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Marketplace



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# BR1 Green Standards

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In this breakout we will explore the various standards and benchmarks that different institutions use to define green and ask participants to discuss whether or not better alignment of these definitions is needed, and if so, how to achieve this.

- What are the different classifications of 'green' ? What is 'climate finance'?
- Which definitions and standards are institutions already applying?
- What are the main elements which could contribute to a common definition of green?
- Do we need shared taxonomy of green, globally? / Within each financing/ sphere? (e.g. export / development finance) / or among similar institutions (e.g. just for ECAs)?
- If so, where should this come from? / who should work on such a project?

# What is “Green”?



# Group Composition

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- Who was involved in the discussion (e.g. which types of institutions? From which regions?)
- Majority of representatives from European-based Export Credit Agencies, all active participants representing OECD ECAs apart from one broker and one banking representative
- Discussion therefore much focused on ECA approaches, and within the context of the OECD Arrangement

# Summary of Topic

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- What was the scope of the topic and the main points discussed around this?
- Presentations from Atradius and Deutsche Bank on their respective approaches as a showcase for frameworks already applied
  - Atradius defines different shades of green
  - Deutsche Bank Framework is constructed to align with EU Taxonomy for the green dimension
  - Both approaches are linked to a list of eligible industries and respective thresholds paired with a wider environmental and social due diligence to address do-no-significant harm and minimum social safeguards
- Approaches of the participants to define green and its challenges
- Need for international alignment/ common definition of green

# Convergence / Divergence

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- On which areas is there broad agreement? (on the topic, its challenges, or even solutions)
- And in what areas do the group diverge? – why? – are there any patterns?

## Agreement

- More alignment is necessary and possible within the OECD, but more challenging beyond
- Approaches need to be refined on the go rather than starting with a perfect approach
- Boundaries to provide incentives for green products due to OECD Arrangement limitations
- Do-no-significant-harm and minimum social safeguards a huge challenge in the definition of green; common standards also needed in this respect to avoid double work at multiple levels

## Diverging views

- Definition of reference standards: EU participants with strong focus on EU Taxonomy whereas Non-EU participants would rather consider approaches which are not linked to a specific jurisdiction

# Next Steps

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- What should the community do to work on this topic further? What are the next steps which will advance this area of climate finance?
- Is there a role for the CSM to contribute to this further?
- Close dialogue between market participants needed in order to develop convergent views and learn from each other/ share best practice cases
- Alignment on OECD level (OECD Arrangement) and beyond (Berne Union?) needed in order to create/ maintain level playing field and allow for incentives for green products
- It is a path of transition and important to start now without having the perfect solution ready, the frameworks can be fine tuned along the way and shall be inclusive to all institutions (EU/ non-EU, OECD/ non-OECD)