



Sustainable Banking Network

Who are we?

The Sustainable Banking Network (SBN) is an informal and exclusive group of banking regulators and associations that are interested in sustainable banking policies, guidelines and practices. Its main objective is to facilitate the collective learning of its members and to support them in policy development to create drivers for sustainable finance practices.

The idea for the SBN arose during the Beijing Green Credit Forum in May 2012, where participants from 12 countries requested that the International Finance Corporation facilitate a knowledge network for banking regulators and associations. The Network was formally launched in September 2012.

Network Activities

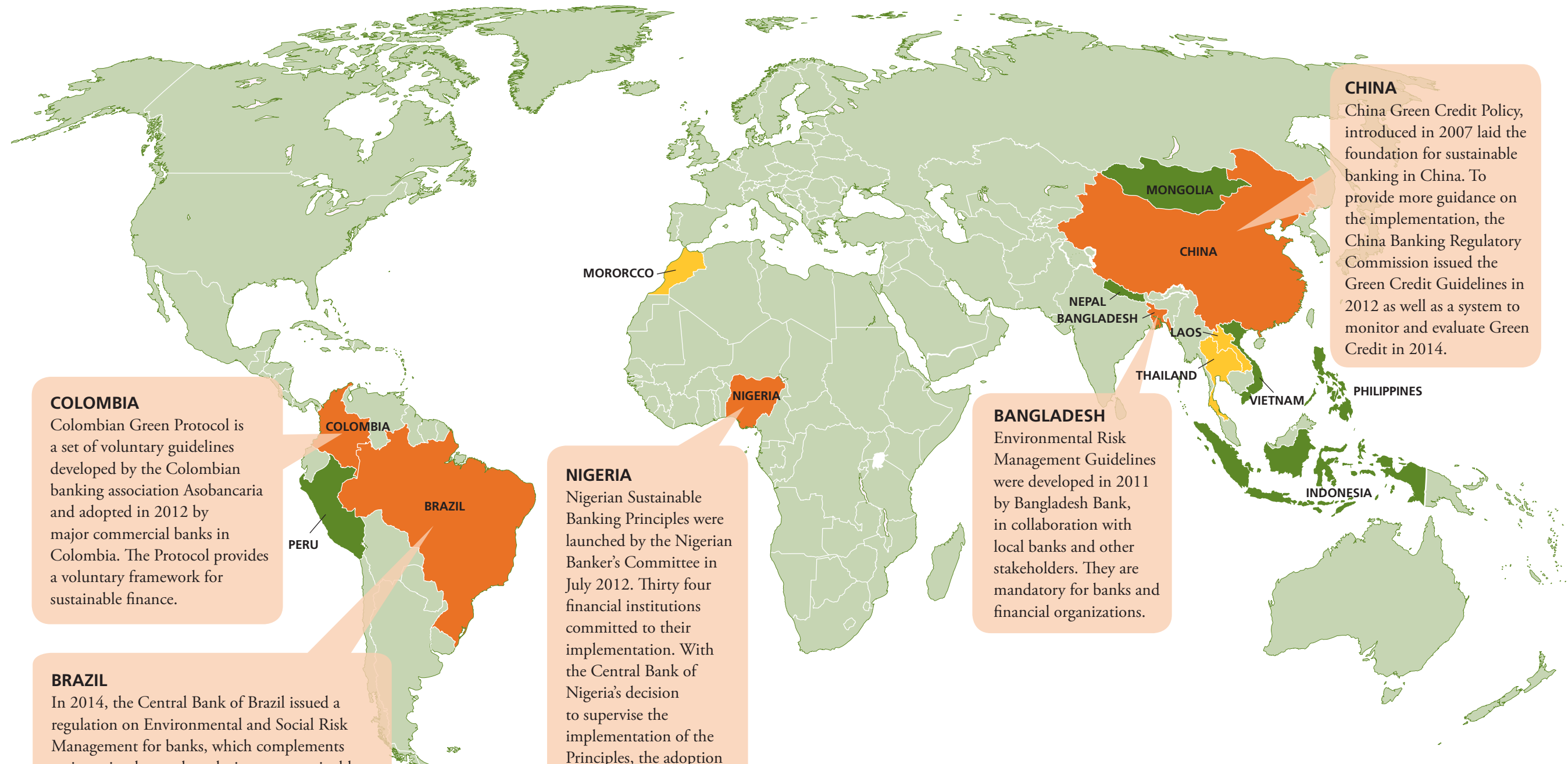
The annual SBN meetings, implemented since 2012, are the principal space for dialogue, networking and knowledge generation. Past meetings have taken place in December 2012 in Washington DC, USA, in November 2013 in Tokyo, Japan, and in March 2014 in Lagos, Nigeria. These meetings provide SBN members with a platform to present national initiatives in the sustainable banking space, to discuss current issues and jointly develop new approaches to sustainable banking. Furthermore, regulators are invited to participate in IFC-hosted dialogue events and expert groups, such as the annual Performance Standards Community of Learning, a meeting for financial institutions that have adopted the Equator Principles. These events provide the opportunity for dialogue with leading commercial banks worldwide, which plays a crucial role in the development of regulatory guidance.

Sustainable Banking Policies and Guidelines

To effectively shift to sustainable banking practices, banks require an enabling regulatory context that ensures a level playing field and provides the right economic incentives. With this in mind, a number of emerging market banking regulators have started to pioneer the development of such regulatory guidance, which focuses on more effective management of environmental and social risks in lending, and support for businesses that are greener, climate friendly and socially inclusive. The world map on the following pages provides an overview of SBN countries that have issued or that are in the process of developing such guidelines for banks.



Existing Regulations



COLOMBIA
Colombian Green Protocol is a set of voluntary guidelines developed by the Colombian banking association Asobancaria and adopted in 2012 by major commercial banks in Colombia. The Protocol provides a voluntary framework for sustainable finance.

BRAZIL
In 2014, the Central Bank of Brazil issued a regulation on Environmental and Social Risk Management for banks, which complements various circulars and resolutions on sustainable banking issued between 2008 and 2011. Furthermore, a set of voluntary guidelines on sustainable banking was launched in Brazil in 2008 and 2009 (Green Protocols).

NIGERIA
Nigerian Sustainable Banking Principles were launched by the Nigerian Banker's Committee in July 2012. Thirty four financial institutions committed to their implementation. With the Central Bank of Nigeria's decision to supervise the implementation of the Principles, the adoption of the Principles has become quasi-mandatory.

BANGLADESH
Environmental Risk Management Guidelines were developed in 2011 by Bangladesh Bank, in collaboration with local banks and other stakeholders. They are mandatory for banks and financial organizations.

CHINA
China Green Credit Policy, introduced in 2007 laid the foundation for sustainable banking in China. To provide more guidance on the implementation, the China Banking Regulatory Commission issued the Green Credit Guidelines in 2012 as well as a system to monitor and evaluate Green Credit in 2014.

- Existing Regulations: Bangladesh, Brazil, China, Colombia, Nigeria
- In Development: Indonesia, Mongolia, Nepal, Peru, Philippines, Vietnam
- Other member countries: Laos, Morocco, Thailand





SBN Membership

SBN members include banking regulatory bodies, environmental regulators and industry associations, such as banking associations. The Network is open to all officials or specialists working in these institutions, who have an interest in environmental and social sustainability issues, as well as in supporting the financial sector with guidance to manage environmental and social risks and opportunities.

Current SBN members:

- Bank of Bangladesh
- Central Bank of Brazil
- Central Bank of Morocco
- China Banking Regulatory Commission
- China Banking Association
- China Ministry of Environmental Protection
- Asobancaria, Banking Association of Colombia
- Otoritas Jasa Keuangan (Indonesia Financial Services Authority)
- Bank of Lao PDR
- Bank of Mongolia
- Mongolia Banking Association
- Mongolia Ministry of Environment and Green Development
- Nepal Rastra Bank
- Central Bank of Nigeria
- Superintendence of Banks, Insurers, and Private Pension Funds of Peru
- Bangko Sentral ng Pilipinas
- Thai Bankers Association
- State Bank of Vietnam
- Vietnam Ministry of Natural Resources & Environment

How to Join the SBN

The SBN welcomes new members and encourages them to share experiences, learn from others, and to benefit from Network activities. The network is entirely voluntary and participating regulators and banking associations have the freedom to involve to the extent that suits their purposes. A defining characteristic of the network is the practicality and openness with which members are collaborating to share knowledge.

For further information about the SBN, please contact Rong Zhang, Global Coordinator for SBN at IFC (rzhang@ifc.org).



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