

Thank you Dr. Iyad.

Excellencies, Ladies and gentlemen,

On behalf of the United Nations Environment Programme, let me start by saying that we are deeply honoured to be co-hosting this conference with the government of the United Arab Emirates, and especially the Ministry of Environment and Water. The UAE is one of the most important financial centres globally, and we are grateful that the government of UAE has recognised UNEP and its Finance Initiative as a willing and effective partner in its efforts to transition to a more sustainable, greener economy. Thank you.

Excellencies, Ladies and gentlemen

2015 may one day be viewed as a milestone year for sustainable development. From a global perspective, we have two unprecedented and unique opportunities. First, in September, governments are set to finalise the universally applicable set of sustainable development goals which will enshrine the global framework for sustainable development for generations to come. We are very pleased to have UN ASG Elliott Harris who leads our New York office with us who will speak some on the SDGs and what they mean for business today.

Second, in December there will be the Paris climate talks – COP21 – from which we hope and expect that nations will agree the way forward to tackle one of the most destructive threats of our time – climate change. As Professor Douglas Crawford-Brown will soon tell us, human activity is changing the climate and it's time to do something about it.

International processes are important, but the transition towards sustainable development, towards green and low carbon economies, will fundamentally be driven by changes at the national level. That is why we are all here today. In Dubai, the essential first steps towards a green economy have already been taken and on behalf of the United Nations, I would like to offer sincere congratulations to the government of UAE for its courage and leadership in this regard.

Excellencies, Ladies and gentlemen

The United Nations and the finance sector have been working together for over twenty years. The UNEP Finance Initiative – UNEP FI – was conceived as a result of the first Rio Summit in 1992. It is a unique platform at the intersection of governments, the financial sector and science.

And as a partnership between the UN and the financial sector, it is also unique. Our membership currently includes the largest financial institutions globally spanning the core activities of the world's financial system – banking, insurance and investment.

The partnership – the UN on the one hand and financial institutions on the other – is dedicated to identifying and overcoming the barriers that prevent the transition to an inclusive green economy.

In the broadest terms, we are working both to change finance and to finance change.

Some examples of progress and current work:

Banking - Twenty years ago, few banks had environmental management systems in place. Today, most banks have them and UNEP FI has been helping lead this transformation. Challenges remain. Current work includes looking at banking reform and whether it addresses the financial stability risks associated with systemic *environmental* risks such as climate change.

This work has contributed to the UNEP Inquiry into the Design of a Sustainable Financial System which in the last 12 months has seen unprecedented movement forward on this issue.

Elsewhere we are working on ecosystem issues with a group of banks who have signed the Natural Capital Declaration. For example, examining how to embed water scarcity and other natural res. risks into lending decisions.

We are also playing a leading role in advising governments on the measures required to mobilize finance for energy efficiency in buildings.

Insurance - Launched in 2006, the UNEP FI-created Principles for Sustainable Insurance (PSI) are internationally-recognised as the framework for integrating ESG risks and opportunities into the core

business of insurance companies. The PSI now has 80 insurer members representing more than 15% of world premium and USD 9 trillion in assets.

This year in Sendai, Japan, PSI signatories led in calling for governments to adopt the UN Post-2015 Framework on Disaster Risk Reduction.

Investment - Ten years ago, UNEP FI produced the landmark Freshfields Report which set out the legal duty for incorporating environmental, social and governance (ESG) issues into investor portfolios. As a result, the Principles for Responsible Investment (PRI) was created as a spin-out from UNEP FI and today we are working with PRI to develop a global roadmap for ESG integration into fiduciary duty.

We are also looking to change the public equities markets through the Sustainable Stock Exchanges initiative that now includes 22 of the world's most important exchanges working to better integrate sustainability considerations into corporate governance practices, reporting requirements and credit rating assessments.

On the climate issue, UNEP FI is proud to be a co-founder of the Portfolio Decarbonization Coalition where today we will hear from the initiatives ambassador Mats Andersson, the CEO of Swedish pension fund AP4. We're looking today for the first investors from the Gulf region to join this coalition – demonstrating leadership on climate change, both in understanding the risks but also starting to take action to address them.

Mr. Andersson will speak of his own decision to tilt his Fund's passive equity portfolio away from carbon, a \$20 billion decarbonisation commitment that others can be inspired by and hopeful build on.

It's clear that the opportunities to take action are better now than ever before. For instance, today we have many with us who are active already in the energy efficiency and renewable energy industries. These industries has grown from almost nothing a decade ago to today being one of the most significant forward looking paradigm shifts of our time.

For instance, last year \$1 of every two invested globally in new power generation went into renewables. And in 2014 while the oil price dropped 50%, the renewable energy industry saw a 17% rise in global investment.

First movers in the Gulf region are helping drive this transformation. For instance Masdar has invested in the world's largest offshore wind farms, while the Dubai Electricity & Water Authority has signed this year the cheapest solar power contract seen anywhere in the world to date. The deal with ACWA Power International for building the \$330 million 300MW PV plant for just \$58.50 per MWh.

Shortly we'll hear from Etihad ESCO, a venture DEWA has established to reduce building energy consumption, as well as several other efficiency and renewable entrepreneurs.

With the ecological risks of business as usual mounting and opportunities for more sustainable solutions growing, the finance industry no longer can stay on the sidelines.

I'm happy to report indeed that the finance industry is changing and in so doing is starting to finance the changes that we so need. I invite financiers in the UAE to work with us and to help lead the change.

By joining UNEP FI, financial institutions are able to show to the world that they are working in concert with the UN.

Let me conclude by saying that now more than ever, financial institutions have a positive role to play in creating a sustainable world, a world fit for future generations. Sustainable finance is no longer just an option, but a necessity. Crucially, it is also now becoming a viable, profit-creating goal.

A year from now, UNEP FI's Global Roundtable will also take place here in Dubai, one of the largest global meetings on sustainable finance. It will attract not only the global financial sector, but also financial regulators and others to further promote the global sustainable finance agenda. I am confident that what we discuss and agree here today will begin that debate and that when we return next year we will be even closer to realising our joint ambition: financing the transition to a more sustainable, greener economy.

Thank you.