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RAPPORTEURSHIPS "FACING CLIMATE CHANGE"

# "SUSTAINABLE DEVELOPMENT AND ECONOMIC PERFORMANCE: ARE THEY COMPATIBLE?"

SESSION WITH **STEPHEN NOLAN.**

FUNDACIÓ CATALUNYA EUROPA

# SUSTAINABLE DEVELOPMENT AND ECONOMIC PERFORMANCE: ARE THEY COMPATIBLE?

**Invited Speaker: Stephen Nolan, FC4S Managing Director, Dublin**

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## Contents

This report is a synthesis of the debate carried out with Stephen Nolan in the conference series “Facing climate change” organised by Catalunya Europa Foundation in the context of the Re-City project. This session, titled "Sustainable development and economic performance: are they compatible?" consisted of a public lecture, and a lunch-debate that brought together personalities from the economic, social, political and business sector of Catalonia. The mentioned activities were held in Barcelona at the Antoni Tàpies Foundation on April 2019. The content order along this report is thematic and does not represent the order in which it was exposed by Stephen Nolan. The conference series “Facing climate change” is developed in collaboration with BBVA, *Generalitat de Catalunya*, *Àrea Metropolitana de Barcelona* and Barcelona City Council.

## Biography

Stephen Nolan is the CEO of the Sustainable Nation Ireland and the head of the UN Environment Financial Centres for Sustainability (FC4S) Europe.

Nolan obtained his Bachelor of Arts in Business and Economics' Joint Degree in 2000, at the Trinity College of Dublin. In the following year, Nolan studied a postgraduate course in Information Technology (IT) at the Dublin City University. Afterwards, he started to work as an Information and Communications Technology (ICT) special advisor to the Secretary General of the Department of Communications, Marine & Natural Resources of the Irish Internet Association; and as the CEO of the UN founded Global eSchools & Communities Initiative (GeSCI) in 2003, where he was advising Ministries of Education in the developing world to make informed strategic choices and decisions about ICT in Education, Innovation & Science. In 2006, Nolan was positioned as the executive assistant to the Chairman and CEO of the Rivada Networks until 2009. After this, Nolan was the CEO and co-founder of the Green International Financial Services Centre (IFSC), promoting Ireland as a leader in green finance between 2012 and 2014. From 2016, he worked at the Paladin Capital Group Europe as an advisor until 2017 and at the 40/40 Sustainable Business Leadership network Ireland until 2018. "40 under 40" learning network aims to harness the creativity, dynamism and expertise of 40 company executives all under the age of 40 who are driving Ireland's corporate sustainability business agenda including operational and investment activities.

Currently, Nolan is involved in several institutions and organisations. Since 2012, Nolan has been a board member of Haven, which is a an Irish non-governmental, non-political, non-religious organisation working to build sustainable communities, through the provision of housing, and emergency relief and by implementing community development programmes in Haiti. In 2013, Nolan started as an observed member of the Council of the Marine Renewable Industry Ireland (MRIA). Since 2015, he has been working at the Climate Bonds Initiative as an advisory panel member and at the Sustainable Nation Ireland as a CEO and founder. Since 2017, Nolan has been a member of steering committee of the Sustainable & Responsible Investment Forum (SIF) Ireland, an initiative of Sustainable Nation Ireland aimed as a platform for market players with a substantial interest in environment, social and corporate governance investing. Finally, in January 2019, he was positioned as the managing director of the UN Environment Financial Centres for Sustainability (FC4S) Network.

## Summary

It is estimated that $90 trillion is required by 2030 to be mobilized (globally) to deliver the Paris Agreement and the Sustainable Development Goals (SDGs). According to Stepan Nolan, an expert in sustainable finance, Europe itself needs to invest 2 trillion Euro in the next decade to decarbonize. In 2017, the G7 acknowledged that public finance alone will be insufficient to meet those investment needs. Nolan noted that philanthropy and corporate social responsibility too are insufficient for climate change action, saying “it is about capital being mobilized to get a decent return and that will be paid back, and has a positive (climate) effect.” The private sector has to play a significance role and a smart policy framework is needed to incentivise private investment. Nolan, a proponent of a market solution (supported by a policy framework), explored how finance could be unlocked to address these global challenges, in a way which is “sane, reasonable, and that would not to lead to massive (financial) losses.”

Nolan defined **sustainable finance** as any form of financial service that integrates environmental, social and governance criteria into the business or investment decisions for the lasted benefit of both clients and society at large. Further, he defined a **sustainable financial centre** as a centre that contributes to sustainable development, and value creation, in economic, environmental and social terms.

As the global economy embarks on the transition towards a low-carbon trajectory, green and sustainable finance has become a mainstream aspect of financial market growth, and the momentum towards a sustainable financial system is increasingly clear: integrating environmental, social and governance (ESG) factors into investment portfolios is delivering superior returns; the green bond market continues to expand; governments are developing national roadmaps and; financial regulators are starting to incorporate environmental risks into market supervision.

However, this momentum is insufficient to deliver the Paris Agreement and the SDGs. According to Nolan, the world’s financial centres have a historic opportunity to help close this gap by accelerating the expansion of green and sustainable finance. Financial centres are the locations where the demand for and supply of finance come together. They are the places where green and sustainable financial services will need to be scaled up across banking, capital markets, fintech, insurance and investment. Cautioning the consequences of inaction by financial centres, Nolan echoed the Bank of England Governor Mark Carney’s 2015 remarks on how the financial sector should take account of the risks climate change poses to the global financial system. He warned of a global financial meltdown, worse than the 2008 financial crisis, if those risks are not addressed.

This document explores the global shift in economic markets towards sustainability and the risks associated with that shift. It discusses the pivotal roles of financial centres and the International Network of Financial Centres for Sustainability (FC4S Network) in accelerating the expansion of green and sustainable finance. The actions of the *Barcelona Centre Financer Europeu* which joined the NC4S Network in 2108 are also explored. The document also examines the strategic actions of the European Commission (EC) which is driving the policy and regulatory framework around sustainable finance at the EU level and has the ambition of being a global leader in this space.

## A global shift in financial market practice

As the global economy embarks on the transition towards a low-carbon trajectory, rapid shifts in financial market practice are occurring. Nolan stated that, over the past years, **green and sustainable finance has become a mainstream aspect of financial market growth and innovation around the world.** In this context, there has been **a growth in issuance of green bonds** - with a 14x Increase in annual issuance of bonds labelled green from 2013 to 2017 – from $11 to $155 billion. There has also been **a proliferation of sustainable investment products** and **green banking and green insurance offerings**. For example, in terms of major disaster risk insurance, only $140 billion of the $300 billion or so total losses incurred from natural disasters in 2017 (hurricanes, wildfires), were insured losses. Further, Nolan added that the 1 in 1000-year disaster events are happening more frequently. Those dynamics present a strategic opportunity for Insurance to extend into new markets not covered by existing insurance models.

Nolan defined **sustainable finance** as any form of financial service that integrates environmental, social and governance (ESG) criteria into the business or investment decisions for the lasted benefit of both clients and society at large. These three criteria are central in measuring the environment and social impact of investments. In the context of the increasing financial risk due to climate change, these criteria also help institutional investors and asset managers to better determine future financial performance of companies. Additionally, there are market established principles, definitions and standards (including ESG rating) for sustainable products and services. Although climate change mitigation continues to be a major focus for sustainable investment activities, the environmental objectives of the EC also include climate change adaptation, sustainable use of water and marine resources, transition to circular economy, waste prevention and recycling, pollution prevention and control, protection of health ecosystems. Social themes, such as financial inclusion, responsible investing (e.g. impact investing) are also becoming a priority.

Investment institutions with assets of over US$70 trillion are **committed to implement the United Nation's (UN) Principles for Responsible Investment** (PRI). The PRI integrate consideration of EGS factors in capital allocation, asset management and long-term investment decisions, shareholder engagement and policy dialogue. Nolan indicated that there are over 2000 PRI signatories. As investors more actively question the environmental and social impacts of their investment choices, there has been a **step change in corporate disclosure and reporting of environmental information** – including the risks and opportunities corporates face due to climate change and how they contribute to or help mitigate impacts of climate change. This disclosure and reporting of environmental information preceded the growth of sustainability linked loans (SLL) as a sustainable finance instrument. The first SLL, Nolan explained, was led by ING and Philips, the Dutch health technology company, in April 2017. Philips signed an agreement for 1 billion EUR loan with an interest rate that's coupled to the company's sustainability performance (i.e. ESG rating). If the sustainability rating goes up, the interest rate goes down—and vice versa. These types of credit facilities - creating sustainability incentives - is a step change in corporate financing and show how the 'just transition' can be embedded in financial practice.

Alongside market leadership, Nolan added that policy and regulatory action has been a major contributor to the mainstreaming of sustainable finance – evinced by the **doubling in sub-national, national, and regional-level policy actions** relating to green and sustainable finance globally between 2013 and 2017, to over 270. Nolan spoke of the Directorate General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) – the Commission

Department responsible for EU policy on banking and finance which is driving the policy and regulatory framework around sustainable finance. In May 2018, the Commission, which Nolan stated has the ambition of being a global leader in this space, adopted a package of measures implementing several key actions announced in its Action Plan. The package includes: 1) a proposal for establishing the conditions and the framework to gradually create a **unified classification system ('taxonomy')** on what can be considered an environmentally sustainable economic activity. This will create a common language for all actors in the financial system. It also wants to establish EU labels for green financial products. This will help investors to easily identify products that comply with green or low-carbon criteria. 2) A **proposal to introduce disclosure obligations** (as mentioned above) on how institutional investors and asset managers integrate ESG factors in their risk processes; and 3) a proposal to create **a new category of benchmarks comprising low-carbon and positive carbon impact benchmarks**, which will provide investors with better information on the carbon footprint of their investments. Nolan also noted that such policy measures give a policy anchor to entrepreneurs which allows them to go to capital markets seeking capital. It also prevents negative practices such as greenwashing.

In addition, sustainability priorities have been taken up across the financial innovation agenda, including **the development of financial technology (fintech) solutions** aimed at facilitating capital reallocation, easing intermediation, and reducing transaction costs.

However, this sustainable finance momentum is insufficient to deliver the Paris Agreement and the SDGs. According to Nolan, the world's financial centres have a historic opportunity to help close this financial gap by accelerating the expansion of green and sustainable finance.

## The risk of social & economic inequality – a just transition

Nolan echoed the Bank of England Governor Mark Carney's 2015 remarks that the financial sector should take account of the risks climate change poses to the global financial system. He warned of a global financial meltdown, worse than the 2008 financial crisis, if those risks are not addressed. The governor noted three broad channels through which climate change can affect financial stability: **physical, liability and transition risks**.

**Physical risks are the ones associated with** the impacts on insurance liabilities and the value of financial assets that arise from climate- and weather-related events, such as floods and storms that damage property or disrupt trade. **Liability risks** are the risks associated with the impacts that could arise tomorrow if parties who have suffered loss or damage from the effects of climate change seek compensation from those they hold responsible. Finally, **Transition risks** correspond to the financial risks which could result from the process of adjustment towards a lower-carbon economy. Changes in policy, technology and physical risks could prompt a reassessment of the value of a large range of assets as costs and opportunities become apparent. The speed at which such re-pricing occurs is uncertain and could be decisive for financial stability. Much of the discussion and debate at the conference focus on the risks associated with the transition process.

To avoid 'secondary effects', such as social & economic inequality, in the transition to a low carbon economy, social justice needs to be centre-stage of climate policy and action. The 'just transition' emerged onto the global policy scene as a geopolitical priority at the COP24 UN Climate Conference, in 2018, The logic behind the declaration was clear "Considering the social aspect of the transition towards a low-carbon economy is crucial for gaining social approval for the changes taking place. Public policies to reduce emissions will face social resistance and significant political risks for the governments implementing them if they are not accompanied by social security programmes for workers whose jobs will be lost or transformed. For these reasons, the issue of fair transition is a vital issue for governments, social partners and civil society organisations," and is the next frontier in Responsible Investing.

An example of a credit facility aligned with the 'just transition' concept is the one between Iberdrola and BBVA. In March 2019, Iberdrola, a Spanish public multinational electric utility company signed with BBVA, acting as lead arranger and sustainable agent, a €1.5 billion multi-currency syndicated credit facility linked to sustainability criteria. The conditions of the facility are linked to the fulfilment of two sustainability indicators. The first indicator has a **social dimension** (SDG 7.1). The loan is linked to criteria related to the promotion of universal access to energy. The second indicator is **environmental in nature** (SDG 7.2). The loan is linked to the development of new renewable assets.

Another transition risk is the proliferation of greenwashing. Greenwashing is the practice of making unsubstantiated or misleading claims about the sustainability characteristics and benefits of an investment product, service, technology or company practice.[1] **As sustainable products and services proliferate, the risk of greenwashing increases**. Asked about the risk of Greenwashing, Nolan stated that the adoption of PRI by investment managers can help address this issue. While he believes in the strength of policy and regulatory action, he added that the market, as an enabler (or inhibiter) of commerce, would expose and marginalise investment funds with overstated ESG products and services. Further, the maturing market itself has been driving the development of guidelines and standards – such as the 'Green Bond Principles', the Social Bond Principles and the Sustainability Linked Loan Principles, among others, which help prevent the proliferation of greenwashing. These market standards underpinned the development of EU level regulation and policy (e.g. ESG disclosure obligations and climate benchmarks), which also help prevent greenwashing.

## International Network of Financial Centres for Sustainability

Nolan stated that **financial centres are a key community to accelerate finance for sustainable development and climate action**. Numbered at an estimated 100 around the world, financial centres are of primary importance to the structure, function, and dynamics of the global economy. They are where financial activities such as banking, capital markets, investing, insurance, policy and public finance, local green initiatives, market intermediaries, professional services and knowledge (including universities and ONGs) are interconnected. This means that many major financial centres are in the largest cities of the world's leading economies, often where seats of government are located, alongside key financial policy and regulatory institutions. These "interlocking dimensions' draw together energy and momentum above and beyond the activities of individual financial institutions (Figure 1).

[1] Endesa represent a recent example, endorsing the COP25 and using the Spanish media: https://www.valeursactuelles.com/societe/greenwashing-la-cop25-sponsorisee-par-les-deux-principaux-emetteurs-de-co2-despagne-113761

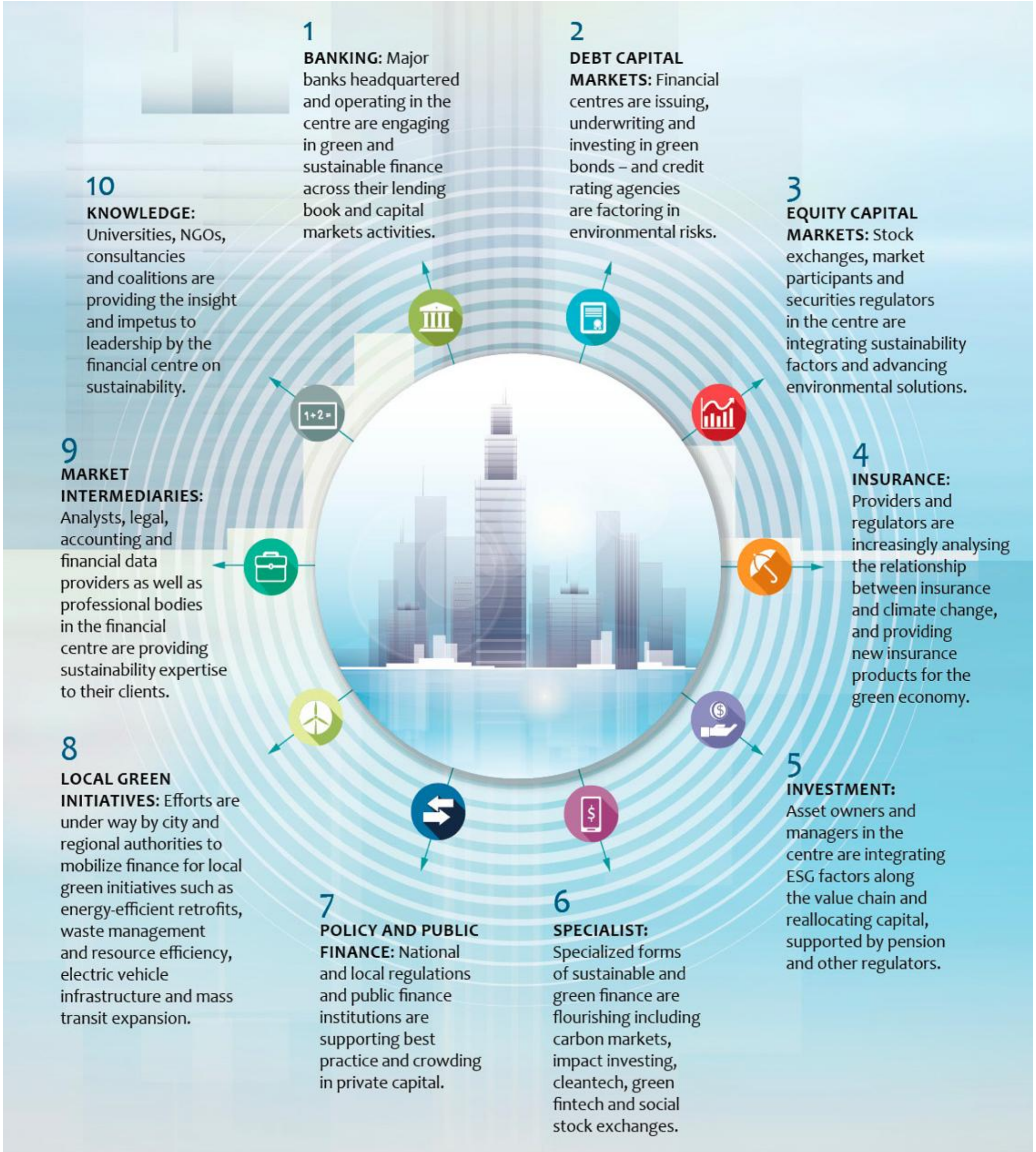



**Figure 1 Financial Centres – the 10 Dimensions of Sustainable Finance**
Retrieved from: http://unepinquiry.org/wp-content/uploads/2017/12/Accelerating_Financial_Centre_Action_on_Sustainable_Development.pdf.

## The development of the network

As stated before, green and sustainable finance has become a mainstream aspect of financial market growth and innovation around the world in order to meet the low-carbon economy. Notable milestones are the Sustainable Development Goals (SDG) and the Paris Agreement, which in 2015 highlighted the need to mobilize finance in support of sustainable development and global decarbonization. In March 2018, the EC published its Action Plan on Financing Sustainable Growth (Action Plan), which sets out a comprehensive strategy to further connect finance with sustainability. Following that, the EC set up a technical expert group on sustainable finance (TEG) to assist in key areas of the Action Plan. In 2017, the G20 explored the policy implications of green finance under Germany's Presidency, focusing on risk and data. The United Nations Environment Programme (UN Environment) first began exploring the role of financial centres as hubs for sustainable finance through its Inquiry initiative, in partnership with the 2017 Italian G7 Presidency. Financial centres clearly compete, but, as Nolan stated, sustainable finance is not a zero-sum game and the potential for dialogue and knowledge-sharing is considerable. In 2017, the G7 Environment Ministers recognized the potential for financial centre action around sustainability to be furthered through international cooperation. The agreed mechanism to do this was to launch the International Network of Financial Centres for Sustainability (FC4S Network; Figure 2).

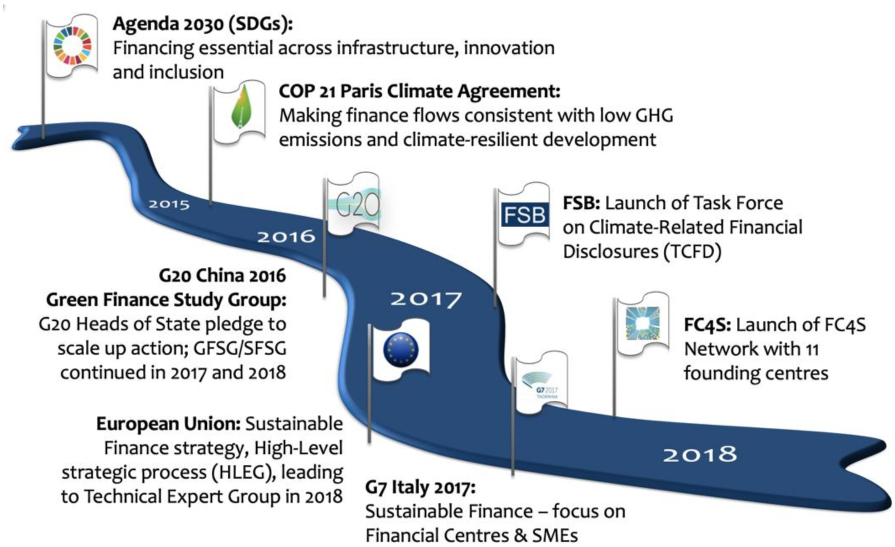



**Figure 2 The growing momentum in sustainable finance (2015-2019)**
Retrieved from: Nolan conference presentation

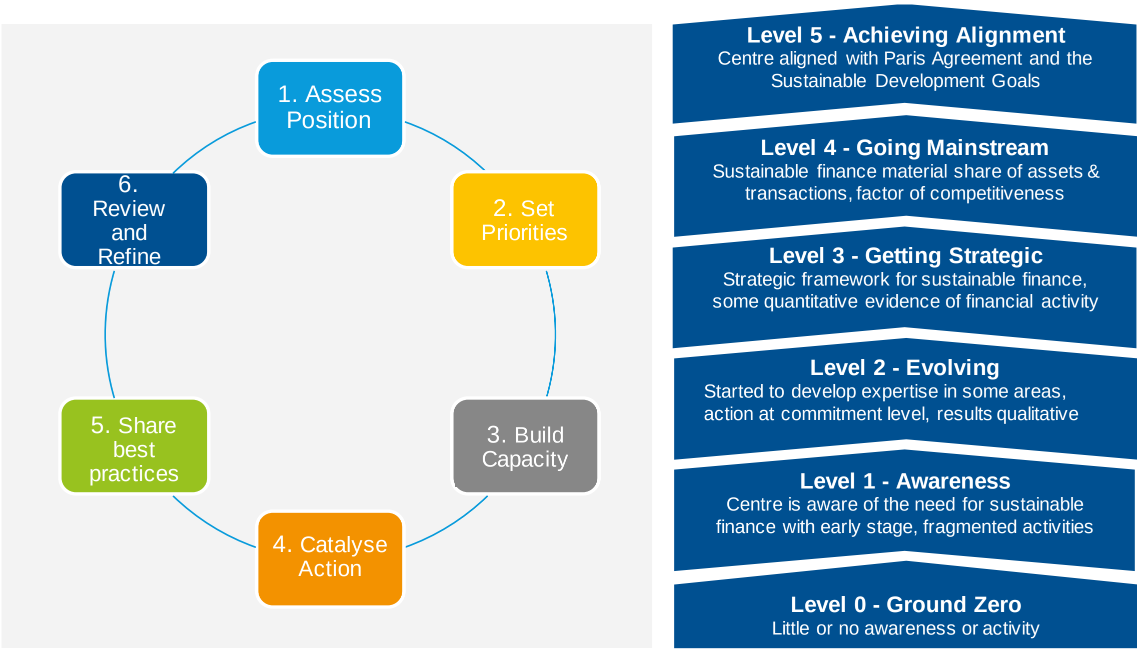
The FC4S Network was established in 2018 as a partnership between the world's financial centres and UN Environment, which serves as its Convenor and Secretariat. The network sees the convergence and participation of governments, foundations and the private sector. Nolan highlighted the power and trust that the UN commands in its ability to convene competing financial centres and foster collaboration between them. The objective of FC4S Network, open to all financial centres, is to "enable financial centres to exchange experience, drive convergence, and take action on shared priorities to accelerate the expansion of green and sustainable finance." The FC4S Secretariat works with financial centre members to achieve this objective through the provision of research on emerging issues, guidance on best practices, strategic advisory, project development, and support services. As of March 2019, Membership, with a diversity of dedicated financial promotional bodies, public-private partnerships, private-sector task forces and government agencies stood at 22 financial centres. This coverage is across Europe, Asia, Africa and the Americas.

Nolan spoke of the competitive relationship Europe and China have with regards to investment in Africa. Highlighting the significance of the innovation coming out of Africa, in terms of water and energy. Nolan believes that there is room for China and Europe to work together to help Africa scale that innovation. He wondered how China and Europe can work together to upscale the capacity of the policy makers and regulators in Africa – to ensure that African led frameworks for policy regulations, that make it attractive for private capital, are realised.

**The progress made by Financial Centres towards Sustainable Finance**

FC4S Network developed an Assessment Programme to track the progress of financial centre efforts to support the expansion of green and sustainable finance markets and explored different ways of measuring the contribution of financial centres to sustainable development and the low-carbon transition. It is the first body to do so. The programme is underpinned by a four-pillar assessment framework that includes **Institutional Foundations, Enabling Environment, Market Environment and Related Stakeholders**, and a member survey tool – to garner practitioners' perspective on the state of sustainable financial in their financial centres

FCS4 also tracks the progress of financial centres through the different stages of alignment to the Paris Agreement and the SDGs. In 2018 a pilot of the assessment programme was conducted with 13 FC4S members centres. Nolan stated that most financial centres were between level 2 and level 3, and require significant assistance in moving to the next stages




(Figure ).

**Figure 3. The 5 levels or stages for financial centre alignment to the Paris Agreement and the SDGs**
Retrieved from: Nolan conference presentation

Nolan presented the **10 key insights** revealed by the assessment **on how financial centres are mobilizing their expertise**, **connectivity and capital for green and sustainable finance action** as follows:

**1. A New Form of Public Private Partnership**: Nearly two thirds of financial centre initiatives on green and sustainable finance are partnerships between the private and public sectors, giving them a unique ability to link policy and practice. Using Ireland as an example, Nolan showed how these new forms of public private partnership have come about. In 2018 Deloitte was commissioned to investigate how much capital Ireland needed to decarbonize by 2030. That amount was just over 50 billion euros. The state allocated 22 billion under a national development plan and It took 3 billion from the green bond market. But the state did not have the full 50 billion. So, it needed to create an ecosystem where the private sector can crowd in the remaining capital.

Nolan stated that there is a dramatic need to accelerate the scaling of capital. Therefore, the focus of the EU policy framework, that allows the private sector to react and create products and services that lead to that scaling, should extend beyond large corporates. **The majority of companies in European countries are small and medium-sized enterprises (SMEs). He said that the SME level is the level at which real change should be sought.** Nolan also stated that capital should not be the leader of economic development but should instead be an enabler of it – it should follow city climate agendas and targets.

**2. Overcoming Barriers to Growth**: Nolan noted that the top three barriers faced by financial centres are a lack of green financial products, inconsistent standards and insufficient market demand. **Nolan also mentioned other key constraints such as the lack of a shared language for green and sustainable finance, highlighting the need for continued dialogue between public and private stakeholders on taxonomies**. Nolan also highlighted the importance of engaging the public through representative public assembly, although it can be an issue in those centres where initiatives are led by market participants, such as industry associations.

**3. Going Beyond Climate**: Climate change continues to be a major focus for activities branded as "sustainable" but FC4S members recognize the need to include other environmental priorities (e.g. circular economy, natural capital, and conservation finance) as well as social themes, such as financial inclusion and impact investing. Beyond the environmental impacts, investors are not only questioning the social impacts of their 'sustainable' investments, but also the governance of those investments. This has seen the growth of Responsible Investment and "Just Transition", which serves the needs of those who want to invest but want to do so within responsibly defined parameters. Nolan gave the example of the Irish sovereign wealth fund (Ireland Strategic Investment Fund) disinvesting in Volkswagen a few months before the company's emissions scandal. They disinvested not due to environmental concerned but over corporate governance concerns. Only one of 20 directors on VW's board is independent of the company and its shareholders. Secondly the CEO is also the chairman of the company. These were conflicts that the fund could not reconcile as they fell outside the parameters of Responsible Investment.

**4. Policy innovation is a Key Driver**: Nolan stated that a strong policy environment, one that encourages innovation is a key driver. He warned that a weak policy environment could result in another financial system meltdown. He also warned that **even with the growing momentum in the expansion of green and sustainable finance, private capital institutions will only get involved if there are sound and solid policy environments in place** to allow them to invest in that industry.

Policy and regulatory measures in place across FC4S member jurisdictions have a range of objectives – including enhancing the consideration of climate-related risks in prudential assessment, guidance for issuance of green bonds, capital markets development and promoting microfinance. Most of the policy and regulatory measures in place are aimed at improving information flows, primarily through strengthening reporting by corporates and financial institutions. New policy initiatives and action by financial regulators are a key driver in half the financial centres, with system-wide initiatives and debt capital markets the most cited examples. In a quarter of centres, policy and regulation are touching upon equity and debt capital markets, insurance, investment, banking and system-wide action.

**5. A Diversity of Financial Instruments**: The presence of different debt instruments related to green and/or sustainable finance, primarily green bonds, is important. Equity instruments are on the rise, with the presence of structured products, closed-end funds, and discretionary mandates. Nolan noted that diversity of instruments is not restricted to financial instruments (e.g. academia is critical in terms of research and learning; Figure 1).

**6. Sector Evolution Varies**: Investment and asset management is the most mature sector with respect to green and sustainable finance in most centres, while green banking is evolving and insurance has the furthest to go.

**7. Professional services are growing rapidly**: There is a rise in the presence of sustainability rating services and consulting firms; other services (sustainability research, labelling, legal, clean techs and carbon trading) are present in some financial centres. Nolan attributed this growth to firms reacting to increased market demand for sustainable initiatives.

**8. Priorities for Future Action**: Leading financial centres have identified further **product development, improved data collection and better market standards as top priorities for further development**. Nolan also highlighted the importance of capacity building – not casting aside the skill set that the centres have but recognizing which of those skills are applicable.

**9. Focus on Innovation**: Applying financial technology (fintech) solutions to sustainable finance challenges is a major focus for financial centres, with several FC4S members establishing specific projects aimed at fostering innovation – including accelerator programmes.

**10. Increasing International Collaboration**: FC4S member centres are working more closely together on sustainable finance, including through bilateral projects.

## Barcelona's financial centre within the FC4S Network

*Barcelona Centre Financer Europeu* (BCFE) is "an association set up in 1991 by companies in the financial sector and local government bodies in order to promote Barcelona as an international financial platform." After formally joining the FC4S Network at the end of 2018, BCFE has started to develop its activities as a promoter of sustainable finance within the financial and corporate communities. Nolan noted how beneficial the Network, along with the assessment programme has been to this process. Since joining the network, a Steering Committee has been created to coordinate relevant efforts, initiatives and stakeholders, as well to encourage the necessary policy actions and regulatory reforms. Key institutions involved include the public administration, financial institutions, the bankers' association, professional services firms and a financial education centre. The main lines of activity in which the Committee is already working and engaged on are focused on identifying needs to be developed by the Spanish regulatory authorities; establishing the basis of educational programmes on sustainable finance; raising awareness on sustainable finance risks and opportunities, and engaging financial and corporate communities; and identifying the main areas on sustainable finance that need to have special attention and support – in order to progress to a competitive level in the shortest possible time. The centre's initial action plan was launched in April 2019.

## The next steps

Nolan stated that FC4S Network is revising the assessment methodology to target more complex issues. Nolan believes that Europe's financial centres are leaders on sustainable finance, as evinced by the recently launched EU Action Plan. The policy momentum is growing fast.

A European Hub (EU-FC4S), established with the support of Climate - Knowledge and Innovation Community (Climate - KIC), is working to accelerate the transition to a zero-carbon economy. The network is engaging Europe's 30+ financial centres to finance sustainable development at municipal, national, and international levels. It is also building connectivity across Europe's financial centres, **enabling peer learning, shared activities and innovation**. At the global level, EU-FC4S will strengthen engagement with leading centres, and export European innovation to the world. Nolan questioned why it cannot be Spanish or European innovation that is exported in support of global climate action. Regional platforms for Africa, the Americas, and Asia are in development. FC4S Network has been engaging with the EC's Directorate General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) , **to support the engagement of financial centres in the implementation of the Action Plan on Sustainable Finance**. At the EC's High-Level Conference on Sustainable Finance in March 2019, the FC4S Network convened an expert meeting on **how fintech solutions could be applied to accelerate sustainable finance** in Europe – and address complex implementation issues.

## Concluding remarks

Nolan concluded by stating that "Climate change is the defining issue of our time and the scale of the challenges is considerable. Mobilising the capital markets in support of this agenda from both a risk management and opportunity perspective is of critical importance if we are to successfully" deliver on the Paris Agreement and the Sustainable Development Goals (SDGs). According to Nolan, there is a dramatic need to accelerate the scaling of capital and highlights the role of private-public partnerships to achieve so.

To emphasise the magnitude of these challenges, and the role of finance in meeting them, Nolan gave an interesting reference – Fearless Girl , a statue of a young girl that caused a stir when it appeared overnight in front of the Charging Bull sculpture on Wall Street. Nolan stated that the statue is a "reminder of the challenges in securing a sustainable future for younger generations". Significantly more needs to be done in a shorter period.

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