

Paris and Berlin, October 18<sup>th</sup>, 2023

**SUSTAINABLE FINANCE ADVISORY COMMITTEE OF THE GERMAN FEDERAL GOVERNMENT (SFB) &  
THE FRENCH SUSTAINABLE FINANCE INSTITUTE (IFD)**

**JOINT STATEMENT OF COOPERATION**

Representatives of the German Sustainable Finance-Beirat and the French Institut de la Finance Durable (IFD) met for the first time in Paris last March 13, 2023. They have subsequently agreed jointly to work on areas of common interest in the field of Sustainable Finance:

**1-CONTEXT & OBJECTIVES**

The SFB (Sustainable Finance-Beirat) was first convened in Berlin in 2019 and established anew in 2022 as an advisory body to the German federal government under the joint leadership of the Federal Ministry of Finance (BMF) and the Federal Ministry for the Environment (BMUV) and in close consultation with the Federal Ministry for Economic Affairs (BMWK) and the Federal Ministry of Justice (BMJ). The SFB operates as an independent and effective multi stakeholder dialogue platform with individual members from the real economy, the financial sector, civil society and academia and advises the German government on the further development and implementation of its sustainable finance agenda. The honorary members are supported by observers and further external experts.

The German Advisory Body is working along 3 thematic clusters with a maximum of 3 working groups each. The thematic clusters are currently:

- Transition Finance with working groups around financing instruments for the transition towards a sustainable economy.
- Sustainable Finance Regulation with working groups around the EU sustainable finance regulatory framework and its coherence.
- International Engagement with working groups that foster international partnerships around the key topics in Transition Finance and Sustainable Finance Regulation.

The Sustainable Finance Institute (IFD) was established in Paris in November 2022, as a part of Paris Europlace, following the first steps accomplished by Finance for Tomorrow. The objective is to promote Green and Sustainable Finance at the national level as well as at the European and international levels. The IFD gathers all stakeholders: representatives of Public Authorities, Corporates, Financial Institutions and experts. It monitors, in cooperation with the French Treasury, the agenda of the CTFE (Comité de place pour le Financement de la Transition Ecologique), a dedicated committee chaired by the French Finance Minister.

The IFD has decided to give full priority to the Carbon Neutrality agenda in 2023 and it has therefore implemented 6 dedicated working groups on the following topics:

- How to finance the ecological transition (what are the financing needs, what are new financing instruments)?
- CO2 accounting methods (and more particularly measurement of scope 3 emissions at corporate level and at credit and investment portfolios levels).
- Identification of standards for the analysis and rating of companies' carbon performance and transition plans.
- Carbon externality governance and management.
- Alignment trajectory and fossil energy scenario for the Paris financial center.
- Participation to the European and international dialog on Sustainable Finance.

At the same time, the IFD continues its former working groups dedicated to Impact investing, Biodiversity Financing as well as the Just Transition, ESG Talents and Sustainable Fintechs.

Both the SFB and the IFD have a common objective, which is to foster the development of Sustainable Finance in their respective countries as well as in Europe and to contribute to the international dialogues in this field.

## **2-COOPERATION**

Therefore, SFB and IFD have agreed to establish a partnership between the two organizations, to develop the following activities:

- Regular information and exchanges on best practices and on regulatory frameworks between Berlin and Paris regarding Sustainable Finance: objectives, concrete priorities, new recommendations. Establish a dialogue between the respective working groups.
- Elaborate, when possible, joint position papers to be discussed at the European level, as well as at the international level, in the context of the further evolution of Sustainable Finance regulation.
- Elaboration, when possible, of joint papers and recommendations for the COP 28 and potentially other relevant international events.
- Preparation of input papers for the French-German Council of Ministers.
- Organisation of French-German conferences / workshops / seminars / webinars on sustainable finance related topics.

A bilateral working group will be put in place, gathering representatives of the two organizations to further finetune the areas of cooperation and establish a modus operandi. The working group will meet on a half-yearly basis, alternately in Paris and Berlin (or else remotely).