



## Sustainable Banking Network

**SBN Member Update  
September 2020**

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Dear SBN Members and Friends:

We trust you remain safe and well. As many of you return to work after a relaxing summer break, while others are celebrating Spring in the southern hemisphere, we are happy to share our latest SBN Update.

A big welcome to the newest member of the SBN community: **Mongolian Sustainable Finance Association (MSFA) joined this September**. SBN now represents 60 organizations from 40 emerging markets. SBN members are committed to advancing sustainable finance by leveraging shared knowledge and international good practice.

SBN members continue to leverage sustainable finance, especially green stimulus, to respond to and recover from the COVID pandemic. We remain inspired by your continued energy and commitment to advancing sustainable finance despite the current crisis. This update shares new developments and achievements from members. It also includes updates on initiatives by the SBN secretariat to facilitate knowledge sharing and support member efforts virtually. As always, we welcome your feedback and updates.

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### **1. Welcome to new SBN Member, Mongolian Sustainable Finance Association**

**The Mongolian Sustainable Finance Association (MSFA)** joined SBN in September 2020. MSFA was established in 2017 by the Mongolian Bankers Association, building on the success of the Mongolian Sustainable Finance Initiative that started in 2013 with IFC's support. In 2019, MSFA coordinated the development of the **Mongolia Green Taxonomy**. In 2020, MSFA served as one of the SBN IDA Task Force co-chairs, which delivered the recent report "**Necessary Ambition: How Low-Income Countries Are Leveraging Sustainable Finance to Address Poverty, Climate Change, and Other Urgent Challenges.**"

The mission of MSFA is to foster Mongolia as a regional sustainable finance knowledge hub by helping members integrate ESG and sustainability practices in their operations and promoting green and climate finance. One of MSFA's main objectives is to expand sustainable finance beyond the banking sector, to include microfinance, capital markets, and insurance. SBN and IFC look forward to supporting Mongolia and MSFA in these efforts through global knowledge sharing and country-level technical assistance.

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### **2. Bringing the events to you - webinars from SBN, SBN members, and SBN partners at [www.ifc.org/sbnwebinars](http://www.ifc.org/sbnwebinars)**

The SBN Secretariat collaborates with members and partners to share experiences and knowledge via our webinars. Below are recent highlights and links to the webinar recordings.

- In August, the Kenya Banking Association and SBN jointly hosted the webinar ***Green Finance Supply and Demand Dynamics in Times of COVID***.
- In August, the IFC-supported Green Banking Academic (GBAC), an SBN Partner, hosted the webinar ***The Key Role of Central Banks and Regulators in Greening the Financial System***.
- In July, the National Treasury of South Africa, IFC, Carbon Trust, and South Africa's National Business Initiative (NBI) jointly hosted the webinar ***Competitiveness in South Africa – Exploring the Role of a South Africa Green Finance Taxonomy***.
- In June, SBN hosted the webinar ***Rebuilding Resilience through Sustainable Finance*** to launch the report ***Necessary Ambition: How Low-Income Countries Are Adopting Sustainable Finance to Address Poverty, Climate Change, and Other Urgent Challenges***.

We invite members to share information about webinars and related online events at [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org). SBN webinar details, recordings, and presentations are available on the **SBN webinar website**: [www.ifc.org/SBNwebinars](http://www.ifc.org/SBNwebinars). In addition to the public knowledge-sharing webinars, the SBN secretariat is available to help organize closed-door webinars for SBN members on specific topics, subject to availability of speakers on the subject matter. Please email your requests to [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).

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### 3. SBN member country achievements & activities

- On July 21, **People's Bank of China (PBOC)** released a **public consultation draft of its Notification on Evaluation of Green Finance Performance of Deposit-Type Financial Institutions in the Banking Industry** (in Chinese). The proposal extends green evaluation coverage from green credit to include more financing tools, such as securities, investments, leasing, and trusts. Read more in English [here](#).
- Also on July 21, the Governor of **Bangko Sentral ng Pilipinas** (BSP, the central bank of the Philippines), Mr. Dionkno, recently set out a **comprehensive vision for leveraging sustainable finance to fortify the national pandemic recovery**. His speech calls on banks to issue social and sustainability bonds, increase digital banking and financial inclusion, and strengthen environmental and social risk management systems to manage physical and transition risks.
- On August 11, Ecuador launched the **Iniciativa de Finanzas Sostenibles (Sustainable Finance Initiative, or IFS)**, led by the **Banco Central del Ecuador** (BCE, the central bank of Ecuador). The IFS is an innovative public-private-academic collaboration to promote sustainable finance in Ecuador, aligning with international standards and good practice.
- On August 26, **India** held a **national public-private Sustainable Finance Collaborative** consultation to mobilize sustainable and green finance, led by the **Department of Economic Affairs, Ministry of Finance**, and the UN Development Programme.

- The **Superintendencia Financiera de Colombia** (SFC, the financial superintendence of Colombia) launched its **Sustainable Finance website** (in Spanish) to share its sustainability and climate change agenda. The initiative aims to promote green finance and the management of environmental and climate risk.
- On September 7, the **Superintendencia Financiera de Colombia** also published a **Good Practice Guide for Issuing Green Bonds** (download in Spanish), which includes recommendations related to project selection and evaluation, fund management, and information disclosure. It also issued **External Circular 028 of 2020** (download in Spanish), which formally incorporates the definition of Green Bond, which makes Colombia the first country in the region to have an exclusive regulatory framework for this type of thematic bonds. **Read the announcement (in Spanish)**.
- The **Mongolian Sustainable Finance Association**, with IFC support, recently translated the **Mongolia Green Taxonomy**, issued in December 2019, into English for international collaboration and knowledge exchange. Watch Mongolia's presentation on its Taxonomy process during the SBN February 20<sup>th</sup> Webinar **Trends in Taxonomy Development and Lessons from Emerging Markets** at [www.ifc.org/sbnwebinars](http://www.ifc.org/sbnwebinars).
- The **Banco de la República, Colombia** (the central bank of Colombia) published the paper **Climate Change: Policies to Manage Its Macroeconomic and Financial Effects**. The paper focuses on how financial policies can help improve transparency and climate-related risk disclosure in financial institutions' balance sheets and assets prices, and how those risks could be taken into account in monetary policy and central banks' balance sheets and operations.
- **Kenya Bankers Association** is hosting an Africa Regional **e-Conference for Women in Banking and Finance** in partnership with the private sector on October 15<sup>th</sup> and 16<sup>th</sup>, 2020. The event features speakers from 10 countries and targets women in management and leadership positions on the Continent. International attendees with interest in Africa are welcome.

Many members have been utilizing sustainable finance, especially green stimulus, as part of their COVID response. For more targeted COVID-related activities and reports by international organizations and SBN members, visit SBN's **COVID-19 On the Radar**. **We invite you to share your ideas, experiences, and initiatives in handling the COVID crisis**. Please email us at [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).

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#### 4. Key international developments

- This September, the Network for Greening the Financial System (NGFS) published the technical paper **Overview of Environmental Risk Analysis (ERA) by Financial Institutions** and **Case Studies of Environmental Risk Analysis Methodologies**. They provide rich examples and identify six opportunities for mainstreaming ERA within the financial sector: i) Enhancing awareness of the need for ERA, ii) Developing analytical capacity and databases, iii) Supporting demonstration projects, iv) Encouraging disclosures of environmental risk exposures and ERA results, v) Developing Key Risk

Indicators (KRI) and statistics, and vi) Supporting development and adoption of green and brown taxonomies.

- On September 8, the Climate Bonds Initiative (CBI) launched the white paper **Financing Credible Transitions: How to Ensure the Transition Label Has Impact** and its **Summary Note**. The paper presents an ambitious and inclusive framework to identify credible, Paris-aligned transitions and promote an economy-wide transformation. It also answers questions about which entities and what activities should use transition labels.

Visit **On the Radar** on the **SBN Website** for more international developments and market updates.

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## 5. What we are working on

- **Measurement Working Group:** The SBN Secretariat has initiated the latest update of the SBN Measurement Methodology which informs the biennial SBN Global Progress Report, the most comprehensive benchmarking of national progress on sustainable finance across emerging markets. The 2020 update keeps pace with the SBN community's collective advances, including policy and industry initiatives to address climate risk and respond to COVID-19.
- **Green Bond Working Group:** As part of ongoing implementation following the **“Creating Green Bond Markets”** report and associated tools, SBN and IFC are supporting several member countries as they develop national green finance taxonomies. They include Colombia, Georgia, and South Africa.

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Thank you to everyone who shared their stories in this cycle. Please continue to do so. We would also love to hear your questions and concerns and to offer assistance where we can. If you are interested in setting up a direct conversation with the SBN global coordinator and working group coordinators, or with the SBN regional and country coordinators and IFC topic experts, please email us @ [SBN\\_Secretariat@ifc.org](mailto:SBN_Secretariat@ifc.org).

Stay up to date with the latest developments in the SBN community, global trends, and technical resources, follow the **SBN LinkedIn page** or visit our website: [www.ifc.org/sbn](http://www.ifc.org/sbn).

For more information, visit [www.ifc.org/sbn](http://www.ifc.org/sbn).