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IRELAND'S SUSTAINABLE FINANCE ROADMAP

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ROADMAP DEVELOPMENT

Supported by Skillnet Ireland, the development of this roadmap was overseen by an Oversight Committee. Members include Dr. Paul Ryan, Department of Finance Ireland; Pat Cox, Sustainable Finance Ireland; Mahenau Agha, UNDP; and Stephen Nolan, UN-convened FC4S. From Sustainable Finance Ireland, the project team included Rahim O'Neill, Nicola Ruane, Paddy Molony, Conor Duggan, and Liz Molloy. From UN-convened FC4S, it included Florencia Baldi, Delfina Monteverdi and Victorina Manciana. Working Group rapporteurs included BPFI/FIBI; IOB; IAPF; Irish Funds Industry Association; Insurance Ireland; Department of Finance; and FSI IBEC. Roadmap development was informed by research conducted by the Green Digital Finance Alliance, UN FC4S, the Sustainable Finance Skillnet and Maples Group.

ABOUT THE IRELAND FOR FINANCE STRATEGY

Ireland for Finance is a strategic framework to support the further development of the international financial services sector in Ireland to 2025. A government document, the vision of the strategy is for Ireland to be a top-tier location of choice for specialist international financial services and to enhance and protect future Irish competitiveness. The framework consists of four Pillars and three Horizontal Priorities. Pillars focus on the operating environment; technology and innovation; talent; and communications and promotion. The three Horizontal Priorities that apply across the four Pillars are: Regionalisation, Diversity, and Sustainable Finance.

ABOUT SKILLNET IRELAND

Skillnet Ireland is a business support agency of the Government of Ireland, responsible for advancing the competitiveness, productivity, and innovation of Irish businesses through enterprise-led talent development. Skillnet Ireland partners with over 50 industry bodies and enterprise clusters, supporting over 21,000 businesses annually, through its 73 Skillnet Business Networks across most sectors and all regions in Ireland. Skillnet Ireland is funded from the National Training Fund through the Department of Further and Higher Education, Research, Innovation and Science.

ACKNOWLEDGEMENTS

ABOUT SUSTAINABLE FINANCE IRELAND

A public-private initiative, Sustainable Finance Ireland works to position and promote Ireland as a leader in sustainable finance. It achieves this by providing thought leadership, raising awareness on excellence and best practice, building capacity in the sector, and catalysing innovation with supportive frameworks and tools. All activities are aligned with government's Ireland for Finance strategy and annual action plans, including the annual Climate Finance Week Ireland series and the Sustainable Finance Skillnet.

ABOUT THE UN-CONVENED FINANCIAL CENTRES FOR SUSTAINABILITY (FC4S) NETWORK

Established in mid-2018, the Financial Centres for Sustainability (FC4S) Network is a collective of 38 financial centres working together to achieve the objectives set by the 2030 Agenda and the Paris Agreement. It is estimated the network represents 80% of the global equity market and US\$76.4 trillion equity market capitalisation. The global scale of the collective's vision is best represented by the regional variety of members, who all believe in driving convergence, exchanging experiences, and acting on shared priorities to accelerate the expansion of green and sustainable finance. FC4S is hosted by the UNDP.

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WORKING GROUP MEMBERS



BNP PARIBAS

The bank for a changing world



BNY MELLON



Banking & Payments
Federation Ireland

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K BIGI



Matheson



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta
National Treasury Management Agency



Society of Actuaries in Ireland



Sustainability Works.



FOREWORD

THE FUTURE OF FINANCE

We are pleased to introduce this National Sustainable Finance Roadmap, which has been developed by Sustainable Finance Ireland, UN-convened FC4S and Skillnet Ireland, in collaboration with key stakeholders across Ireland and internationally. Delivery of this roadmap was Action Measure no. 1 under the Ireland for Finance Action Plan 2021, demonstrating sustainable finance's increasing prominence as a priority for Ireland and as a key piece of our toolkit in addressing the climate crisis.

The challenges facing us from climate change are stark. At global level through the Paris Agreement and UNFCCC processes, regionally through the European Green Deal and the Fit for 55 package, and domestically in our Climate Action and Low Carbon Development Act 2021, ambitious targets have been set. Ireland is on a legally binding path to net-zero carbon emissions by 2050, and a 51% reduction in emissions by 2030.

Nevertheless, alongside these challenges to mitigate and adapt to climate change come opportunities, and it is essential that we stand ready to make the most of these opportunities. Governments and international financial institutions are scaling up investment planning in order to finance the activities and technologies we need to achieve our targets.

We know that the public sector cannot do this alone. Private finance also must play its part in meeting our investment needs, and the financial services sector can be a key enabler. To this end, we must ensure Ireland provides a best-in-class environment in which sustainable finance can grow and thrive, and further enhances its facilitation of the essential investments required to make our low carbon transition.

This roadmap sets out targeted measures with a view to Ireland being a leading sustainable finance centre by 2025, informed by extensive research and stakeholder engagement. It outlines how public-private sector collaboration will develop talent, prepare industry, leverage digital solutions, enhance the enabling environment, and promote and communicate Ireland's sustainable finance priorities and capabilities.

FOREWORD

The creation of an International Sustainable Finance Centre of Excellence is the linchpin of this roadmap. By conducting research and channelling the expertise of academics and practitioners, public and private sector experts, it will identify and incubate solutions to contribute to our national, regional and global climate and sustainability goals.

Ireland will continue to work with EU and international partners to optimise the legislative and regulatory environment to support high-quality investments with due regard to risk and transparency. Clear benefits can arise from harnessing digital solutions to bring sustainable finance further into the mainstream, precisely measure our progress and, in time, facilitate more ambitious commitments. Ireland can and should further build on our leadership position in meeting sustainable finance skills needs, building firms' capacity and boosting our attractiveness as a sustainable finance hub.

This roadmap fits into our broader climate action goals, aiming to facilitate the increased mobilisation of much-needed investments through setting out tangible actions to enhance Ireland's sustainable finance environment. All stakeholders, public and private, must play a part to deliver on our common ambitious but achievable targets.



A handwritten signature in black ink, appearing to read "Paschal Donohoe".

**PASCHAL
DONOHOE T.D.**
MINISTER FOR FINANCE



A handwritten signature in black ink, appearing to read "Seán Fleming".

**SEÁN
FLEMING T.D.**
MINISTER OF STATE FOR
FINANCIAL SERVICES,
CREDIT UNIONS AND
INSURANCE

EXECUTIVE SUMMARY

The world faces a plethora of global challenges, not least of which has been the COVID-19 pandemic which has dramatically impacted the lives of everyone on the planet. Humanity has been forced to rethink its natural fragility and its relationship with our environment, our climate and each other. But while the challenges have been formidable, there are also opportunities that we can embrace as we look to rebuild in the short, medium and long-term.

The economic impact of these relatively recent challenges has been stark: whole nations brought to a standstill, millions of jobs lost or affected, people's incomes and savings dramatically reduced, extreme weather events causing more disruption than ever. Because of these events, significant global progress that had been made in support of the UN Sustainable Development Goals (SDGs), was considerably adversely impacted. Yet despite this, in 2020 and into 2021 the sustainable finance agenda has surged with greater awareness than ever.

Indeed, the global economic crisis brought on by the pandemic has only stressed the relevance of prioritising sustainability within global financial markets, to avoid or at least soften the impacts of future global threats. Out of adversity can come real opportunities.

SUSTAINABLE FINANCE DRIVERS

Sustainable finance – finance that serves the needs of the real economy and that supports efforts at limiting climate change and biodiversity loss – was, until recently, regarded as a boutique topic.

Today, the sustainable finance agenda is now found right across the spectrum of financial services. No part of the financial or capital markets has remained untouched.

Several factors are central in explaining this movement. These include a clear and rapidly escalating concern at the dangers posed by climate change, with its attendant damage to biodiversity and a cascade of expected social consequences caused by these changes.

And in meeting internationally agreed goals under the Paris Agreement, an economy-wide transition is required, supported by significant financial flows. With the share of financial assets contributing to sustainability still representing less than 5% of global financial assets, scaling up sustainable finance represents a significant challenge.

In response to this and with the European Union to the fore, in recent years significant effort has been given to the development of tools and approaches to align financial investments with sustainability goals, for example taxonomies and portfolio alignment tools.

Finally, evidence also shows that investment that respects sustainable development does not carry sacrifice in terms of earnings. Financial services customers are also increasingly insisting that investment respects basic sustainability criteria.

The reorientation of the financial system towards sustainability is only beginning but has a clear trajectory with real opportunities for the countries, companies and communities that show leadership. And with the UN's Climate Change Conference, also known as COP26 taking place in November, interest in sustainable finance has never been higher. The moment is right to take a quantum leap in the priority given to this transition.

EXECUTIVE SUMMARY

A CATALYST FOR POSITIVE CHANGE

Financial centres are natural nodes on which policymakers and international institutions can rely to pilot the transition, since they concentrate many different components of the financial system, including financial activities and critical institutions. At the same time, the clustering effect of having both financial activities such as banking, capital markets, investing, insurance, and the rest of the entire ecosystem of professional services and institutions, makes financial centres and their actions worth more than the sum of their parts. Such a strategic position and leverage establish the major and most active financial centres in the world today as critical actors in the transition towards a sustainable financial system.

With close to €160 billion in sustainable-related assets managed, or listed in Ireland, the jurisdiction already possesses significant strengths in sustainable finance.

At the policy and regulatory level, there has been significant momentum with Ireland already a member of several leading international public and regulatory sustainable finance initiatives representing best practice. And at the private sector level, alongside the development of new products and services and substantial upskilling of staff, an increasing number of Irish located financial services sector firms, large corporates and semi-states are aligning themselves to relevant climate, wider ESG, TCFD, net-zero and most recently nature-related commitments. Corporate Ireland is embracing and driving this agenda within their individual firms.

While these initiatives are a positive start, a substantial increase in financial flows is still required to meet the SDGs, the Paris Agreement goals and Ireland's own net zero ambitions.

IRELAND'S RESPONSE

In recent years increasing numbers of governments and organizations have been developing Sustainable Finance roadmaps focused on scaling up sustainable finance activities. They aim to drive the sustainability transformation of a country's financial system in an orderly manner, bringing policy cohesiveness across regulators and private sector participants, while assigning responsibilities and empowering financial actors to apply the agreed recommendations.

With a multiplicity of public-private sector actors involved, the development of Ireland's first sustainable finance roadmap has been underway since March 2021.

Action 1 of government's *Ireland for Finance* Action Plan 2021, Ireland's roadmap is focused on the sustainable finance agenda through the lens of talent, innovation and building the right tools, skills, frameworks, markets and enabling environment so that the financial sector can manage the risks and seize the opportunities in the transition to net zero.

EXECUTIVE SUMMARY

Unlocking Irish potential in this area and acting as catalysts and accelerators for public-private action, under the five pillars of **Developing Talent; Industry Readiness; Leveraging Digital; Enabling Environment; and Promotion and Communications**, 18 roadmap actions have been identified.

Action 1 of the roadmap itself is the establishment of an International Sustainable Finance Centre of Excellence. To be operational by mid-2022, the Centre is focused on the practical acceleration of the sustainable finance agenda at a policy, regulatory and market level. It will lead on research and development activities aimed at supporting the design, development and launch of innovative financial mechanisms to facilitate the transition to a sustainable economy. A centre of excellence with global reach and headquartered in Dublin, its development will be supported by the UN-convened Financial Centres for Sustainability (FC4S) network.

CONCLUSION

Upon successful implementation of the roadmap, by 2025 it can be expected that Ireland's financial services sector is developing innovative products and services, funding transformative technology and innovations, and turning the billions committed to climate investment through public channels into trillions of total climate investment, nationally and further afield. And finally, local companies big and small are being helped to realign their business models to take advantage of these significant opportunities.

Building on existing strengths and underpinning future competitiveness, the intent of Ireland's first sustainable finance roadmap and its subsequent public-private sector implementation out to 2025, is to ensure that Ireland takes a leadership position in sustainable finance.

**"Action 1 of
government's Ireland
for Finance Action
Plan 2021"**

THE SUSTAINABLE FINANCE AGENDA

Sustainable finance, as an element of financial services, was until recently, regarded as a boutique topic. Financial establishments offered “green products” for clients on request rather than a broad offering to the entire client base. There was a widely held view that green finance would prove to be a temporary phenomenon rather than a fundamental change in the direction of the financial system.

The wider climate change agenda, and a growing realization among policy makers of the need to decarbonize, has led to a significant reappraisal of the role of the financial system in the global economy. Globally, there is a need to delink energy production from carbon and this is forcing an unnaturally fast transition to renewable energy, creating new challenges and opportunities. Such moves by policy makers and regulators are coupled with a desire on the part of the clients of financial services firms to take environmental, social and governance (ESG) considerations into account when making investment decisions.

The impact of the climate change agenda, and the adjustments this will bring for how financial services are intermediated in the economy of the future, will be felt across the spectrum from banks, insurers, pension funds, stock exchanges, debt markets, rating agencies, central banks and regulators.

DRIVERS

Several factors are central in explaining this movement: first, there is clear and rapidly escalating concern at the dangers posed by climate change, with its attendant damage to biodiversity and a cascade of expected social consequences caused by these changes.

The reports of the United Nations (UN) Intergovernmental Panel for Climate Change (IPCC), the most recent in August, set out – in ever starker terms – the consequences for people if present trends are not addressed. The role of finance in generating negative impacts, have become central to public debate, and can no longer be ignored.

Evidence also increasingly shows that investment that respects sustainable development does not carry sacrifice in terms of earnings. Indeed, in many ways it outperforms traditional investment. Financial services customers also insist that investment respects basic sustainability criteria.

Meeting internationally agreed goals, of reducing greenhouse gas emissions under the UN Paris Agreement, requires an economy-wide transition, supported by significant financial flows. From a low base, sustainable debt issuance is on track to surpass a record \$1 trillion in 2021, however the share of financial assets contributing to sustainability still represents less

CHAPTER 1

THE SUSTAINABLE FINANCE AGENDA

than 5% of global financial assets. Scaling up sustainable finance – including aligning financial flows to the Sustainable Development Goals (SDGs) and the Paris Agreement goals represents a significant challenge.

In response to this and understanding the importance of crowding-in private capital, in recent years many countries and regions have taken steps to scale up sustainable financial flows. Underpinned by policy and regulatory action, a key effort has been the development of tools and approaches to align financial investments with sustainability goals, for example sustainability definitions, taxonomies and portfolio alignment tools.

EUROPEAN LEADERSHIP

For its part, building upon its Action Plan adopted in 2018, the European Union is developing building blocks for a sustainable financial system, including the EU Taxonomy, the Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD) and the European Green Bond Standard.

In July 2021, the European Commission published its renewed Strategy for Financing the Transition to a Sustainable Economy, reaffirming its commitment to channel financial flows towards the achievement of the Paris Agreement. This renewed strategy constitutes an unprecedented step to build the foundations for sustainable finance both at European level and nationally. It will entail significant investment efforts across all financial sectors, meaning that financing frameworks, both public and private, must support this overall policy direction.

With Europe taking a leadership position, other jurisdictions are also taking action. Earlier this year, the U.S. Department of the Treasury established a new Climate Hub to coordinate policy. Under this year's Italian Presidency, the G20 re-established the Sustainable Finance Study Group and upgraded it to the G20 Sustainable Finance Working Group, co-chaired by China and the U.S. In Ireland, under the Ireland for Finance strategy, the development of a first national sustainable finance roadmap is a signal of intent.

The Paris agreement, which built on successive efforts since 1992, has set the stage for the future direction of the global economy. The financial system is acknowledged as a key lever to influence the transition to a global sustainable economy. The reorientation of the financial system towards sustainability is only beginning but has a clear trajectory with real opportunities for the countries, companies and communities that show leadership.

"Europe has taken a leadership position in sustainable finance"

CHAPTER 2

ACHIEVING A LEADERSHIP POSITION

ACHIEVING A LEADERSHIP POSITION

Financial centres represent a concentration of financial skills and experience, and benefit from the cluster effect of the different actors being present in one place. They are nodes of innovation and the uptake of both new approaches and technology is considerably faster in financial centres than at the policy level.

Financial centres are also competitive. They continuously seek to hone their comparative advantages, boost their profiles, and attract new investors and financial centre players.

Sustainable finance – finance that serves the needs of the real economy and that supports efforts at limiting climate change and biodiversity loss – has in recent years become a pillar of competitiveness among financial centres.

Such centres, including Ireland, have sought to emphasize their strengths in areas such as climate finance and responsible investment, adding skills and improving their offer as bases for expansion of such new and innovative forms of finance. In addition, with the 2021 UN Climate Change Conference, also known as COP 26, taking place in November 2021, and COP 15 in the biodiversity space, interest in sustainable finance has never been higher. The moment is right to take a quantum leap in the priority given to this transition.

SUSTAINABLE FINANCE ROADMAPS

Recognising this, in recent years increasing numbers of governments and organizations have been developing Sustainable Finance roadmaps focused on scaling up sustainable finance activities. These documents are critical to drive the sustainability transformation of a country's financial system in an orderly manner, bringing policy cohesiveness across regulators and private sector participants, while assigning responsibilities and empowering financial actors to apply the agreed recommendations.

Even though there is no single formula for developing effective national sustainable finance roadmaps, an inclusive multi-stakeholder approach to its drafting process is key to ensure effective implementation.

In collaboration with the Coalition of Finance Ministers for Climate Action, of which Ireland is a member, a recent UN Financial Centres for Sustainability (FC4S) analysis of 40 Sustainable Finance Roadmaps worldwide identified that for a roadmap to achieve its purpose, it is fundamental that beyond governments and public actors, the real economy, the financial sector and academia are included. This ensures that all stakeholders are equipped with a high level of guidance and reliability, including through market incentives.

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ACHIEVING A LEADERSHIP POSITION

IRELAND'S ROADMAP

In developing Ireland's first national sustainable finance roadmap, and as recommended by UN FC4S analysis, international best practice was adopted.

A six-month programme of work encompassed two phases. Phase 1 activities were underpinned by research and analysis covering legal and regulatory, talent, and innovation topics. Utilising the UN FC4S alignment framework tool, an analysis of Ireland's financial services sector alignment with the Paris Agreement and SDGs was also undertaken. Alignment levels are defined around three pillars that cover both private and public sector actions and instruments to advance sustainable finance, namely institutional foundations, enabling environment and market infrastructure across banking, investment, and insurance sub-sectors as well as debt and capital markets. These provide an assessment framework that assists financial centres understand how they are performing against best-in-class practices. Alongside UN FC4S analysis of 40 roadmap recommendations, phase 1 of this process finally led to the identification of 90 opportunities to be considered.

In Phase 2, eight working groups were convened to analyse and provide feedback on the 90 opportunities, plus to put forth new ideas. With working groups led by government, representative bodies and the IOB, this process whittled down the 90 opportunities to a total of 18 focussed actions as set out in Chapter 4. This phase also pulled in different perspectives from State representatives, public bodies, financial actors including asset owners, asset managers, investment funds, insurers, domestic and international banks, as well as experts on education and capacity building and innovation, data and digital technologies.

2025 LEADERSHIP DEFINITION

During the development of the roadmap, an effort was made to understand and define what best-in-class sustainable finance activities within a financial centre could look like in 2025.

At its **Institutional Foundations** level (based on UN FC4S analysis and recognising that individual financial centres possess differing strengths and infrastructure to leverage), a financial centre's institutional model should represent a large diversity of stakeholders; mechanisms for public-private sustainable finance collaboration and coordination including the state, industry, and academia are in place.

In addition, both local and international sustainable finance collaboration are mainstream; and a sustainable finance strategy is well-defined with annual plans resourced, implemented, evaluated, reported, and measured year on year. It also bases its actions on reliable benchmarks such as the SDGs.

CHAPTER 2

ACHIEVING A LEADERSHIP POSITION

By 2025, at the **Enabling Environment** level, it is expected that policies, regulations and public instruments related to sustainable finance will be widely implemented and enforced. In addition, regulations will require standardised ESG disclosures for all financial products and listed entities. The regulatory framework also provides incentives for the financial sector to divest from carbon-intensive sectors to pursue their low-carbon transition. In addition, a Climate Risk framework will be integrated into the financial stability model. And sustainability-related taxonomies to classify sustainable economic activity from the unsustainable alongside benchmarks and labels will have been implemented. Finally, local sustainable finance capacity building efforts will involve advanced educational and training activities in place with significant annual investment.

As pertains to **Market Infrastructure**, by 2025 it is expected the financial system will provide mature sustainable investment options and products, based on impact measurement and transparency. It will also present complete capital allocation oriented toward low-carbon transition and the achievement of the SDGs. And finally, international standards and frameworks will be applied by all financial actors.

Central to the successful work of a sustainable finance centre, is facilitating and accelerating the transition to a sustainable economy through public and private finance mechanisms. Realising the above will result in a financial centre achieving this goal. Based on recently developed products and services, a financial centre will be funding transformative technology and innovations, and turning the billions committed to climate investment through public channels into trillions of total climate investment, nationally and further afield. And finally, local companies big and small are being helped to realign their business models to take advantage of these significant opportunities.

Building on existing strengths, the intent of Ireland's first sustainable finance roadmap and its subsequent public-private sector implementation out to 2025, is to ensure that Ireland takes a leadership position.

"Finance that serves the needs of the real economy and that supports efforts at limiting climate change and biodiversity loss"

IRISH SUSTAINABLE FINANCE STRENGTHS

To meet agreed and ambitious emissions targets, governments will need to invest trillions of euros to mitigate and avoid the worst effects from climate change. Private capital will be essential to finance the projects that will address Irish, European, and international needs in energy, infrastructure, and the protection of increasingly scarce resources like water. Within a tight timeframe, greater mainstreaming of the sustainable finance agenda will be key.

As an open, transparent, and well-regulated investment environment Ireland has a strong track record as a robust and reliable financial centre – with thriving sectors in Investment Management, Banking, Insurance, Aviation Leasing, FinTech, and Payments. As the 3rd largest funds domicile in the world, this sector alone has over €5.2 trillion of assets under administration (AUA) in Ireland.

Building on these existing strengths, in recent years Ireland has been at the forefront of efforts to mainstream the sustainable finance agenda, at home and abroad.

CLIMATE FINANCE WEEK IRELAND

The annual public-private Climate Finance Week Ireland series has been key to the momentum that has developed in recent years. With over 5,000 virtual attendees in 2020, this event is an opportunity for ideas and actions in areas such as climate disclosure and reporting to be developed into fully fledged initiatives – supported by the public sector – such as Ireland's Taskforce on Climate-related Financial Disclosures campaign (TCFD), as launched in 2020.

DEVELOPING TALENT, AT HOME AND ABROAD

Ireland has taken a significant leadership position in sustainable finance skills development. By the end of 2021, over a two-year period the Sustainable Finance Skillnet will have invested close to €1 million, developed new courseware and facilitated 2,000 plus professional individuals in 420 companies to upskill. Alongside third-level activities, including that of the IOB, it is a positive indicator that the upskilling and training agenda is a priority within the industry in Ireland. Parallel to this, via support to UN FC4S, Ireland is also supporting international capacity building developments, which will support efforts to mobilise capital in support of the Paris Agreement (and successor agreements) and the SDG agenda. The latest such example of this support is focused on building capacity in the Kigali International Financial Centre as they work towards issuing Rwanda's first national green bond.

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IRISH SUSTAINABLE FINANCE STRENGTHS

A CENTRE OF EXCELLENCE FOR ESG-RELATED BONDS

Euronext Dublin is the hub for the Euronext Group ESG bond listings which include green, social, sustainability, and sustainability-linked bonds. In June 2020, Euronext also announced that it was the first stock exchange internationally to endorse the UN Global Compact Sustainable Oceans framework. Blue bonds, which raise capital to finance marine and ocean-based projects are also now included under the ESG bonds section activities from Dublin. In late 2018, Ireland was also among the first wave of European countries to issue a sovereign green bond, with €6.5 billion raised to date to allocate to Irish government climate action priorities. And in recent years, at just over \$2 billion the World Bank and its commercial arm, the IFC have both listed green bonds in Dublin. With issuances including green, social and sustainability bonds from Financials, Corporates, Municipalities and Local Government entities, as of end September 2021, cumulative ESG bond issuances listed from Dublin total €113 billion.

WORLD-CLASS RENEWABLE ENERGY ASSET MANAGEMENT CLUSTER

For decades, Irish companies have been globally active pioneers in developing, financing and delivering large-scale wind and solar projects, in both developed and emerging markets. Resulting in exceptionally strong renewable energy finance skills, including professional service ecosystem expertise, examples include Mainstream Renewable Power, Power Capital, Amarenco, NTR plc and BNRG. In parallel to this, Irish commercial State companies are also active in this space with ESB, Bord na Mona and Coillte to the fore.

As a result of this expertise, European and global names searching for top renewable energy finance talent are basing teams in the jurisdiction. Blackrock, Statkraft, Temporis Investment Management, and Greencoat Renewables plc all have senior management teams located in Dublin and Cork, underpinning Irish world-leading expertise in this area.

EMBRACING ESG

Within the investment management industry in Ireland, integrating sustainable and responsible investing principles into investment decisions, is rapidly becoming the norm, with 94% of investment managers having an ESG policy in operation in their business in Ireland.^[1] In addition, the UN Principles for Responsible Investment currently has 28 Irish signatories with Irish Life Investment Managers, KBI Global Investors, Goodbody's and iPUT plc among Irish based signatories. This growth in sustainable and responsible investing is driven by an increasing demand from investors, particularly institutional investors, for investment managers to include ESG criteria when assessing potential investments. EU regulation is also a driver of this change, with investment managers needing to ensure that they comply with their regulatory obligations.

CHAPTER 3

IRISH SUSTAINABLE FINANCE STRENGTHS

BANKING SECTOR LEADING THE WAY

Major banks headquartered and operating in Ireland are engaging in green and sustainable finance across their lending book and capital markets activities, both to retail customers and investors. The two Irish national pillar Irish banks have signed the UNEP Finance Initiative's Principles for Responsible Banking (PRB), with AIB a founding signatory. Domestic and international banks, are also supporting the issuance of green bonds, have launched a new €50 million cleantech investment fund, and are developing a social bond framework. These are alongside the offering of attractive lending rates for green products for example car loans and mortgages, a nature-based funding instrument for carbon sequestration, biodiversity and public amenities. In 2021, Sustainalytics ranked AIB 71st, and Bank of Ireland 176th for sustainability and ESG issues out of 1,025 banks globally.

INCREASE IN CLIMATE-DISCLOSURE AND REPORTING

In recent years, there has been a significant increase in Irish located firm's climate-disclosure and reporting activities. One such example is the use of the Task Force for Climate-related Financial Disclosures (TCFD) framework. To support such activity, across 2021 the Irish TCFD campaign has been underway. Supported by the public sector, 30 Irish located firms are now official TCFD supporters, including financial actors, large corporate entities, and semi state organisations. A sample of Irish campaign supporters include BNP Paribas, Amundi, Permanent TSB, Hibernian REIT, ESB, CIE, Setanta Asset Management and Shannon Group.

CROWDING IN OF PRIVATE SECTOR CAPITAL

In September 2021, the Irish Strategic Investment Fund (ISIF), Ireland's sovereign development fund, announced an investment programme of €1 billion over the next 5 years to fund climate action projects. Focused on sustainable infrastructure and new technologies including energy efficiency, renewables, forestry and waste, importantly ISIF will partner with global investors to crowd in private capital in support of Irish business and projects that are developing solutions to climate change.

DIVESTMENT

In 2018, Ireland also became one of the first countries to divest public money from fossil fuel assets through ISIF. This was achieved through the enactment of the Fossil Fuel Divestment Act 2018, which prohibits ISIF from investment in fossil fuel undertakings, and where an investment in such assets have taken place that these funds be divested.

[1][1] SIF Ireland State of Play Report 2020

CHAPTER 3

IRISH SUSTAINABLE FINANCE STRENGTHS

INSURANCE SECTOR

As the 5th largest market for insurance in the EU, Ireland is a well-regarded international hub for insurance. Responding to the changing and emerging risk landscape and investing into a transition towards sustainable economies and societies is a key challenge, but also an opportunity for the industry. According to the latest insurance industry leaders survey, 77 % of business leaders have said that sustainability is high or moderately high on the strategic planning list with 30% planning to invest significantly. In 2020 and mirroring industry action, Insurance Ireland became a signatory to the UN Principles for Sustainable Insurance.

INTERNATIONAL COLLABORATION

Enhancing and deepening Irish policy, regulatory and market expertise and international linkages, Ireland is already a member of several leading public sector global sustainable finance initiatives. Examples of platforms Ireland is currently engaged with include the Coalition of Finance Ministers for Climate Action, the Network for Greening the Financial System (NGFS), and the UN-convened Sustainable Insurance Forum (SIF). Forming part of a global network of 38 leading financial centres, Dublin also hosts the UN-convened Financial Centres for Sustainability European (FC4S) office.

Ireland also works at national, EU and Multilateral Development Bank (MDB) level to facilitate private sector investments in climate mitigation, and also sets out the legislative, regulatory and guidance measures to ensure that the economic environment matches up needs and opportunities with investors. In particular, Ireland uses its shareholding at MDBs to drive them to progress their climate and sustainability agendas in alignment with the Paris Agreement while also supporting developing and climate-vulnerable countries in their policy responses.

To fully unlock potential, Ireland is focused on the climate agenda through the lens of education and building the right tools, skills, frameworks, and markets so that the financial sector can manage the risks and seize the opportunities in the transition to net zero. This will be crucial to meeting Article 2.1c of the Paris Agreement – making finance flows consistent with a pathway towards low greenhouse gas emission and climate-resilient investment.

A SNAPSHOT OF ACTIVITIES

These initiatives are a positive start and offer a model for delivering the substantial increase in financial flows needed to ensure emissions reduction commitments and net zero targets at the national level are delivered. As countries collectively work together to scale up sustainable finance and mobilize resources, the financial services sector in Ireland has emerged as a catalyst of positive change on climate.

With a multiplicity of actors involved, the co-design of Ireland's first sustainable finance roadmap, with its focus on developing the institutions to deliver on our potential, is a key step in delivering on the opportunity.

[1][1] SIF Ireland State of Play Report 2020

REALISING OUR VISION

Underpinning Ireland's ambition to be a leading sustainable finance centre by 2025, the below outlined actions will support the realisation of this goal. Arrived at by means of an extensive research and stakeholder engagement process, they will be achieved through ongoing public-private sector collaboration into 2022 and beyond. In terms of delivery, industry representative bodies include Financial Services Ireland; the Irish Funds Industry Association; Insurance Ireland; the Banking and Payments Federation of Ireland; the Irish Association of Pension Funds; the Irish Association of Investment Managers; the Fintech and Payments Federation of Ireland; the Federation of International Banks in Ireland; Chartered Accountants Ireland; and the Society of Actuaries in Ireland. We anticipate their continued involvement in the delivery of the actions and realisation of the vision.

PILLAR 1 DEVELOPING TALENT	PILLAR 2 INDUSTRY READINESS	PILLAR 3 LEVERAGING DIGITAL	PILLAR 4 ENABLING ENVIRONMENT	PILLAR 5 PROMOTION AND COMMUNICATION
1. Establish an International Sustainable Finance Centre of Excellence				
2. Accelerate access to Sustainable Finance knowledge and skills	4. Build capacity and ensure best practice in reporting and disclosure	9. Build a sustainable finance data roadmap for Ireland	12. Establish a public private Climate and Sustainable Finance Group	16. Deliver a coordinated public-private campaign to promote Ireland as a centre for sustainable finance
3. Support international sustainable finance, biodiversity and nature-related capacity building endeavours	5. Increase industry commitments	10. Develop a Sustainable Finance Fintech strategy	13. Ensure the legislative environment is representative of best practice in sustainable finance	17. Identify international sustainable finance initiatives in which Ireland should participate and strengthen existing links
	6. Establish an innovation programme to support the development of new sustainable finance products and services	11. Launch a sustainable finance digital flagship programme	14. Embed sustainable finance and climate risk into supervisory and financial stability assessments	18. Continue to develop and grow Climate Finance Week Ireland
	7. Assess the viability of a climate funding platform in Ireland		15. Explore next steps in Ireland's sovereign funding of climate action projects	
	8. Conduct analysis on the risks and opportunities for the biodiversity finance agenda			

ACTION MEASURES

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
1	ESTABLISH AN INTERNATIONAL SUSTAINABLE FINANCE CENTRE OF EXCELLENCE <p>Focused on the practical acceleration of the sustainable finance agenda at a policy, regulatory and market level, the Centre will lead on research and development activities aimed at supporting the design, development and launch of innovative financial mechanisms to facilitate the transition to a sustainable economy. This will support the realisation of both the Paris Agreement (and successor commitments) and the UN Sustainable Development Goals (SDGs), in Ireland, Europe and further afield. This will be achieved by conducting leading research with a dedicated team of specialists, bringing together public and private sector experts, academia and practitioners to develop and implement solutions that identify and enable suitably qualified initiatives underpinning demand and to enable/channel capital towards an inclusive, net-zero and resilient global economy. In addition, it will assist domestic and international financial institutions to develop practical and scalable solutions to the barriers to climate alignment and the wider sustainable finance agenda, including accelerated ESG integration and the nature-related and biodiversity financing agenda. Activities also extend to contributing to specialist training in the field of sustainable finance and supporting financial institutions as they navigate the organisational and talent development challenge of transforming into a climate-aligned financial institution.</p>	SUSTAINABLE FINANCE IRELAND, UN CONVENED FINANCIAL CENTRES FOR SUSTAINABILITY (UNFC4S)	DEPARTMENT OF FINANCE (D/FIN), INDUSTRY, INDUSTRY REPRESENTATIVE BODIES, UNITED NATIONS DEVELOPMENT PROGRAMME FINANCIAL SECTOR HUB (UNDP FSH), SFS, UCC, UCD, QUEEN'S UNIVERSITY, IOB, EIT CLIMATE-KIC	Q2 2022

**"the Centre will lead
on research and
development activities"**

PILLAR 1: DEVELOPING TALENT - 'BUILDING KNOWLEDGE AND CAPACITY'

With increasing demand for training, development, and peer learning there is a need to further identify sustainable finance skills needs and gaps and respond with world class upskilling opportunities for Irish based and international financial services professionals across the public and private sector, as well as related supporting roles such as IT and compliance. In the development and provision of such capabilities, Ireland has already taken a leadership position through the Skillnet Ireland supported Sustainable Finance Skillnet, the Institute of Banking (IoB), and other market actor activities. In closing this talent gap, Ireland can build on this leadership position by scaling up the existing capability of the Sustainable Finance Skillnet and others to meet growing domestic workforce needs. Parallel to this, a significant opportunity also exists for Ireland to support international developments in this space, which will support efforts to mobilise capital in support of the Paris Agreement (and successor agreements) and the SDG agenda. A greater alignment between domestic and international activities, will further position Ireland as an attractive location of choice for sustainable finance training and development underpinning employment opportunities, the establishment of dedicated topic-specific teams in the public and private sector and overall jurisdiction readiness.

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
2	ACCELERATE ACCESS TO SUSTAINABLE FINANCE KNOWLEDGE AND SKILLS By means of increased support, the Sustainable Finance Skillnet will accelerate the design, development, launch and delivery of targeted financial services sector training across banking, insurance, asset management, asset ownership, aviation aircraft leasing, and the professional services sector, while continuing to roll out existing courseware. A range of training needs must be met, including general and foundational courses in sustainable finance, courses for boards/senior management and bespoke training in specialist areas, such as sustainable finance risk management. In collaboration with industry and supporting firms inhouse talent development, an online database of available sustainable finance courses will be developed. Aligned with this, a peer-to-peer community of practice supporting the sharing of best practices through regular thematic focused and expert-led roundtables will be formed. In partnership with the relevant professional development bodies, the development of a Professional Sustainable Finance skills charter will be explored. This will be central to upskilling efforts and mainstreaming sustainable finance into existing accreditations.	SUSTAINABLE FINANCE SKILLNET (SFS)	D/FIN, D/PER, SKILLNET IRELAND INDUSTRY, IOB, INDUSTRY REPRESENTATIVE BODIES, IFS SKILLNET, UCC AND UCD	ONGOING DATABASE BY Q1 2022: STOCKTAKE BY Q1 2022

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	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
2	<p>Working with third-level educational institutions, a stocktake of existing relevant undergraduate and graduate degrees will be undertaken to ensure that sustainable finance is embedded within curricula. If required, the development of relevant modules will be undertaken to ensure they are fit for purpose.</p> <p>Ensuring industry needs are continuously met, there will be an annual, year on year, increase of individuals gaining access to knowledge and skills. This will be measured through an annual progress and impact analysis assessment. This analysis will also address current and future skills needs of the financial services sector as relates to the sustainable finance agenda, ensuring Ireland remains at the cutting edge of sustainable finance talent development.</p> <p>In addition, a full analysis of public sector sustainable finance talent requirements will be undertaken and if sufficient demand, support will be given to the development of a dedicated public sector training programme.</p>	SUSTAINABLE FINANCE SKILLNET (SFS)	D/FIN, D/PER, SKILLNET IRELAND INDUSTRY, IOB, INDUSTRY REPRESENTATIVE BODIES, IFS SKILLNET, UCC AND UCD	ONGOING DATABASE BY Q1 2022: STOCKTAKE BY Q1 2022

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
3	<p>SUPPORT INTERNATIONAL SUSTAINABLE FINANCE, BIODIVERSITY AND NATURE-RELATED CAPACITY BUILDING ENDEAVOURS</p> <p>In support of developing countries and emerging markets sustainable finance, nature-related and biodiversity financing capacity building endeavours, in partnership with the UN-convened FC4S Network, explore the development of a Global Sustainable Finance Skills network programme. This initiative will leverage off Ireland's Sustainable Finance Skillnet model and Irish expertise gained in the sustainable finance space, for example sovereign green bond issuance.</p>	SUSTAINABLE FINANCE IRELAND, UNFC4S	D/FIN, D/FA, UNDP FSH	ONGOING

PILLAR 2:

INDUSTRY READINESS – ‘BEST IN CLASS MANAGEMENT OF SUSTAINABLE FINANCE RISKS AND OPPORTUNITIES’

A whole of financial sector approach to readying industry with the insights, tools, and mechanisms for sustainable finance leadership is required. This is a critical pillar that provides a building block for success to deliver best in class approaches to addressing emerging sustainable finance risks and to build out the opportunities for the sector. These actions involve establishing co-created programmes and forums on approaches to ESG strategies, underwriting and decisioning, risk management and reporting, compliance with increasing regulatory developments and support mechanisms that underpin the development of sustainable finance opportunities and innovations. This will support the creation of the necessary system infrastructure to prepare industry, while also ensuring continuous horizon scanning of emerging topics of interest to industry.

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
4	BUILD CAPACITY AND ENSURE BEST PRACTICE IN REPORTING AND DISCLOSURE Considering evolving regulation, standards, frameworks, and disclosure obligations it is key that capabilities to meet these requirements are rapidly developed. Building on the <i>Irish Road to COP26</i> 2021 TCFD programme, which is focused on developing Irish located financial services sector, large corporates and semi-state climate-disclosure and reporting capabilities, this programme will be expanded to support a broader focus area, for example the proposed EU Corporate Sustainability Reporting Directive (CSRD), while opening it up to a greater number of participating firms. Programme elements include professional accredited capacity building activities; insight roundtables on EU regulations; case studies; and deep dive horizon scanning research papers that outline the impact of new and emerging topics on Ireland’s financial services ecosystem, for example the establishment of the Task Force on Nature-related Financial Disclosures (TNFD) and the development of an EU social taxonomy, in addition to the EU Taxonomy for sustainable economic activities that will soon take effect.	SUSTAINABLE FINANCE SKILLNET	INDUSTRY, INDUSTRY REPRESENTATIVE GROUPS, UNEP FINANCE INITIATIVE, THE NTMA	ONGOING

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	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
5	<p>INCREASE INDUSTRY COMMITMENTS</p> <p>There are an increasing number of Irish located financial services sector firms, large corporates and semi-states aligning themselves to relevant climate, wider ESG, net-zero and most recently nature-related commitments. Encouraging an increased level of participation, under the Sustainable Finance Skillnet, a programme will be developed to support those Irish located firms to develop their inhouse talent. Being a member of such platforms will ensure they are able to fully avail of best practice examples.</p> <p>Commitment examples include the UN Principles for Responsible Investment (PRI), the UN Principles for Responsible Banking (PRB), the UN Principles for Sustainable Insurance (PSI), the Task Force on Climate-related Financial Disclosures (TCFD), Nature Action 100, and the recently launched Task Force on Nature-related Financial Disclosures (TNFD).</p> <p>Building on the UN-convened FC4S Network annual assessment programme, on a bi-annual basis Irish commitment will be mapped and measured for impact. Mapping efforts will also leverage off the Sustainable Finance Observatory tool, which has been developed by Finance for Tomorrow, Paris and allows for a financial centre to track commitments. An Irish equivalent will be developed.</p>	SUSTAINABLE FINANCE IRELAND	INDUSTRY, INDUSTRY REPRESENTATIVE BODIES, UNPRI, UNPRB, UNPSI, TCFD, NATURE ACTION 100, TNFD, SFS	ONGOING

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
6	<p>ESTABLISH AN INNOVATION PROGRAMME SUPPORTING INDUSTRY DEVELOP NEW SUSTAINABLE FINANCE INSTRUMENTS, PRODUCTS AND SERVICES</p> <p>With an increasing number of Irish located firms exploring new instrument, product and services development, for example green, social, sustainability and sustainability linked bonds, develop a framework that supports and accelerates such efforts. This will be key to realising Irish sustainable finance leadership ambitions and mobilising additional funding streams in support of the climate action agenda and the SDGs.</p> <p>Developed in partnership with industry, framework activities will include an international scoping exercise to identify emerging best practices and the establishment of a dedicated Accelerator programme covering ideation, and start-up to corporate intrapreneurship efforts. Activities will extend to nature-related and biodiversity financing activities. Ensuring appropriate level of connectivity with existing innovation programmes and incentives, and the Central Bank of Ireland Innovation and Climate hubs will be key.</p>	SUSTAINABLE FINANCE IRELAND	INDUSTRY, CENTRAL BANK OF IRELAND, SFS, EI, EIT CLIMATE-KIC, INDUSTRY REPRESENTATIVE BODIES	Q3 2022

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	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
7	<p>EASSESS THE VIABILITY OF A CLIMATE FUNDING PLATFORM IN IRELAND</p> <p>Several jurisdictions have developed or are in the process of developing dedicated online platforms to connect 'investment ready' climate impact projects with potential funders to support their net-zero ambitions. In support of Ireland's national Climate Action Plan, a feasibility study focused on the viability of developing a similar platform for Ireland will be assessed in the context of how best to further mobilise private sector capital towards this agenda. Should an analysis be positive, it is envisaged that such a platform would facilitate the development of blended finance (public/private) for sustainability related projects. By developing such projects, in support of the National Climate Action Plan, Ireland could acquire/enhance sustainable finance structuring expertise that would be deployable in an international context. Further phases will also review the viability of a platform in the global context. As part of this, an analysis of existing Irish international flows of climate finance activities will also be undertaken.</p>	SUSTAINABLE FINANCE IRELAND	INDUSTRY, INDUSTRY REPRESENTATIVE BODIES, D/FIN, THE NTMA	Q3 2022
8	<p>CONDUCT ANALYSIS ON THE RISKS AND OPPORTUNITIES FOR THE BIODIVERSITY FINANCE AGENDA</p> <p>Initiatives examining biodiversity finance have proliferated, and many have taken a systemic view of the changes needed to align the financial system with the needs of a healthy planet.</p> <p>Mainstream financial sector actors need to understand the opportunities and challenges that this area presents and ensure that they are planning appropriately as they pursue their own sustainable finance transformation strategies.</p> <p>Analysis will be conducted to understand and address the potential biodiversity and nature-related impacts on the Irish financial sector from a risk and opportunity perspective. The analysis will cover investment, norms, data, new instruments, the emergence of the TNFD, disclosure of both risk and impact and finally fintech. Consideration will be given to any training needs that may arise to ensure capacity building efforts are in line with the evolving nature of the biodiversity finance agenda.</p>	SUSTAINABLE FINANCE IRELAND	INDUSTRY, INDUSTRY REPRESENTATIVE BODIES, UNFC4S, THE NTMA, SFS	Q2 2022

PILLAR 3:

LEVERAGING DIGITAL - 'SOLUTIONS FOR THE CHALLENGES'

Bringing together two key themes of the Ireland for Finance strategy – digital and sustainable finance, Ireland has an opportunity to champion the development of world class solutions to sustainable finance and nature-related data challenges. As a leader in digital technology, this can be achieved through a dedicated programme of work and aligning expertise across financial services, the technology sector, Fintech and academia.

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
9	BUILD A SUSTAINABLE FINANCE DATA ROADMAP FOR IRELAND <p>As pertains to the sustainable finance agenda, there is the lack of a shared understanding of the data gaps and needs across all sectors of financial services. To better understand how best to overcome this challenge, an analysis to understand these needs and gaps across the Irish financial sector will be undertaken. Within this work programme the below items will be covered:</p> <ul style="list-style-type: none"> • ACCESS TO DATA FOR EXAMPLE BUILDING ENERGY EFFICIENCY AND BER • PRIORITYISATION OF CLIMATE RELATED DATA WITH SUBSEQUENT PHASES FOCUSED ON OTHER ENVIRONMENTAL FACTORS AND SOCIAL DATA • AN END-TO-END DATA MAPPING EXERCISE INVOLVING THE RELEVANT PARTIES IN THE DATA CHAIN WITH CONSIDERATION TO GAPS FOR REPORTING REQUIREMENTS. • THE NEED FOR AN IRISH GREEN DATA SCIENCE INNOVATION HUB AND ITS POTENTIAL ROLE IN CLOSING THE GAP BETWEEN CLIMATE SCIENCE, DATA AND COMPUTER SCIENCE AND THE FINANCIAL SECTOR WILL ALSO BE EXPLORED. 	SUSTAINABLE FINANCE IRELAND	INDUSTRY, INDUSTRY REPRESENTATIVE GROUPS, ACADEMIA, GREEN DIGITAL FINANCE ALLIANCE	Q3 2022

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
10	DEVELOP AN IRISH SUSTAINABLE FINANCE FINTECH STRATEGY <p>As the growth of Ireland's Fintech industry continues it will be crucial to explore the connectivity with the growth in sustainable finance. An initial gap analysis will be conducted to set the foundation for the development of an Irish sustainable fintech strategy and the potential for international collaboration. The analysis will explore actions and opportunities for Ireland and outline a path of action.</p>	SUSTAINABLE FINANCE IRELAND, FINTECH AND PAYMENTS ASSOCIATION OF IRELAND (FPAI)	D/FIN FINTECH GROUP, INDUSTRY, INDUSTRY REPRESENTATIVE BODIES, FINTECH FORESIGHT GROUP	Q3 2022

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
11	LAUNCH A SUSTAINABLE FINANCE DIGITAL FLAGSHIP PROGRAMME <p>To accelerate digital capabilities in sustainable finance a programme of activity will be established to explore how digital can support the challenges faced in mainstreaming sustainable finance. The first phase includes the launch of Ireland's first Sustainable Finance SprintTech Challenge. In addition, an Open-Source Data Taxonomy based on global ESG, and sustainability standards will be launched.</p> <p>Partnership on training requirements with key stakeholders will be embedded to expand capabilities on digital tools for sustainable finance.</p>	SUSTAINABLE FINANCE IRELAND, FINTECH AND PAYMENTS ASSOCIATION OF IRELAND (FPAI)	EI, INDUSTRY, SFS, IOB, EIT CLIMATE-KIC	Q2 2022

PILLAR 4:

ENABLING ENVIRONMENT - 'POLICIES THAT DRIVE CHANGE'

Sustainable Finance is one of four priority areas within the Ireland for Finance Action Plan 2021 with a key focus on the development of an enabling environment to support growth opportunities. These are recognised as system level changes that can be leveraged to further accelerate sustainable finance.

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
12	ESTABLISH A PUBLIC PRIVATE CLIMATE AND SUSTAINABLE FINANCE GROUP The Department of Finance convened Climate and Sustainable Finance Group, a public private sector forum, will aim to broaden and deepen the engagement of the Department with relevant public and private sector stakeholders on Climate and Sustainable Finance. The Group will cover within its remit; the financing of the climate transition in Ireland; progression of the Department of Finance's climate-related commitments; the work of the Department on the international Climate Finance and Sustainable Development agenda; and maximise the opportunities arising from the transition to a low carbon future for domestic and international finance firms.	D/FIN	INDUSTRY REPRESENTATIVE BODIES, PROFESSIONAL BODIES, SFI, EI, IDA	ONGOING

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
13	ENSURE THE LEGISLATIVE ENVIRONMENT IS REPRESENTATIVE OF BEST PRACTICE IN SUSTAINABLE FINANCE Ireland is at the forefront of EU engagement on sustainable finance and committed to deploying resources to ensure Ireland is fully prepared to implement the anticipated wave of sustainable finance related regulation. While the sustainable finance framework is generally devised at EU level and the EU legislative measures frequently have direct effect, local expertise and resourcing in the public sector are required to understand and be in a position to practically apply the framework. Development of such public sector talent is key to realising the roadmaps ambition. In terms of EU engagement government will continue to connect in a timely manner with the European Commission, other Member States and key EU stakeholders to influence and support EU policy development. One key way to deliver on engagement is to significantly increase the numbers of Irish officials in both permanent and temporary positions within the EU Institutions. In a timely manner, reviews (and amendments where needed) to relevant Irish regulation will be conducted as legislation under the EU Sustainable Finance Strategy emerges. This will include the feasibility and consequences of provisions that concern sustainable finance. Government will continue to monitor developments regularly and consider potential policy measures in the sustainable finance arena, as appropriate, with a focus on the initiatives contained within this roadmap. For example, under the IORP II Directive a commitment to responsible and sustainable investment, in all available funds, will be examined to form part of the criteria when selecting pension providers for Auto-enrolment.	D/FIN AND OTHER GOVERNMENT DEPARTMENTS AS NEEDED	CENTRAL BANK OF IRELAND, INDUSTRY	ONGOING

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	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
14	<p>EMBED SUSTAINABLE FINANCE AND CLIMATE RISK INTO SUPERVISORY AND FINANCIAL STABILITY ASSESSMENTS</p> <p>The Central Bank of Ireland has participated as an observer in the Sustainable Finance roadmap process. The Central Bank approaches the very important issue of sustainable finance in light of its statutory mandates of safeguarding monetary and financial stability, securing the proper and effective regulation of financial service providers and markets, and ensuring that the best interests of consumers of financial services are protected. In this context, climate risk and sustainable finance are a strategic focus for the Central Bank, and it has already begun and intends to continue contributing to creating an environment, where climate related financial risks can be more fully and effectively addressed in the context of a financial system playing its role in the transition to a carbon neutral economy.</p> <p>To facilitate this work, the Central Bank established a Climate Change Unit earlier this year, which aims to take a strategic overview of the ongoing work on sustainable finance and climate change across the organisation, to ensure consistency and cohesion in the approach and to work across the Bank to further embed sustainable finance and climate risk considerations into the day-to-day supervisory work and financial stability assessments.</p> <p>In terms of its external engagement on the issues of sustainable finance and climate risk, the Central Bank is actively engaged both domestically and at EU level through, amongst other things, its contribution to the work of the ESAs and the ECB, on issues related to sustainability and climate risk within the prudential and conduct regulatory frameworks for the broader financial sector. Furthermore, the Central Bank's recent Consultation Paper 136 <i>Enhancing our Engagement with Stakeholders</i> makes clear that climate risk is an issue that transcends sectoral boundaries and has the potential to have a material impact on the financial sector. The outcome of this consultation will be announced in the coming period by the Central Bank.</p>	CENTRAL BANK OF IRELAND	D/FIN, INDUSTRY	Q4 2021

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
15	<p>EXPLORE NEXT STEPS IN IRELAND'S SOVEREIGN FUNDING OF CLIMATE ACTION PROJECTS</p> <p>The Irish Strategic Investment Fund (ISIF), Ireland's sovereign development fund, has recently announced an investment programme of €1bn over the next 5 years to fund climate action projects. This investment programme will focus on sustainable infrastructure and new technologies including energy efficiency, renewables, forestry and waste and will back Irish business and projects that are developing solutions to climate change. ISIF plans to partner with global investors to crowd in private capital.</p> <p>Ireland was also among the first wave of European countries to issue a sovereign green bond. With the funds raised now almost fully allocated, and subject to market conditions, consideration will be given to future action in this area within the next year.</p>	GOVERNMENT (D/FIN, D/PER) AND THE NTMA	INDUSTRY	ONGOING

PILLAR 5: COMMUNICATION AND PROMOTION

In positioning Ireland as a leader in sustainable finance, it is mission critical that the core of Ireland's offering is communicated and promoted effectively to stakeholders either looking to locate in Ireland or seeking to source solutions from Ireland. Communication and promotion activities will showcase Ireland as an emerging world-class sustainable finance ecosystem, with deep industry expertise, a focus on product and service development innovation, demonstrable industry commitments, international reach, and effective collaboration across public-private sector stakeholders.

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
16	DELIVER A COORDINATED PUBLIC-PRIVATE CAMPAIGN TO PROMOTE IRELAND AS A CENTRE FOR SUSTAINABLE FINANCE Successfully positioning Ireland as a sustainable finance centre of excellence supports government ambitions to be recognised as a top 20 international financial centre by 2025. The design, development, launch and delivery of a coordinated public-private promotional campaign will be prioritised and delivered on an annual basis beginning in 2022.	D/FIN, IDA, SUSTAINABLE FINANCE IRELAND	D/FA, INDUSTRY REPRESENTATIVE BODIES, INDUSTRY	Q1 2022

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
17	IDENTIFY INTERNATIONAL SUSTAINABLE FINANCE INITIATIVES IN WHICH IRELAND SHOULD PARTICIPATE AND STRENGTHEN EXISTING LINKS Enhancing and deepening Irish policy, regulatory and market expertise and international linkages, Ireland is already a member of several leading public sector global sustainable finance initiatives. A stocktake and analysis will be undertaken to identify the full suite of such initiatives/platforms to ensure Ireland is engaged with the most relevant. Developing a deep talent pool of Irish public sector sustainable finance expertise will ensure Ireland enhances its ability to fully engage with such international initiatives and is maximising involvement with those already engaged with in support of Irish ambitions. Examples of platforms Ireland is currently engaged with include the Coalition of Finance Ministers for Climate Action, the Network for Greening the Financial System (NGFS), UN-convened Financial Centres for Sustainability (FC4S), and the UN-convened Sustainable Insurance Forum (SIF).	SUSTAINABLE FINANCE IRELAND	D/FIN, D/FA	ONGOING

	DESCRIPTION OF ACTION MEASURE	LEAD	STAKEHOLDERS	DEADLINE
18	CONTINUE TO DEVELOP AND GROW CLIMATE FINANCE WEEK IRELAND As Ireland's flagship climate finance and wider sustainable finance annual event, ensure Climate Finance Week Ireland continues to represent best practice. To that end, an analysis of similar international events will be undertaken to guarantee Irish located participants access to the most up to date insights and information to progress the sustainable finance agenda. Showcasing Ireland's ongoing commitment to mobilising capital market participants in support of the Paris Agreement and the SDGs, the hosting of an annual Sustainable Finance Development Day Summit, in partnership with the Department of Finance, the Department of Foreign Affairs, the World Bank, and other multilateral agencies and industry will continue.	SUSTAINABLE FINANCE IRELAND	WORLD BANK, UNFC4S, INDUSTRY REPRESENTATIVE BODIES, INDUSTRY	Q4 2022

TRACKING PROGRESS

With a stated ambition to be a leading centre of excellence for sustainable finance, tracking and measuring roadmap delivery is fundamental to ensure Irish sustainable finance ambitions are realised during the period 2022 – 2025. Aligned with the Ireland for Finance monitoring and evaluation framework, roadmap progress tracking is centred on three key elements.

These are:

1. MONITOR:

tracking and assessing Irish performance against the stated leadership ambition of the roadmap, identifying and highlighting issues and opportunities in real time.

2. MEASURE:

utilising internationally recognised tools such as the UN FC4S assessment programme to measure Irish financial centre and individual company alignment with the Paris Agreement and the UN SDGs. To understand their methodology, on an ongoing basis engage other relevant international indices that map and rank Irish sustainable financial centre performance.

3. REPORT:

highlighting successes and challenges, publicly report on progress during the annual Irish Climate Finance Week.

CHAPTER 5

TRACKING PROGRESS

We intend to measure via the below mechanisms.

MEASURE	DETAIL	TIMELINE
ANNUAL PROGRESS REPORT AND IMPACT ASSESSMENT	<p>On a quarterly basis, progress will be reported on using a traffic light system. These will form the basis of an annual progress report. All public-private sector participants to the Roadmap process will be engaged regarding plans and strategies and to provide case studies to share best practice and learnings among the wider community.</p> <p>An impact assessment will be conducted to assess progress towards the Irish commitment to the SDGs and net neutrality from the financial market's perspective. The assessment will investigate Ireland's financing gap and impact of sustainable finance on the real economy and the extent to which it supports delivery of the National Climate Action Plans and the UN SDGs.</p>	PUBLISH ANNUAL PROGRESS REPORT AND IMPACT ASSESSMENT RESULTS DURING CLIMATE FINANCE WEEK, 2022 – 2025.
ANNUAL BASELINE ASSESSMENT	Annual Baseline assessment using UN FC4S methodology. In addition, utilising the Sustainable Finance Observatory platform, on a quarterly basis track and measure Irish progress against internationally recognised commitments, for example TCFD, Net Zero and science-based targets.	UN FC4S ASSESSMENT SUBMISSION, 2022 – 2025. ONGOING AND CONTINUOUS TRACKING OF COMMITMENTS AND THEIR IMPACT.
IRELAND FOR FINANCE ANNUAL STRATEGY AND ACTION PLAN DEVELOPMENT	During Q4 every year, the Department of Finance engages with all stakeholders as they develop the following years Action Plan. On an ongoing quarterly basis, the Department also tracks progress against each years Action Plan.	INPUT TO IRELAND FOR FINANCE ACTION PLAN DEVELOPMENT. ONGOING QUARTERLY PROGRESS REPORTS TO DFIN CHAIRED CLIMATE AND SUSTAINABLE FINANCE GROUP.

Over time and aligned with international efforts, the robustness of roadmap measurement techniques and methodologies to track Irish financial sector ecosystem commitments and contribution to net-zero delivery and the SDGs will evolve.

Ultimately the roadmap is a milestone in Ireland's journey to be a leading sustainable finance centre by 2025. A whole of financial sector approach and public-private collaboration is needed to crowd in private capital, create the enabling environment, upskill talent, manage systemic risk arising from climate, biodiversity and social issues and redirect capital flows to sustainable economic activity.



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