9° GLOBAL PENSIONS PROGRAMME
1. Financing Green: Pension Pandemic Paradox

2. Green Finance: Hook vs. Hurdel
Pension Pandemic Paradox

Access

Investments
Do we need to build more flexibility into our pensión systems?
Pension assets ever more important

Agricultural Bank of China plans bond issue to fight coronavirus -sources

Pensions & Investments

April 01, 2020 03:25 PM

Dutch pension funds invest in coronavirus bond

By SOPHIE BAKER

By PAULINA PIELICHATA

CDPQ Creates Fund to Support Quebec Firms Affected by Pandemic

Canadian pension giant provides C84 billion ($2.83 billion) to help struggling businesses in the province.

Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ) has established a C84 billion ($2.83 billion) fund to support Quebec businesses temporarily affected by the COVID-19 pandemic. The support from the C$80.1 billion pension fund is intended to complement other initiatives announced by Canadian institutional investors and the governments of Quebec and Canada.

“*It is essential for the Caisse to participate in the collective effort in the context of the
Pension assets ever more important

$3.9tn Need
$1.4tn Spend
$2.5tn Gap
$4.2tn

Assets US$ tn

- Institutional Investors
- Banking Sector
- Stock Market Cap (domestic listing)
- Government debt Cumulative ODA (1960-2017)
Universal Owners Universal Goods

PBII Project launched to harness the potential of impact investing to level up the UK

INVESTING FOR IMPACT
The Global Impact Investing Market 2020

Caisse de dépôt et placement du Québec

your investment, your future
What is the forgotten 17th SDG? Should be Nr 11, Not Nr 17 as without this the other 16 will not be achieved.
Pension Partnerships
Pension Partnerships

ifm investors

Joint owned fund manager

Co-investment

Info Platform

Instrument

Kenya Pension Funds Investment

OMERS

ORNIZAN / ORGANIZERS

LSE

Novaster

AIOS

BID

COLABORA / COLLABORATOR
Make green regulation and ‘hook’ not a ‘hurdle’
Watch for Inintended Income Bias

Check out the World Bank’s Sovereign ESG Data Portal
Data, Tools, and Guidance
http://esgdata.worldbank.org

Main characteristics
- Evidence-based, bias-corrected
- Emphasizes recent, short-run efforts
- Factors in non-financial materiality
- By construction comparable across countries
- Can be decomposed into constituents of wealth

Additional characteristics
- Incorporate subjective, expert-opinions
- Higher (monthly) frequency

ESG 2.0
Pension Fund Reporting Benchmarking

- **About the Organisation**
  - Core information about the organisation, including its size, its investments, its objectives and its mandate.

- **Governance and Strategy**
  - Information about the organisation’s investment beliefs, strategy, policies, objectives and targets, and governance.

- **Sustainable Investment by Asset Class**
  - Information about the organisation’s approach to investment decision-making and active ownership in its major asset classes.

- **Delegated Investment**
  - Information about how the organisation outsources investment management.

- **Climate Change**
  - Information about the organisation’s approach to climate change in its investment process.

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**Summary results showing average, maximum, and minimum disclosure scores for each framework section**

![Graph showing disclosure scores](image)
Green Finance Journey

South Africa’s ESG journey so far

- 2001 Integrated Reporting including ESG impacts and plans
- 2006 COP in PRI: obliged managers to do same
- 2011 Financial industry issues CRISA Code for Responsible Investment in South Africa
- 2011 FSCA issued Reg 28 requiring “appropriate consideration to any factor which may materially affect the sustainable long-term performance of a fund’s assets, including factors of an ESG character”
- 2013 Batsetsa issues BID Responsible Investment and Ownership Guide
- 2018 FSCA issues detailed guidance on Reg 28 effectively requiring funds to explicitly include ESG considerations in their investment policies and in their monitoring and evaluation processes, and should report how it was complying with the guidance - leveraging disclosure to prompt incorporation
- 2019 FSCA issues technical paper on sustainable finance and launches Green Bond Segment and National Treasury initiates sustainable finance work
- 2020 National Treasury issues technical paper on sustainable finance and launches public and private sector Working Groups for taxonomies, technical guidance, and climate scenarios. All of financial industry involved.

2021 onwards
- CRISA being updated
- BID now online
- ESG Training programmes being launched
- 45 asset managers, 10 funds and 5 service providers signed up to PRI
- The work on the new taxonomy is driving the discussions about a Just Transition to the new economy

CHILE ESG JOURNEY

2015: Regulator starts monitor relevance assigned by PFMs to sustainable investment

- then focus was on G less on E & S - started discussion incorporation of ESG as part of a minimum standard for the Investment Policy

2016: Information gathering on how PFMs incorporated sustainability criteria into their investment processes (if any)

2017-2018: Gradual incorporation of ESG into RBS

2018 Evidence of compliance with ESG analysis required application different levels progress across PFMs

2018 1st green bond issued

2019 1st PFMs signed UN PRI (now 4 of 7)

PFMs expected to gradually incorporate this new approach in their investment policy by 2021 - deepening the practice already initiated