



financing climate **change** action

**FIND OUT WHY LUXEMBOURG
OFFERS AN **IDEAL ENVIRONMENT**
FOR CLIMATE FINANCE**

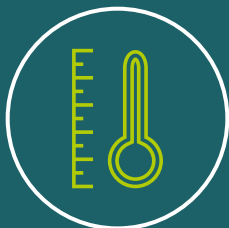




Leveraging Public and Private Financing to **Fight Climate Change**

THE CONTEXT: CLIMATE CHANGE

The COP21 Paris Agreement of December 2015 marked a turning point: for the first time in history, world nations have reached consensus to curb carbon pollution and improve resilience in the face of climate change.



KEY ELEMENTS:

- Limit global warming to below 2°C (target 1.5°C)
- Mobilise USD 100 billion per year by 2020 to help developing countries mitigate climate change effects and adapt to existing impacts



THE CHALLENGE: UNLOCKING INVESTMENTS

- Finance will be key to achieving these aims. Public sources of finance will not be sufficient. It must be leveraged by capital from private and institutional investors.



The World's Green Bond Capital



Home to a **leading global capital market infrastructure** that ranges from listing to post-trade services and a comprehensive ecosystem of highly specialised service providers able to assist international clients in both equity and debt securities offerings, Luxembourg is playing a key role in the area of Green Bonds.

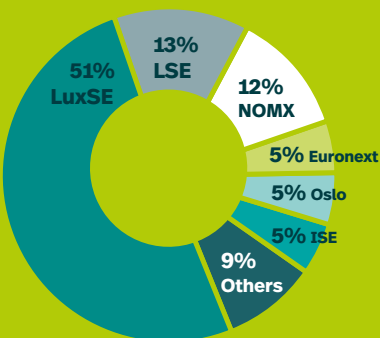
THE LUXEMBOURG STOCK EXCHANGE: GLOBAL LEADER AND PIONEER IN GREEN BONDS

- In 2007, **LuxSE listed the world's first Green Bond**, issued by the European Investment Bank
- **100+** Green Bonds listed for a total outstanding amount of USD 42 trillion
- **Global market leader:** 50% market share of Green Bond listings
- Committed to the development of **Green Bond principles**

GREEN BOND LISTINGS

As of February 2016

GLOBAL MARKET SHARE



NUMBER OF LISTINGS BY EXCHANGE



The Domicile of Choice for **Socially Responsible and Impact Investments**

- Luxembourg has a **strong track record in socially responsible and impact investments** and provides the perfect environment for climate finance funds
- A tried and tested **toolbox of investment vehicles**, widely considered the most adaptable in the European marketplace

37%

LUXEMBOURG HAS THE LEADING EUROPEAN MARKET SHARE OF FUNDS WITH ENVIRONMENT STRATEGIES

over **50%**

OF ASSETS IN MICRO-FINANCE INVESTMENT VEHICLES (MIVS) WORLD-WIDE ARE IN LUXEMBOURG DOMICILED FUNDS

67%

OF AUM IN EUROPEAN IMPACT FUNDS ARE DOMICILED IN LUXEMBOURG

LUXEMBOURG FUNDS ACCOUNT FOR



69%

OF AUM IN RENEWABLE ENERGY FUNDS IN EUROPE



69%

OF AUM IN WATER FUNDS IN EUROPE



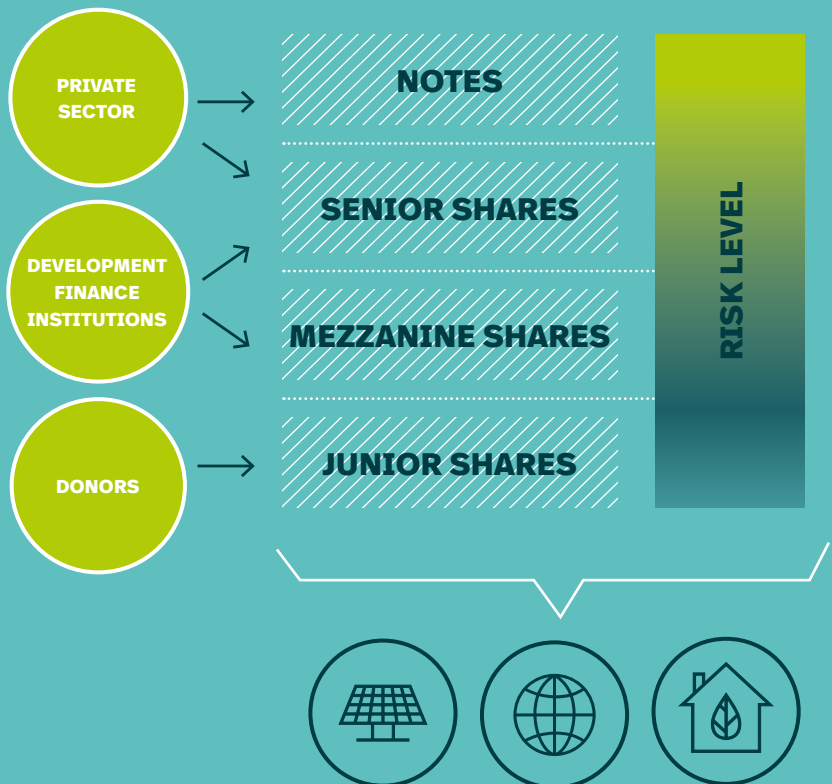
63%

OF AUM IN REMAINING ECOLOGICAL INVESTMENT STRATEGIES IN EUROPE



An Ideal Environment for **Public Private Partnership Structures**

Luxembourg layered funds incorporated over the past 10 years have proven to be an effective way of promoting joint public-private partnership structures. These structures are currently used in various forms to leverage public money, mobilising private investment in sustainable projects.



Source: Innpect





The Luxembourg Financial Centre: Providing the **right Environment for Climate Finance**

Luxembourg is an innovative and socially engaged financial centre that is prepared to shoulder its responsibility towards the international community and is committed to playing a key role in the global fight against climate change.

- **Top 2** EU financial centre
- 140+ international banks
- **Europe's leading centre** for securities listings
- 40,000+ listed & tradable **securities**
- 3,000+ **issuers** from more than 100 countries
- Listings in 50+ currencies
- **2nd largest investment** fund centre in the world
- Global leader for cross-border investment fund distribution (70% market share)
- Over 55,000 **cross-border fund registrations** in 70 markets worldwide
- State-of-the-art legal and regulatory framework for investment funds





A Label of **Quality**

Since 2006, Luxembourg's pioneering fund **labeling agency LuxFlag** has helped raise private capital for sustainable and responsible investment projects by providing clarity and transparency for investors. The agency offers three labels.



Philanthropy Putting Wealth to Work

The **Fondation de Luxembourg** is an important asset for the Luxembourg private banking community. By means of an umbrella foundation structure, the Fondation assists donors in selecting, structuring and managing their philanthropic investment projects. The Fondation has been extremely successful, attracting more than 60 foundations that engage in 129 projects around the world. Currently eight foundations target climate change mitigation.



USEFUL CONTACTS



www.alfi.lu



www.fdlux.lu



www.bourse.lu



www.luxflag.org



www.luxembourgforfinance.com

