

Press Release

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United Nations and stock exchanges engage on green finance



Participants of the SSE Executive Dialogue on Green Finance

(Nairobi, 20 July 2016) The United Nations Sustainable Stock Exchanges (SSE) initiative brought together capital market leaders at the UNCTAD World Investment Forum 2016 in Nairobi, Kenya to identify their role in financing the transition to a green economy.

“From UNCTAD’s perspective on promoting investment for sustainable development, green finance plays a key role. It complements our work in other areas such as promoting green FDI and promoting a new generation of investment policy agreements that incorporate sustainability,” said **James Zhan, UNCTAD Director of Investment and Enterprise.**

“Achieving the Paris Agreement means that all actors, including market players, will have to cut by more than half their carbon emissions by 2050,” said **Ligia Noronha, Director of UNEP’s Division of Technology, Industry and Economics.** “Stock exchanges are in a unique position to help mobilize the regulations, policies and market opportunities that will support the transition to greener and more inclusive economies.”

In response to interest from stock exchanges and investment community stakeholders, the SSE announced at the dialogue that they will be launching a new work stream to

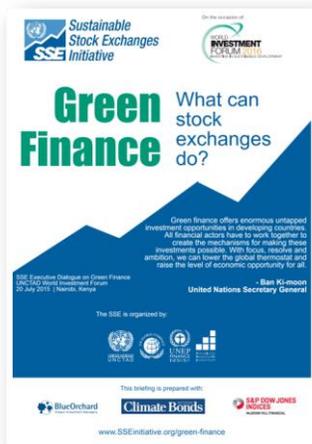
further investigate what specifically stock exchanges and their regulators can do to better support the financing of a global transition to green economies.

"One of the most influential challenges that face us nowadays is the lack of awareness about the significant importance of green finance and how it would contribute to cost reduction and revenue enrichment," said **Egyptian Stock Exchange Executive Chairman Mr. Mohamed Omran**.

This new global work stream on green finance will provide an opportunity for the nearly 60 stock exchanges that are members of the SSE, as well as other key stakeholders from the investment community and civil society, to collaborate on this important topic. The announcement was made with the support of the Climate Bonds Initiative, Standard and Poor's and Blue Orchard Finance, which have helped to kick off the discussion by collaborating with the UN to produce a Policy Brief for the SSE Executive Dialogue on Green Finance.

The work stream will seek to follow up on the key questions raised at the SSE Executive Dialogue at the World Investment Forum and the SSE Leaders Luncheon that took place alongside the 2015 "COP21" Climate Negotiations in Paris.

"Stock Exchanges today have a crucial role to play as trustful partners, committed to transparency, offering innovative disclosure and comparability solutions for both issuers and investors as a contribution to the global fight against climate change," said **Maurice Bauer, Secretary General of the Luxembourg Stock Exchange**. The Luxembourg exchange is currently the world leader in the number of green bonds listed.



"To make a real contribution to addressing climate change, green bonds need to be a mainstream product. That means trade-ability and liquidity for investors. Stock Exchange green bond listings are a vital part of that," said **Sean Kidney, CEO of the Climate Bonds Initiative**.

"The early steps by exchanges in Luxembourg, London, Mexico, Oslo, and Stockholm have been incredibly important to maturing the market; we are very excited to be working with the Sustainable Stock Exchanges Initiative to expand this market service," Mr. Kindey added.

In addition to stock exchanges, the SSE works closely with regulators, corporations, investors and policy makers.

This new work stream will aim to combine the expertise of these different groups to help identify best practices and recommendations to further support the growing global green finance movement.

"We are delighted to participate in the SSE's Green Finance Working Group which was formed to help mobilize the active and passive private capital instruments required to implement both the UN's Sustainable Development Goals and the Paris Climate Change Agreement (2015)," says **Martina Macpherson, Head of Sustainability Indices, S&P Dow Jones Indices**.

“The potential contribution of corporate carbon emissions cannot be understated: if every constituent of the S&P 500 could reduce their direct emissions to zero, the impact would be roughly equivalent to removing all the emissions produced in France, Germany and Britain combined,” said **S&P Dow Jones Indices Director Timothy Edwards** said at the **SSE Executive Dialogue**.

“Financial performance and promoting climate friendly development go hand in hand with green investments,” added **BlueOrchard Finance CEO Patrick Scheurle**.

The SSE Executive Dialogue on Green Finance follows up on the SSE’s Leaders Luncheon on Climate which took place alongside the Climate Change Negotiations (COP21) in Paris last year. At this event, Professor Jeffrey Sachs encouraged capital market leaders to act boldly when it comes to climate and congratulated them for the work already done. “Capital markets will be the main driver of the transformation....we will be on the right track when stock markets say ‘shame on you ‘ punishing those who continue to add stranded assets to their portfolios,” he said.

"To truly mobilise the capital needed to fund the green transition, we will need to not only expand the use and application of traditional financial instruments, but also to be innovative in developing new tools and approaches to channel finance to where it can make an impact," said **Corli Le Roux, Johannesburg Stock Exchange Head of Sustainability**.

"The green transition is a key moment in the history of mankind on planet Earth," said **Nairobi Securities Exchange (NSE) CEO Geoffrey Oundo**. "The NSE is fully committed to training and educating its stakeholders on the crucial role that green finance will play in securing a better future for our children."

Among other outcomes of the event were the launch of two new reports, the Aviva and Corporate Knights 5th annual report on ESG disclosure and the African launch of the Climate Bonds Initiative annual State of the Market report and three new stock exchanges announcing their commitment to sustainable capital markets by joining the SSE (stock exchanges of Botswana, Namibia and Tanzania).



UNCTAD Director James Zhan and UNEP Director Ligia Noronha welcoming the CEOs of new SSE Partner Exchanges from Namibia, Tanzania and Botswana

For more information on the SSE Executive Dialogue on Green Finance in Nairobi, please click [here](#).