



8 March 2018

Press release on the Action Plan on sustainable finance of the European Commission

London/Paris, 8 March 2018: The members of the Global Green Finance Council (GGFC) support the European Commission's Action Plan on sustainable finance and note its breadth and ambition with 12 different workstreams promoting the transition to a sustainable economy. The Action Plan will help align further the existing initiatives and efforts of the financial industry with policy objectives, and we especially welcome:

- the proposed creation of an EU Sustainable Taxonomy;
- the development of an EU Green Bond standard through a flexible and non-legislative proposal based on existing market best practice;
- the emphasis on incorporating climate risks into the risk management processes of financial institutions with reference in particular to the industry-led Financial Stability Board's Task Force on Climate-Related Financial Disclosure (TCFD) work;
- the study of the potential merits of including sustainability factors in prudential requirements;
- increasing resources and building sustainability expertise at the level of the European Supervisory Agencies.

Certain proposals may however need adjustment to avoid creating unintended barriers to market development. The key challenge with the Action Plan will also be to find the right balance in implementation, and not create regulatory complexity or legal uncertainty as the ultimate goal is to increase investment and finance for sustainable projects.

Martin Scheck, Chief Executive, ICMA (International Capital Market Association), said: "The GGFC will actively work with the European Commission to further increase the role of the financial sector in accelerating the transition to a sustainable economy."

Allison Parent, Executive Director, GFMA, said: "The Action Plan on Sustainable Finance is an important milestone for developing a financial system that supports sustainable investments. The GGFC looks forward to working with the Commission to help identify barriers to attracting much-needed investments, as well as identifying sustainability risks."

The GGFC assembles mainly financial sector trade associations with the aim to coordinate and cross-fertilize green finance initiatives, and to pursue an open and constructive dialogue on green policy issues with the official sector. The GGFC was founded by the Global Financial Market Association (GFMA), the International Capital Market Association (ICMA), the

European Banking Federation (EBF), the European Mortgage Federation – European Covered Bond Council (EMF-ECBC), the Institute of International Finance (IIF), the Loan Market Association (LMA) and the World Federation of Exchanges. Other organisations are participating as observers, including CERES, the European Fund and Asset Management Association (EFAMA), the European Financial Roundtable (EFR) and Insurance Europe.

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