

SUSTAINABLE FINANCE

a game-changer for growth?

Plenary meeting

Tuesday 20 March 2018

Key takeaways

1. Time to act

- To fulfil the EU's targets under the 2030 framework and the Paris Agreement, an extra €180bn a year will be needed. This exceeds the capacity of the EU budget or public investment alone.
- It will be critical to leverage the private sector to address this shortfall and support the transition to a sustainable economy.

2. Taxonomy as a foundation

- Before implementing the rest of the Action Plan, it is essential that we first define what we mean by "green" and "sustainable".
- Definitions should be balanced and objective, to properly establish a common language with which we can move forward with the rest of the project.
- The Commission's intention to define the principles and scope for the taxonomy as its first action, in May 2018, is a welcome step.

3. Key areas for consideration: risk & disclosure

- It will be critical to ensure that any policy initiatives on green or brown investments take account of the potential impact on financial stability before exploring a "green supporting factor" or other policy initiatives involving the assessment of complex default or market risk.
- Much of the debate in the coming months is likely to focus on disclosure, with the Commission set to undertake a fitness check of public reporting by companies.

4. Multi-stakeholder collaboration

- It will be important to channel expertise from a wide range of policymakers, civil society and businesses from across sectors. The Commission should ensure a coherent and holistic approach taking into account all actors.
- There is also a need to shift society and individual behaviour. All actors have a responsibility to show citizens how they can contribute.
- Business engagement and political support for the Action Plan at the highest level is encouraging.

Questions?

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