Spanish Finance fit for Paris-Tracker Assessment
What to expect

Fundamentals and methodology of the 3fP-Tracker

Highlights of Spain

Spain in the European context

Panel: How to align with the Paris Agreement

Open discussion with you!
The 3fP-Tracker supports the Paris Agreement

A fundamental reorientation of the financial system is essential to support the transformation of the economy in line with the objectives of limiting global warming (Art. 2.1.c Paris Agreement)
The 3fP-Tracker features

- Transparency on making financial market regulation Paris-compliant
- Benchmarking against a state of target state
- Discussion base for actors in the financial markets
The 3fP-Tracker does NOT feature

- Degree of application of financial market regulation
- Pioneer actions by individual market players
- Real economy regulation
The three pillar structure of the 3fP-Tracker...

- Transparency & Disclosure
- Supervision, Risk Management & System Stability
- Enabling Environment
3fP-Tracker methodology

- Qualitative description of status quo
- Scoring against the benchmark of a state of high transparency
Spain is doing first steps towards green finance

The Spanish Corporate Governance Code considers climate aspects

Draft law on Energy Transition and Climate Change would set high ambition levels

Emission of green bonds is emitted by then public sector - 500m from ICO and 600m from Adif-AV in 2019
Transparency on climate-related aspects is under development

EU Directives are the key driver for change

Public interest entities shall disclose metrics to assess climate-related risk

The transposition of the Shareholder Rights Directive II into Spanish regulation should reinforce long-termism
The Spanish supervisory environment needs further development

The draft Law on Climate Change and Energy Transition introduces bi-annual climate-risk assessment.

Existing frameworks for risk management do not explicitly mention climate change.

Awareness on climate-related risks is rising.
The Enabling Environment of Spain has room for improvement

Ambitious targets for decarbonisation – The Spanish Integrated National Energy and Climate Plan and a draft Law on Climate Change and Energy Transition.

Public incentives for green finance driven by national, regional and local entities

Solid participants of the green bond market EUR 9.8bn issued between 2014 and 2018.
The EU Action Plan will shape sustainable finance

Changes to non-financial disclosure guidelines incorporate large parts of the TCFD recommendations

The EU Taxonomy could become the global standard

ESAs start integrating sustainability considerations in supervisory processes
France is more than Article 173 - VI

National climate strategy alignment

Banque de France has released an SRI report

Largest European issuer of green government bonds
The Netherlands have a unique private-public interplay

Platform Carbon Accounting Financials – setting a financial carbon accounting standard?

Dutch Climate Agreement joined by the financial sector

Platform for Sustainable Finance – financial effects of i.e. biodiversity
Germany – slowly catching up?

**BaFin**

BaFin “Merkblatt translates large parts of the TCFD in supervisory action

**KfW**

KfW is progressive on green finance in international comparison

**The Beirat on sustainable finance**

The Beirat on sustainable finance will develop a sustainable finance strategy for Germany
Italy: a very dynamic environment

CONSOB refers to EU Non-Binding Guidelines as „benchmark“ for reporting

IVASS requires insurance companies to effectively manage climate-related risks

Italy will receive a Green New Deal
How do jurisdictions compare?

5.7
5.8
5.4
4.3
4.4
3.4
3fP-Tracker – just getting started

- Continuous development of methodology
- Expansion to further European jurisdictions
- Regular updates of existing assessments
- Potentially covering G20?
The 3fP-Tracker – a tool to invigorate discussions!

3fP-Tracker.com