

## SCOPING PROJECT

# How to proceed with Sustainable Finance in Germany? The GSFCG supports focussed needs analysis for the further establishment and development of sustainable finance structures.

In order to shape the next steps for the further development of a sustainable financial system in Germany, the Advisory Board members from the Green and Sustainable Finance Cluster Germany, Bürgerbewegung Finanzwende, Frankfurt School of Finance & Management and WWF Germany have initiated a needs analysis. The project, which is funded by the European Climate Foundation, uses a multi-stage approach to address the question of what actions need to be undertaken in order to further the cause of sustainable finance and how this can be pursued in concrete terms.

The importance of a sustainable financial system for a future-proof and competitive economy has gained visibility in Germany over the past two years. Various initiatives and actors have contributed to this positive development, laying the foundation for a financial sector aligned with the goals of the Paris Climate Agreement and the United Nations Sustainable Development Goals. The recommendations of the Sustainable Finance Advisory Council and the German government's Sustainable Finance Strategy based on them, are an important contribution to this.

In its report published in February, the German government's Advisory Council recommends the establishment of an implementation structure that works in close alignment with the public sector to drive forward the transformation to a sustainable financial system. With the involvement of all stakeholders, this possible platform can generate joint impulses and approaches to solutions. This platform should also be designed to serve as a point of contact in the event of potential conflicts of interest. This proposal of the Advisory Council is also reflected - albeit still rather vaguely - within the framework of the German government's Sustainable Finance Strategy.

In order to concretize the steps of building a possible support structure, the advisory board members from the Green and Sustainable Finance Cluster Germany, the Bürgerbewegung Finanzwende, the Frankfurt School of Finance & Management and WWF Germany have initiated a needs analysis. The European Climate Foundation is thankfully providing the funding for this initiative.

In a first step, an online survey was conducted in March, the results of which were discussed by a specially convened sounding board consisting of representatives from the financial sector, the real economy, civil society, academia and politics, and also in the German Sustainable Finance Advisory Board. Further, interviews were conducted with selected representatives from the aforementioned stakeholder groups starting in mid-April to reflect on the results of the survey and to deepen the understanding of the options in terms of focus and design of a possible support structure.

The results generated here were also discussed in the Sounding Board as well as the Sustainable Finance Advisory Board. The project partners aim to publish the results of the needs assessment and recommendations for the subsequent course of action in June 2021.