TC NOTES

PRACTICAL **LEADERSHIP**
AND **GUIDANCE** FROM
TORONTO CENTRE

HOW CAN SUPERVISORY AUTHORITIES CONTRIBUTE TO MEETING THE UN SDGs?

CLIMATE CHANGE, FINANCIAL INCLUSION AND GENDER EQUALITY

JUNE 2019

TORONTOCENTRE
Global Leadership in Financial Supervision

Global Affairs Canada
Affaires mondiales Canada

Sida
SWEDISH INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

HOW CAN SUPEVISORY AUTHORITIES CONTRIBUTE TO MEETING THE UN SDGs?

CLIMATE CHANGE, FINANCIAL INCLUSION AND GENDER EQUALITY

TABLE OF CONTENTS

HOW CAN SUPERVISORY AUTHORITIES CONTRIBUTE TO MEETING THE UN SDGs?

CLIMATE CHANGE, FINANCIAL INCLUSION AND GENDER EQUALITY

Introduction[1]

There is a growing international consensus on the importance of climate change, financial inclusion and gender equality. The United Nations, IMF, World Bank and many national governments are focusing increasingly on these issues, reflecting their importance for sustainable economic development, poverty reduction and social justice.

Some supervisory authorities have already taken a keen interest in these issues, in particular where they are reflected in the mandate or objectives of the supervisory authority. However, some other supervisory authorities display only a limited interest in these areas.

There is scope to increase the focus of supervisory authorities in these areas. This might be encouraged and facilitated if supervisory authorities had clearer (primary or secondary) mandates to address climate change, financial inclusion and gender equality. This could be achieved within a purely national context, or it could be a response to international standard setters placing greater emphasis on these issues in their core principles and standards, or in the assessment criteria and guidance supporting these principles and standards.

International Consensus

The UN Sustainable Development Goals[2] (SDGs) include:

Goal 5 – Achieve gender equality and empower all women and girls

Goal 8 – Promote sustained, inclusive and sustainable economic growth, including financial inclusion

Goal 13 – Take urgent action to combat climate change and its impacts, including by integrating climate change measures into national policies, strategies and planning.

The United Nations calls for the SDGs to be pursued at national, regional and global levels, taking into account different national realities, capacities and levels of development, and respecting national policies and priorities. The SDGs are a single interactive framework and as such the goals selected for attention here will contribute to and benefit from action on the others.

[1] This Note was prepared by Clive Briault.
[2] United Nations (2015a).

Canada and Sweden provide good examples of how countries are working toward these goals. Canada's Feminist International Assistance Policy (FIAP), introduced in June 2017, recognises that supporting gender equality and the empowerment of women and girls is an excellent way to build a more peaceful, inclusive and prosperous world. The FIAP will "help women and girls achieve more equitable access to and control over the resources they need to secure ongoing economic and social equality."[3] The FIAP also works across a range of action areas that reflect the multidimensional nature of poverty, in support of the SDGs.

Similarly, the approach to development aid in Sweden follows three thematic priorities: democracy and human rights, environment and climate change, and gender equality and the role of women.

Governments often expect financial regulators and supervisors to work in a manner supportive of their policy goals, including those related to the SDGs. Toronto Centre builds the capacity (leadership skills, expertise, and willingness and ability to act) of financial supervisors and regulators from emerging markets and developing economies, to help them to bring about transformational changes to improve financial stability, promote financial access, inclusion and gender equality, address climate change and support effective governance.

The Role of Supervision and Regulation

1. Financial Stability

Monetary and financial stability are generally viewed as preconditions for sustained economic growth and prosperity. The primary objective of the Financial Stability Board (FSB) is global financial stability.

Inadequate regulation and supervision can create an environment that increases the risk of financial instability and financial crises. In contrast, sound regulation and supervision result in stronger financial systems, which in turn generate economic growth, help create jobs, and prevent and reduce poverty. For emerging markets and low-income economies in particular, stable financial systems are important contributors to long-term economic growth and development.

The relation between financial stability and economic development may be reinforced by the inter-linkages between financial stability, financial inclusion, gender equality and climate change. Financial crises, financial instability and climate change often have a greater negative impact on the poor, in particular on women and children, a detrimental impact on efforts to expand financial access and inclusion, and a negative impact on foreign direct investment. Banks tend to lend less when there is instability or uncertainty in financial systems; poorer populations (including women) in developing countries find it more difficult to access credit and insurance in such circumstances; and people tend to avoid depositing money in financial institutions where there is instability or insecurity.

[3] Global Affairs Canada (2017).

Meanwhile, greater financial inclusion and gender equality, better management of the risks related to climate change and indeed reduced climate change itself, should enhance financial stability over time through a deeper, more diversified and more resilient financial system.

Considerations for supervisors

Addressing inadequate supervisory and regulatory practices is important in promoting stable financial systems and stable economies more generally and in preventing crises that exacerbate poverty or reduce pathways for poor women and men to escape poverty, particularly for emerging markets and low-income economies. Equally, progress on financial inclusion, gender equality and climate change may enhance financial stability.

2. Climate Change[4]

The average global surface temperature has increased by at least 1°C since the late 1800s, with further increases projected.[5]

> "Climate scientists have concluded that continued emissions in line with historical rates would lead to warming of 1.5°C between 2030 and 2052. This would cause long-lasting changes in all components of the climate system, increasing the likelihood of severe, pervasive and irreversible impacts for people and ecosystems." Network for Greening the Financial System (2019).

Climate change has already led to an increased incidence of natural catastrophes, extreme weather events, rises in the sea level, adverse impacts on biodiversity and eco systems, people displacement, and communicable diseases. Further climate change will exacerbate such events, with a detrimental impact on economic growth, poverty, social equality and financial stability.

Achieving climate-related objectives such as the targets set out in the Paris Agreement[6] requires government interventions such as taxes on carbon emissions and direct interventions on building regulations and investments in renewable energy and related technology.

For the financial sector this wider context of government intervention is of crucial importance – financial intermediation does not take place in a vacuum, and financing is more likely to flow to borrowers and investors that contribute to a reduction in climate change if the costs of negative externalities (social costs of climate change that are not reflected in market prices) are internalised through taxation.

There are opportunities for the financial sector to contribute towards climate change goals, including through investing in (or raising finance for) climate risk mitigation, climate resilience and climate adaptation; increased coverage of national and regional natural catastrophe insurance schemes; active stewardship of investments; and disclosure and transparency.

Equally, financial institutions need to take account of climate change-related risks – the physical risks from the increasing severity and frequency of extreme climate change-related weather

[4] See also Toronto Centre (2017a).
[5] Intergovernmental Panel on Climate Change (2018).
[6] United Nations (2015b).

events, and longer-term progressive shifts of the climate; and the transition risks arising from the process of adjustment towards a low-carbon economy. These risks need to be reflected in insurance and credit underwriting practices, in evaluating the risk of 'stranded assets', and in considering exposure limits or divestment across fossil fuel related industry segments.

These opportunities and risks are beginning to be reflected in regulatory initiatives.

The financial disclosure recommendations published by the Task Force on Climate-related Financial Disclosures[7] (TCFD) recommend disclosures by firms (including those in the financial sector) relating to how their governance, strategies, risk management, and metrics and targets take account of climate change-related risks and opportunities.

Central banks and supervisors are beginning to call for financial institutions to include climate change as a specific element of their strategic and business planning, risk management frameworks, risk modelling, stress testing and public disclosures[8].

The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) is playing a prominent role here. The NGFS is a voluntary and consensus-based forum, established in December 2017, and currently includes 36 members and 6 observers, from five continents. The purpose of the NGFS is to strengthen the global response required to meet the goals of the Paris Agreement and to enhance the role of the financial system to manage risks and to mobilize capital for green and low-carbon investments in the broader context of environmentally sustainable development. Its first comprehensive report included six non-binding recommendations for central banks, supervisors, policymakers and financial institutions to enhance their role in the greening of the financial system and the managing of environment and climate change-related risks.[9]

Considerations for supervisors

Clear and consistent disclosures by firms (including financial institutions) of the climate change-related risks they face and how they are addressing these risks are important for enabling investors, customers and stakeholders to make informed decisions.

Supervisory authorities (including in particular securities regulators with respect to disclosures by non-financial firms) can at the very least encourage firms to follow the TCFD recommendations.

Supervisors should also consider how effectively financial institutions are managing climate change-related risks, where these risks are material.

Supervisors should also include climate change-related risks in their own stress testing and more generally in their own crisis preparedness and crisis management planning.

There is also scope for supervisors to go further here,[10] for example by:

---

[7] Task Force on Climate-related Financial Disclosures (2017).
[8] Network for Greening the Financial System (2019) and Prudential Regulation Authority (2019).
[9] Network for Greening the Financial System (2019).
[10] Here, and in the following two sub-sections, these considerations are offered as possibilities that supervisory authorities may wish to explore. There are both benefits and costs to each of these possible actions.

- making the TCFD recommendations national requirements;
- providing clear and consistent definitions of ‘green’ or ‘sustainable’ financing;
- requiring financial institutions to calculate and to disclose publicly some measure of the contribution of these firms to carbon emissions through their lending, investing and other activities. Some banks and investment funds are already doing this on a voluntary basis; and
- encouraging, incentivising or requiring financial institutions to lend or invest in ‘green’ or ‘sustainable’ financing, and disincentivising lending and investment in ‘brown’ sectors. For example, the Central Bank of Bangladesh has set credit quotas for banks according to which at least 5 percent of bank loans should be directed to ‘green’ sectors.[11]

3. Financial Access and Inclusion

Making financial systems more inclusive is an essential element in economic development and in breaking the vicious circle of poverty. The United Nations resolution on sustainable development emphasises “the relevance of inclusion in the international financial system at all levels and the importance of considering financial inclusion as a policy objective in financial regulation, in accordance with national priorities and legislation.”[12]

Research shows that a lack of access to financial services perpetuates poverty and limits economic growth and job creation. Financial inclusion can lift the standard of living for the poor, including women and children. Recent IMF research found that women’s financial inclusion increases GDP by 2-3%.[13]

Greater inclusion allows the poor, and especially women, to borrow, save, generate and accumulate assets, manage risk and insure themselves (as individuals, households and small businesses). Access to financial services (banking, responsible credit, insurance and pensions) provides women with opportunities to achieve economic independence and to grow and develop businesses.

New developments such as digital finance, mobile accounts and agent banking are rapidly expanding access to financial services for poor and rural women who are excluded from traditional finance due to distances and cultural gender biases. Digital finance provides poor women, including women in the informal sector, with convenient access to safe, secure and confidential banking services via cell phones.

Gender gaps persist even as overall financial inclusion increases. The financial inclusion gap is 9% in developing countries.[14] 42% of women in developing countries remain outside the formal financial system and do not have access even to basic banking services. Women in developing countries are also more likely than men to be self-employed and thus are in greater need of access to formal financial services. Closing this gender gap would be an important contributor to increasing financial inclusion.

[11] Bangladesh Bank (2014).
[12] United Nations Secretary-General’s Special Advocate for Inclusive Finance for Development (2015).
[13] Sahay et al (2015).
[14] World Bank (2018).

The IMF has reported preliminary evidence that greater financial inclusion which broadens the credit base of the banking system is positive.[15] However, it is recognised that such credit expansion could undermine financial stability if it is not overseen and controlled by adequate supervision and regulation. Supervisors and regulators need to ensure, as far as possible, that financial inclusion measures do not lead to unsustainably high levels of debt or interest service costs. Financial inclusion and financial stability can be mutually reinforcing, but only if underpinned by adequate and proportionate supervision and regulation.

Considerations for supervisors

Financial regulation and supervision should support and encourage financial access and inclusion. At a minimum, this could take the form of supervisory authorities ensuring that financial regulation and supervision does not create any obstacles to financial inclusion, including unintended side-effects from otherwise sensible prudential and conduct requirements.

There are also many ways in which regulation and supervision could encourage and facilitate greater financial inclusion, for example by:

- encouraging or requiring financial institutions to provide basic bank accounts and other basic financial services;
- encouraging the development of robust and effective infrastructure (for example in which banks and mobile network operators allow access to each other's customers);
- allowing simpler proof of know-your-customer (KYC) identity requirements – these requirements can act as an impediment for women who do not have birth certificates or national identification cards, so women could benefit from new and digital types of identification and from tiered KYC rules;
- allowing (and not penalizing through higher capital requirements) alternative approaches to credit scoring that help women to gain access to loans;
- developing registries of moveable collateral that could increase women's access to credit;
- promoting financial literacy; and
- strong consumer protection.

4. Governance and Gender Equality

Well-governed financial sectors, including both private sector financial institutions and financial market infrastructures and public sector regulatory and supervisory authorities, can enhance not only financial stability and inclusion but also the contribution of the financial sector to many sustainable development goals. For example, the Central Bank of Ireland has stated that diversity and inclusion in all their forms are important components of well-managed, financially resilient, strategically-minded financial institutions, and therefore pertinent to the Central Bank's mandate.[16]

Increasing volumes of research suggest a positive correlation between gender equality at senior management and Board level and the financial performance and risk management of financial

[15] Sahay et al (2015).
[16] Central Bank of Ireland (2018).

institutions.[17] However, although women make up more than half the workforce in financial institutions, they lag dramatically behind their male counterparts in leadership roles. An IMF study shows that women hold less than 20% of Board positions at financial services firms, with marked differences across regions, and less than 2% of the CEOs of financial services firms are women. The proportion of women in senior level roles is generally higher in regulatory and supervisory authorities.[18]

Considerations for supervisors

There are many ways in which regulation and supervision could support and encourage greater gender equality at senior management and Board level, in supervisory authorities themselves, in financial institutions, and in listed corporations more generally. For example:

- increasing the emphasis on gender equality (and other forms of equality) as a contributor to ensuring that senior management and Boards have appropriate collective experience and can avoid 'groupthink';
- providing for greater transparency in the disclosure of the gender composition of senior management and Boards;
- providing a framework for the imposition of guideline, quotas or targets, where countries see this as an appropriate way forward; promoting the use of gender-neutral recruitment and selection procedures;
- promoting an enabling working environment for women; and
- analysing the impact (whether intended or unintended) of regulation and supervision on gender equality.

Mandates and international standards

1. Mandates

Collectively, supervisory authorities (and, where separate, the central bank) in most countries typically have mandates for financial stability, the safety and soundness of financial institutions (prudential supervision), consumer protection (retail conduct supervision), fair, efficient and orderly markets (wholesale market conduct supervision), and countering money laundering and financial crime more generally.

Some supervisory authorities also have a mandate to pursue financial sector development objectives such as the development of the financial sector and financial inclusion.

There is scope for supervisory authorities to be more proactive on climate change, financial inclusion and gender equality within their existing mandates. This is likely to be most effective when undertaken as part of a concerted and coordinated national effort to deliver the SDGs, not restricted to financial supervisory authorities acting alone.

[17] Toronto Centre (2017b).
[18] Sahay and Cihak (2018).

There is also scope for the existing mandates of supervisory authorities to be widened, either through national legislation or in some cases more simply through ministries of finance amending the basis on which supervisory authorities operate. In some countries this can also be achieved by adding or amending secondary objectives to the mandate of a supervisory authority. This could remove or at least lessen any constraints arising from limits to their mandates and objectives on the ability of supervisory authorities to take a more proactive approach to climate change, financial inclusion and gender equality.

Supervisory authorities should also consider reporting their contributions to achieving the SDGs, as part of national targets and indicators for the selected SDGs.

2. International standards

The efforts of financial sector supervisors to focus more on climate change, inclusion and gender issues could also be enhanced if there was a greater imperative on supervisors to do so from the application of international standards.

International standards for the financial sector are important drivers for national regulators and supervisors. National authorities are generally keen to follow international standards and are assessed against these standards as part of the Financial Sector Assessment Programs undertaken by the World Bank and the International Monetary Fund.

Therefore, one way of creating a greater imperative on supervisory authorities to focus more actively on, and to give greater prominence to, climate change, financial inclusion and gender equality would be for these subjects to be covered more prominently in the core principles, other standards, accompanying guidance and assessment criteria issued by the relevant international standard setters.[19]

Currently, the core principles, other standards, guidance and assessment criteria issued by international standard-setters for the financial sector do not generally focus explicitly on how financial regulation and supervision could contribute to development objectives such as climate change, financial access and inclusion, and gender equality (see Annex).

The core principles are generally limited to: i) the core objectives of the financial supervisory authorities in each sector, beyond this requiring only that the full list of the objectives of each national supervisory authority is clear and transparent; ii) supervisors taking a proportionate approach to the supervision of financial institutions providing services to the otherwise financially excluded, but without further reference to encouraging the provision of such services; and iii) the importance of the independence and resourcing of supervisory authorities, but without mentioning the potential benefits of gender or other equality in the staffing, senior management and governance boards of supervisory authorities.

The main exceptions to this are the TCFD recommendations on climate change disclosures; the implicit inclusion of climate change-related risks within the sections of the principles relating to financial institutions' risk management; and some references to the diversity of skills, backgrounds and viewpoints in the context of the composition of boards of directors.

[19] In particular the Basel Committee on Banking Supervision, the International Association of Insurance Supervisors (IAIS), the International Organization of Securities Commissions (IOSCO), the International Organisation of Pension Supervisors (IOPS) and the Organisation of Economic Co-operation and Development (OECD).

There is, therefore, scope for the wording of the core principles and standards, and the accompanying guidance and assessment criteria, to go further in the areas of climate change, financial access and inclusion and gender equality. This would be consistent with the widening incorporation of development objectives in the mandates of some supervisory authorities; with the inter-linkages between financial stability, climate change, financial inclusion and gender equality; and with the increasing use by supervisory and other regulatory authorities of various forms of gender equality targets, quotas, and "comply or explain" disclosure requirements on financial institutions (and in some cases on listed firms more generally).

The international standard setters could also focus more on the (intended or unintended) impact of their work on climate change, financial inclusion and gender equality.

Considerations for international standard setters

There is scope for international standards to focus more on climate change, financial inclusion and gender equality, either in the core principles themselves or in the accompanying assessment criteria and related guidance. For example:

Climate change – emphasizing the importance of sound risk management and governance in financial institutions for climate change-related risks; raising the status of the TCFD recommendations to requirements; and ensuring that disclosures by financial institutions include measures of the effects of climate change on their investment and lending portfolios.

Greater emphasis could also be given to the importance of supervisory authorities reflecting climate change-related risks (in addition to other types of risk) in their own stress tests, crisis preparedness and crisis management planning. The TCFD,[20] Geneva Association[21] and the NGFS[22] are developing analytical frameworks for assessing climate change-related risks, in order to assess the impact of these risks on financial institutions and financial stability, and the timeframes over which these potential impacts could materialize.

Financial inclusion – promoting the addition of financial access and inclusion objectives for financial supervisors (across all sectors), in particular in emerging economies where financial exclusion remains a significant problem. This might best be included in the preamble to the core principles for banking, insurance, pension funds and securities, encouraging countries to consider whether to include financial access and inclusion as an objective of one or more of their supervisory authorities.

Once included as an objective it would be for each relevant supervisory authority to decide how to pursue this objective, perhaps as a secondary objective to the primary objectives specified in the core principles for each sector. The additional guidance provided by the Basel Committee and the IAIS on the proportionate supervision of banks and insurers providing products and services to the otherwise financially excluded could be extended (for supervisory authorities with a financial inclusion and access objective) to cover other ways in which financial inclusion and access could be facilitated and how this could be pursued in a manner that is consistent with the primacy of the primary supervisory objectives.

[20] Task Force on Climate-related Financial Disclosures (2017).
[21] Geneva Association (2018).
[22] Network for Greening the Financial System (2019).

Gender equality – the core principles and relevant standards could highlight more explicitly: i) the potential value of gender equality in ensuring that the boards and senior management of financial institutions (and also the boards and senior management of supervisory authorities) are as skilled, competent and experienced as possible, and that they avoid ‘groupthink’ as far as possible; and ii) the possibility that national authorities (governments or supervisory authorities) may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhance gender equality on boards and in senior management.

In addition, the essential criteria and accompanying guidance could usefully discuss how supervisory authorities should manage any trade-offs or conflicts among their various objectives.

Conclusion

This Note has discussed ways in which financial sector supervisory authorities could take steps to promote financial inclusion and gender equality and to address climate change-related risks, as part of broader national initiatives to meet the UN SDGs.

Some of these steps could be taken by supervisory authorities under their current mandates and objectives, but others may depend on their mandates being revised to reflect better the SDGs and broader national priorities.

In addition, a greater emphasis on climate change, financial inclusion and gender equality in the principles and standards issued by international standard setters could provide some impetus for national supervisory authorities to take additional steps in these areas.

Annex: International Standards

Basel Committee Core Principles, September 2012

There is no explicit mention of climate change or gender equality in the Basel core principles. Financial inclusion is mentioned only as being a possible objective of a supervisory authority (footnote 6 on page 5).

Core Principle 1 sets out the importance of a banking supervisor having clear responsibilities and objectives, and that a suitable legal framework for banking supervision is in place.

The primary objective of banking supervision is stated to be to promote the safety and soundness of banks and the banking system, with any broader responsibilities being subordinate to this primary objective and not conflicting with it.

Core Principle 2 sets out the importance of operational independence, accountability, resourcing and legal protection for banking supervisors.

Essential criteria 7 under this principle refers to the numbers and skill sets of staff resources, but not to their equality.

Core Principle 14 on corporate governance requires banking supervisors to assess whether banks and banking groups have robust corporate governance policies and processes commensurate with the risk profile and systemic importance of the bank.

Essential criteria 3 and 4 under this principle refer to Board members being suitably experienced, qualified, and effective, but without any reference to equality.

Basel Committee Corporate governance principles for banks, July 2015

Principle 2, on Board qualifications and composition, requires that Board members should be and remain qualified, individually and collectively, for their positions, and that the Board should be comprised of individuals with a balance of skills, equality and expertise, who collectively possess the necessary qualifications commensurate with the size, complexity and risk profile of the bank.

In assessing the collective suitability of the Board, account should be taken of a range of considerations. These are mostly skills, expertise and experience, and independence of mind based, but they also include Board members having varied backgrounds to promote equality of views, and having attitudes that should facilitate communication, collaboration and critical debate in the decision-making process.

Principle 12 recommends that banks should disclose how Board recruitment ensures an appropriate equality of skills, backgrounds and viewpoints.

IAIS Core Principles

As in the Basel core principles, the first two IAIS core principles emphasise the importance of the objectives of insurance supervision being clearly defined, and the importance of the insurance supervisor being operationally independent, accountable and transparent, and having appropriate legal protection and adequate resources.

Core Principle 1 states that the principal objectives of supervision should promote the maintenance of a fair, safe and stable insurance sector for the benefit and protection of policyholders. But the guidance notes that often the supervisor's mandate includes several objectives. As financial markets evolve and depending on current financial conditions, the emphasis a supervisor places on a particular objective may change.

The accompanying guidance to principle 2 refers to an insurance supervisor having adequate resources, financial or otherwise, sufficient to enable it to conduct effective supervision. Its staffing policies should enable it to attract and retain highly skilled, competent and experienced staff.

Core Principle 7 on corporate governance states that the supervisor should require insurers to establish and implement a corporate governance framework which provides for sound and prudent management and oversight of the insurer's business and adequately recognises and protects the interests of policyholders.

The accompanying guidance states that the supervisor should, inter alia, require the insurer's Board to have an appropriate number and mix of individuals to ensure that there is an overall adequate level of competence at the Board level commensurate with the governance structure; a sufficient number of members who have relevant expertise among them as necessary to provide effective leadership, direction and oversight of the insurer's business to ensure it is conducted in a sound and prudent manner; and avoid "group-think".

OECD guidelines on insurer governance, November 2017

These guidelines, which complement the IAIS core principles, include a recommendation that an insurer's own policy on the fitness and propriety of Board members could address the right mix of backgrounds and competencies for the broad spectrum of issues related to the insurer's activities and risks, and that the Board should collectively possess the right mix of background and competences which brings a equality of thought to Board discussion, including the gender equality on the board and in senior management.

IOSCO Objectives and Principles of Securities Regulation, June 2010

Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation, May 2017

As with the banking and insurance core principles, the emphasis of the core principles relating to the regulatory authority focus on a clear and objective statement of the responsibilities of the regulatory authority; and on the operational independence, accountability, powers, and 'proper' resources and capacity of the regulatory authority.

The three IOSCO core objectives of securities regulation are the protection of investors; ensuring that markets are fair, efficient and transparent; and the reduction of systemic risk.

The IOSCO core principles do not cover the corporate governance of regulated financial institutions, or indeed of listed firms more generally.

G20/OECD Principles of Corporate Governance, November 2015

These generic principles of corporate governance (covering all firms, not just financial institutions) state that national authorities may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhance gender equality on Boards and in senior management.

IOPS Principles of Private Pension Supervision, November 2010

Principle 1 on the objectives of pension supervisors places the main focus on the protection of pension members and beneficiaries' interests. This principle adds that objectives should also be directed towards the stability and security of pension funds and plans, the sustainability of the pension sector as a whole, the promotion of good governance, and the encouragement of pension provision. This last item could be taken as encouraging financial inclusion.

Principle 3 refers to the importance of the staff of the supervisory authority having high professional standards and expertise, suitable qualifications and sufficient education and experience.

Principle 10 on the governance of a supervisory authority does not mention the skills, experience or equality of governing board members, only to the board being of a manageable size.

OECD Core Principles of Private Pension Regulation, September 2016

Core Principle 1 on objectives focuses primarily on the protection of pension plan members and beneficiaries and the soundness of pension plans and funds. There is also a mention that good regulation may contribute to the development of private pension plans.

Core Principle 3 on the governance of supervisory authorities refers to members of the board being subject to minimum fit and proper standards in order to ensure a high level of integrity, competence, experience and professionalism.

References

Bangladesh Bank. *Annual Target for Direct Green Finance.* GBCSRD Circular No. 04. September 2014.

Basel Committee on Banking Supervision. *Core Principles.* September 2012. https://www.bis.org/publ/bcbs230.pdf

Basel Committee on Banking Supervision. *Corporate Governance Principles for Banks*. July 2015. https://www.bis.org/bcbs/publ/d328.pdf

Central Bank of Ireland. *Behaviour and Culture of the Irish Retail Banks*. July 2018. https://www.centralbank.ie/docs/default-source/publications/corporate-reports/behaviour-and-culture-of-the-irish-retail-banks.pdf

Geneva Association. *Managing Physical Climate Risk: Leveraging Innovations in Catastrophe Risk Modelling*. November 2018. https://www.genevaassociation.org/sites/default/files/research-topics-document-type/pdf_public/ga_risk_modelling_18112018.pdf

Global Affairs Canada. *Canada's Feminist International Assistance Policy*. June 2017. https://international.gc.ca/world-monde/assets/pdfs/iap2-eng.pdf

Group of 20 and Organisation for Economic Co-operation and Development. *Principles of Corporate Governance.* November 2015. http://www.oecd-ilibrary.org/docserver/download/2615021e.pdf

Intergovernmental Panel on Climate Change. *Global Warming of 1.5°C*. October 2018. http://www.ipcc.ch/report/sr15/2018

International Association of Insurance Supervisors. *Core Principles* (online version). https://www.iaisweb.org/page/supervisory-material/icp-on-line-tool

International Organisation of Pension Supervisors. *Principles of Private Pension Supervision.* November 2010. http://www.iopsweb.org/principlesguidelines/IOPS-principles-private-pension-supervision.pdf

International Organization of Securities Commissions. *Methodology for Assessing Implementation of the IOSCO Objectives and Principles of Securities Regulation.* May 2017. https://www.iosco.org/library/pubdocs/pdf/IOSCOPD562.pdf

International Organization of Securities Commissions. *Objectives and Principles of Securities Regulation*. June 2010. https://www.iosco.org/library/pubdocs/pdf/IOSCOPD323.pdf

Network for Greening the Financial System. *A Call for Action: Climate Change as a Source of Financial Risk*. April 2019. https://www.banque-france.fr/sites/default/files/media/2019/04/17/ngfs_first_comprehensive_report_-_17042019_0.pdf

Organisation for Economic Co-operation and Development. *Core Principles of Private Pension Regulation*. September 2016. http://www.oecd.org/daf/fin/private-pensions/Core-Principles-Private-Pension-Regulation.pdf

Organisation for Economic Co-operation and Development. *Guidelines on Insurer Governance*. November 2017. http://www.oecd.org/daf/fin/insurance/48071279.pdf

Prudential Regulation Authority. *Enhancing Banks' and Insurers' Approaches to Managing the Financial Risks from Climate Change*. April 2019. https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/supervisory-statement/2019/ss319.pdf

Sahay, Ratna et al. *Financial Inclusion: Can It Meet Multiple Macroeconomic Goals.* International Monetary Fund Staff Discussion Note SDN/15/17. September 2015. https://www.imf.org/external/pubs/ft/sdn/2015/sdn1517.pdf

Sahay, Ratna and Cihak, Martin. *Women in Finance: A Case for Closing Gaps.* International Monetary Fund Staff Discussion Note SDN/18/05. September 2018. https://www.imf.org/en/Publications/Staff-Discussion-Notes/Issues/2018/09/17/women-in-finance-a-case-for-closing-gaps-45136

Task Force on Climate-related Financial Disclosures. *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures*. June 2017. https://www.fsb-tcfd.org/wpcontent/uploads/2017/06/FINAL-2017-TCFD-Report-11052018.pdf

Toronto Centre. *The Business Case for Promoting Improved Gender Balance in Financial Institutions*. September 2017. https://res.torontocentre.org/index.php/gender-equality

Toronto Centre. *Climate Change.* January 2017. https://res.torontocentre.org/guidedocs/Climate%20Change%20FINAL.pdf

United Nations. *Framework Convention on Climate Change: The Paris Agreement.* December 2015. https://unfccc.int/sites/default/files/english_paris_agreement.pdf

United Nations. *Transforming Our World: The 2030 Agenda for Sustainable Development.* September 2015. https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf

United Nations Secretary-General's Special Advocate for Inclusive Finance for Development. *General Assembly Passes Resolution on Financial Inclusion for Sustainable Development.* December 2015. https://www.unsgsa.org/resources/news/general-assembly-passes-resolution-financial-inclusion-susta/

World Bank. *The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution.* April 2018. https://globalfindex.worldbank.org/sites/globalfindex/files/2018-04/2017%20Findex%20full%20report_0.pdf