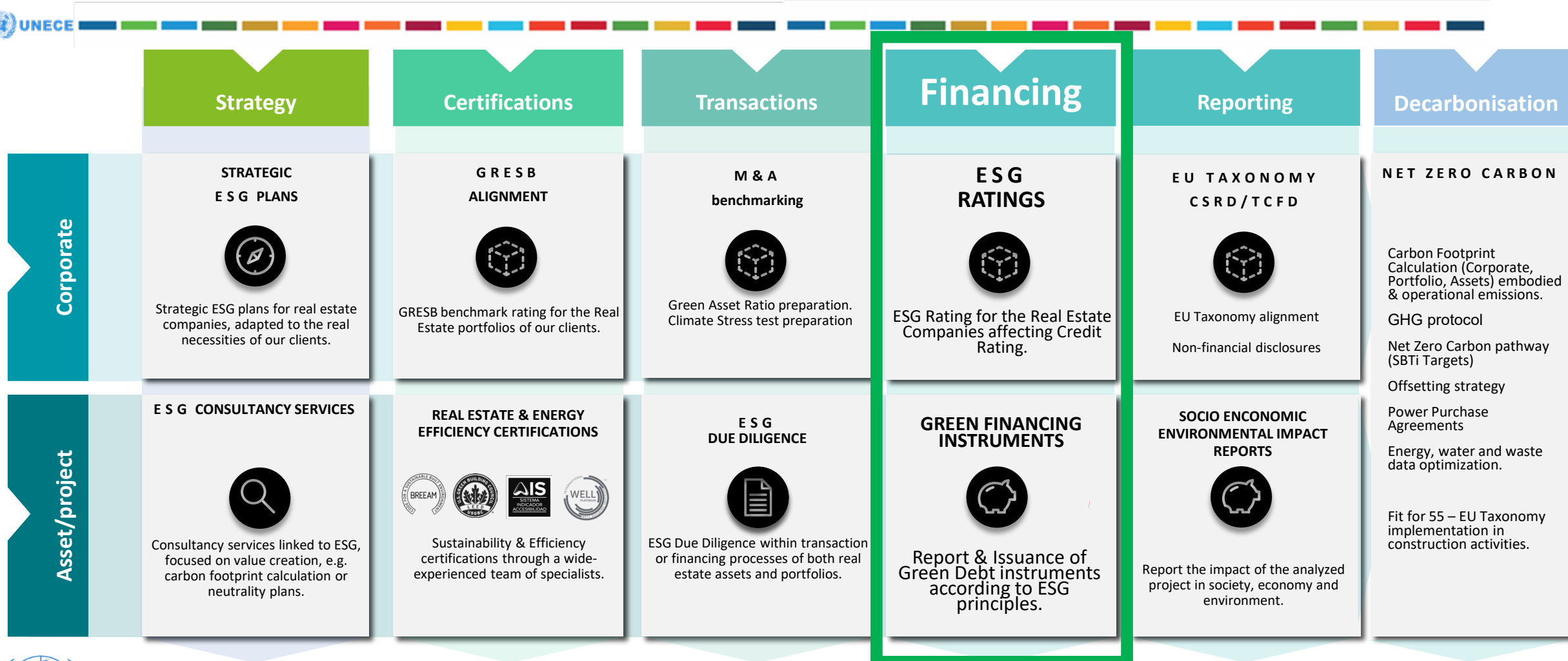




SUSTAINABLE FINANCE PRACTISE

Added value to investments in sustainable development.

SUSTAINABILITY (VALUE) DRIVERS



MARKET EVOLUTION

Sustainable debt

Activity-based

specified use of proceeds

- Green bonds
- Green loans
- Sustainable bonds
- Social bonds

- Green bonds are **the largest contributor to the overall sustainable debt market**, making up **45%** of the \$4 trillion of sustainable debt issued through 2021;

- **Social and sustainability bonds**, which finance social and community-based projects **also rose to new heights in 2021**;

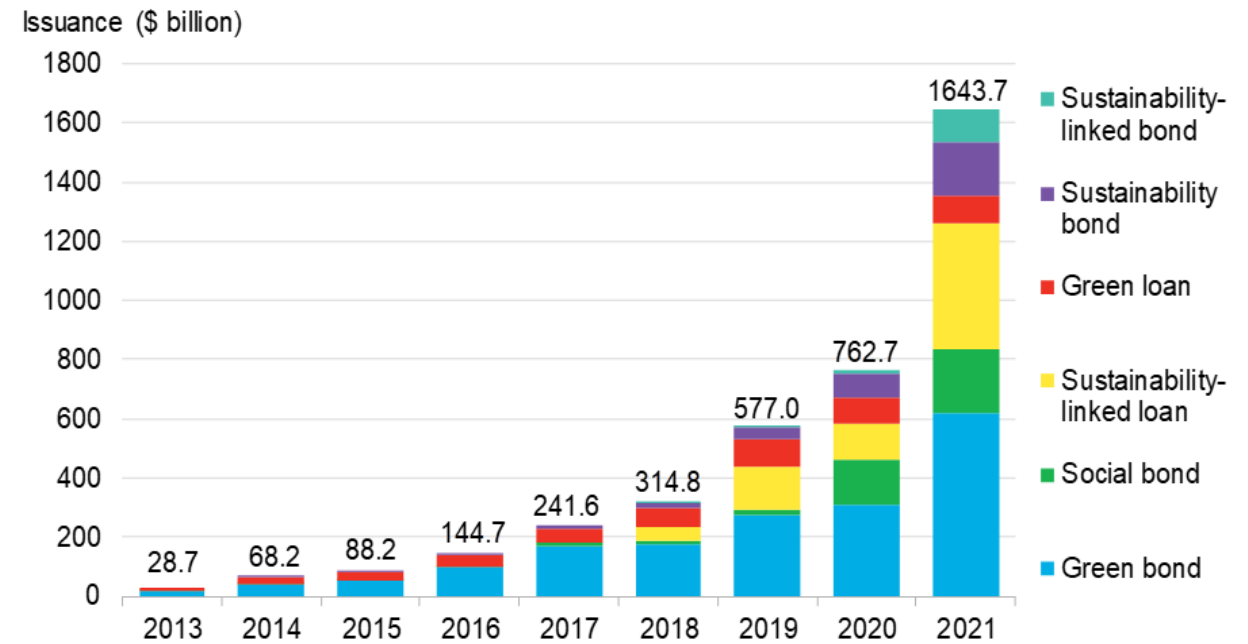
Behaviour-based

non-specified use of proceeds

- Sustainability-linked bonds
- Sustainability-linked loans

- The fastest growth for sustainability themes in debt issuance **in 2021 came from sustainability-linked loans and bonds**;
- Sustainability-linked debt instruments are becoming more and more prevalent in today's debt market **because they allow enhanced flexibility**;

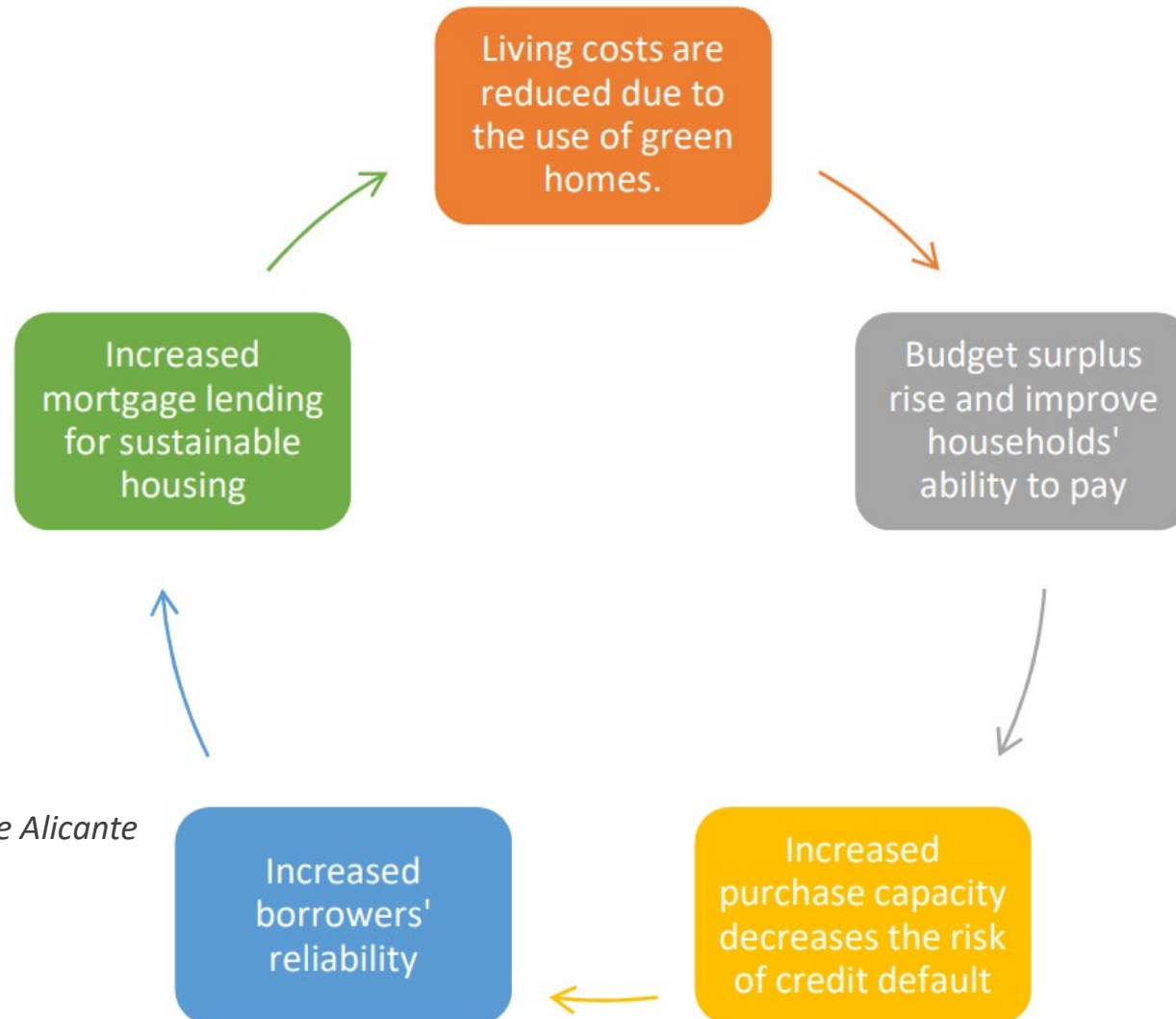
Figure 1: Annual sustainable debt issuance, 2013-2021



Source: BloombergNEF, Bloomberg L.P.

Source: BloombergNEF: <https://about.bnef.com/blog/sustainable-debt-issuance-breezed-past-1-6-trillion-in-2021/> & <https://about.bnef.com/blog/sustainable-debt-issuance-breezed-past-1-6-trillion-in-2021/>

VIRTUOUS CIRCLE OF SUSTAINABLE FINANCE



Source: Green Finance, paper,
Paloma Taltavull, REM, Universidad de Alicante

THE REAL ISSUE: Double materiality



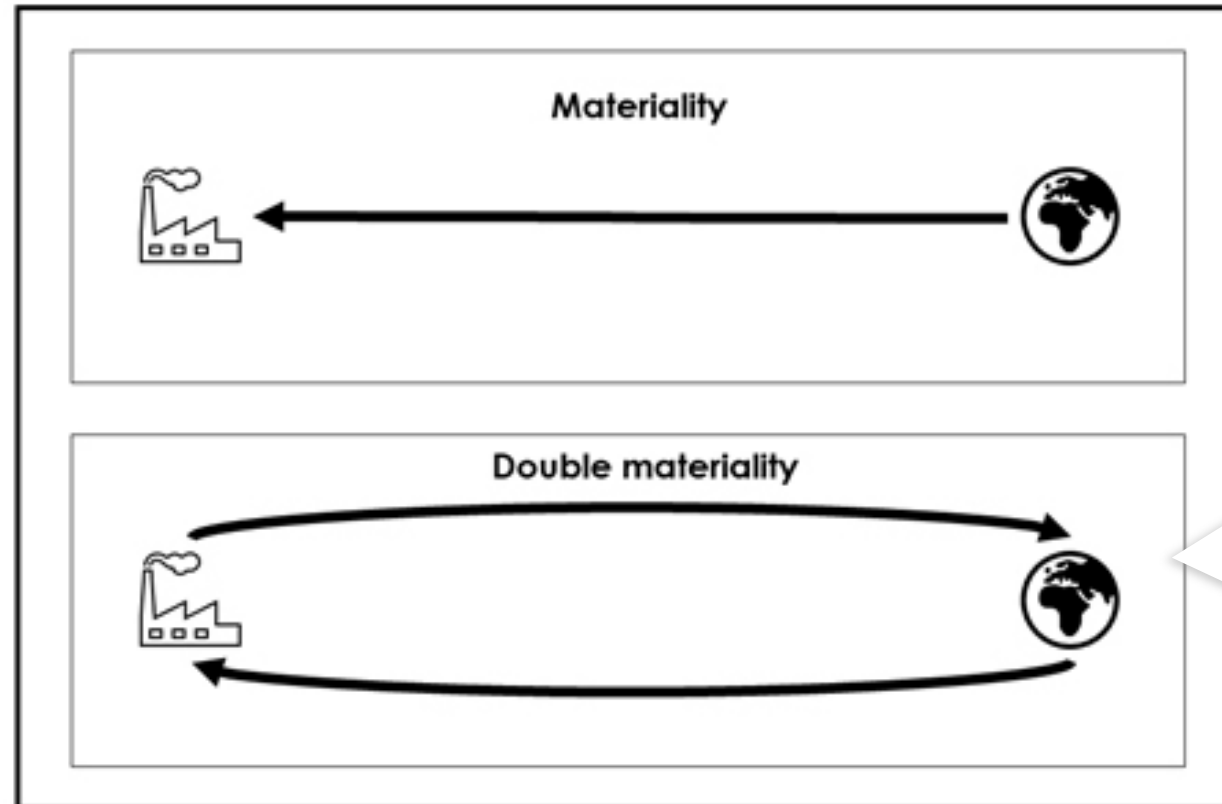
BlackRock lost \$90bn investing in fossil fuel companies, report finds

World's biggest fund manager urged to invest in clean energy for good of the climate and its investors



▲ BlackRock's fund is larger than the economy of Japan. It is the single biggest investor in the global coal industry, and one of the top three investors in most large oil companies. Photograph: Zoonar GmbH/Alamy

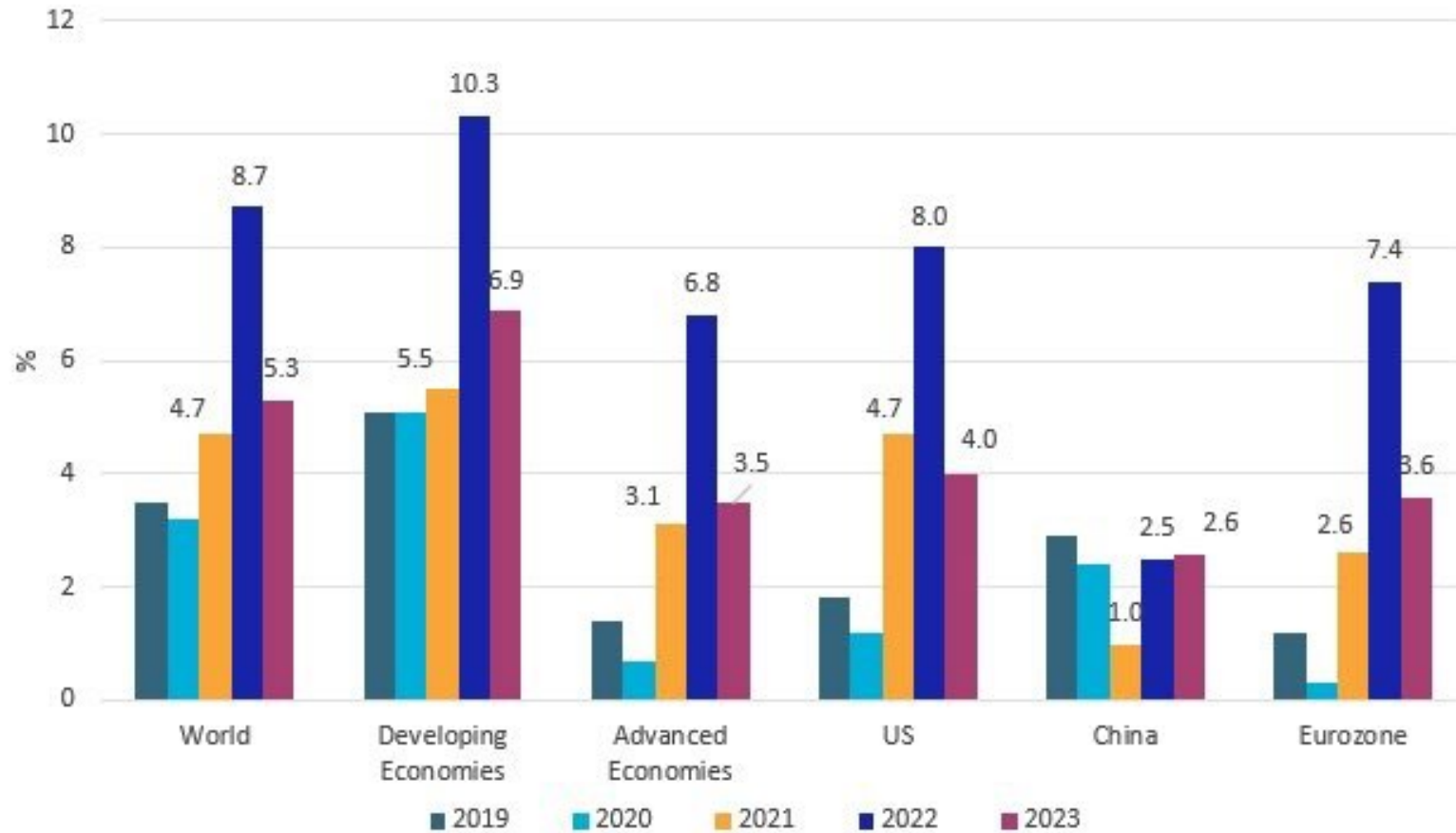
BlackRock, the world's biggest investor, has lost an estimated \$90bn over the last decade by ignoring the serious financial risk of investing in fossil fuel companies, according to economists.



"Awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance. The evidence on climate risk is compelling investors to reassess core assumptions about modern finance."

Larry Fink, CEO Blackrock

BUT....



Source: Euromonitor International Macro Model (updated 15 August 2022)

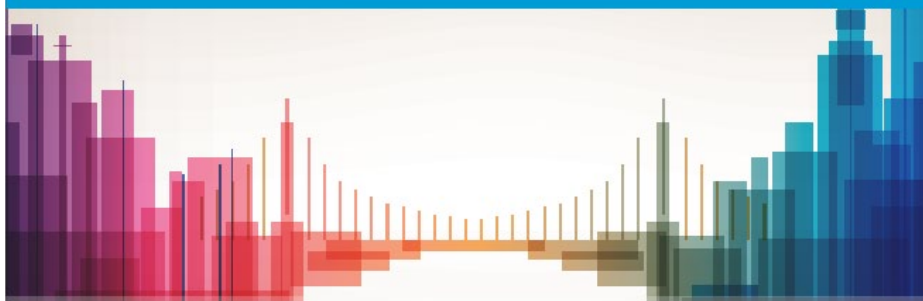
Note: data from 2022 onwards are forecasts

A preliminary work with Public Institutions



Guidelines on tools and mechanisms to finance Smart Sustainable Cities projects

A U4SSC deliverable



Real Estate Market Advisory Group (REM)

The **UNECE Real Estate Market Advisory Group** is a team of specialists, which assists the Committee on Urban Development, Housing and Land Management and the Working Party on Land Administration to develop stronger housing real estate markets.

The activities of the Advisory Group address the following topics:

- Energy efficient housing
- Fire safety
- Affordable and social housing, and real estate economics (including sharing economy)
- Housing finance (including transparent and advanced financial products for housing)
- Management of multi-apartment buildings
- Property valuation and registration
- Smart and sustainable urban development
- Land markets and land administration





Raul Garcia Rodriguez
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Sustainable Real Estate Leader CE