

Views

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Deputy Prime Minister
and Minister of Finance
of the Republic of Croatia

Showing European
solidarity and unity



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► become one of the most important topics for the financial sector. This is notably the case in Europe, where the sustainable finance agenda is moving ahead at significant pace. Last December, the co-legislators reached a political agreement on the taxonomy regulation. Other important legislative initiatives have also been adopted to create new low-carbon benchmarks and strengthen disclosure obligations for sustainable investments. The European Green Deal will continue on this path with new initiatives to scale up sustainable finance even further. For the EIB, the commitment to sustainable finance is clear. As a public, policy-driven bank, sustainable investments lie at the heart of our mission. Yet, in view of the scale of the climate and environment challenges, we have significantly stepped up our climate ambition to support a just transition to a more sustainable future.

Progress is also visible at a global scale. Around 250 banks from all over the world have signed the UN's Principles for Responsible Banking, committing to embrace sustainability and support the Paris Agreement Sustainable Development

Goals. Climate disclosures are also widely spreading with more than one thousand private organizations today supporting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Climate risks are also attracting increasing attention. More than 50 central banks and supervisors are now cooperating under the Network for Greening the Financial System (NGFS) to develop a better understanding and management of climate change financial risks. The challenges of climate change and environmental sustainability are important to the whole world and require collective action.

In today's global financial markets, international consistency and global standards are critical. In this sense, the EU's initiative to launch the International Platform on Sustainable Finance, of which the EIB is a partner, is a major step forward in promoting coherent approaches and accelerating sustainable finance globally. It seems clear that sustainable finance is here to stay. ●



Laurent Zylberberg

President, European Association of Long-Term Investors (ELTI)

Investing today for the long-term

In the context of the future recovery, National Promotional Banks and Institutions (NPBIs) are firmly committed to promoting sustainable development by increasingly integrating these concepts into their operations. Ensuring a robust economic recovery compatible with sustainable development is at the very heart of NPBIs' mission, namely to provide the right balance between today's constraints and tomorrow's challenges, with activities being aimed at improving economic, environmental and social living conditions — on a local, national, European and global level and from a long-term perspective. ELTI members committed more than 50 bn EUR of financing for sustainable projects in 2018.

Such a fundamental task involves the development of sustainable, self-supporting economic structures. Therefore, NPBIs strive to deliver financial solutions which enable our industries and economies to cope with today's and tomorrow's huge challenges. Close to the European citizens, NPBIs remain beacons for trust and confidence. In this perspective, the long-standing co-operation of NPBIs with the EIB Group, the Council of Europe Development

Bank or the EBRD allows for a more effective impact of European initiatives as well as of the financing provided by NPBIs. Working together is not an option, it's a must. NPBIs are part of the missing link between citizens and our European common future.

/// *European NPBIs will be at the heart of the future economic recovery. Before the crisis, ELTI members committed more than 50 bn EUR of financing for sustainable projects in 2018.*

Following the commitment to achieve climate neutrality by 2050, carbon-neutral projects need to be implemented and financed today. With this in mind, NPBIs are committed in achieving the success of this endeavour. The role of Long-Term Investors has become more important today than ever since infrastructure investment projects have an average lifetime of around 30 ►

► years whilst projects which require long planning phases – and financed today, might run longer than 2050.

NPBIs commitment towards Sustainable Finance has several dimensions:

- Environment, Energy, Climate, Social, Health and more: Beyond the fields of environmental improvements (energy efficiency, transport, infrastructure), NPBIs partners benefit from financing innovation as well as social projects (student loans, municipal financing, affordable housing, health projects).
- Green, Environmental and Social Bonds: Bonds with an amount of more than 3,5 bn EUR were issued from ELTI members in 2018.
- Market experience at local, regional and national level: The European Green Deal relies on ESIF as a source of funding in order to cover “every corner of the EU”. NPBIs will be essential players in making this happen, by contributing to financial leverage, combining national funds with EU promotional instruments and by providing their market experience at local, regional and national level.
- Cooperation between members and with International Financial Institutions: Cooperation is a key strategy in addressing the challenges of our sustainable future. ELTI

members are already engaged in projects such as the “Joint Initiative on Circular Economy”, the “Clean Ocean Initiative” or the “Marguerite Fund”, all of which have a strong cross-border dimension.

- Know-how transfer between members: The financing of Sustainable projects requires specific know-how to adapt financing programmes to the state-of-the-art technology in order to reach projects on the ground.
- Providing support to public authorities: ELTI welcomes the initiative of the European Commission to reach a common understanding about Sustainable Finance, ultimately streamlining the flows of private investors’ capital towards sustainable projects.

ELTI members are actively engaged in discussions on the Sustainable Finance Action Plan of the European Commission by participating in the High-Level Expert Group and in the Technical Expert Group and they will be deeply involved into the revision of the Action Plan in fall 2020.

All ELTI members have provided emergency measures to tackle the economic crisis, we proved our agility and capability to answer quickly to major challenges. Let’s do it together for the long-term! ●



Tobias Bücheler

Head of Regulatory Affairs, Allianz SE

Sustainable finance regulation needs to facilitate a broad economic transition

Climate change poses a major challenge to the world and to society as a whole and requires comprehensive structural change. If the objectives of the Paris Climate Agreement and the UN Goals for Sustainable Development are to be achieved, not only the way how we generate energy must change fundamentally, but also the way we use energy, how we feed ourselves, how we travel, and much more. The transition to a low-carbon economy will be a long and complex process. A sustainable path must be established that is ambitious enough but does not set unachievable or unrealistic goals for institutions while also being politically and socially viable.

The financial sector has an important role to support the aspiring political and economic sustainability agenda set by the European Union. Banks and insurers can facilitate the transformation towards

a more resource-efficient economy in various ways: By mobilizing capital through investments and loans, providing sustainable insurance solutions, integrating social and environmental considerations in business and risk management and - last but not least - by ensuring a progressive decarbonization of portfolios including engagement processes with investee companies. Already today, the financial industry mobilizes private investment for sustainable purposes such as climate and environmental protection, provides financing for infrastructure projects – and over the past years, more and more financial companies started integrating sustainability factors into key business areas.

However, the financial industry should not be regarded and treated as the sole change agent to achieve global sustainability ►