

High-Level Seminar

Sustainable Finance and Quality Infrastructure Investment in Asia

Organised by the OECD and informing inputs into the APEC Finance Ministers Process

15-16 September 2021

This event is being organised with the support of the Japanese government.

This high-level seminar is being organised to discuss and inform two OECD outputs that are due to be submitted to the APEC Finance Ministers process in October, *ESG Investing - Trends in APEC Economies: Practices, Progress and Challenges* and *The application of ESG considerations in infrastructure investment in Asia-Pacific*. Comments and questions raised during this Seminar will be reflected in these two papers.

15 September 2021 (19:00-22:30 NZT / 9:00-12:30 CEST)	
Sustainable finance and the ESG rating	
19:00-19:30 NZT (9:00-9:30CEST)	<p>Opening Remarks</p> <ul style="list-style-type: none"> • Masamichi Kono, Deputy Secretary-General, OECD • James Beard, Director, Economic System Directorate, The Treasury, New Zealand • Kishi Takaya, Deputy Vice Minister of Finance for International Affairs, Ministry of Finance, Japan
19:30-20:30 NZT (9:30-10:30 CEST)	<p>Session 1: State of play of ESG practices and performance in Asia</p> <p>ESG practices across Asia are progressing, as more issuers disclose ESG information and institutional investors pursue forms of ESG investing and integration. While governance has been a focal point for many years, environmental and social considerations are gaining importance, particularly amid policy responses to rising greenhouse gas emissions and the Covid-19 pandemic. Yet, data gaps, lack of comparability of ESG metrics, and the absence of international sustainability-reporting standards will need to be addressed to help strengthen investment alignment with long-term value and sustainability goals.</p> <p>Speakers in this session will assess the key developments in ESG practices across economies in Asia, emerging good practices in ESG disclosures and investing, key challenges, and policies that could help promote further progress.</p> <p>Topics to include:</p> <ul style="list-style-type: none"> • ESG disclosures and ratings— how do Asian companies compare? • How are Asian companies coping with existing reporting criteria? • What further guidance could be given by authorities and exchanges to improve consistency and comparability? • To what extent is the environmental pillar of ESG contributing to support alignment with climate transitions to low-carbon economies? What more is needed to

	<p>strengthen climate resilient portfolios?</p> <p><u>Moderator</u></p> <ul style="list-style-type: none"> • Aerdts Houben, Chair of the OECD Committee on Financial Markets, and Director, Financial Markets, De Nederlandsche Bank <p><u>Speakers:</u></p> <ul style="list-style-type: none"> • Satoshi Ikeda, Chief Sustainable Finance Officer, JFSA • Ji Young Choi, Director of Green Climate Policy, Korea MOEF • Jeanne Stampe, Green Finance Resource Lead at Monetary Authority of Singapore (MAS)
<p>20:30-20:40 NZT</p>	<p style="text-align: center;"><i>Coffee break</i></p>
<p>20:40-21:40 NZT (10:40-11:40 CEST)</p>	<p>Session 2: ESG rating, metrics and investment approaches</p> <p>Growing commitment by issuers, intermediaries and asset owners to sustainable investing has contributed to the rise of ESG practices and investment products across Asia. OECD’s research on ESG ratings and investment approaches highlights that while welcome progress is being made, growing adoption of myriad ESG practices has contributed to a lack of consistency and comparability of ESG scores, key metrics, and portfolio rebalancing approaches across jurisdictions. Also, further improvement in the reporting of forward-looking climate transition risk and opportunities is needed to strengthen alignment of investments with net-zero commitments. How can market participants in Asia take further steps to better align ESG practices with long term value and sustainability goals?</p> <p>Topic to include:</p> <ul style="list-style-type: none"> • ESG rating firms’ perspectives on metrics and materiality – how to strengthen alignment with long-term value and sustainability goals? • As standard setting bodies plan to address market fragmentation through global standards for sustainability-related reporting, beginning with climate, what do market participants consider to be key success criteria? • How are Asian institutional investors integrating ESG into their risk management and asset allocation practices? What are the challenges of implementing commitments to align portfolios with net-zero targets? • What additional steps would be needed from policy-makers, regulators and standard-setting bodies to help strengthen market efficiency and resilience? <p><u>Moderator</u></p> <ul style="list-style-type: none"> • Robert Patalano, Acting Head of Financial Markets Division, OECD <p><u>Speakers:</u></p> <ul style="list-style-type: none"> • Sachie Ii, Head of Sustainable Finance Office, Mizuho Securities Co., Ltd. • Miranda Carr, Executive Director of ESG Research, Asia, MSCI Inc. • Emily Woodland, Co-Head of Sustainable Investing for Asia Pacific, BlackRock, Inc. • Michael Salvatico, Head of Asia Pacific ESG Business Development, S&P Global Inc.

21:40-21:50 NZT	<i>Coffee break</i>
21:50-22:30 NZT (11:50-12:30 CEST)	<p>Session 3: Central banks and their ESG practices</p> <p>ESG integration has become an important initiative across central banks in OECD economies to seek to green the financial system. ESG practices are now being used across a number of reserve portfolios. Also, central banks are increasingly holding green bonds or related climate-resilient products, using ESG approaches to rebalance reserve portfolios, and engaging in climate stress simulations within supervisory practices. So central banks are beginning to consider climate change within monetary policy frameworks and asset-purchasing programs. Yet, the current information provided by issuers on environmental considerations can hinder central banks from taking steps to further integrate ESG practices into various aspects of policy, operations, and supervision.</p> <p>Session participants will discuss central banks’ progress to date in incorporating ESG practices, how to overcome informational challenges, and emerging good practices to better align policies with greening of the financial system.</p> <ul style="list-style-type: none"> • How are Asian central banks considering ESG and greening of the financial system within their existing mandates? Making use of new tools and data, how can progress be made to better align practices with sustainability? • Notwithstanding progress on ESG ratings and disclosures of climate risks, what are the key challenges faced by central banks to make further progress in ESG integration, use of climate scenarios for supervisory purposes, and improving the climate resilience of portfolios? <p><u>Moderator</u></p> <ul style="list-style-type: none"> • Flore-Anne Messy, Acting Deputy Director, Directorate of Financial and Enterprise Affairs, OECD <p><u>Speakers:</u></p> <ul style="list-style-type: none"> • Atsushi Takeuchi, Associate Director-General, International Department, Bank of Japan • Kenneth Hui, Head of Market Development, HKMA • Peter J. Morgan, Vice Chair for Research, ADBI • Catriona Marshall, Policy Analyst, Financial Markets Division, OECD
<p>16 September 2021 (19:00-22:15 NZT / 9:00 – 12:15 CEST)</p> <p>ESG and SDGs in quality infrastructure financing</p>	
19:00-20:15 NZT (9:00-10:15 CEST)	<p>Session 4: ESG and SDGs in investment decision-making for quality infrastructure and data availability and disclosure</p> <p>The consideration of ESG factors and SDGs as an integral aspect of quality infrastructure investment (QII) has been identified by many governments to help realise future policy priorities; also, for investors, the incorporation of these factors in investment-decision-making along the infrastructure assets’ life cycle, and particularly in investment portfolios, is</p>

	<p>a topic of increasing importance.</p> <p>The availability of sufficient and adequate data has been identified as an important prerequisite to support the integration of ESG factors and SDGs in infrastructure. Disclosing information on sustainability characteristics of infrastructure investments enables their inclusion in infrastructure investment decision-making. This session discusses the relevance for investors of the consideration of different aspects of ESG and the SDGs in changing markets and investment environments in the Asia region, and issues and challenges regarding data availability. The relevance of taxonomies for attracting ESG investment will also be discussed.</p> <ul style="list-style-type: none"> • What are the most relevant aspects of quality infrastructure and ESG factors to meet the international agreements such as the SDGs and Paris Agreement? • How are these factors incorporated in investors’ decision-making? • Which barriers face investors for the further incorporation of ESG factors? • What are the main challenges and issues regarding the availability of infrastructure-related ESG data? • What role can policy makers and IOs / MDBs play in this area? <p><u>Moderator</u></p> <ul style="list-style-type: none"> • Cate Rogers, Co-chair of G20 Infrastructure Working Group, and The Treasury, Australia (invited) <p><u>Speakers:</u></p> <ul style="list-style-type: none"> • Megumi Muto, Vice President, JICA • Darwin Marcelo, Project Director, EDHECinfra • Towfiqua Hoque, Senior Infrastructure Specialist, World Bank
<p>20:15-20:30 NZT</p>	<p style="text-align: center;"><i>Coffee break</i></p>
<p>20:30-21:45 NZT (10:30-11:45 CEST)</p>	<p>Session 5: The role of public authorities in promoting supportive regulatory frameworks, sustainability, and resilience in infrastructure</p> <p>For publicly owned infrastructure, governments are responsible for designing infrastructure investments to be in line with policy priorities, and particularly sustainability and ESG considerations. Governments thus play a critical role in promoting and incentivizing sustainability in infrastructure. Governments have, in some cases, included infrastructure investment as part of their recovery plans from COVID-19, with infrastructure resilience taking on renewed importance.</p> <p>In tandem, the public sector can take the role of creating incentives for the private sector, including through regulatory design and tools, invest in sustainable and resilience infrastructure.</p> <p>Given broader trends in sustainability, resilience, and the potential longer-term impacts of COVID-19, regulatory frameworks (both for investment, and at the project or asset level) need to be relevant, up-to-date, and able to evolve with changing circumstances.</p> <p>This session discusses how public authorities – both central and regional - are promoting and</p>

	<p>can further promote the development of sustainable and resilient infrastructure, for both public and private, and its financing. It seeks to share experiences with common and emerging practices and approaches in terms of the promotion of sustainability in infrastructure investments in the Asia region, as well as the challenges and impediments.</p> <ul style="list-style-type: none"> • Has COVID-19 affected infrastructure priorities and policies in your jurisdictions or regions? How are sustainability and resilience factoring into investment such decision making? • How can partnerships between public and private stakeholders be enhanced in order to promote sustainability and resilience in infrastructure? • How can regulatory frameworks evolve in line with broader developments and megatrends, such as innovation and technology as well as climate change and consumer preferences? <p><u>Moderator</u></p> <ul style="list-style-type: none"> • Mamiko Yokoi-Arai, Deputy Head of Financial Markets Division, OECD <p><u>Speakers:</u></p> <ul style="list-style-type: none"> • Yoshiyuki Miyoshi, Director for Policy Planning, Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism of Japan • Nick Merritt, Global Head, Infrastructure, Mining & Commodities, Norton Rose Fulbright (Asia) • Henri Blas, Chief Content Officer, Global Infrastructure Hub
<p>21:45-22:00 NZT (11:45 CEST- noon CEST)</p>	<p>Closing remarks</p> <ul style="list-style-type: none"> • Mathilde Mesnard, Acting Director, Directorate of Financial and Enterprise Affairs, OECD