



**“Scaling up Green
Finance Practices in
Armenia”**

GCF Readiness

Project Phase 2 –

*International Networks
and next steps*



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Structure of the Presentation

- ▶ Scope of engagement
- ▶ Summary of International Networks
- ▶ Next Steps



Scope of Engagement

- ▶ Carry out comprehensive review of international best practices in “green finance instruments”;
- ▶ Recommendations on selecting specific best practices advising on their adaptation to Armenian market circumstances, taking account of Phase 1 findings;
- ▶ Design of tailor-made training programme;
- ▶ Provide recommendations on follow up ToT programme based on the results of the trainings.



International Networks

- ▶ Finance is global, and transforming finance has to be a global endeavour
- ▶ Since 2015, there has been a proliferation of initiatives at international level to bring forward green and sustainable finance
- ▶ There is also an emergent system of standards and taxonomies helping institutions to define what is meant by “green and sustainable”



UNEP-FI

- ▶ Set of principles applying to key financial sectors
 - ▶ Responsible Banking
 - ▶ Sustainable Insurance
 - ▶ Responsible Investment
 - ▶ Mainstreaming climate finance
- ▶ Focused on networking amongst institutions and thought leadership
- ▶ Aims to convene widest-possible network



Network for Greening the Financial System

- ▶ Central bank/regulator cooperation mechanism to integrate climate change into monetary policy
- ▶ 83 members and 13 observers
- ▶ CBA is a member
- ▶ Five workstreams
 - ▶ Micro financial
 - ▶ Macro financial
 - ▶ Scaling up green finance
 - ▶ Bridging data gaps
 - ▶ Research



Climate Disclosure Standards Board (TCFD)

- ▶ Businesses and NGOs cooperating to address alignment of corporate reporting with climate risk issues
- ▶ Four core thematic areas to anchor recommendations
 - ▶ Governance
 - ▶ Strategy
 - ▶ Risk Management
 - ▶ Metrics & Targets
- ▶ Also acts as knowledge hub



IFC Sustainable Banking Network

- ▶ Development Finance Institution driven network
- ▶ Three working groups
 - ▶ Measurement
 - ▶ Sustainable Finance Instruments
 - ▶ Data & Disclosure
- ▶ 41 member countries
- ▶ Issues global progress report
- ▶ South-South Exchanges, e.g. National Banks of Georgia and Ukraine



Climate Bonds Initiative (CBI)

- ▶ NGO-driven approach that sets standards in the market
- ▶ CBI is aiming to add value by:
 - ▶ Providing market intelligence
 - ▶ Operating a standards & certification scheme for climate bond issuers
 - ▶ Supporting policy development
- ▶ Key features of Climate Bonds Standards v3.0:
 - ▶ Improved issuer guidance
 - ▶ Continuous reporting
 - ▶ Improved disclosure
 - ▶ Robust definitions for use of proceeds
 - ▶ Robust verification





Priority Actions



Consideration

- ▶ Selection of priority actions from the best practices list
- ▶ Development of training programmes to support greening of financial institutions
- ▶ Development of stakeholder engagement processes
- ▶ Ensuring full buy-in of key decision-makers



Implementation

- ▶ Development of a roadmap for the introduction of a green and sustainable financial system in Armenia
- ▶ Alignment of this roadmap with other critical policy initiatives and commitments such as the NDC or the forthcoming LEDS
- ▶ Identifying responsible actors to drive the implementation of the roadmap
- ▶ Ensuring continuous stakeholder integration in this implementation





Never lose track
of the ultimate
goal...



Thank you

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