Centre for International
Governance Innovation

Conference Report — Toronto, Canada, June 21, 2017

The Pathway to a Green Finance Road Map

Disclosure, Risk and Opportunities to Scale Up Green Finance in Canada

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Printed in Canada on paper containing 10% post-consumer fibre and certified by the Forest Stewardship Council® and the Sustainable Forestry Initiative.

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About CIGI

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Our research programs focus on governance of the global economy, global security and politics, and international law in collaboration with a range of strategic partners and support from the Government of Canada, the Government of Ontario, as well as founder Jim Balsillie.

À propos du CIGI

Au Centre pour l'innovation dans la gouvernance internationale (CIGI), nous formons un groupe de réflexion indépendant et non partisan qui formule des points de vue objectifs dont la portée est notamment mondiale. Nos recherches, nos avis et l'opinion publique ont des effets réels sur le monde d'aujourd'hui en apportant autant de la clarté qu'une réflexion novatrice dans l'élaboration des politiques à l'échelle internationale. En raison des travaux accomplis en collaboration et en partenariat avec des pairs et des spécialistes interdisciplinaires des plus compétents, nous sommes devenus une référence grâce à l'influence de nos recherches et à la fiabilité de nos analyses.

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Through its research, collaboration and publications, the Global Economy Program informs decision makers, fosters dialogue and debate on policy-relevant ideas and strengthens multilateral responses to the most pressing international governance issues.

About the Author

Céline Bak is a CIGI senior fellow with the Global Economy Program. She is the co-chair of the Think 20 (T20) task force on climate policy and finance, which is focused on climate policies that foster greater social integration and economic growth. In her capacity as an innovation practitioner, Céline sits as a director of Emissions Reduction Alberta, Green Centre Canada and chairs the Core Evaluation Team for Genome Canada's Genomic Applications Partnership Program. Through her role as president of Analytica Advisors, Céline provides strategic vision for clean technology industry leaders. As an expert on innovation and the low-carbon economy, Céline has appeared on five occasions as a witness before Parliament, and is frequently sought out by major Canadian media outlets to discuss sustainable finance, climate change and the low-carbon economy in Canada. She is an expert adviser to the Horizontal Innovation and Clean Technology Review by the Treasury Board of Canada Secretariat. Céline holds an M.B.A. from the University of Bath and a bachelor of commerce degree from the University of Guelph.

Acronyms and Abbreviations

CIGI	Centre for International Governance Innovation
CSA	Canadian Securities Administrators
CSFT	Canadian Sustainable Finance Taskforce
ESG	environmental, social and governance
ETF	exchange-trade funds
FISC	Financial Institutions Supervisory Committee
G7	Group of Seven
G20	Group of Twenty
$GTCO_2$	gigatons of carbon dioxide
P&C	property and casualty
PBoC	People's Bank of China
T20	Think 20
TCFD	Taskforce on Climate-related Financial Disclosure
UNEP	United Nations Environment Programme
UNEP Inquiry	UNEP's Inquiry into the Design of a Sustainable Financial System

Executive Summary

For a likely, although not certain, chance of limiting global warming to 2°C, the total remaining global carbon budget is 800 gigatons of carbon dioxide ($GTCO_2$) (Edenhofer, Flachsland and Kornek 2016).[1] This represents five percent of global fossil fuel reserves and a fraction of proved and probable reserves disclosed by energy companies. At a meeting on June 21, 2017, Canadian private sector financial leaders concluded that there is an urgent need for the Government of Canada to engage them to establish a Canadian Sustainable Finance Taskforce (CSFT). The CSFT would establish a plan on sustainable finance that positions Canada to be a leader, and that reflects both domestic priorities and international opportunities for transitioning to a low-carbon and sustainable economy and attaining Canada's climate change goals. To build a plan to address climate-related financial risk and opportunities, private sector leaders sought clarity on how they can engage in the Group of Seven (G7) agenda, which Canada is hosting in 2018, regarding green and sustainable finance. International green and sustainable finance initiatives are addressing both the risks and the opportunities associated with sustainable and green finance, including the EU High-Level Expert Group on Sustainable Finance, China's Green Finance Committee and the work in both advanced and developing economies of the United Nations Environment Programme's (UNEP's) Inquiry into the Design of a Sustainable Financial System (UNEP Inquiry). International initiatives such as the EU High-Level Expert Group on Sustainable Finance have prioritized quantifying the opportunity and need for sustainable finance to deliver climate goals, as well as changes to financial system regulation to align the financial system with a stronger "real economy," including growing jobs in firms of all sizes. International initiatives, mandated and convened by governments, have integrated environmental, social and governance (ESG) criteria through horizontal engagement of private sector actors from pension funds, insurance companies, banks and asset managers, as well as civil society and regulators. Canadian private sector leaders supported the adoption of a single standard for climate-related financial risk disclosure as described by the Financial Stability Board's Taskforce on Climate-related Financial Disclosure (TCFD). This single standard would also apply to financial institutions governed by federal acts. Key concerns for participants included ensuring sufficient disclosure of climate-related financial risk to enable decisions on overall asset allocation to address both downside risk and opportunities, new property and casualty risk underwriting risks and opportunities, greater access to sustainable infrastructure investment opportunities, including in sectors governed by the Office of the Superintendent of Financial Institutions, such as life insurers, as well as opportunities for consumers to drive capital markets based on enlightened self-interest.

Introduction

On June 21, 2017, in Toronto, Canada, the Centre for International Governance Innovation (CIGI) hosted a meeting, The Pathway to a Green Finance Road Map: Disclosure, Risk and Opportunities to Scale Up Green Finance in Canada. Meeting participants included private sector representatives from pension funds, insurance companies and asset management companies. Also present were representatives of civil society and financial sector regulators, as well as federal and provincial public sector officials and advisers. International participants included representatives from the EU High-Level Expert Group on Sustainable Finance, the UNEP Inquiry and China's Green Finance Committee. A diplomatic observer — the Consulate General of France in Toronto — was also present during the meeting in the afternoon. The meeting was held under the Chatham House Rule.[2]

1 The budget for 2°C refers to cumulative CO_2 emissions consistent with limiting warming to less than 2°C with a "likely" chance (66 percent probability), see Intergovernmental Panel on Climate Change (IPCC) (2014) for the qualification of uncertainties.

2 Under the Chatham House Rule, those present, including media, "are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant may be revealed." For a full explanation of the Chatham House Rule, see: www.chathamhouse.org/about-us/chathamhouserule.

Meeting Summary and Next Steps

Introduction: The Scientific Foundations of the Global Carbon Budget

In the first session, introductory remarks were made on the opportunity for greater alignment with global governance mechanisms such as the Group of Twenty (G20). This was followed by a climate science briefing on the connection between the 2°C warming target, the linear relationship between the accumulated carbon in the atmosphere, the total remaining global carbon budget of 800 $GTCO_2$ for a likely, although not certain, chance of limiting global warming to 2°C and the proportion of fossil fuels that will not be extracted in order to meet the global carbon budget.

Session 1: Global Green Finance Initiatives

The first round table included the discussion of several global green and sustainable finance initiatives, specifically: the Financial Stability Board's TCFD, the EU High-Level Expert Group on Sustainable Finance, China's Green Finance Committee and the UNEP Inquiry. This session sought to answer questions related to the realignment of financial systems in the United Kingdom, the European Union and China to address climate risks and sustainable economic investment opportunities, and to identify the various roles key actors are playing in the process.

EU High-Level Expert Group on Sustainable Finance

Mandated by the EU Commission and supported by the Directorate-General for Financial Stability, Financial Services and Capital Markets Union, the EU High-Level Expert Group on Sustainable Finance is made up of 20 members, including private sector leaders from pension funds, insurers, asset managers, stock exchanges, civil society, and national and multinational development banks, and a number of observers from the EU agencies, finance supervisory authorities, industry associations and civil society. There are many green finance initiatives emerging globally, although not all have the same intent and ambitions.

The EU High-Level Expert Group on Sustainable Finance is tasked to develop a sustainable finance plan for the European Union, in addition to a set of highly implementable objectives for policy and legislation. The choice of "sustainable finance" rather than "green finance" was an important consideration for the group. The focus on sustainable finance reflects the fact that the European Union is addressing political disruption post financial crisis, with impacts including high youth unemployment and automation of labour markets. This focus reflects the need to address the broader sustainability of the economy within society and the need to foster longer-term investment with a broader conception of risk.

Many of the challenges the European Union faces represent medium-to-long-term threats to the financial system. It is felt that the correct response to climate change will also help address social issues, including energy efficiency retrofits and sustainable infrastructure investments. Much of the focus of the EU High-Level Expert Group on Sustainable Finance is on governance, accountability and transparency in the public and private sector. It reflects recognition of the need for collaboration and a platform for dialogue on how to mobilize capital to deliver a sustainable economy and will inform the work under way for the EU Capital Markets Union.

China's Green Finance Committee

China's Green Finance Committee has played an important role in designing China's green finance policy framework — by supporting research, promoting innovation and coordinating capacity building. Its work in 2017 is expected to focus on implementing green finance and disclosure.

The Green Finance Committee was established in 2015 — based on 17 subgroups under the leadership of the People's Bank of China (PBoC) and Ma Jun, the PBoC's chief economist. At that time, it was recognized that clear definitions needed to be established: What is green? What should be disclosed? How can institutional investors be guided to make green investments? How can this be improved internationally?

In defining green finance, there are times when different definitions co-exist, but we still make progress and move forward. For example, there are two green bond guidelines. One was set out by the National Development Reform Commission and the other by the PBoC. There are also different green credit guidelines to assess green projects. Stakeholders are working to address how the definitions can be aligned.

In regard to the public sector, seven ministries in China were part of launching the green finance system, each with its own responsibilities. Giving a common language for green industry is part of this work. A completed green industry catalogue is expected by March 2018. The China Securities Regulation Commission and the PBoC will adopt the common definition. Establishing a common approach on what should be disclosed is also part of this work.

The UNEP Inquiry

The inquiry, which now operates in 20 countries, was established to answer the question of "how should the financial system respond to the challenge of sustainable development and climate change?"

By way of background, the inquiry has served as the secretariat to the G20 Green Finance Study Group, and to Italy's G7 program. The inquiry has also convened a group of 15 insurance regulators from around the world to explore practical issues — for example, what does climate change mean for insurance?

Reflecting on the UNEP Inquiry's work, there are four topics of relevance to Canada:

→ System approach: It is important to focus on the economy as a whole, not on particular sectors. In the European Union, the focus is on sustainable development and answering the question of how to deliver sustainability in the context of a broader economic opportunity. A systems approach also includes the need to address what is happening in the financial system overall, including artificial intelligence, blockchain and fintech.

→ System dynamics: How can the right balance be achieved between market practices, voluntary practice, market innovation, policy and societal expectations?

→ System performance: Sustainability encompasses some of the key qualities that are desirable in the financial system as part of the way it intermediates capital, manages risk, and runs efficiently and with integrity.

→ System-wide learning: This includes the dynamic between national and international action.

For industrialized countries such as Canada, it is also important to not frame sustainability in the financial sector simply in terms of risk and the downside, but also in terms of opportunities for growth. How can the financial system be aligned with the development and growth of a low-carbon and sustainable economy while meeting Canada's climate change goals?

Session 2: ESG Disclosure and Engagement

The second session on disclosure and engagement included presentations by five discussants. These addressed how climate-related financial risk may impact insolvency law through changes to the doctrine of reasonable expectation and what is fair given all the interests at play, to address conduct that is wrongful, although actually not unlawful. Liabilities are also emerging in relation to failure to disclose and failure to adopt. Changing social norms are affecting the standard of reasonable expectations.

Also discussed were the interdependence of investor engagement and provision of adequate information for asset owners to assess climate-related financial risk. A first-mover role for the private sector on climate-related financial risk was seen as essential, as was a strategic signal from the federal government. The importance of developing a political constituency for climate change in people's everyday lives, for example through energy efficiency retrofits of public buildings, was also discussed as a vehicle to channel carbon tax and emissions permit revenues. Concerns were raised on the market consequences of disclosed risk and on the lack of consensus around the market impacts of such transparency.

There is also increasing board-level engagement on the importance of ESG criteria. This is being brought about through groups advocating greater board-level engagement such as the Canadian Coalition for Good Governance. Moreover, the Canadian Securities Administrators, the umbrella organization for provincial and territorial securities commissions, is reviewing the current state of climate-related financial disclosure in response to the TCFD process, with the Alberta Securities Commission and the Ontario Securities Commission co-chairing this consultation. The review includes looking at current legislation and guidance to understand if it is sufficient.

Canadian regulation regarding climate-related disclosure in Canada is very scant. The CSA issued an Environmental Reporting Guidance in 2010 (notice 51-333). This instrument, however, has not brought about meaningful disclosure on climate change. There are no other mentions of climate change in provincial regulations. In comparison, US regulations seem to have more teeth. Six states mandate annual reporting on climate change risks. At a 2016 global meeting of insurance regulators in California, there were no Canadian representatives from provincial or national levels. This appeared to be because there was not a clear understanding of why disclosure is needed by insurers.

The Chartered Professional Accountants of Canada released *State of Play: Study of Climate-related Disclosures by Canadian Public Companies* on cooperatives and credit unions in 2017. Only 30 percent of public corporations and 20 percent of co-ops report on climate change disclosure. In regard to the TCFD, meeting participants noted that one standard is needed, and that it must be simple and comparable. Symmetry in disclosure was also viewed as important, with asset owners (such as pension funds and insurers) requiring disclosure from asset managers and issuers, as well as being required to disclose climate-related risk to their unit holders. There are four insurance companies on the TCFD. In the United States, there is active engagement on climate-related disclosure. The view was that much more can be done in Canada.

Given the current state in Canada, meeting participants noted that it is normal to look with envy at the United States and the European Union. Participants concluded that we are at the beginning stages in the modernization of the financial system as the underpinning of a low-carbon and sustainable economy. There is a chance to present to the federal government, including the Department of Finance Canada, the Treasury Board and Infrastructure Canada, the opportunity and business case for sustainable finance as part of plans for the G7 in Quebec in 2018. As was the case with carbon pricing, a clear assessment and consensus on federal and provincial jurisdictional supervisory and regulatory responsibilities would be required. An assessment of what investment in lower-carbon transportation and buildings, as well as energy systems, is needed to attain Canada's climate targets would also be part of framing domestic needs and financing opportunities. Similarly, an assessment of global sustainable infrastructure investment criteria and needs could be part of framing the opportunity for market expansion by the Canadian infrastructure sector.

Session 3: Risk Management

Session 3 on risk management also included presentations by five discussants. The current limitations of the sophisticated modelling capabilities of the property and casualty (P&C) insurance industry in the face of climate-related physical risk were raised, as well as the limitations of investment models in terms of climate-related market opportunities, whether for new forms of underwriting such as flood insurance or new investments such as in emerging clean technology sectors. Also of concern was the lack of integration of climate-related financial risk initiatives with international efforts, across the public and private sectors and across respective financial sectors such as P&C insurance, life insurance, asset ownership, asset management and banking.

Work is under way to integrate ESG criteria in security selection for investment portfolios, on structuring green bonds from the purchaser's (rather than the issuer's) point of view and on integrating investment criteria that consider the impact of rising carbon prices on business models. Work is also under way to consider the impact of climate change on business models in the short and long term based on a world that is 2°C or 3°C warmer. From a risk perspective, there is material lack of data. Providers of benchmark indexes and rating agencies are stepping up only slowly.

There are opportunities to build human capacity quickly. For example, the Chartered Financial Analysts Institute has added ESG criteria to its curriculum. While carbon footprinting is seen to be imperfect, it is recognized to be a useful first step by some investors, less so by others who are concerned that it may not adequately reflect future trends that may be impacted by innovation and clean technology.

Engagement with the management teams of issuers is seen as foundational to risk management for some asset owners who do not yet have ESG investment screens, but rather work on the basis of responsible investing principles.

Engagement by policy makers, supervisory authorities and standards setters was also seen as key, and greater leadership nationally from the federal government vis-à-vis the Canadian financial sector is acknowledged as vital. Similarly, a strategic signal from the federal government in terms of the adoption of the recommendations by the TCFD within federal financial institutions subject to federal acts would be positive and help to position Canada within a carbon-competitive global financial market. Examples of such institutions include the Public Sector Pension Investment Board Investments, Export Development Canada and Business Development Canada. Clear and stable policy signals are seen to be key to asset allocation to new asset classes such as sustainable infrastructure and green bonds.

The development of new asset classes will address concerns with diversification at the portfolio level, given the interconnectedness of the economy. Assessment of portfolio risk by some attendees now includes the evaluation of a firm's readiness to

Table 1: Potential Deliverables Related to Federal Leadership on Sustainable Finance

Federal Entity	Potential Deliverable Related to Federal Leadership on Sustainable Finance	Examples
Bank of Canada	Through the Financial Institutions Supervisory Committee,[1] establish a working group of federal and provincial supervisory authorities for banks, insurance, pension funds and securities to study the potential impact of climate-related financial risk within Canadian and international financial flows and establish stress-testing protocols.	Banking, insurance, pension fund and securities authorities federally and provincially
Department of Finance Canada	Establish and apply a policy framework for the application of TCFD recommendations to financial institutions subject to federal acts. Modify the relevant acts as necessary.	Public Sector Pension Investment Board Investments, Business Development Bank of Canada, Export Development Canada
Department of Finance Canada	Publish a policy proposal on how recommendations from the Green Finance Study Group may be applied in Canada.	Publicly available information for low-carbon market risks and opportunities
Department of Finance Canada	Consult federally regulated entities on barriers to the development of sustainable infrastructure as a new asset class.	Federally regulated financial institutions
Department of Finance Canada and Infrastructure Canada	Use federal climate change and infrastructure funds to establish the total capital requirements needed to meet the pan-Canadian climate framework. Reflect these financial requirements in leverage criteria for public funds.	Energy efficiency, transportation
Infrastructure Canada	Use infrastructure funds and emerging municipal asset management disciplines to implement lifecycle cost assessment for new infrastructure.	Energy efficiency, transportation
Treasury Board Secretariat	Implement lifecycle cost assessment methods to challenge investment infrastructure investment proposals.	Infrastructure, energy efficiency, transportation
Natural Resources Canada	Host formal consultations with provincial and territorial Ministries of Energy to establish national capital requirements needed to meet the pan-Canadian climate framework.	Electricity generation and transmission

Source: Author.

1 The Financial Institutions Supervisory Committee is comprised of the Bank of Canada, Finance Canada and the Office of Supervision of Financial Institutions.

navigate an energy transition based on the ability of the firm to update and change its business model to account for climate-related financial risk.

Discussants also questioned the capacity of current markets and institutions to price risk and raised the importance of enlightened self-interest as qualities that markets must continue to possess in order to ensure market discipline. There is also the question of how markets can take on new regulations when there is regulatory fatigue among chief risk officers responsible for regulatory compliance. Can forward-looking stress testing that includes climate-related financial risk play a role? If the private sector is not yet able to undertake this, should this responsibility be actively undertaken by supervisory authorities? China has laid the groundwork for long-term asset stress testing through public consultations with asset owners.

Questions were also raised as to how fiduciary responsibility plays a role in creating demand for climate-related financial disclosure. Finally, discussants asked how consumers can be engaged and enlightened with a view to climate change, as well as broader environmental risks.

Undertaking an assessment of Canada's mid-century plan to identify both business risks and opportunities was also outlined as a way to look beyond the current business models of financial institutions. Scenario-based approaches now being used in Germany and the United Kingdom were seen as worthwhile examples and may assist in uncovering "shadow materiality." These approaches may be further explored to establish comprehensive bottom-up estimates of investments required to meet climate change goals, including both mitigation and adaptation.

Performance benchmarks for pension funds also present a challenge in so far as today, they do not reflect climate-related financial risk. This risk is multiplied by index-based exchange-traded funds (ETFs) that are now increasingly popular with retail investors. Symmetric disclosure by pension funds and insurers to their beneficiaries presents an opportunity to educate consumers and establish the disclosure required for enlightened self-interest to contribute to market discipline. Asset managers are governed by the use of performance benchmarks. Today, none of the main asset management performance benchmarks integrate ESG criteria. This makes investors blind to ESG risks. There is shadow materiality related to climate risk within these funds, and this risk also extends to sustainability more broadly.

Shadow materiality was viewed as an issue of increasing importance, particularly as the transition is made to low-cost index-based ETFs and similar instruments. Greater disclosure could make consumers part of the market for a "smarter beta" by driving the price of climate-related risk into markets and financial products.

Session 4: Pathways to a Green Finance Road Map for Canada

The last session of the meeting began with a message on green finance from the Bank of Canada. International guests were invited by private sector leaders to describe the genesis of sustainable finance and green finance initiatives in which they are engaged in China, the European Union and, more broadly, under the UNEP Inquiry.

Finally, there were concluding comments by participants on potential next steps.

Conclusions

The meeting resulted in agreement on the following matters:

→ The need for the establishment of a Canadian Sustainable Finance Taskforce mandated and supported by the federal government, constituted by leaders and experts, and reflective of both domestic priorities and international opportunities.

→ A signal from the federal government on a single unified approach to climate-related financial risk disclosure, including for public sector financial institutions subject to federal acts, would send a strong message to the private sector.

→ The opportunity to close the gap between the work under way in the Canadian financial system regarding climate-related financial risk and that which is under way internationally.

→ The need for the financial sector to converge on a national unified approach that is harmonized with international initiatives for climate-related risk disclosure to investors. A single approach must address materiality and the horizons over which material risks are considered and should include civil society.

→ Regulators and courts will help to formalize climate-related financial risk disclosure standards, but the private sector must lead.

- Leaders from international initiatives in the European Union, China and the UNEP Inquiry offered to share lessons learned with Canada as it establishes its green finance and environmental priorities.
- Country-level efforts have begun internationally to quantify the investments needed to attain the Paris Agreement and the UN Sustainable Development Goals. These initiatives are working to align national financial systems with broader goals, including sustainable infrastructure and low-carbon economic growth.
- National capital-raising plans based on both societal and climate needs, including for low-carbon energy systems, transportation systems and building retrofits are among the tools that are emerging from international systemic approaches, in addition to policies promoting transparency and disclosure.

World events are supportive of these conclusions and will contribute to increasing pressure to align financial markets with climate and economic growth goals. With the United States leaving the Paris Agreement, the remaining G20 leaders agreed at the 2017 Hamburg G20 Summit to a Climate and Energy Action Plan for Growth. Multiple references were made to financing sustainable growth, in both the Climate and Energy Action Plan for Growth and the G20 communiqué itself.

Global leaders recently pushed for greater progress on the integration between the financial system and climate goals through transparent reporting of public and private activities, making finance flows consistent with Paris Agreement goals, including the Green Finance Study Group's Synthesis Report, and its options for encouraging environmental risk analysis and for improving the availability and relevance of publicly available environmental data for financial analysis.

As Kathy Bardswick, retired CEO of The Co-operators, wrote in July 2016, "The federal government has committed to integrating the economy and the environment, and ensuring that the financial system serves the needs of Canadians — goals shared by leaders within the financial services sector. We now need to...explore the development of a roadmap for Canada.... This step could help ensure our financial system remains deserving of being envied" (Bardswick 2016). More than a year has since passed. It is time to act.

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Author's Note

This conference report was made possible by a grant from the Ivey Foundation and was produced as a record of the CIGI Green Finance Workshop in Toronto on June 21, 2017.

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- John Godfrey, Special Advisor to the Minister of Environment and Climate Change

- Toby Heaps, President, Corporate Knights
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- Samanth Sohal, Bank of Canada
- Rune Sollihaug, VP Risk & Analytics, AGF Investments
- Tristan Sones, Vice-President and Portfolio Manager, AGF Investments
- Marc Trouyet, French Embassy, Consulate General in Toronto (Diplomatic Observer)
- Kathleen Ward, Executive Lead, Cooperative Capital Markets Regulatory System, Ontario Ministry of Finance

Agenda

June 21, 2017

One King West Hotel, 3rd Floor, King Gallery
Toronto, Canada

8:30–9:00 a.m.	**Breakfast available**
9:00–9:30 a.m.	**Welcome and introductions**

Welcome: Rohinton Medora, President, CIGI
Introduction via teleconference:
"The Global Carbon Budget"
Brigitte Knopf, Secretary General, Mercator Research Institute on Global Commons and Climate Change

9:30–10:45 a.m. **Session 1: Global Green Finance Initiatives**

- → G20 Governance of the FSB and mandate for the Taskforce on Climate-related Financial Risk Disclosure
- → EU HEG Sustainable Finance
- → China's Green Finance Committee
- → UNEP Inquiry Framework — components, purpose, examples and impact, ideas for Canada
- → Accounting for Sustainability

Questions to be answered: *What role is disclosure playing in the realignment of the European Union and China's financial systems to address risks and finance low-carbon investments? What is the role of disclosure in the formation of green finance markets? What is the role of assurers of sustainability information such as auditors? How is the role of assurers changing in terms of materiality?*

10:45–11:00 a.m. **Health Break**

11:00 a.m.–12:30 p.m. **Session 2: ESG Disclosure and Engagement**

- → Fiduciary Duty Obligations
- → Canadian Securities Administrators

Questions to be answered: *We are at the beginning of the conversation on climate-related financial risk disclosure in Canada. What are the impediments to moving from the current climate disclosure regulatory regime to a more robust approach? What foundations can be leveraged from international initiatives? What are the opportunities for symmetry of responsibilities between data providers (and corporate directors) and data users within institutional investors (and fiduciaries)? What strategic signals can the public sector send federally and provincially? For example, should public procurement including infrastructure be subject to material climate disclosure standards? Should agencies under the federal regulation or where shares are held by the federal government be early adopters of mandatory climate disclosure?*

12:30–1:15 p.m. **Lunch**

1:15–2:30 p.m.	**Session 3: Risk Management** Proposed questions for consideration: *From an underwriting and risk management perspective, what are the opportunities and the challenges? How could the disclosure of climate-related financial risk management by issuers impact risk management practices in the medium and longer term? What are the positive trends and headwinds for private sector initiatives on long-term focus for governance and the implications for materiality and continuous disclosure? What strategic signals can the public sector send federally and provincially?*
2:30–2:45 p.m.	**Health Break**
2:45–5:00 p.m.	**Session 4: Pathways to a Green Finance Road Map for Canada** → Message from Tim Lane, Bank of Canada → Introductory discussion → Round table discussion → Summary and next steps

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