

About the Sustainable Banking and Finance Network (SBFN)

February 2024

I. Introduction

Established in 2012, SBFN is a voluntary community of financial sector regulators, central banks, ministries of finance, ministries of environment, and industry associations from emerging markets committed to advancing sustainable finance. IFC, part of the World Bank, is SBFN's Secretariat and knowledge partner, assisting members to share knowledge and access capacity building to support the design and implementation of national sustainable finance initiatives.

As of February 2024, SBFN comprises 89 member institutions representing 68 countries and US\$68 trillion (92 percent) of the total banking assets in emerging markets. **Access a searchable list of SBFN members at <https://www.sbfnetwork.org/membership/>**

SBFN members are committed to moving their financial sectors towards sustainability, with the twin goals of

- (i) Improved risk management and governance of environmental, social, and governance (ESG) factors by financial institutions (FIs), including management and disclosure of climate risks, and
- (ii) Increased capital flows to activities with positive environmental and social impacts, including climate change mitigation and adaptation.

According to the latest [SBFN Global Progress Report \(Oct 2021\)](#), **33 SBFN countries had launched over 200 national framework documents¹** to support sustainable finance.

II. Supporting members to advance sustainable finance

SBFN research over more than a decade shows that collaboration between regulators and industry associations to develop national sustainable finance frameworks generates a positive dynamic between the public and private sector. This is seen in the mix of market-based actions and policy leadership results in more effective frameworks and implementation.

SBFN supports members to advance sustainable finance in their countries and regions through the following activities:

¹ Sustainable Finance frameworks include roadmaps, policies, regulations, voluntary principles, guidelines, reporting templates, scorecards, tools, and research.

- **Virtual and in-person international gatherings**, such as the SBFN biennial meetings, sometimes cohosted with member countries. To read about past events and to see the upcoming events, visit <https://www.sbfnetwork.org/events/>
- **Peer-to-peer exchanges among members**, such as study tours, virtual knowledge exchanges, and learning events covering variety of topics, such as green bond issuance, taxonomy development, sustainable finance roadmap formulation, reporting, and green finance innovations.
- **Capacity building**, including presentations and/or training sessions to build knowledge within member institutions on how to create a national enabling environment for sustainable finance, such as i) designing national roadmaps and frameworks, ii) creating markets for sustainable finance instruments, iii) stakeholder engagement, iv) governance of sustainable finance frameworks, and iv) developing and implementing sustainable finance taxonomies.
- **Technical support and review** as part of members' formulation of frameworks, guidelines, principles, policies etc.
- **Member-led thematic working groups** (read more at <https://www.sbfnetwork.org/working-groups/>)
- **An online knowledge base** comprising [publications](#), thought leadership, and a [Framework Library](#) of members' policies, regulations, and guidelines. Available at www.sbfnetwork.org
- **Regular membership communications** on policy and implementation developments across member countries.
- **SBFN Global and Country Progress Reports** (read more at <https://www.sbfnetwork.org/publications/global-progress-report-2021/>). In 2023 the progress reports will be replaced with interactive, real-time Data Portal.

Where available, **SBFN also partners with IFC and World Bank advisory programs** to deliver direct advisory support to members in developing sustainable finance guidelines, roadmaps, policy frameworks, and capacity building.

III. Representing emerging markets in global dialogue and thought leadership

A key role of SBFN is to contribute the experiences and insights of SBFN members to global dialogue. SBFN's Secretariat engages with key international initiatives to ensure alignment and consideration of emerging markets' perspectives. These include, but are not limited, to the

- **G20 Sustainable Finance Working Group (SFWG)**. Launched in 2016, the G20 SFWG aims to enhance the mobilization of private green investment through financial markets. SBFN was invited to be a key knowledge partner and contributed a series of Input Papers with case studies of member experiences, thereby providing an emerging markets perspective to inform the global agenda. The Group's Synthesis Report in 2016 and its recommendations were endorsed by the G20 Leaders, including calls for scaling SBFN as a global learning platform.
- **Network for Greening the Financial System (NGFS)**. SBFN and NGFS are partnering to advance the sustainable finance agenda globally and to contribute to Sustainable Development and Climate Goals. SBFN, represented by IFC as its Secretariat along with the World Bank, has been an official observer to NGFS since its inception, participating in NGFS' three work streams.

- [EU International Platform of Sustainable Finance \(IPSF\)](#). SBFN, represented by IFC as its Secretariat and along with the World Bank, joined IPSF as an official observer in 2021.

SBFN also contributes to thought leadership in collaboration with members, global partners, other development institutions, and international organizations, including the following tools and publications:

- [SBFN Toolkit on Developing Sustainable Finance Roadmaps](#), combines member experiences over more than a decade to offer a practical and comprehensive guide to operationalize national roadmaps for developing policies, principles, regulations, disclosure, and capacity building for sustainable finance. The Toolkit consists of a slide-deck based guide, excel-based Mapping and Benchmarking Tool, implementation materials, and a three-part video tutorial.
- [Inclusive Green Finance: A Policy and Advocacy Approach \(May 2023\)](#) was launched by the Inclusive Green Finance Working Group (IGFWG), convened by H.M. Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA), and including SBFN. The policy note presents a conceptual framework for inclusive green finance, examining how access to and usage of climate-focused financial services, including green credit, savings and insurance, can help build the resilience of households, SMEs, women, and vulnerable groups in the face of climate shocks, while also providing opportunities to participate in green economic sectors, including agriculture, renewable energy, transport, and waste management.
- [Introduction to Sustainable Finance Taxonomies \(June 2023\)](#) is a free e-learning course developed by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, in cooperation with SBFN, to support financial sector regulators and other stakeholders as they leverage taxonomies (classification systems) to direct capital to economic activities that support low-carbon, green, and inclusive economies. The e-learning features detailed case studies from the European Union as well as three SBFN member countries: China, South Africa, and Colombia.
- [Activating Alignment: Applying the G-20 Principles for Sustainable Finance Alignment with a Focus on Climate Change Mitigation \(September 2023\)](#) is a paper by staff of the International Monetary Fund (IMF), World Bank (including SBFN), and the Organization for Economic Co-operation and Development (OECD), with input from staff of the Bank for International Settlements. The report contributes to the design and implementation of a robust global climate information architecture and to greater interoperability among national and regional frameworks that promote alignment of capital with the Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs). SBFN contributed the experience of member countries in designing alignment approaches that seek to apply international good practice while respecting the unique characteristics of local markets.

IV. Member-led thematic working groups

Member-led Working Groups are one of the main ways that SBFN members collaborate to exchange experiences and develop common approaches. The following working groups have been established in response to member priorities and interests. The working groups are co-chaired by leading SBFN member institutions.

- [Sustainable Finance Instruments Working Group](#) (formerly the Green Bond Working Group). This WG responds to members' continued interest in the rapidly evolving landscape for sustainable finance

instruments. It led to the 2018 report “[Creating Green Bond Markets](#)”, which mapped green bond market developments in over 22 emerging markets and included a practical toolkit for SBFN members. The WG currently focuses its work on benchmarking taxonomy-related initiatives across the network and with global, regional, and developed market experiences. A Taxonomy Toolkit will be launched in early 2024.

- [Data & Disclosure Working Group](#). This new WG responds to the current global need for improved data and disclosure by the financial sector to support national sustainable finance ecosystems and enable regulators and supervisory agencies to better assess ESG risks and opportunities in the financial sector and incentivize the transition to green and socially inclusive economies. Recent trends include the growing need for climate-related data, supported by initiatives such as the Task Force on Climate-related Financial Disclosures (TCFD); as well as the new IFRS International Sustainability Standards Board (ISSB), which has introduced standards for sustainability and climate disclosure. This group initiated active member engagement in early 2023 to map the landscape initiatives being undertaken by SBFN countries to support sustainable finance practices through improved measurement, monitoring, and reporting for different parts of the financial sector. The results of the mapping will be published in 2024. This working group is also working closely with the new Global Reporting Initiative Sector Standard Project for Financial Services, with SBFN member institutions participating in the technical committees for banking, insurance, and capital markets respectively.
- [Measurement Working Group \(MWG\)](#): Established in 2016, the WG responds to SBFN member demand for a systematic approach to assess and benchmark progress by countries in developing national sustainable finance frameworks. The WG has developed and refined a [Measurement Framework](#) that was approved by all members and continues to evolve to keep pace with country-level and global developments. The Measurement Framework guides the development of SBFN’s [Global and Country Progress Reports](#), the most comprehensive benchmarking of national sustainable finance initiatives across emerging markets, which are published every two years to support members and the broader financial sector. From 2023, SBFN is developing an online dashboard to showcase member progress in real time and interactive format. SBFN’s 2021 Measurement Framework benchmarked national policies and principles across three key thematic pillars that cover the full spectrum of sustainable finance: i) ESG Integration, ii) Climate & Nature-related Risk Management, and iii) Financing Sustainability.
- [Inclusive Sustainable Finance \(ISF\) Taskforce](#). Launched in February 2024, The ISF Taskforce will help deepen understanding of how Emerging Markets policymakers, regulators, supervisors, industry associations and financial institutions can design and implement inclusive sustainable finance frameworks. The Taskforce is to complement –and not replicate – the work of existing policy platforms, including Alliance for Financial Inclusion, CGAP, G20 and the United Nations. By analyzing member policy innovations and sharing their own experiences with the development of inclusive financial risk management and financing sustainability measures, the Taskforce will explore and document how SBFN Members promote inclusivity through their sustainable finance frameworks thereby enhancing policy design. In so doing, the Taskforce will present Members with a set of policy alternatives and strategic choices to enable them to achieve their desired sustainability outcomes. The new ISF Taskforce will replace and build on the work undertaken by the SBFN [IDA/Low Income Country Task Force](#).

V. How to join SBFN

SBFN is open to financial sector regulatory bodies and industry associations from emerging markets that are committed to developing and implementing national sustainable finance regulations, guidelines, and related policy actions.

SBFN membership does not constitute any legal or financial obligation to undertake regulatory actions. Instead, members are required to:

- ***Demonstrate progress in advancing an enabling environment for sustainable finance within a two-year timeframe.*** This could include awareness raising, stakeholder engagement, and capacity building, with a view to developing policies, roadmaps, guidelines, or voluntary principles to cover different aspects of sustainable finance. Each country selects the strategies that best fit its context and priorities.
- ***Contribute to SBFN's ongoing measurement and benchmarking of country progress*** and innovations in advancing sustainable finance.
- ***Participate in SBFN Working Groups and contribute to collective knowledge***, approaches, and tools.

Interested institutions can apply to join SBFN via the following procedure:

- **An official letter should be sent from the Governor or Head of the institution to indicate a request to join SBFN.** It should describe the motivations for joining SBFN and the commitment to meet the membership requirements mentioned above. The letter can contain specific actions that the institution intends to take in the next two years, or it could indicate a general commitment to advance sustainable finance.

The letter should be addressed to
Mr. Alfonso Garcia Mora, SBFN Chair, Vice President
International Finance Corporation (IFC)
c/o [SBFN Secretariat@ifc.org](mailto:SBFN_Secretariat@ifc.org).

- **The SBFN Secretariat will review the application** based on membership requirements.
- Upon approval, **a membership confirmation letter from the SBFN Chair** will be sent to the Governor or Head of the potential member institution.
- Once the membership process is completed, the new member will be asked to **appoint its focal point and representatives in the relevant SBFN Working Groups.**

For any further questions, don't hesitate to reach out to the SBFN Secretariat: [SBFN Secretariat@ifc.org](mailto:SBFN_Secretariat@ifc.org)

Or visit <https://www.sbfnetwork.org>