRIDGE THE GAP TO GO FROM BILLIONS TO TRILLIONS





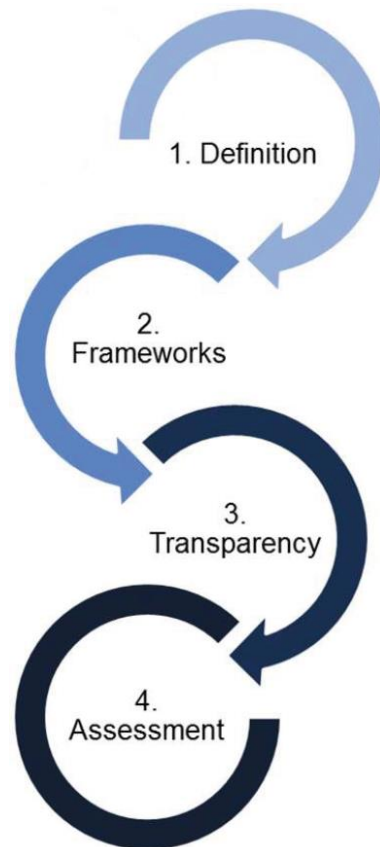
Impact-based



Principles for Positive Impact Finance

- Clarity & scale-up
- Holistic approach

- Leverage



Positive Impact Finance =

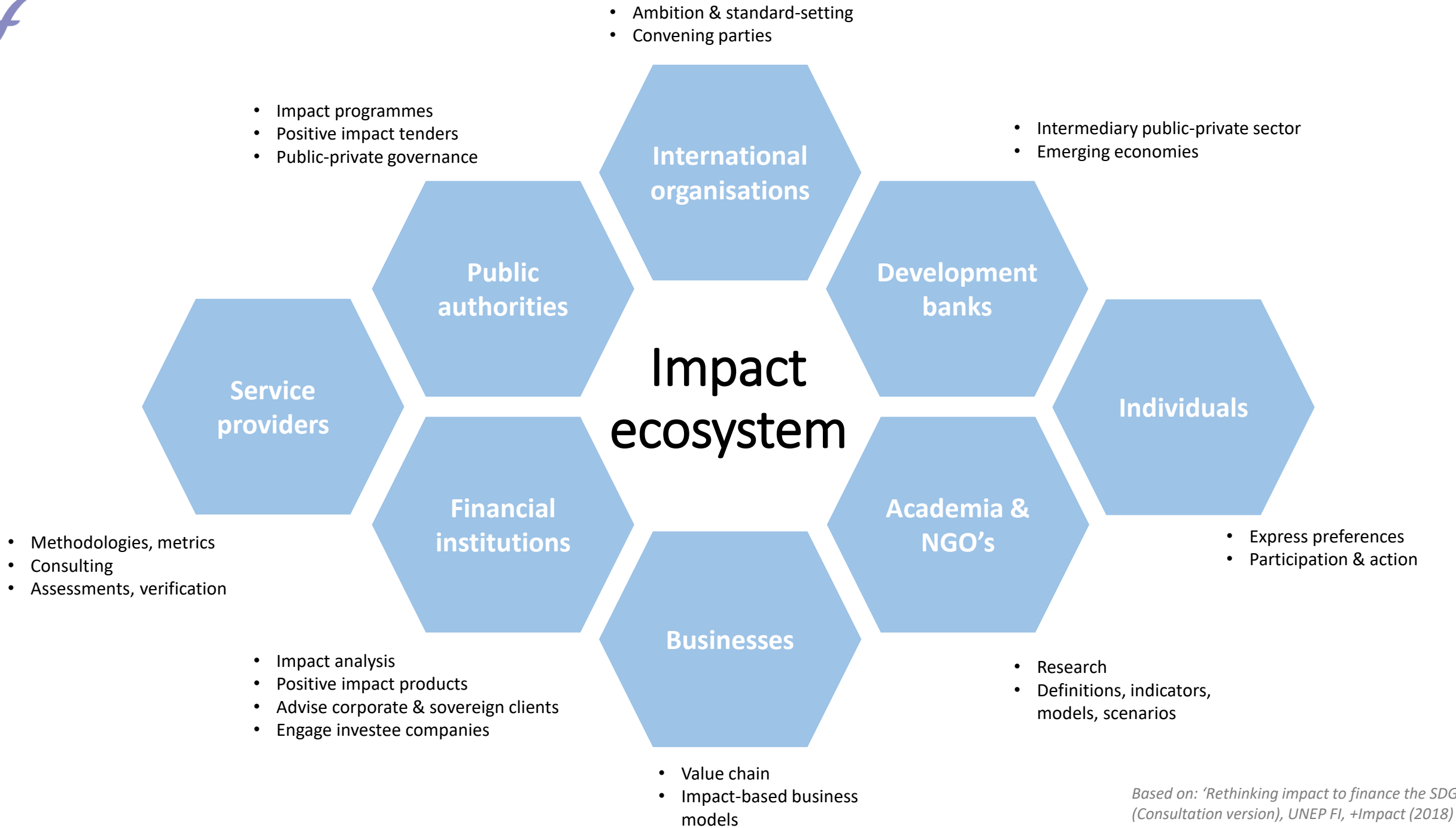
- Positive contribution to one or more of the three pillars of sustainable development
- Potential negative impacts to any of the three pillars duly identified and addressed

- Processes, methodologies and tools needed to identify and monitor positive impact
- These will be adapted to different business lines and asset classes.

Transparency required on:

- Activities, projects, programs, and/or entities financed/invested in & anticipated positive impacts
- Processes to identify, assess and monitor impacts
- Where possible, impacts achieved

Assessment of PI products by third parties should differentiate between process and impacts achieved





Principles for Responsible Banking

The infographic features a dark blue background with white and green text and icons. At the top right is the UNEP logo, a stylized human figure with arms raised, surrounded by a laurel wreath. Below it, the text 'UNEP FINANCE INITIATIVE' is written in white. To the right of this, separated by a vertical line, is the text 'PRINCIPLES FOR RESPONSIBLE BANKING' in white. On the left side, the text '6 PRINCIPLES' is in white, and 'SHAPING OUR FUTURE' is in large, bold, green letters. Below this, there are six white hexagonal icons arranged horizontally. Each icon is accompanied by a label in white text below it. The icons and their labels are: 1. A bar chart with three bars of increasing height, labeled 'Alignment'. 2. A green water drop falling into a wavy line representing a stream, labeled 'Impact'. 3. Two hands shaking, labeled 'Clients & customers'. 4. A central white circle connected to several smaller green circles, representing a network, labeled 'Stakeholders'. 5. A target with an arrow hitting the bullseye, labeled 'Governance & target setting'. 6. A magnifying glass, labeled 'Transparency & accountability'.

6 PRINCIPLES
SHAPING OUR FUTURE

UNEP
FINANCE
INITIATIVE

PRINCIPLES FOR
RESPONSIBLE
BANKING

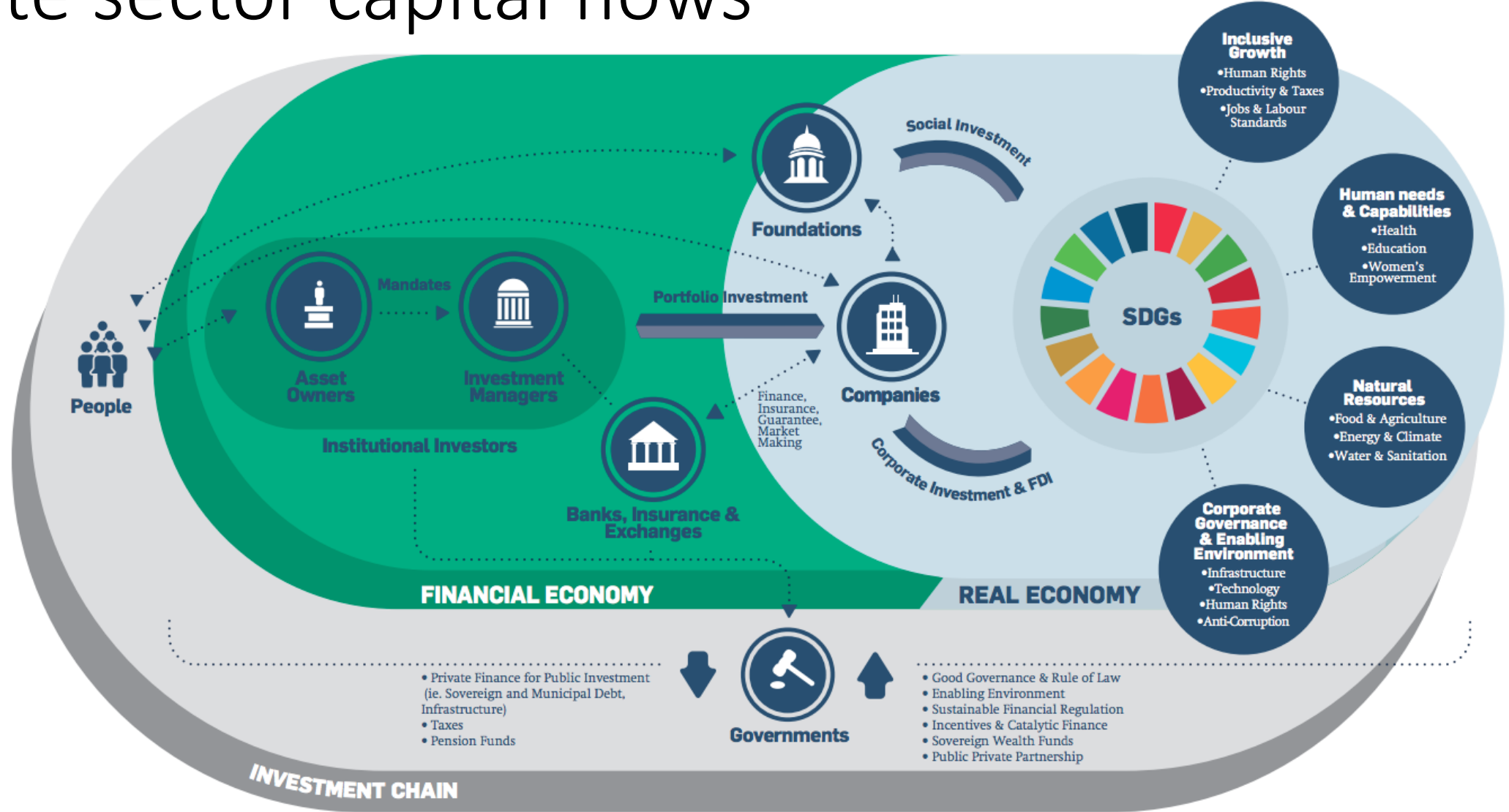
Alignment Impact Clients & customers Stakeholders Governance & target setting Transparency & accountability



Private financial sector



Private sector capital flows



Source: 'Private Sector Investment and Sustainable Development' UN Global Compact, UNCTAD, UNEPFI, PRI (2015)



SDG impact of the private financial sector

- Taxonomies & certification
 - Green bonds/lending
- Impact investing



Enhance **positive** impact of **client's/supplier's** operations

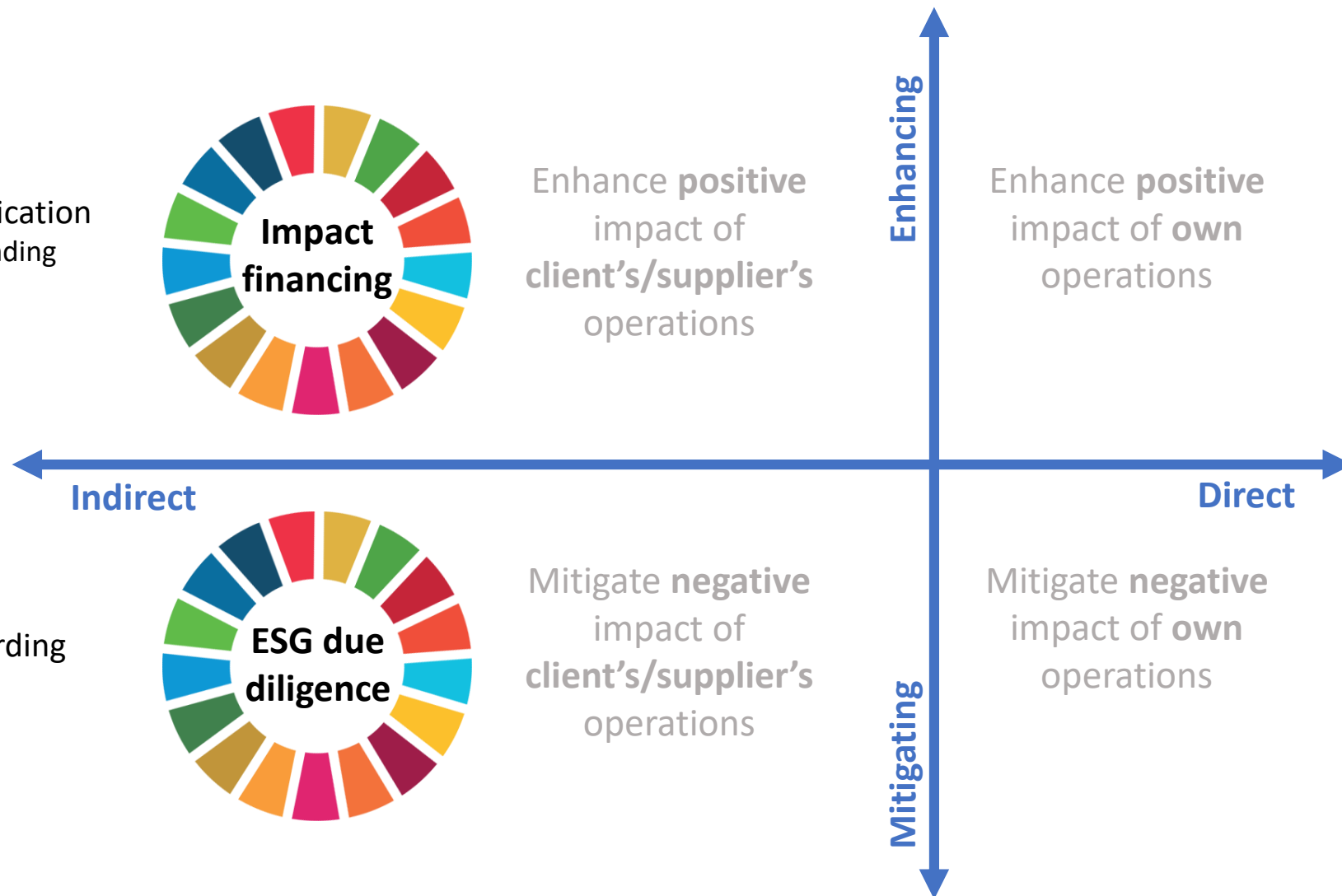
Enhance **positive** impact of **own** operations

- Exclusion & safeguarding
- Scenario-based



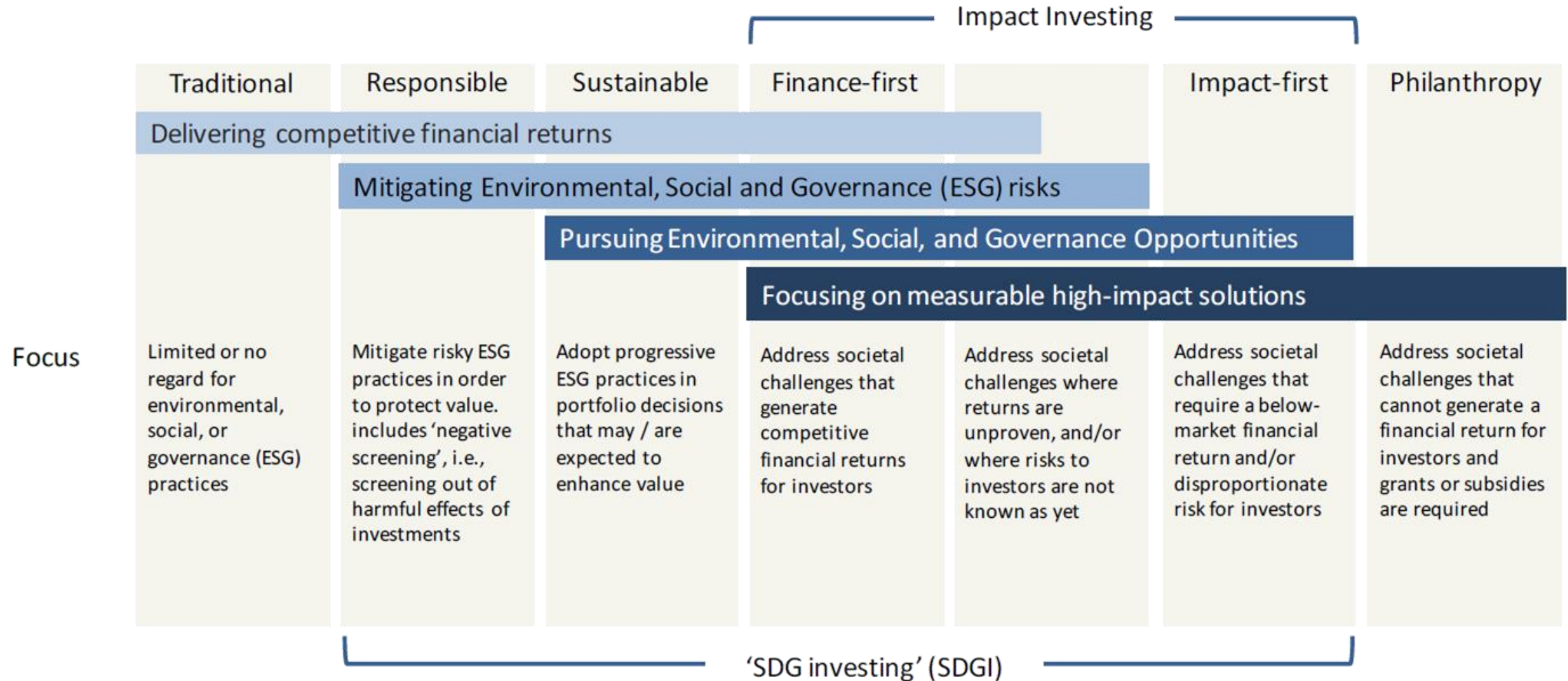
Mitigate **negative** impact of **client's/supplier's** operations

Mitigate **negative** impact of **own** operations





SDG Investing spectrum

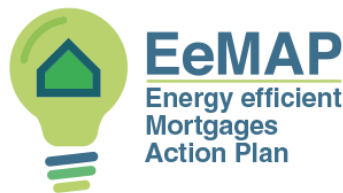
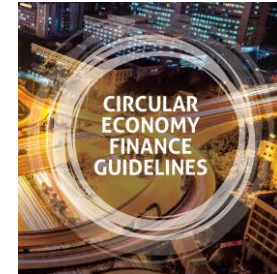




Financing instruments & initiatives

- Green bonds
 - Belgian Green OLO
 - Issues by corporates and banks
 - Green covered bonds
- Green loans
- Sustainable or ESG loans
- Circular Economy Finance guidelines

- Blended finance: Smart cities
- EEMAP
- SRI products





Sustainable financial products



Sustainability strategies

A multi-faceted approach to sustainability



No harm

Some things do not belong in a sustainable portfolio



Transparency

What is taken into account and how?



Information

Helpful information for the client



Supervision

Walk the talk



Challenges



Data

- Metrics

- Translation: SDG => Metric => Funding => Impact
- EU taxonomy
- SDG indicators

- Availability & disclosure

- EU proposals
- TCFD



Questions?