Business Models for Sustainability: Green Investment Tools for Sustainable Development

To implement the UN Agenda 2030, the Paris Agreement and the Addis Ababa Action Agenda on Development Financing, new financial instruments are needed to cover the wide area of sustainable development. Green finance is becoming a leading tool to connect forward-looking industrial actors and businesses with investors. The background for this development is that business models which promote sustainability are better suited for future markets. In addition, new green investment tools expand relevant innovation opportunities. Currently the use of green investment tools, such as green bonds and decarbonization of financial portfolios, are growing. Nevertheless, compared with a global financial market these instruments are still very small.

The issue discussed in this session is how green investment tools can be scaled up and how they can be more holistic in the Agenda 2030 perspective including environment, social and governance issues simultaneously. We start by learning more from the experiences with green investment tools so far. Following up discussing the possibility and desirability to take a more holistic approach and if such financial instruments would make a substantial contribution to facilitating the financing of sustainability projects at a lower cost than other funds in the future.

SDSN Northern Europe’s session at NTNU Sustainability Science Conference

Location: Clarion Hotel & Congress, Trondheim
Room: LIVING 4
Time: 9.00 - 10.30

SDSN Northern Europe
Northern Europe is an action-oriented network focusing on mobilizing Nordic scientific and technological expertise to solve problems and create a more sustainable society. The network links knowledge to action in order for society to achieve the UN Sustainable Development Goals (SDGs).

www.undsn-ne.org

UNEP FI Investment Committee

“There is clear evidence of the urgent need to accelerate the transition towards a resource-efficient, low-carbon and inclusive economy, and that sustainable development can only be achieved with the active involvement of investment institutions considering the key environmental and social challenges our planet is facing.”

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SDSN Northern Europe

To reach the Sustainable Development Goals and the Paris Agreement, the three dimensions of sustainable development – economic, environmental and social – must be considered holistically. The NTNU Sustainability Science Conference is a platform to share evidence-based research for sustainable decision-making.

www.ntnu.edu/web/sustainability-science
Fritz Balkau (Moderator) is an independent international advisor in sustainable development with a focus on sustainable solutions, covering production and consumption practices, enhanced resource efficiency, and risk reduction in society. Most recently he has been working in life cycle management and sustainable supply chains, as well as projects to facilitate the uptake by regional organisations of life cycle approaches to sustainable development (books, papers, webinars, training and conferences). While working for UNEP Environment he supervised programmes in sustainable industrial development and life cycle tools. He has extensive environmental policy experience in government (Australia), and has carried out professional consultancy projects for national governments and independent associations as well as the OECD and UN.

Panelists

Kristina Alnes is a Senior Advisor at the Center for International Climate Research (CICERO) in Oslo. CICERO is Norway’s leading institute for interdisciplinary climate research, with considerable expertise in climate finance. The research centre is the world’s leading provider of independent environmental reviews of green bonds. CICERO Climate Finance center collaborates with leading global and Scandinavian investors in the field of climate risk to identify methods to understand climate risk and incorporate this risk into investment decisions in a wide range of sectors. A list of 20 verified green bonds are publicly accessible at Oslo Stock Exchange.

Björn Bergstrand is the Head of Sustainability at Kommuninvest in Sweden. Kommuninvest is a Swedish Local Government Funding Agency that was set up in 1986 and today is the largest lender to Swedish local governments. Kommuninvest assists municipalities to borrow money through the issuance of bonds and other instruments in national and international capital markets. As a single municipality has limited ability to raise funds by itself, Kommuninvest allows many to issue a bond together. Kommuninvest has so far issued three guaranteed AAA green bonds, the latest in May 2017 of USD 500 million. Kommuninvest stands behind the largest green bond ever issued in Sweden.

İdil Bilgiç is a Principal Economist at The European Bank for Reconstruction and Development (EBRD). The EBRD was founded in 1991 to create a new post-Cold War era in central and eastern Europe, furthering progress towards ‘market-oriented economies and the promotion of private and entrepreneurial initiative’. It has played a historic role and gained unique expertise in fostering change in the region - and beyond. İdil is a principal infrastructure economist at the EBRD, located in Almaty, covering infrastructure projects in Central Asia and Turkey. She has a great experience with EBRD’s invest in green economy, the tools they use to promote green economy (investments, technical assistance programmes, grants and cooperation with other institutes), and how they tackle implementation issues as well as governance problems.

Anders Olstad is the Chief Financial Officer at Entra, one of Norway's leading property companies, and specializes in the construction of environmentally friendly buildings. To achieve a low carbon footprint, low emission and powerhouse standards are prioritized along with easy access to public transport. Entra's 85 properties constitute a portfolio market value of 37.5 billion NOK. Their two issued green bonds of 1 billion NOK each earned CICERO's highest rating of independent second opinions on green bond frameworks, “dark green”.

Jan Erik Saugestad is the CEO of Storebrand Asset Management. Storebrand is one of Europe's largest investors in green bonds and a leader in sustainable investments. The company is also Norway's largest private institutional investor, managing values for 620 billion NOK. As a leading player in the Nordic market for long-term savings and insurance, Storebrand has integrated sustainability in its investment decisions for more than two decades. In January 2017, Storebrand was rated the world's most sustainable insurance company by Corporate Knights as part of Global 100 published at the Davos meeting.