

Press release – 2 November 2016

REPORT
The Paris Marketplace's
"GREEN AND SUSTAINABLE FINANCE INITIATIVE"
15 Paris EUROPLACE proposals

Paris EUROPLACE presents today its report on the Paris Marketplace's "Green and Sustainable Finance Initiative" a few days before the opening of COP22 and Climate Finance Day, which it co-organised with Casablanca Finance City, in Morocco:

The report, coordinated by **Philippe Zaouati**, Chief Executive Officer of Mirova, is the fruit of collective work done by the "Paris Green and Sustainable Finance Initiative" committee which brings together the financial industry players active in the field, including companies, investors, bank and financial companies, insurers, professional associations and public authorities. It was launched in May 2016 by Paris EUROPLACE to promote the leading role of the Paris Marketplace in the area of green and sustainable finance as international initiatives gather steam.

Objective

The development of green and sustainable finance, which includes the financing of investments which provides environmental and social benefits with a positive extra-financial impact, will require a **massive reallocation of capital** with investment needs estimated by international organisations in thousands of billions of euros.

To achieve this objective, **the financial sector will have to pursue and accelerate its mobilisation**, initiated following the 2008 crisis. As noted in the G20 Green Finance Study Group's summary report *"While some progress has been made in green finance, only a small fraction of bank lending is explicitly classified as green according to national definitions. Less than 1% of global bonds are labelled green and less than 1% of the holdings by global institutional investors are green infrastructure assets. The potential to scaling up green finance is substantial."*

This is a **new positioning challenge for financial marketplaces** to promote the development of green and sustainable finance, a market which **provides new challenges** and which requires:

- Standardisation to ensure quality information and financing for green development;
- Increased mobilisation of long-term financing;
- An accurate assessment of the extra-financial risks to remove barriers to sustainable investment;
- Facilitating and making the financing of sustainable assets more attractive to companies and financial players.

The Paris Marketplace in the front lines

Given this new context, the Paris Financial Marketplace provides real assets thanks to its ability to capitalise on its advanced expertise, recognised internationally and highlighted again at COP21.

A robust and mature ecosystem favourable to the emergence of green and sustainable finance:

- Major involvement by French players in the creation of the green bond market
- Mobilisation of institutional investors who hold nearly 90% of responsible investment market assets
- Solid expertise in the assessment of challenges and carbon and environmental accounting
- Areas of French excellence favourable to the development of green and sustainable finance: project financing, private equity, data crunching, etc.
- Extensive sustainable development research.

Use the Paris Marketplace ecosystem to the fullest, i.e.:

- Strengthen the supply and demand for green and sustainable investments
- Promote the forward-looking provisions of French regulations
- Increase the Marketplace resources dedicated to green and sustainable finance
- Develop a collaborative culture
- Share the expertise and wealth of the French ecosystem.

15 recommendations

I - Promote the quality of products and expertise

Strengthen expertise and the offering:

- 1/ Launch a call for projects to create a global index for the classification of financial marketplaces based on green finance criteria
- 2/ Set up a permanent working group dedicated to research and innovation
- 3/ Position green and sustainable finance as a priority area for the FINANCE INNOVATION cluster

Capitalise on existing expertise:

- 4/ Create a "Carbon Disclosure Initiative" to capitalise on Article 173
- 5/ Initiate a study on the development of new financing systems for green infrastructure
- 6/ Launch a study of innovative products

II - Strengthen public-private synergies

- 7/ Set up a permanent working group to define standards and best practices
- 8/ Develop recommendations for the public authorities to lift barriers
- 9/ Implement an ongoing dialogue with the public powers

III - Accelerate the spread of European and international influence

Ensure visibility:

- 10/ Create a dedicated brand backed by a strategy and communication tools. A Climate Finance Day held under the brand in partnership with the financial marketplace of the country in which the COP will be held could be a first step in brand deployment.
- 11/ Organise Paris Green and Sustainable Finance Initiative representation at European and international bodies

Provide the Paris Marketplace with the resources needed to act:

- 12/ Institute an annual Paris Green and Sustainable Finance Initiative committee chair
- 13/ Expand participation to new members, notably to more companies and to representatives of the financial sector not yet present, civil society, international organisations and research organisations

- 14/ Launch a study in 2017 to develop synergies and explore complementarities with other European financial marketplaces and institutions
- 15/ Lastly, to meet the objectives developed in the preceding proposals, implement a budget assigned to the Paris Green and Sustainable Finance Initiative, covered by dedicated resources contributed by the members of the initiative.

Arnaud de Bresson, Chief Executive Officer of Paris EUROPLACE: *"The report presented today underscores the acceleration of the projects initiated by the Paris Marketplace to develop green and sustainable finance. Paris EUROPLACE is fully committed to pursuing its actions internationally as a partner of Climate Finance Day with Casablanca Finance City to open COP22, and through the work of the B20 in preparation for the Berlin summit in 2017."*

Philippe Zaouati, Chief Executive Officer of MIROVA: *"Actions to develop green and sustainable finance are even more dependent on strong collaboration between private players, the public authorities and civil society than in other sectors. Our goal with this report is to initiate the partnership approach. It opens a path for our goal of making Paris an engine for a green and sustainable European finance market."*

The Green and Sustainable Finance Initiative report is available on the Paris EUROPLACE website.

About Paris EUROPLACE

Paris EUROPLACE is the organization in charge of developing and promoting the Paris financial marketplace and the French financial industry internationally. It brings together all financial industry stakeholders; its 400+ members include issuers, investors, banks and financial intermediaries, insurance companies; attorneys and accountants, consulting firms, etc.

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