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Under the auspices of the President of Mongolia
Sustainable Finance Week 2023
“Financing a Green and SDG Aligned Future”

June 13th – 16th, 2023
Ulaanbaatar, Mongolia

EVENT SUMMARY

The Sustainable Finance Week 2023 (SFW 2023) was held in Ulaanbaatar, Mongolia in celebration of the 10th anniversary of the Mongolian Sustainable Finance Initiative. The event was co-hosted by The Office of the President of Mongolia, Mongolian Sustainable Finance Association (MSFA), Institute of Finance and Sustainability (IFS), IFC (a member of the World Bank Group), Sustainable Banking and Finance Network (SBFN), and Trade and Development Bank of Mongolia (TDBM). His Excellency Khurelsukh Ukhnaa, President of the Mongolian People's Republic, served as the event Guest of Honor and Host.

The international forum, which attracted more than 800 in-person participants and 250 online participants from over 30 countries and regions, centered around the theme of "Financing a Green and SDG Aligned Future," emphasizing the critical role of private-public-international partnerships to promote and scale up sustainable finance in achieving the Sustainable Development Goals (SDGs) and the targets outlined in the Paris Agreement.



His Excellency Khurelsukh Ukhnaa, President of the Mongolian People's Republic (centre) poses with officials from the Sustainable Finance Week partner organizations

Program Overview

Day One of the week featured two trainings for SBFN members and partners. The trainings focused on i) how to develop national sustainable finance roadmaps using the recently launched [SBFN Toolkit: Developing Sustainable Finance Roadmaps](#), and ii) climate risk management tools, methodologies, and case studies for financial institutions.

The Green Finance Leadership Programme was organized on Day Two and Three and was filled with constructive discussions and insightful examples shared by SBFN members and other participating organizations. President Ukhnaa reinforced the country's commitment to sustainable economic development facilitated by green finance. The panel discussions highlighted the critical role of policy actions in creating an enabling environment for scaling up sustainable finance and the role of the private sector in creating innovative products addressing the evolving market needs.



President Ukhnaa gives remarks during the official opening of Sustainable Finance Week

Day Four of the SFW 2023 featured Mongolia-focused side events on scaling up green financing for energy efficient housing and sustainable agriculture sectors. A site visit to the Gobi factory, Mongolia's flagship cashmere factory was also organized to share Gobi's enlightening perspectives and approach on their sustainability cashmere manufacturing journey.



SBFN Members, SBFN Secretariat and IFC Country Coordinators after the training sessions

Finally, SBFN was pleased to welcome the Financial Regulatory Commission (FRC) of Mongolia as its newest member. The SBFN membership agreement was signed during the SFW 2023. Ms. Rong Zhang, SBFN Global Coordinator welcomed FRC as the 80th member of the network and emphasized SBFN's long-time partnership with Mongolia. She also highlighted IFC and SBFN's readiness to continue to support FRC's sustainable finance ambition to play a key role in Mongolia's low-carbon and green economy development.



FRC Chairman Bayarsaikhan Dembereldash (right) and Rong Zhang during the signing of the SBFN Membership Agreement

Highlights from the Sessions and Panel Discussions

The panel discussions during the Green Finance Leadership Programme covered several themes, including sustainable finance incentives, blended finance, transition finance, taxonomies, international reporting standards, and the role of technology in sustainability.

Session One focused on the “Global trends on sustainable finance” and interrogated the emerging trends and pressing issues in the global sustainable finance landscape. The session underscored the increasing relevance and critical role of sustainable finance in advancing the transition towards a low-carbon and green future. In her remarks, Rong Zhang highlighted three key barriers to advance sustainable finance, namely: (1) the lack of effective governance of sustainable finance systems at the national and regional levels, (2) a lack of a holistic approach to sustainable finance policy development and implementation, and, (3) the lack of quality data and systematic measurement.

Session Two entitled “Private sector leadership: translating Paris and SDG Commitments into real progress” delved into the topic of transition finance and featured good practices of IFC and other private investors, including initiatives by Mongolian financial institutions. The session, moderated by Nomindari Enkhtur, Advisor to SBFN, emphasized the importance of enabling regulatory and voluntary frameworks to assist private sector in realizing their sustainable finance commitments, and the need for better collaboration on technical capacity building for financial institutions and their clients to identify, develop and finance green projects. Wei Yuan, SBFN Asia Coordinator, shared insights on IFC's first global advisory project in the area of transition finance in collaboration with a Chinese bank.



SBFN Advisor Nomindari Enkhtur facilitates the panel on Private sector leadership on the SDGs and Paris Targets

Session Three on “Leveraging sustainable investments through policy incentives” focused on the importance of policy incentives in leveraging sustainable investments to achieve the SDGs and the targets set in the Paris Agreement. Rong Zhang, Global Coordinator of SBFN provided an overview of global sustainable finance policy incentives, drawing examples from SBFN member countries. The session highlighted the role of financial regulators and policymakers in shaping sustainable finance markets by utilizing a variety of incentive instruments.

Sustainable Finance Department at Bangladesh Bank, shared their insights and developments on designing policy incentives. Central Bank of Egypt and Bangladesh Bank are both SBFN members. Batmunkh Batbold, Senior Financial Sector Specialist at IFC, moderated the session and summarized the critical role of both monetary (supply side) and fiscal policies (demand side) and tools in scaling up sustainable investments.

Salma El Naggar, Sustainable Finance Specialist at Central Bank of Egypt, and Shakhawat Hossan, Joint Director of the

“The role of national green financial institutions and blended finance” was the topic of Session Four, which focused on cooperation between financial institutions, the government, and development finance institutions in enabling more innovative financing mechanisms to drive sustainable capital at scale. Key barriers such as (1) lack of government support in blended finance, (2) complex accreditation and due diligence processes of climate-focused development partners and (3) lack of public awareness were highlighted. In the discussion, risk diversification and risk sharing through government subsidies was identified as one of the potential solutions.

Session Five covered “Measuring and disclosing climate-related risks and impacts”. Speakers shed light on the progress made in developing global standards for sustainability reporting and the implications of these standards on local markets, particularly in emerging markets. National Bank of Georgia, SBFN member, was represented by Salome Tvalodze, Head of the Bank’s Sustainable Finance Division. She shared Georgia’s practices to enhance financial institutions’ disclosure. SBFN Advisor Eph Amatong moderated the session and summarized that by aligning efforts and promoting widespread adoption of these standards, financial institutions and companies can enhance transparency, mitigate risks, and contribute to a more sustainable global economy.



SBFN Advisor Eph Amatong moderates Session Five on implications of global disclosure standards

The next Session on “Enhancing interoperability of green and sustainable finance taxonomies” followed with discussants acknowledging that interoperable and consistent taxonomies are pivotal to facilitating sustainable investments, reducing greenwashing risks, and promoting market transparency. Dilrukshini Anuradha Watudura, Director of the Macroeprudential Surveillance Department at Central Bank of Sri Lanka (SBFN member), shared Sri Lanka’s

approach on developing their taxonomy using the International Platform on Sustainable Finance (IPSF) Common Ground Taxonomy.

Finally, Session Seven covered “Financing sustainability with technology and innovation” and provided examples of how green payment system innovations can advance financial inclusion of small and medium-sized enterprises (SMEs). Other examples of technology and market innovations included debt swaps as mechanisms to attract financing for conservation projects as well as transparent and independent ways of calculating greenhouse gas (GHG) emissions of companies.

The Way Forward

Acknowledging the progress made by many countries related to sustainable finance and taking into consideration the challenges facing emerging markets related to further enhancing sustainable investment, several recommendations were identified by the panellists, namely:

- The importance of collaboration and a collective effort between various stakeholders beyond the financial community toward building a more sustainable and responsible financial landscape;
- The critical role of policy incentives and tools both fiscal and monetary as well as technology and innovation in scaling up sustainable investments;
- The importance of regular knowledge exchanges between financial regulators, policymakers and industry representatives to help leverage existing knowledge and expertise and tackle common challenges to foster sustainable finance markets and contribute to achieving the global sustainability goals;
- The need for collective efforts to ensure the smooth adoption and interoperability of existing and emerging sustainable finance frameworks and standards; and
- The need for capacity building and tailored approaches to ensure effective adoption and implementation of international standards, including disclosure standards.

In conclusion, speakers reinforced that financial sector collaboration on sustainable finance policy as well as public-private-international partnerships create opportunities for a more inclusive and equitable environment that drives positive socioeconomic outcomes.

Sustainable Finance Week Partners

In addition to the event hosts, the Sustainable Finance Week was supported by several local partners, including the Ministry of Economy and Development, Ministry of Finance, Ministry of Environment and Tourism, Financial Regulatory Commission, Mongolian Bankers Association, Deposit Insurance Corporation of Mongolia (DICOM), and MSFA member organizations. International partners included the European Union, Dutch Development Bank (FMO), United Nations Development Program (UNDP), Sprinkles Charity Foundation, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Global Green Growth Initiative (GGGI), Green Climate Fund (GCF), and The Nature Conservancy (TNC).



Delegates visit Cobi cashmere factory

Spotlight on Mongolia



- SBFN was founded in 2012 by IFC as a platform for emerging markets policymakers and industry associations to advance sustainable finance initiatives. The Central Bank of Mongolia was one of the 10 founding members
- Mongolian Sustainable Finance Association, Mongolian Bankers Association, Ministry of Environment and Tourism and Financial Regulatory Commission are SBFN members
- IFC and SBFN have partnered with Central Bank of Mongolia and Mongolia Sustainable Finance Association to develop and implement the country's sustainable finance framework
- Several financial subsectors are covered in the country's sustainable finance roadmap, namely banking, microfinance, capital markets, insurance and public finance
- The country's sustainable finance roadmap objectives cover the green, social and financial inclusion dimensions
- Khan Bank issued the country's first green bond in March 2023. IFC invested US\$15 million in the US\$60 million, five-year fixed income security aimed at funding renewable energy, energy efficiency, green buildings, green mobility, and climate-smart agriculture projects

Visit the SBFN Framework Library to learn more about Mongolia and other SBFN Member Country policies on sustainable finance. [Click here to access the library.](#)

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