

Panel V: Mobilizing Sustainable Finance for Eco-Innovation and Sustainable Consumption and Production

Short description:

The Panel will explore opportunities for banks to mobilize finance to accelerate the development of business strategies aligned with sustainable consumption and production in diverse industry sectors.

Summary:

The Panel will explore opportunities for banks to mobilize finance to accelerate the development of business strategies aligned with sustainable consumption and production in diverse industry sectors.

Overview:

UN Environment is developing a framework to align banking with society's goals, as expressed in the UN Sustainable Development Goals and Paris Climate Agreement. The draft framework - Principles for Responsible Banking – is currently being consulted on. The purpose of banking will be redefined as helping to develop sustainable economies and to empower people to build better futures.

Implementing the principles in will involve assessing sustainability-related risks and impacts based on all three dimensions of sustainability (environmental, social and economic) for business decision making at strategic, portfolio and transaction levels. An impact-based approach can be applied to products and services, capturing the needs that underpin the SDGs while offering a basis for measuring financial contributions to sustainable development. Banks that sign up to the principles when they are launched in September will commit to continuously increasing their positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from their activities, products and services.

Banks signing the principles will set targets in the areas where banks have the most significant impacts, and commit to working responsibly with clients and customers to encourage sustainable practices and enable sustainable economic activities. This includes contributing to SDG12 to ensure sustainable consumption and production patterns, implementation of which is being supported by the One Planet network.

Some banks and investors are already working to support the transition to a circular economy by financing businesses for their transition to more sustainable production processes and circular business models. The ultimate objective of those investments is to build value chains which offer more resource efficient and less polluting products to consumers, so that they can make sustainable choices.

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Governments that provide an enabling environment for private finance to flow to eco-innovation in manufacturing, use and re-use of products could provide breakthrough environmental, social and economic benefits. Businesses that contribute to a circular economic can generate green jobs, and stimulate economic growth; industry could lower production cost, avoid resource constraints on business growth, and open new market segments; and customers could benefit from lower prices for refurbished products, according to research from the International Resource Panel. Banks and investors that finance companies, technology and recycling infrastructure to advance the circular economy can unlock new investment opportunities.

Possible outcome/impact:

Key outcomes of the panel discussion could be increasing understanding of the enabling environment needed to unlock and scale up financing for a circular economy. Stakeholders will have the opportunity to provide inputs on to the Principles for Responsible Banking consultation and enhancing commitments to aligning business models with sustainable consumption and production, and exploring returns on investment in those models and more resource efficient and cleaner production practices. This is in keeping with the Draft Ministerial Declaration for UNEA 4 and its vision: “Innovative solutions for environmental challenges and sustainable consumption and production”

<http://wedocs.unep.org/bitstream/handle/20.500.11822/26561/UNEA4%20Ministerial%20Declaration%20Zero-draft%20FINAL%20REV4.pdf?sequence=1&isAllowed=y>

Moderator:

Nehru Pillay
General Manager, Research Intelligence, Land and Agricultural Development
Bank of South Africa

Mohua Mukherjee
Program Ambassador,
International Solar Alliance

Panellists Invited:

- 1- Simone Dettling, Banking Team Lead, UNEP Finance Initiative
- 2- Judith Odhiambo, Group Head of Corporate and Regulatory Affairs, Kenya Commercial Bank
- 3- Jan Raes, Sustainability Advisor, ABN Amro

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