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### **G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology: Senior financiers, investors and policy-makers converge on “Tokyo Declaration”**

**Tokyo, Japan, 12 June 2019** – At the G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology, the CEOs of major pension funds, insurance companies, and senior financiers joined G20 policy-makers in assessing how to close the world’s energy efficiency investment gap.

The summit is an official side-event to the 2019 Japanese Presidency of the G20 and occurred in the run up to the G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth happening in Karuizawa, Japan, from 15 June to 16 June 2019.

The global finance industry debated with G20 government delegations the scale up of innovation required to boost the world’s USD 240 billion annual energy efficiency investment market to the trillion dollar size needed.

CEOs of the world’s largest investors (including the Government Pension Fund of Japan and Allianz Investment Management) discussed with country delegations attending the G20 Ministerial Meeting how to improve the transparency of the world’s emerging sustainable finance markets through improving data disclosure, machine learning techniques and other advanced data analytics.

*Green tagging* – the attachment of energy performance and environmental data to other financial data at the asset-level - has the potential of uncovering the hidden contribution mainstream financial products such as those designed for the world’s USD 30 trillion mortgage market are already making to improvements in energy performance. Green tagging can also inform financial institutions and regulators about the impact of energy efficiency on improvements in financial stability, enhanced collateral value and lower default rates.

#### **The Tokyo Declaration and quotes**

At the **G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology**, over 150 high-level delegates and participants concluded a declaration on improving the visibility and energy performance of asset investments which recommends to G20 countries:

- Increased transparency of the energy performance of banks’ assets through their accelerated tagging to nationally appropriate energy performance metrics, leading with buildings.
- An exemplary role for public financial institutions in their consideration of energy performance in all new real estate lending activities, and as a priority to review and tag existing assets, leveraging digital innovation where relevant.
- To promote best practices, and to track the commitments made to tag assets’ energy performance through networks of leading financial institutions, like the UNEP FI Energy Efficiency Finance Platform, inter alia.
- To consider smart enabling infrastructure in cities and the built environment that can yield important systemic efficiency gains, including efficient building design to reduce heating and cooling requirements, super-efficient cooling devices, electric vehicle charging and heat pumps in combination with smart renewable energy solutions..



The Summit was coordinated by the **UN Environment's Finance Initiative (UNEP FI)** and the **International Partnership for Energy Efficiency Cooperation (IPEEC)** as co-hosts of the G20 Energy Efficiency Finance Task Group ("EEFTG") and supported by a high-level steering committee. These experts and industry representatives were brought together under the Japanese Presidency of the G20 with CEOs of major financial institutions managing trillions of USD of assets and senior G20 negotiators to chart a common way forward.

**Satya Tripathi, UN Assistant Secretary General and Secretary, UN Environment Management Group** said: "It is heartening to see public sector policy-makers and finance joining forces to accelerate action towards the realisation of Agenda 2030 and the Paris Agreement.

It is more urgent than ever before to upgrade the world's building stock and industry to future-proof investment while accomplishing the Paris Agreement objective of global emissions neutrality by the second half of the century. "

**Benoit Lebot, Executive Director, International Partnership on Energy Efficiency Cooperation** said: "It was particularly encouraging to see such an engaged discussion between G20 policy makers and financial institutions at today's Summit. Increasing investments in energy efficiency, innovation and clean technology is clearly a part of the 2019's G20 agenda where solid progress can be made."

**Peter Sweatman, rapporteur for the Summit and technical lead of the G20 EEFTG**, said "The tide has turned for financial institutions, and better understanding the relative energy performance of balance sheet assets is the first natural step in overall alignment with the Paris Agreement and reducing the risk of stranded real estate assets."

**Sandra Schoonhoven, Head of Sustainability, ING Bank**, said: "As part of ING's climate ambition to steer our lending portfolio of EUR 600 billion towards the well-below two-degree goal of the Paris Agreement, we aim to make our mortgage portfolio energy positive. Robust data on the energy efficiency of homes is key to be able to steer on greening our mortgage portfolio.

The sooner we start this journey, the more gradual the transition path can be. The conversations here in Tokyo confirm that we are on the right track."

**Masahiro Kobayashi, Director General of Japan Housing Finance Agency (JHF)** said: "It was a great pleasure and honor to share our experience in the field of energy efficient mortgages and green bond. We would be more than delighted to work with G20 members in the coming opportunities to accelerate the promotion of green housing finance in emerging Asia, among others."

**Andrew McDowell, Vice President, European Investment Bank**, said: ""The EIB was pleased to share with the Summit its insights into the challenges of investing for energy efficiency improvements, and now commits to working with our Summit partners on mobilizing the global financial system to move the needle on the level of energy efficiency investment, consistent with the Paris Climate Accords"

**Ritu Arora, Chief Executive Officer & Investment Officer of Allianz Investment Management Singapore Pte Ltd** , added: "As a leading insurer and investor, we promote the transition to a climate-friendly economy. We want to shape this change together with our clients and also strategically develop our investment opportunities in new technologies."



## Contact

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## Background

### About G20 Energy Efficiency Finance Task Group (EEFTG)

The G20 Energy Efficiency Finance Task Group (“EEFTG”), and the Summit co-hosts IPEEC and UNEP FI, have been working for over 5 years to deliver against the G20 mandate of the to enhance capital flows for energy efficiency investments in G20 economies, outlined in the 2014 G20 Energy Efficiency Action Plan and 2016 G20 Energy Efficiency Leading Programme.

EEFTG, co-chaired by France and Mexico, has worked with 15 participating G20 countries to build robust, investment-grade policy and investment frameworks, sharing best practices and broadening and deepening private sector engagement. In 2015, EEFTG published the voluntary “Energy Efficiency Investment Principles for G20 participating countries” and launched a commitment for private sector financial institutions at COP21 in Paris. In 2016, EEFTG convened leading financial institutions in Asia and contributed to the G20 Energy Efficiency Leading Programme where its work is referenced. In 2017, as a core component of the G20 Action Plan on Climate and Energy for Growth, EEFTG published the G20 Energy Efficiency Investment Toolkit. This G20 Toolkit provides a state of play of G20 energy efficiency investment policy progress and assesses global energy efficiency investments, providing a series of recommended policy actions alongside specific public and private sector financial institution commitments.

### About UN Environment’s Finance Initiative (UNEP FI)

United Nations Environment Programme – Finance Initiative (UNEP FI) is a partnership between United Nations Environment and the global financial sector created in the wake of the 1992 Earth Summit with a mission to promote sustainable finance. More than 240 financial institutions, including banks, insurers, and investors, work with UN Environment to understand today’s environmental, social and governance challenges, why they matter to finance, and how to actively participate in addressing them.

### About the International Partnership on Energy Efficiency Cooperation (IPEEC)

The International Partnership for Energy Efficiency Cooperation (IPEEC) is an autonomous partnership of 17 major economies founded in 2009 by the Group of 8 (G8) to promote global cooperation on energy efficiency. Its member economies together account for over 80% of global energy use and 85% of energy-related GHG emissions. Since 2014, IPEEC has been coordinating the G20’s energy efficiency activities under the group’s two plans - the G20 Energy Efficiency Action Plan (2014) and the G20 Energy Efficiency Leading Programme (2016). IPEEC is based in Paris, France.

### About the G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology

The G20 Global Summit on Financing Energy Efficiency, Innovation and Clean Technology is an official high-level side-event of the G20 Ministerial Meeting on Energy Transitions and Global



Environment for Sustainable Growth that offers a stock-take of progress in energy efficiency investments since the publication of the G20 Energy Efficiency Investment Toolkit in 2017, and addresses the critical roles of innovation and clean technologies in energy transitions. Importantly, the Summit looks to balance discussion of the innovative policies and approaches that address the demand side of energy transitions (promoted through energy efficiency investments) with the need for innovation and clean technologies to decarbonize the supply side of energy to buildings, transport and industry.

Global energy efficiency investments have been growing and yet this growth is significantly below the rate required to deliver over USD 584 billion in 2025, increasing to over USD 1 trillion annually before 2040. Significant reductions in the costs of energy efficient equipment in recent years (led by lighting, white goods and heating and cooling technologies) has increased the economic attraction of energy efficiency upgrades, which are facilitated by tailored financing mechanisms that allow asset owners to “pay as they save” and include equipment payments within their energy or tax bills. Financial institutions are also increasingly looking to better understand the energy performance of the assets and entities they finance.

#### **About the G20 Global Summit Steering Committee**

The Summit has been guided by a high-level Steering Committee composed of senior representatives from leading G20 countries and partner organisations including:

- Japanese Ministry of Economy, Trade and Industry of Japan (METI)
- German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU)
- Bloomberg NEF
- Climate Strategy & Partners
- European Investment Bank
- Global Alliance for Buildings and Construction (GlobalABC)
- International Energy Agency (IEA)
- International Partnership for Energy Efficiency Cooperation (IPEEC)
- International Renewable Energy Agency (IRENA)
- Japan Housing Finance Agency (JHF)
- Jyukankyo Research Institute
- MSCI
- Organisation for Economic Co-operation and Development (OECD)
- Principles for Responsible Investment (PRI)
- Sustainable Energy for All initiative (SEforAll)
- The Institutional Investors Group on Climate Change (IIGCC)
- United Nations Environment Programme Finance Initiative (UNEP FI)
- World Bank Group



## Summit agenda

### Welcome and introduction

#### *Speaker Introductions:*

**Benoit Lebot**, Executive Director, International Partnership for Energy Efficiency Cooperation and Summit Co-Host

#### *Speakers:*

**Atsushi Taketani**, Deputy Commissioner for International Affairs & Chair of G20 Energy Transitions Working Group, METI, G20 Presidency of Japan

**Satya Tripathi**, Assistant Secretary General, United Nations and Summit Co- Host

**Stefan Möbs**, Division Head for Economic and Scientific Affairs, Embassy of the Federal Republic of Germany in Tokyo

### Keynote speeches

#### *Speakers:*

**Dr. Amory Lovins**, Co-Founder and Chief Scientist, Rocky Mountain Institute

**Norihiro Takahashi**, President, Government Pension Investment Fund, Japan

### Plenary session 1: Global stock take with financial institutions

#### *Moderator:*

**Peter Sweatman**, Rapporteur of the G20 EEFTG and CEO of Climate Strategy

#### *Speakers:*

**Ritu Arora**, CEO, Allianz Investment Management Asia

**Masahiro Kobayashi**, Director General, International Affairs and Research Department, Japan Housing Finance Agency

**Gabriela Elizondo**, Global Lead Clean Energy, World Bank Group EEX

**Tatiana Bosteels**, Director, Hermes Investment Management and board member, IIGCC

**Anthony Cox**, Deputy Director, Environment Directorate, OECD

### High-Level Roundtables

#### Roundtable A: Financing innovative technologies

#### *Moderator:*

**Hiroki Kudo**, Board Member and Director, Charge of Electric Power Industry & New and Renewable Energy Unit, The Institute of Energy Economics, Japan

#### *Speakers:*

**Dr. Dolf Gielen**, Director of Innovation and Technology Centre, IRENA

**Hiroyuki Tezuka**, Chair, Energy & Technology Committee, The Japan Iron & Steel Federation

**Masaaki Nagamura**, General Manager, International Initiatives, Strategy and Synergy Department, Tokio Marine Holdings

**Takao Aiba**, Project General Manager, Environmental Affairs Division, Advanced R&D and Engineering Company, Toyota Motor Corporation

**Masahiro Kobayashi**, Associate Officer, Daikin Industries



*Afternoon Opening Keynote:* **Fiona Reynolds**, CEO, PRI

### **Roundtable B: Financing energy efficiency & clean energy**

*Moderator:*

**Miho Kurosaki**, Head of Japan and Korea Research, BloombergNEF

*Speakers:*

**Dr. Hidetoshi Nakagami**, CEO and Founder, Jyukankyo Research Institute

**Sandra Schoonhoven**, Head of Sustainability, ING Bank

**Masato Ito**, Associate General Manager, Sustainable Property Promotion, Real Estate Business Solution Department, Sumitomo Mitsui Trust Bank

**Mari Yoshitaka**, Chief Environmental & Social Strategist, Environmental Strategy Advisory Division, Mitsubishi UFJ Morgan Stanley Securities

**Glenn Pearce-Oroz**, Director of Policy and Programmes, SEforALL

*Afternoon Keynote:* **Nobuo Tanaka**, Chairman, Innovation for Cool Earth Forum

### **Plenary session 2: High-level Policy Dialogue with G20 ETWG Member and Guest Delegations**

*Opening Speaker:*

**Yves-Laurent Sapoval**, Senior Advisor, Ministry of Ecological and Inclusive Transition, France, and Steering Committee Co-Chair of GlobalABC

*Contributors: Comments from invited delegations of G20 Member and Guest countries, International Organisations and other high-level Steering Committee members seated at the central-table, with opportunities for Q&A from nominated senior delegates. Countries present include China, France, Germany, Vietnam, Finland, Spain, and the European Union.*

*Closing Keynotes:*

**Keisuke Sadamori**, Director of the Office for Energy Markets and Security, International Energy Agency

Joining by video-call

**Andrew McDowell**, Vice President – European Investment Bank (EIB)

### **Conclusion**

Summary Summit conclusions and declaration by **Peter Sweatman**, Summit rapporteur and technical lead, G20 EEFTG

Summit close by **Yuya Hasegawa**, Director, Energy Supply and Demand Policy Office, Agency for Natural Resources and Energy, Japan.

See also: <http://www.unepfi.org>

<http://www.ipeec.org>