



**Dear friends,**

As a knowledge partner, UN-convened Financial Centres for Sustainability (FC4S) Network looks forward to supporting the G20 Sustainable Finance Working Group and our colleagues in UNDP Finance Sector Hub, who are serving as its Secretariat. In our role as a knowledge partner, FC4S is focused on the digital sustainable finance agenda, namely 'The role of digital solutions to improve sustainability disclosure and reporting'.

### **G20 Sustainable Finance Working Group**

The Italian G20 Presidency re-established the Sustainable Finance Study Group (SFSG) within the G20 Finance track. On April 7, the G20 Finance Ministers and Central Bank Governors welcomed the re-establishment of the Sustainable Finance Study Group and agreed to elevate it to a working group.

Tackling climate change and the other challenges needed to bring economic development on a sustainable path requires the involvement of the financial system and its alignment with the objectives of the Agenda 2030 and goals of the Paris Agreement. In line with its vision articulated in the pillars of People, Planet and Prosperity, the Italian Presidency of the G20 re-established the Sustainable Finance Study Group (SFSG) within the G20 Finance track. Italy invited China and the United States of America to co-chair the SFSG and the United Nations Development Programme to serve as its Secretariat.

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When referring to the upgrade Marcello Ranucci, representative from Italy's Ministry of Economy and Finance, mentioned: "This group will be central for coordinating international efforts to mobilize sustainable finance, which is crucial to achieve a global green and sustainable recovery. The working group will make it possible to develop a long-term G20 agenda that can help to drive the policy change needed to further align the financial system to the Paris Agreement and SDGs."

Sharon Yang, who represents the U.S. Department of the Treasury as co-chair, welcomed the elevation to a working group, "It empowers the Group to serve as a

common platform to galvanize G20 action to help align and mobilize capital to the goals of the Paris Agreement and 2030 Agenda.”

In the past, the Group facilitated the formation of a global consensus on the need to scale up green finance, and focused global attention to a range of key topics for the development of sustainable finance worldwide. The SFSG was established in 2016 under China’s G20 presidency as the Green Finance Study Group. Its remit was later expanded to that of sustainable finance, recognizing the importance to take into consideration other issues alongside environmental ones.

Recalling the group’s work, Ma Jun, who represents the People’s Bank of China as co-chair, mentioned that from 2016 to 2018 the Group studied 10 topics, commissioned 24 input papers from over 20 knowledge partners and served as an incubator for many international sustainable finance initiatives. China’s co-chair emphasized that its ability to formulate global consensus on ways to accelerate sustainable finance will be strengthened with the upgrade into a working group. “It will enhance the group’s ability and effectiveness to address medium- and longer-term sustainable finance issues that require global coordination”, Ma said

This year the international community will need to show ambition and solidarity in order to overcome the great challenges of today: from recovering from the pandemic to addressing climate change, from supporting innovation to overcoming poverty and inequality.

The Italian Presidency continued to emphasized the importance of multilateral efforts to address climate risk, and how a strong working group can achieve its collective ambitions to aligning financial flows to international climate and sustainability objectives and helping G20 economies transition to a more sustainable and resilient path.

The Group’s first objective is to take stock of existing international work on sustainable finance and charter a roadmap for a collective way forward. “The nature of the topics calls for immediate and urgent global discussion and coordination” affirmed Sharon Yang.

The Group will begin by developing a climate focused sustainable finance G20 roadmap in specific priority areas that can be adapted or expanded in future years to cover other topics. The Group recognises that although climate change is a reality that affects us all, its impact is asymmetrical its consequences hit countries’ economies asymmetrically as well. Moreover, the social and economic impacts of the COVID-19 crisis cannot yet be fully estimated, putting fiscal accounts under stress in many countries and leaving little room to continue working on the transition to a sustainable economy. For these reasons, the work of the group commits to allow for flexibility, to avoid the one size fits all approach and to keep in mind the low- and

lower-income countries as well as the vulnerable countries and develop a wide set of tools and options for all G20 countries.

Both co-chairs further stressed that the work of this group will be member driven and well-focused on areas where it can really bring value added as the G20, building on work that other related groups and international networks are currently doing. In particular, Ivan Faiella, coordinator of the Bank of Italy Task Force for G20 Sustainable Finance, emphasized the close coordination with the FSB and the role of the SFSG in developing further the outcome of the G20 Venice Conference on Climate.

Kind regards,

**The FC4S Team**