

Accelerating Sustainable Finance Together

Global Progress Report of the Sustainable Banking and Finance Network

Evidence of Policy Innovations and Market Actions across 43 Emerging Markets

October 2021

FOREWORD FROM THE SBFN MEASUREMENT WORKING GROUP



Sustainable
Banking and
Finance
Network



Creating Markets, Creating Opportunities

Foreword from Co-Chairs of the SBFN Measurement Working Group

As Co-Chairs of the SBFN Measurement Working Group, it gives us great pleasure to welcome SBFN's 3rd Global Progress report.

As all countries work to recover from the impacts of COVID-19, this report provides inspiring examples of how sustainable and green finance innovations can be used to attract capital and build back better. We now have an opportunity to change our financial systems to achieve positive impacts in line with the Sustainable Development Goals (SDGs).

In the past, when talking about sustainable finance, there has been a dominant focus on the environmental aspects. We are pleased to see that this report provides more focus on social aspects, such as gender, human rights, and financial inclusion. We are also excited to see coverage of important new trends, such as financing the climate transition and investing in biodiversity.

No doubt climate risk was one of the most urgent topics for many countries in the past two years, given how much investment is needed to avert a high emissions scenario that would have devastating social, environmental, and economic effects. It has therefore become central on the agenda of financial sector regulators and this report reflects this priority across different jurisdictions.

Before starting the process for the Global Progress Report, the Measurement Working Group met in 2020 to review the Measurement Framework and update it to reflect recent trends. This included a distinct pillar on climate risk management, which comprises a range of new tools and strategies in addition to core elements of environmental and social risk management.

The Framework was also updated to reflect the diversity of approaches being taken by SBFN countries across all three thematic pillars: ESG Integration, Climate Risk management, and Financing Sustainability. It is crucial that SBFN continues to recognize the different needs, priorities, and strategies of member countries in addressing these

themes. The approach taken this year to data collection and interviews, in partnership with members, allows for rich qualitative insights to support future actions.

Our recommendations to the SBFN Secretariat and community are to continue this important work and expand the network to include other types of members to reflect the full financial sector landscape. SBFN provides a unique and essential platform for financial sector regulators and industry associations to work together. The case studies in this year's report confirm that, as sustainable finance systems mature, collaboration between these different actors becomes critical to moving forward. This work should be extended to include capital markets, insurance, pension funds, and asset management.

We therefore welcome the change of the network's name to become the Sustainable Banking and Finance Network. This reflects the reality and needs of members and will enhance the network's mission and benefits.

SBFN should continue to represent emerging markets' perspectives in global dialogues on sustainable finance. This helps emerging markets translate and advance initiatives without being discouraged by the pace of how things are happening.

SBFN continues to do exceptional work in peer-to-peer knowledge sharing, reviewing member guidelines, and providing smaller spaces for members to exchange experiences and insights. SBFN should expand its work on capacity building and consider including investors in the dialogue. The leadership of the Advancing countries in this year's report should be leveraged to help other countries deepen their work on specific themes.

Above all, the report brings a message of hope based on the tremendous progress achieved by members. It also confirms that innovation can stem from various parts of the financial sector and can inspire collective action across the full financial ecosystem. Members can therefore choose the best way to start in their countries, knowing that the SBFN

knowledge base provides a wide range of case studies to accommodate different journeys.

Once again, we congratulate members and the Secretariat for the immense amount of knowledge contained in the 2021 Global Progress Report. And we thank the IFC and World Bank teams for ongoing technical support, which enables innovation in resource constrained environments.

We invite members to use this report to fast-track collaboration and the development of effective national frameworks for sustainable finance to strengthen financial stability, competitiveness, and resilience.



Nezha Hayat
Chairperson and CEO
Moroccan Capital Market Authority



Nomindari Enkhtur
Chief Executive Officer
Mongolian Sustainable Finance
Association



Mariana Escobar Uribe
Head of Sustainable Finance
Financial Superintendence of Colombia

ACCESS THE SBFN GLOBAL AND
COUNTRY PROGRESS REPORTS AT:

WWW.SBFNETWORK.ORG



Sustainable
Banking and
Finance
Network



Creating Markets, Creating Opportunities