

A Sustainable Banking Network (SBN)  
Flagship Report  
Addendum to SBN Global Progress Report

October 2019

# Country Progress Report

## Chile



© International Finance Corporation [2019], as the Secretariat of the Sustainable Banking Network (SBN). All rights reserved. 2121 Pennsylvania Avenue, N.W. Washington, D.C. 20433 Internet: [www.ifc.org](http://www.ifc.org). The material in this work is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. IFC and SBN encourage dissemination of their work and will normally grant permission to reproduce portions of the work promptly, and when the reproduction is for educational and non-commercial purposes, without a fee, subject to such attributions and notices as we may reasonably require.

IFC and SBN do not guarantee the accuracy, reliability, or completeness of the content included in this work, or the conclusions or judgments described herein, and accept no responsibility or liability for any omissions or errors (including, without limitation, typographical errors and technical errors) in the content whatsoever or for reliance thereon. The boundaries, colors, denominations, and other information shown on any map in this work do not imply any judgment on the part of The World Bank Group concerning the legal status of any territory or the endorsement or acceptance of such boundaries.

This work was prepared in consultation with SBN members. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of The World Bank Group, IFC, or the governments they represent. The contents of this work are intended for general informational purposes only and are not intended to constitute legal, securities, or investment advice, an opinion regarding the appropriateness of any investment, or a solicitation of any type. IFC or its affiliates may have an investment in, provide other advice or services to, or otherwise have a financial interest in, certain of the companies and parties named herein.

All other queries on rights and licenses, including subsidiary rights, should be addressed to IFC's Corporate Relations Department, 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433. International Finance Corporation is an international organization established by Articles of Agreement among its member countries, and a member of the World Bank Group. All names, logos and trademarks are the property of IFC and you may not use any of such materials for any purpose without the express written consent of IFC. Additionally, "International Finance Corporation" and "IFC" are registered trademarks of IFC and are protected under international law.

# Status for Policy Preparation – Chile



## SBN Member:

- ☐ [Superintendence of Banks and Financial Institutions \(SBIF\)](#) (member since 2016)

## SBN Working Group: -

## Country readiness review:

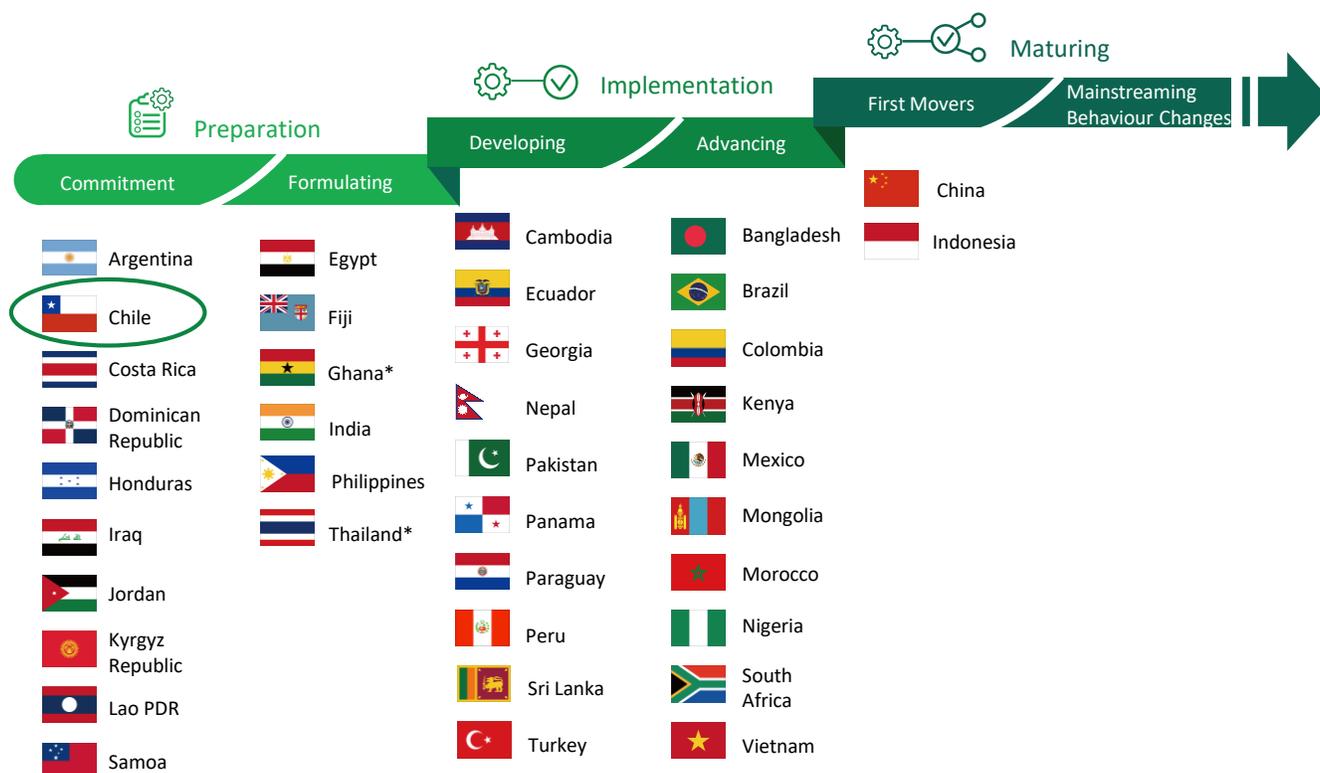
Introducing a formal, national sustainable finance framework (e.g. roadmap, policy, regulatory guidelines, or voluntary industry principles) has been shown to be a foundation for effective country strategies to promote the shift to sustainable finance. Based on SBN members’ experiences, a number of steps are commonly required in preparation for doing so. These include raising awareness within the sector, initiating dialogue among public and private sector stakeholders, and researching national priorities, requirements, and current practices with regard to sustainable finance.

Chile is currently in the preparation phase and intends to launch a framework in the coming years. Chile’s readiness has therefore been reviewed against 3 main dimensions:

- ☐ Is awareness raising being undertaken in the country, with leadership by either the financial sector regulator and/or the banking association? (e.g. trainings, knowledge sharing events, conferences and meetings, research, publications)
- ☐ Has a sector-wide dialogue been initiated towards the establishment of a national sustainable finance framework, involving relevant stakeholders? (e.g. government and other public bodies, private and public financial institutions, regulators, civil society organizations)
- ☐ Has a timeline for the development of a policy been defined? (i.e. a clear schedule and milestones to launch the framework?)

**Figure 1: SBN Progression Matrix with Assessment Results<sup>1</sup>**

Assessment based on progress up to and as of June 2019<sup>2</sup>



Note:

1. Please refer to the SBN Global Progress Report for an explanation of the Progression Matrix.
2. Ghana and Thailand launched their policies and principles in August 2019, after the cut-off date of June 2019 for this report.

# Status for Policy Preparation – Chile



## **Timeline for the development of a policy / principles:**

The Superintendence of Banks and Financial Institutions (SBIF) joined SBN in 2016. The SBIF is a public institution responsible for regulating and overseeing financial institutions operating in Chile, including 21 banks. The SBIF has started building a legal framework to push for greater transparency of E&S related information.

## **Dialogue towards the establishment of a policy or voluntary principles:**

As part of the SBIF's commitment to sustainability, it has hosted four Conferences on Banking Development, Stability and Sustainability in Santiago since 2015. These Conferences aim to bring together academics, practitioners, and policymakers with shared interests in banking stability and sustainability. They also provide a forum for presenting new research, as well as discussing current and challenging issues on financial stability and related topics.

## **Awareness raising practices:**

There is a good level of awareness and knowledge sharing on sustainable finance topics among FIs. Guidelines on corporate responsibility and green bonds have been issued by the Santiago Stock Exchange.

## **Local financial system:**

Chile's financial system is large and well diversified and owes much of its development to the country's growth in private pension funds. With three stock exchanges, the total market capitalization of listed domestic companies is USD 294bn. Banking assets in Chile amount to USD 411bn. Four Chilean companies, including two asset managers and one pension fund manager, are signatories of the Principles for Responsible Investment.

## **Recent progress and achievements:**

- ❑ In June 2016, Chile achieved an environmental breakthrough by becoming the first country in Latin America to adopt a law on recycling and extended producer responsibility. This confirmed its status as an environmental forerunner, following 2014's law to introduce a carbon tax – the second such example in the region. Chile has ratified the Paris Agreement on Climate Change and is committed to reducing its 2030 greenhouse gas emissions to 30% lower than 2007 levels.
- ❑ Several sustainable finance initiatives already exist in Chile. For example, 2018 saw the Santiago Stock Exchange (BCS) launch the Green and Social Bond Model, based on the Green Bond Principles (GBP) and Social Bond Principles (SBP) of the International Capital Market Association and the Climate Bonds Initiative. To date, there have been two green bond issues and two social bonds certified by a third-party verifier. Together with Dow Jones, the BCS has also launched the Dow Jones Sustainability Chile Index (DJSI), the first such index in Latin America. The index provides a new option for investors looking to invest in Chilean companies taking the lead in terms of environmental and social practices.
- ❑ In addition to initiatives to create new investment instruments, the BCS has written several guides on corporate sustainability best practice. These include the Responsible Investment Guide, the Sustainability Reporting Guide for Issuers, and Recommendations for Strengthening Market Transparency. The Responsible Investment Guide provides information on E&S risk management and integrating ESG criteria into investment decisions. The BCS also participates in the Sustainable Stock Exchanges group and the Sustainable Working Group of the World Federation of Exchanges and is a supporter of the TCFD framework.

Access the SBN Global Progress Report and Country Reports at:  
[www.ifc.org/SBN2019Report](http://www.ifc.org/SBN2019Report)

