

## Launch of the Sustainable Finance Observatory, the first-ever tool for monitoring Paris Financial Centre players' shift towards carbon neutrality by 2050

Unveiled on the occasion of Climate Finance Day, the Sustainable Finance Observatory is a **world premiere**. It seeks to enhance transparency, monitoring and evaluation of the financial sector's gradual transformation.

On 2 July 2019, the Paris Financial Centre's main participants, namely insurers, banks, private equity firms, management companies and specialist financial companies represented by their primary professional federations, and Finance for Tomorrow, a branch of Paris EUROPLACE, made commitments to green and sustainable finance, including the creation of an Observatory to **record the commitments and achievements** of financial players in the area of green and sustainable finance.

### UNPUBLISHED SECTORAL DATA

The Observatory brings together sectoral data and individual commitments, now presented on the website: [www.observatoiredelafinancedurable.com](http://www.observatoiredelafinancedurable.com). For more transparency, all the data on the Observatory's website are **open-data**.

**Unpublished data, on the one hand, reporting on the actions of the different financial sectors are classified into four themes**

- Responsible management
- Transition to a low-carbon economy
  - Sustainable savings and investments
  - Climate analysis of assets under management
  - Amounts of energy renovation loans for individuals
- Exit from Coal
  - Assets under management subject to coal strategy
  - Statistics on coal strategies: exit date, thresholds adoptedExposure of banks and insurance companies to thermal coal
- Responsible product offerings

**On the other hand, the Observatory also lists the public commitments in terms of sustainable finance of 355 voluntary actors.** These commitments will be updated on an ongoing basis. We furthermore call on those financial actors not currently participating **to make a commitment and join this initiative.**

This first edition is a working basis for achieving the 5-year objectives of the project: monitoring individual commitments, calculating the alignment of the investment portfolios of market players with the objectives of the Paris Agreement, and, as far as possible, enriching the data with measures of the impact on the real economy.

## A COMMITTEE ENSURING SCIENTIFIC RIGOUR

A scientific and expert committee of 12 qualified figures from civil society and academia, chaired by Pierre Louis Lions, winner of the 1994 Fields Medal and professor at the Collège de France, will regularly assess the relevance and quality of the Observatory's methods and data. The goal is for these to evolve over the years, incorporating the committee's opinions and other methodological improvements, always with the aim of better assessing the impact of initiatives undertaken by stakeholders in the field of sustainable finance.

## A PILOT PROJECT FOR THE WORLD AT LARGE

The Sustainable Finance Observatory seeks to incite other financial centres in Europe and beyond to launch similar initiatives. *Finance For Tomorrow* will share feedback and lessons learned from the project with other financial centres, particularly through the [Financial Centres for Sustainability](#). Methodologies implemented by the Observatory will also be made available in open-source form.

**Thierry Déau, Chairman of Finance For Tomorrow**, said: *'We are convinced that transparency has an essential and virtuous impact, accelerating the collective momentum that has gathered since COP21 and for this reason, we are proud to now be launching the Sustainable Finance Observatory. Our shared objective, alongside professional bodies and public authorities, is to monitor and further encourage commitments and actions that support the struggle against climate change and foster implementation of the UN's Sustainable Development Goals and those of the Paris Agreement globally.'*

**Arnaud Leroy, Chairman of ADEME (Agency for Ecological Transition)**, stated that: *'By contributing to greater transparency and more accurate consideration for the long term, the Sustainable Finance Observatory constitutes a new tool for dialogue between the financial sector and society. The Observatory makes it possible to monitor the translation of commitments into action, while fostering emulation among actors. At a time when we need to accelerate our mobilisation to achieve the objectives of the Paris Agreement, it will be an essential tool for encouraging the Paris Financial Centre to further ramp up its ambitions.'*

**Augustin de Romanet, Chairman of Paris EUROPLACE** observed: *'The launch of this world premiere, the Sustainable Finance Observatory, supported by European funding, bears witness yet again to the pioneering spirit that drives the Paris Financial Centre on these issues. This initiative is part of the Paris Financial Centre's vigorous effort to accelerate contributions by the financial sector, in all its various forms, to ensuring the economic recovery and transformation of our post-crisis economic model.'*

## PRESS CONTACTS

**Raphaël Lebel**

[r.lebel@financefortomorrow.com](mailto:r.lebel@financefortomorrow.com)

+33 (0)1 70 98 06 51

**Alexandre Daudin**

[alexandre.daudin@shan.fr](mailto:alexandre.daudin@shan.fr)

+33 (0)1 44 50 51 76



Finance for Tomorrow, launched in June 2017 is the branch of Paris EUROPLACE to make green and sustainable finance a key driving force in the development of the Paris Financial Centre and to position it as a hub of reference on these issues. The nearly 80 members and observers of Finance for Tomorrow are committed by a joint charter to help redirect financial flows towards a low-carbon and inclusive economy, in line with the Paris Agreement and the UN's Sustainable Development Goals (SDGs). Finance for Tomorrow is chaired by Thierry Déau, Founder and CEO of Meridiam.

Eight key players in sustainable finance in France gathering under the coordination of the French Environment and Energy Management Agency (ADEME), on a financial engineering programme with a budget of 18 million euros, and 10 million euros in funding from the European Commission (LIFE programme, which supports actions promoting the implementation of European policies). This project, Finance ClimAct, aims to develop new methods and tools and to integrate them into the decision-making and steering processes of the various stakeholders in the financial sector. This strategy is directly in line with the Paris Agreement, which aims to "make financial flows compatible with a trajectory towards low GHG emissions and climate-resilient development".

*With the contribution of the European Union LIFE program.*

*The European Commission is not responsible for any use that may be made of the information it contains.*



## **ANNEX**

### **Governance of the Sustainable Finance Observatory in details**

The Sustainable Finance Observatory is the result of two complementary initiatives. The first is led by *Finance for Tomorrow* and the Financial Centre's professional federations, which announced new commitments to fight climate change on 2 July 2019, including the creation of an Observatory to monitor its participants' achievements in terms of sustainable finance. The second is the *Finance ClimAct* project, funded by the European Commission and coordinated by the Agency for Ecological Transition (ADEME).

The **Steering Committee** is responsible for management and implementation of the project. The Observatory's Steering Committee is made up of permanent members representing:

1. *Finance for Tomorrow / Paris EUROPLACE,*
2. *The French Banking Federation (FBF),*
3. *The French Insurance Federation (FFA),*
4. *The French Asset Management Association (AFG),*
5. *France Invest*

And advisory members:

7. *The French Association of Financial Companies (ASF)*
8. *ADEME*
9. *PWC*

**The Steering Committee of the Finance ClimAct project** ensures that strategic positioning is respected and that deadlines are met. It is overseen by ADEME and comprises all members of the Finance ClimAct consortium:

1. ADEME
2. General Commission on Sustainable Development (CGDD)
3. French Financial Market Authority (AMF)
4. French Prudential Supervision and Resolution Authority (ACPR)
5. Institute for Climate Economics (I4CE)
6. 2° Investing Initiative
7. Finance for Tomorrow
8. Greenflex

**The Scientific and Expert Committee**, which has an advisory role, issues recommendations, in particular on improving the relevance and quality of data and methodologies. The Scientific and Expert Committee consists of:

- *Jean-Louis Lions, Committee Chairman, supported by Stéphane Voisin, Secretary*
  - *A college of NGOs and think tanks*
- *Lucie Pinson, (Reclaim Finance)*
- *Michel Cardona, (I4CE)*
  - *Academic College*
- *Ana Creti, (CGEMP- Centre de Géopolitique des énergies et matières premières)*
- *Delphine Lautier, (Paris Dauphine, PSL)*
- *Augustin Landier, (Toulouse School of Economics, HEC Paris)*
- *Peter Tankov, (ENSAE, Institut Louis Bachelier)*
- *Emmanuel Hache (Paris 1 Panthéon-Sorbonne)*
  - *College of Public Authorities*
- *Elise Calais, (Ministry of Ecological Transition)*
- *Charlotte Gardes, DGT (General Directorate of the Treasury)*
  - *College of experts*
- *Jérôme Courcier*
- *Caroline Delerable, (EY)*