



# FINPUBLICA

## FINPUBLICA NEWS YOU CAN USE

April 7, 2024



### *Environmental*

**The U.S. EPA announced eight selections to receive \$20 billion in grants under the Greenhouse Gas Reduction Fund's National Clean Investment Fund and Clean Communities Investment Accelerator.** These organizations will help mobilize private financing toward building cleaner infrastructure, reducing energy costs, improving public health, and providing clean energy, particularly in marginalized communities. The three National Clean Investment Fund selectees are: (1) the Climate United Fund, which focuses on climate infrastructure in disadvantaged communities; (2) the Coalition for Green Capital, which emphasizes public-private investing; and (3) Power Forward Communities, which focuses on decarbonizing American housing. The five Clean Communities Investment Accelerator selectees, which provide capital and capacity building for

community lenders, are: (1) the Opportunity Finance Network; (2) Inclusive; (3) Justice Climate Fund; (4) Appalachian Community Capital; (5) and Native CDFI Network.

## *Regulation and Reporting*

**Saudi Arabia's Ministry of Finance has introduced the Green Finance Framework to boost the country's sustainability goals and achieve net zero by 2060.** The Green Finance Framework emphasizes a circular carbon economy approach and hopes to position Saudi Arabia as a regional leader in sustainable finance. It specifically aims to reduce greenhouse gases by 278 million tons by 2030, aligning the nation with the Paris Agreement. Additionally, on March 27, the nation had its first Saudi Green Initiative Day, drawing attention to more than 80 public and private sector sustainability initiatives within the nation.

**JPMorgan Chase, Citi, and RBC have reached an agreement with the New York City Comptroller to publicly disclose the ratio of clean energy to fossil fuel financing.** These agreements follow shareholder resolutions filed by three New York City retirement systems to disclose this ratio. The Comptroller's office cited the need for a 4:1 ratio of clean energy to fossil fuels by 2030, compared to the 2022 average for U.S. banks of 0.6:1.

**An Australian Federal Court has found Vanguard Investments Australia liable for making misleading claims about certain ESG exclusionary screens used by its Ethically Conscious Global Aggregate Bond Index Fund.** Vanguard admitted that it claimed that the fund excluded companies with substantial business activities in various industries (including fossil fuels), when a significant proportion of securities in the Fund were from issuers that had not been screened against applicable ESG criteria. The court has scheduled a hearing on August 1st, 2024 to determine a penalty for Vanguard's conduct. The case represents the Australian Securities and Investments Commission's first greenwashing court outcome.

## *Investing*

**The CFA Institute has released a report recommending different strategies for firms interested in incorporating transition finance into net-zero goals.** Among other things, the CFA recommends that institutional investors establish specific portfolio decarbonization targets and disclose year-over-year emissions reductions. Additionally, the CFA recommends that corporations establish realistic transition plans, provide inflation and forex-adjusted carbon intensity per revenue figures, and include decarbonization goals for executive remuneration. The CFA also highlights the role of regulators in allocating public and private financing, creating disclosure and labeling guidelines, and the possibility of using reverse auctions/climate bad banks to manage the phase-out of fossil fuels.

**A study conducted by Morning Consult indicates significant public, consumer, and investor support for ESG principles.** At least 60% of adults have a favorable opinion of Diversity, Equity, and Inclusion (DEI), Socially Responsible Investing (SRI), Environmental Social Governance (ESG), Corporate Social Responsibility (CSR), and impact investing. Nearly the same amount support company participation in ESG initiatives, and 54% of adults agree that focusing on ESG is ethically the right thing to do. From a consumer standpoint, 59% of adults are more likely to purchase from a company that pays living wages to all their employees. And, from an investor standpoint, more than a fifth of investors say that a company's ESG initiatives are a top priority in making investment decisions.

**According to a study conducted jointly by Deloitte and The Fletcher School at Tufts University, more than 80% of professional American investors report having ESG policies – a higher percentage than their European peers (75%) – despite the proliferation of anti-ESG campaigns in the U.S.**

This proportion represents a significant growth in ESG policies in the United States: just five years ago only 27% of U.S. investors had such policies in place. The top drivers for the adoption of ESG policies include regulatory pressure, talent attraction/retention, improved financial performance, and stakeholder influence.

**Mitsubishi UFJ Financial Group (MUFG), a Japanese banking group, has announced several new sustainability initiatives and updated its sustainable finance goals.** MUFG has tripled its 2030 sustainable financing goal to 100 trillion yen (\$660 billion) – after having already reached 28 trillion in sustainable loans, investments, underwriting, and financial advisory services by the end of 2023. MUFG is also creating a new Sustainability Risk Office, revising its environmental policies to integrate human rights concerns, and updating its human rights policy to incorporate the impact of both environmental and AI issues.

**The World Bank approved a \$750 million green loan to Colombia to increase the nation's climate resilience.** In particular, the loan is intended to boost solar, offshore wind, and green hydrogen development and strengthen electric transport. This loan is the nation's second climate change-related loan; in December 2022, Colombia received \$1 billion from the World Bank.

## ***Resources & Membership***

**[Are you interested in joining a community of sustainable finance leaders – if so, click here to apply to join Finpublica.](#)** Benefits to membership, which is currently complimentary, include:

- Active participation in a community of more than 300 current and emerging global finance leaders interested in sustainability and impact investing;
- Invitations to a variety of exclusive expert panels on such topics as the Intersection of ESG and Blockchain, Making an Impact with Impact Investing, Navigating between Pro- and Anti- ESG Regulatory Actions, and Public-Private Clean Energy Partnerships;
- Admittance to members-only salons, discussions, and networking sessions;
- Access to the newest curated sustainability research and news; and
- The opportunity to participate in member-led initiatives and working groups.

**[Columbia Business School's 2024 Climate Business & Investment Conference -- Climate Tech for Net Zero --](#)** will offer insights from investors, businesses, and researchers on emerging climate technologies and policies to efficiently drive decarbonization. Hear from the frontiers of economically strategic climate innovation. This strategic mix of experts has been curated to help navigate the climate tech landscape for smarter investment and business decisions toward an efficient net zero future. You can reserve your spot for this event live on April 19, 2024 in NYC (or register to receive a recording) **[here](#)**.

**[You can join the Harvard U.S. – Asia Sustainable Development Summit on April 13<sup>th</sup>.](#)** The summit, hosted by the U.S.-Asia Sustainable Development Foundation, aims to foster cross-border collaboration between the U.S. and Asia for a sustainable future. Leaders across nations and sectors will explore sustainable development technologies, academic research, and youth empowerment to strengthen ties, share knowledge, and pioneer policy solutions. Sign up **[here](#)** to attend virtually or in person.

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