

Arctic and Japan:  
How Should Japan Address the Changing Arctic  
financing change, change financing  
変革に金融を、金融に変革を

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one principle after another  
次々と生まれる原則

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developments of green financing

1992	UNEPFI was launched at Rio Summit
2003	Equator Principles(赤道原則)
2003	FI Roundtable Meeting in Tokyo: 東京会議
2006	「PRI(責任投資原則)」
2011	Principles for 21C(Japan)
2012	Green Investment Bank(UK)
2014	Green Bond Principles

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Equator Principles III(赤道原則)

—2003~IFC + major banks

- a risk management framework in projects to provide a minimum standard for due diligence to support responsible risk decision-making.
- 80 financial institutions in 35 countries covering over 70% of international project finance debt in emerging markets.

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## Kofi Annan (NY Stock Exchange 27<sup>th</sup> April, 2006)



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## Principles for Responsible Investment (責任投資原則)

April 2006, UNEP FI + Global Compact

Principle 1:

“ We will **incorporate ESG issues** into investment analysis and decision-making processes”

-E(環境)、S(社会)、G(ガバナンス)の取り込み

March 2015,

signatories: **1364**

Asset under management: **\$45trillion**

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## Principles towards a Sustainable Society



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## Legacy of 3・11: 21世紀金融行動原則

Forward(はじめに):

The unforgiving earthquake and tsunami hit eastern Japan on 11<sup>th</sup> March 2011 cruelly exposed **the powerless of man in the face of natural disaster**(人間の無力さが暴かれた).

Through “March 11<sup>th</sup>” incident, we were all asked **to revisit the meaning of sustainability** (持続可能性の再考を迫られた).

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## Principles for Financial Acton towards a Sustainable Society

— Oct.2011、**持続可能な社会の形成に向けた金融行動原則**

Principle 1: We will recognize our roles and responsibilities and promote those actions that **contribute towards shaping a sustainable society**

原則1: 自らが果たすべき責任と役割を認識し、予防的アプローチの視点も踏まえ、それぞれの事業を通じて**持続可能な社会の形成に向けた最善の取り組みを推進する。**

## Japan`s Stewardship Code

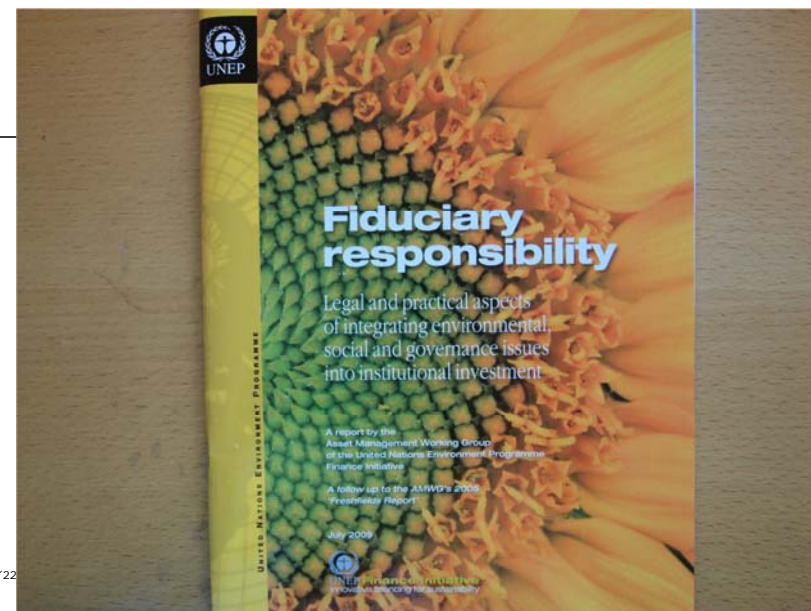
<日本版**スチュワードシップコード**、Financial Services Agency>

~Principles for Responsible Institutional Investors  
責任ある機関投資家の諸原則~

To promote sustainable growth of companies through investment and dialogue

投資と**対話を通じて**、投資先企業の持続的成長を促し、顧客・受益者の**中長期的な投資リターンの拡大を図る(184機関が署名済み)**

## Turnaround of Fiduciary Responsibility 受託者責任の大転換



## A secret to PRI's success

< 受託者責任の新解釈 >

"Fiduciary Responsibility" has *turned 180 degrees around*.

Integration of **ESG issues** into investment process is:

Before PRI : Illegal (違法)

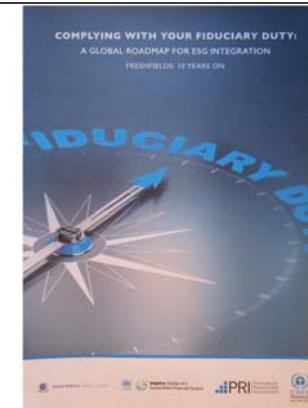
After PRI : legal and required(合法)

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## A new project :10 years after the Report



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new developments in the markets  
市場の対応

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## Global Sustainable Investment 急拡大する持続可能な投資

Global **Sustainable Investment** Review 2014-GSI Alliance

	2012	2014
<b>global:</b>	<b>\$13.6t(21.5%)</b>	<b>\$21.4t(30.2%)</b>
EU	\$8.7t(49%)	\$13.6t(58.8%)
USA	\$3.7t(11%)	\$6.6t(17.9%)
Canada	\$589b	\$945
ANZ	\$134b	\$180b

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## Divestment(投資引き上げ)

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—pressure on universities to drop fossil fuel holdings from endowments

“350.org” 300 campuses in the world  
Harvard, NY university, Oxford University,

May 2014

“**Stanford** will not make direct investment in coal mining companies”

## Economic decarbonization

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—The **Portfolio De-carbonization** Coalition is to mobilize financial markets to catalyze economic decarbonization

SG Ban Ki-moon(**Climate Summit**, Sept.,2014)

1. USD500bn for disclosure
2. USD100bn for actions

—**\$6 trillion asset owners** at Columbia University,  
March 2015

## Emerging Green Bond

## Green Bonds

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### <first issuance>

July 2007 European Investment Bank(**EIB**)  
“Climate Awareness Bond(CAB)”  
to promote EU`s climate policies

### <GB by WB>

2008 paved the way for  
multilateral development banks(MDBs)

## Rapid growth of green bonds

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<size of issuances>

2013 \$10 billion

2014 \$40 billion

2015 **\$100 billion (expected)**

## GB原則

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### The Green Bond Principles (GBP)

<Jan.2014年~ 55 signatories>

・CaISTRS, TIFF-CREF, Zurich Ins., WB, EIB, Unilever,  
B of A ML, Citi, JPMorgan, Chase,

<4 pillars>

**Use & management of proceeds, reporting  
Accuracy & integrity, third party verification**

## First Green Bond by Japanese bank

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<Development Bank of Japan : 日本政策投資銀行>

・€250 million issued in EU欧州で発行 (Oct. 2014)

・「グリーンビルディング認証」付ビル向け融資

**Global Real Estate Sustainability Benchmark**

## Green Banks

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## Green Investment Bank-UK

—November 2012

- from T. Blair to D. Cameron(5年間の議論)
- rebuilding UK`s economy(英国経済の復興)
- a leader of green industries(21世紀の国際競争力)
- tax money of £3.8billion

<PM D. Cameron>  
an ethical duty of the current generations for the future  
**generations**

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## Edinburgh, Scotland(2013/10)



Green Bank Congress  
Edinburgh, Scotland  
16 – 17 October 2013

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## A record year for GIB

<2014/15>

GIB committed to invest £723m in transactions worth £2.6bn of 22 projects.

£8m **hydro power** project to £240m **offshore wind** investment

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## OECD/Paris



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## New York (November 2014)



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## Green Banks in the World

Green Investment Bank (UK)  
Green Fund (Japan)  
Clean Energy Finance Corporation (Aus.)  
Green Tech Malaysia

New York, New Jersey, Connecticut,  
Vermont, Hawaii, California, Nevada  
Minnesota

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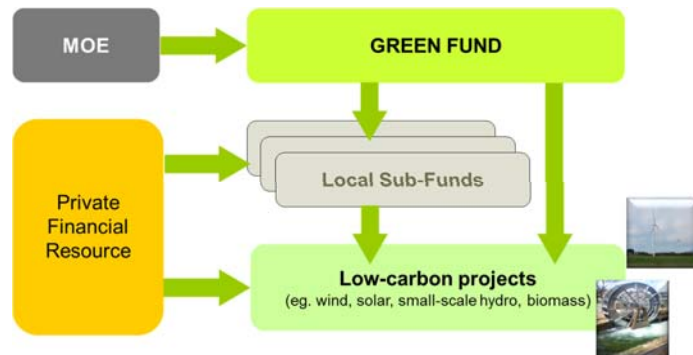
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## The Green Fund: Overview

◆ The Green Fund makes investments in domestic low-carbon projects which reduce CO<sub>2</sub> emissions and benefit the local communities with using the Carbon Tax revenue.



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review of regulations  
規制の見直し

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## Bank for International Settlements 国際決済銀行



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## Basel Capital Accord (BIS規制)

The Basel Committee on Banking Supervision  
バーゼル銀行監督委員会

<3-pillar Framework>

Pillar 1: Minimum Capital Requirement

**Capital adequacy ratio**

= Tier Capital / **Risk Weighted Assets**

Pillar 2: Supervisory Review Process

pillar 3: Market Discipline

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## New Dialogue with Financial Regulators Basel IIIの見直し



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## Are Environmental Risks missing in Basel III? 環境リスクの見落とし?

August 2014, Joint report by **University of Cambridge and UNEP Finance Initiative**

<core findings>

• systemic environmental risks in **blind spot** of bank supervisors.

• but solutions are within reach.

• Basel III provides **a flexible framework** for regulators to measure the financial stability risks associated with environmental risks.

***This has not been utilized***

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## CDP(carbon disclosure project)

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2003～ 「CO2」を巡る企業と金融の対話

- the only global system for companies and cities to **measure, disclose, manage and share** vital environmental information(**CO2, water, forest**)
- questions sent to more than 6000 companies
- **767 institutional investors with assets of US\$92t**

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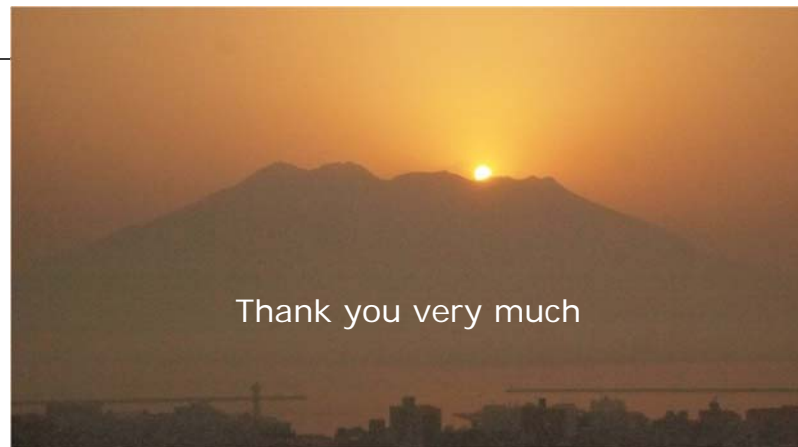
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**My suggestion**  
**私の提案**

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