



Newsletter March 2024

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VOICES



Interview with Daniyar Kelbetov, Chief Product Officer at AIFC Authority and Board Chairman of AIFC Green Finance Centr

Daniyar Kelbetov discusses the global and Astana sustainable finance landscape, emphasizing the growth of GSS+ bonds and Kazakhstan's initiatives, such as the [AIFC Green Finance Centre's](#) national green taxonomy. Kelbetov highlights challenges and potential, emphasizing the role of regional collaboration in developing green finance mechanisms for Central Asia's ambitious environmental goals.

Can you provide an overview of the current state of sustainable finance in Astana and globally? What collaborative efforts and specific financial products are being focused on in this area?

The GSS+ bonds (i.e. Green, Social, Sustainability, Sustainability-Linked bonds etc.) accounts from 5% to 13.5% of the global bond market, according to various estimates, and this proportion is expected to continue growing over the next two or three years. Over 2021-23 issuance of GSS+ bonds varied in a range of 900 bln – 1 trln. US dollars per year.

According to AIFC Green Finance Centre's (GFC) estimates, the cumulative market for labelled sustainable financing instruments in Kazakhstan (both in AIFC and the republican level) has reached nearly half a billion of USD (as of end 2023), of which 73% are green finance instruments (labelled green loans and bonds), with social bonds accounting for the rest. The largest issuers in Kazakhstan are MDBs, SOEs, development institutions and microfinance organisations. To date, about 60% of green bonds and loans in Kazakhstan

have been externally reviewed by GFC. It is the only company in Central Asia accredited by CBI and recognised by [ICMA](#) as an external review provider.

In view of global developments AIFC has been striving to further develop the sustainable finance industry of Kazakhstan and support the regional initiatives on ESG frameworks, products, investments, and recognition. The national green taxonomy developed by GFC became an integral tool in the green finance ecosystem not only for green project identification, verification and reporting purposes, but also for the implementation of incentivizing measures to subsidize interest on green bank loans and green bonds under the State Program "National Projects until 2025".

Other recent AIFC initiatives to support the market through regulatory frameworks include facilitating the adoption of national social taxonomy (expected to be adopted nationally by end of 2024), as well as working on launching at least 2 new instruments in the AIFC, such as sovereign green bonds, SLB, as well as attracting ESG funds to the AIFC.

In May 2021 GFC became a regional office of Belt and Road Initiative's Green Investment Principles, with the aim of working with commercial banks of Central Asia to help introduce green finance, environmental and social risk management and ESG reporting practices and capacity building. As part of regional cooperation, GFC provided further advisory support to issuers in the sustainable financing market of Kyrgyzstan and Uzbekistan, as well as to the regional initiatives in developing the Model taxonomy of EAEU (Eurasian Economic Union) in 2022.

Centre continues its collaboration on sustainable finance with other financial centres via the dedicated platform of FC4S recently joining the Gender finance charter along with Abu Dhabi Global Market, Barcelona Centre Financer Europeu, Hong Kong Green Finance Association, Luxembourg Sustainable Finance Initiative and others. Promotion of financing through gender lens and overall social bonds is another priority for the centre as several national programs and Kazakhstani President's addresses highlight social issues as a top government priority. To increase funding in social initiatives that take gender into consideration, GFC is now striving to ensure that social taxonomy is adopted by the Kazakh government by 2025.

On the sidelines of COP-28 GFC joined the Capacity-building Alliance of Sustainable Investment (CASI) initiated by China's leading green finance think tank, the Beijing-based Institute of Finance and Sustainability.

What are your predictions for the development of sustainable finance over the next five years?

Number of recent figures and developments illustrate mixed signals laying ground for weak but still growth of the market as many financial and development challenges remain - application of the new European green bond standard allowing 15% "flexibility pocket", still high interest rates and geopolitical tensions affecting availability of cheap green technologies, elections in major economies in 2024 affecting the "green" policies. Meanwhile 66% of European institutional investors are saying they plan to stop investing in non ESG-funds in the future according to a [PwC survey](#). Bloomberg estimates that global ESG assets to exceed \$53 trillion by 2025, representing more than a third of total assets under management. According to the ESG Book research ESG regulation has increased by 155% over the

past decade, reflecting the rapid growth of sustainability-based policy interventions. Kazakhstan and Central Asia are not exception.

Sustainability-linked instruments could become an important instrument for transition financing in Kazakhstan, and Central Asia in general, in the next phase, offering an incentive to even “brown” companies to take measures to improve environmental sustainability, provided that they have an ambitious transformation and energy transition plan. The first such issue is in the pipeline of GFC with Almaty Power Plants JSC (AIES) declaring they were willing to issue the first SLB in Kazakhstan by adopting a Sustainability-Linked Financing Framework aligned with the ICMA principles. AIES became the first company to undertake corporate-level commitments to significantly reduce greenhouse gas emissions. The underlying projects aim to convert one of the biggest Kazakhstani cities - Almaty's coal-based thermal power plants gas-based generation, thus helping to reduce emissions by 42%.

In Kazakhstan, in terms of sources of climate finance, there is much potential to the banking sector, which does not yet account for green lending aligned with the national green taxonomy. According to GFC's estimates, the share of green loans in Kazakhstan is around 2% of the total loan portfolios of local banks. Given the forecast indicators for the share of low-carbon investments in total investments set in the National Carbon Neutrality Strategy until 2060, the benchmark indicators for the share of green loans in the total bank loan portfolio could be established at 4-6% over the next five years.

The investment in renewable energy and modernization of national and regional networks by 2030 required by the Central Asian region (including Kazakhstan, Azerbaijan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan) is estimated at US\$20 billion. Green finance mechanisms based on blended finance principles will be an important cornerstone in achieving net-zero greenhouse gas emissions targets without compromising socio-economic well-being. Given the enormous green investment requirements in the region in the context of high interdependence of water and energy systems, as well as the challenges in transforming energy-intensive economies, the next step in the development of green finance regionally could be a creation of regional green finance mechanism with governments, national development institutions, as well as international funds and MDBs as potential participants.

OPINIONS



Opinion of Obi Ibekwe, Chief Executive Officer of EnterpriseNGR

[EnterpriseNGR](#)'s recently published [State of Enterprise Report 2023](#) celebrates the fusion of art and finance in Nigeria's Financial and Professional Services (FPS) sector.

Despite challenges, the FPS sector shows resilience, with notable growth in digital transactions. Banking, Insurance, Capital Markets, and Pensions sub-sectors contribute significantly to economic growth, reflecting a positive evolution. The report recommends

initiatives to sustain growth, emphasizing the sector's vital role in Nigeria's GDP.

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NEWS



EU Financial Centre Roundtable in Brussels: Prioritizing Securities Issuance, Retail Investment, Diversity, and Inclusion

[Febelfin](#) hosted the [EU Financial Centre Roundtable](#) in Brussels, focusing on securities issuance, retail investment, diversity, and inclusion.

The event showcased unity and diversity in collective goals, with representatives from various EU financial centers. Key themes discussed included strengthening financial markets and promoting diversity. Gratitude is extended to all participants, including [Anne Gaignard](#), [Claire Godding](#), and [Benoît van den Hove](#).

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Women in Finance Webinar: "Leading Across Continents"

Distinguished members of the World Alliance of International Financial Centers shared insights and experiences during our webinar.

Speakers such as [Lamia Merzouki](#), [Bernice Buttigieg](#), [Graziella Grech](#), [Alya Al Zarouni](#), [Obi Ibekwe](#), and [Le Yu](#) discussed the challenges women encounter in the financial sector and how they have successfully overcome them. The discussions were enlightening and stimulating, offering valuable perspectives on women's leadership worldwide.

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NEWS FROM OUR MEMBERS

South Sudan to explore the potential of Mauritius as an Offshore Investment Destination

A South Sudanese delegation visited [EDB](#) to explore Mauritius as an offshore investment destination.

The meeting focused on establishing banking relationships for future decommissioning obligations in South Sudan's oil-producing blocks. EDB's CEO, [Ken Poonoosamy](#), highlighted Mauritius' diverse sectors, robust banking system, and commitment to enhancing ties with South Sudan, addressing challenges for mutual business growth. EDB plays a crucial role in facilitating connections between South Sudan and Mauritius, leveraging Standard Bank's expertise and Mauritius as a premier IFC for Africa's growth.

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Busan Finance Center's Endeavors to Elevate Busan as a Global Financial Hub

Our member, [Busan Finance Center](#), is intensifying efforts to position Busan as a global financial hub. Under President Myongho Rhee's leadership, the center is strategically targeting international finance circles and influential media, including the [Z/Yen Group](#) in London.

Initiatives include launching the 'Focus on Busan 2024' monthly publication, in collaboration with Z/Yen Community Newsletter, and hosting the 36th [Global Financial Centers Index](#) launch event in September 2024. The goal is to elevate Busan's profile as a world-class business city, focusing on maritime, digital, and sustainable finance to attract foreign institutions and drive balanced development in South Korea.

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DIFC Family Wealth Centre and MIT Sloan Executive Education Bring First 'Sustaining Family Business Success' Programme to the Region with DIFC Academy

[DIFC Family Wealth Centre](#), in collaboration with [MIT Sloan Executive Education](#) and [DIFC Academy](#), has launched the first 'Sustaining Family Business Success' program in Dubai.

Leveraging Dubai's business ecosystem, the initiative provides world-class education to family businesses in the region. The MIT program focuses on insights, strategies, and challenges for multi-generational family business success. DIFC's commitment to innovation and the recent establishment of the Family Wealth Centre align with initiatives aimed at supporting family businesses in the Middle East.

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Driving Tokyo's Entrepreneurial Growth: Insights from FinCity.Tokyo Roundtable Discussion

Tokyo's entrepreneurial landscape gains momentum as [FinCity.Tokyo](#), a member of our alliance, and [Reuters Plus](#) host a roundtable discussion on current trends.

Key initiatives, including the [Emerging Managers Program](#) advocated by FinCity.Tokyo, aim to support small-but-outperforming asset managers, attracting foreign investors and fostering a supportive environment for entrepreneurs. [Keiko Honda](#) highlights Tokyo's advantages, including its concentration of firms and accessibility to global finance institutions, reinforcing its appeal to investors and entrepreneurs alike.

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الهيئة العامة لسوق المال
Capital Market Authority
تطور مستدام Keep Evolving

CMA Organizes an Introductory Workshop on the Unified Credit Life Insurance Policy

The [Capital Market Authority](#) (CMA) organized a workshop on the Unified Credit Life Insurance Policy, aimed at promoting transparency and disclosure in insurance risk. CMA emphasized the importance of specifying

coverage, benefits, and exclusions to limit disputes among involved parties.

The policy protects borrowers and their heirs, with provisions for indemnity in the cases of death or disability and clear terms for calculating insurance premiums in group agreements. CMA's role in facilitating understanding and agreement among stakeholders enhances social security and regulatory objectives for policyholders and related parties.

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Interview with Augustin de Romanet, President of Paris EUROPLACE

Securing Europe's strategic sovereignty necessitates financial independence through the establishment of a true Capital Markets Union and Banking Union.

Read the interview with [Augustin de Romanet](#), President of our member, [Paris EUROPLACE](#), discussing the Financial Attractiveness Law, challenges for European finance, and the need to channel household savings into corporate financing in [Le Figaro](#).

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Frankfurt to host the AMLA

[Frankfurt Main Finance](#) (FMF) celebrates as Frankfurt is chosen as the host city for the [Anti-Money Laundering Authority](#) (AMLA) by the EU [Council](#) and [Parliament](#).

FMF president, [Gerhard Wiesheu](#), highlights Frankfurt's significance and emphasizes the city's commitment to combat money laundering, aiming to develop it into a leading center for anti-money laundering technology and expertise.

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Kigali International Financial Centre (KIFC) and Abu Dhabi Global Market (ADGM) Forge Strategic Partnership

Two of our members, [Kigali International Financial Centre](#) (KIFC) and [Abu Dhabi Global Market](#) (ADGM), have formed a strategic partnership, aiming to enhance cooperation and collaboration between the two financial centers.

The partnership focuses on areas such as promotion, mutual recognition, capacity building, sustainable finance, and Islamic finance. Through this agreement, they aim to create opportunities for economic growth, job creation, and increased investments in both markets, fostering expertise exchange and joint capacity-building initiatives.

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Change of leadership at Luxembourg for Finance

[Tom Théobald](#) has been appointed as CEO of [Luxembourg for Finance](#) starting September 1st, 2024, succeeding [Nicolas Mackel](#), our current Treasurer, who will serve as Luxembourg's Ambassador to the EU.

With extensive experience in various financial roles, Theobald is poised to lead the organization's efforts in developing Luxembourg's financial center, as praised by Minister of Finance [Gilles Roth](#).

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For additional news articles on WAIFC and its members, please subscribe the [weekly newsletter](#) of our Managing Director.

EVENTS



TheCityUK International Conference 2024

TheCityUK's 2024 International Conference, held in London and online, unites global leaders from finance, politics, and regulation. Join our member to explore key drivers shaping business strategies, reinforcing the UK's position as a premier international financial center.

April 18, 2024. etc.venues St Paul's, London, UK

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Dubai FinTech Summit 2024

Participate in the Dubai FinTech Summit 2024, organized by the [Dubai International Financial Centre](#) in May, following the success of last year's edition. Sponsored by global fintech players, the event offers a platform for industry leaders to connect, forge partnerships, and contribute to global discussions, reinforcing Dubai's role as a FinTech hub.

May 6 and 7, 2024. Madinat Jumeirah, Dubai, UAE

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Paris Finance Forum 2024

The Paris Finance Forum, an annual event hosted by our member, [Paris Europlace](#), is scheduled for June 11. This day-long gathering will feature conferences and debates centered around the theme 'Finance at the heart of European strategic autonomy.' This event has established itself as a key financial meeting in continental Europe, attracting over 2,000 participants. Attendees include representatives of international investors, businesses,

executives from banking, insurance, and asset management, as well as political decision-makers and influential figures in global financial markets.

June 11, 2024. 28 Pl. de la Bourse, 75002 Paris, France

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[TheCityUK Annual Conference 2024](#)

[TheCityUK](#)'s Annual Conference 2024 in London will showcase keynote speeches by [Andrew Griffith MP](#), [Tulip Siddiq MP](#), [Sheldon Mills](#), and Bruce Carnegie-Brown. Join our esteemed member for insightful panel sessions focused on driving economic growth and attracting green investment, featuring industry leaders such as [Julia Hoggett](#), [Chris Lay](#), [Chris Hayward](#), and [Sacha Sadan](#).

June 27, 2024. Queen Elizabeth II Centre, London, UK

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[TheCityUK National Conference 2024](#)

[TheCityUK](#)'s National Conference in Birmingham, chaired by CEO [Miles Celic](#), highlights panel sessions on collaboration and innovation, exploring the role of skills in driving growth. With experts like [Lamiece Abdalla](#) and keynotes from Dame Angela Eagle and Bim Afolami, the event showcases

financial services as the engine of growth across regions, reflecting TheCityUK's commitment to national development.

November 26, 2024. Birmingham, UK

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[Future Sustainability Forum 2024](#)

Join the [2nd Annual Future Sustainability Forum](#) hosted by our distinguished member, the [Dubai International Financial Centre](#) on December 4th-5th, 2024, at Madinat Jumeirah, Dubai. DIFC, a global financial hub, drives sustainability through ESG principles. With top experts and leaders, the forum accelerates climate action and promotes UN Sustainable Development Goals. Don't miss this chance to shape a greener future.

December 4 and 5, 2024. Madinat Jumeirah, Dubai, United Arab Emirates

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DOWNLOADS

Publications

- [WAIFC report on How Leading Financial Centers Advance Financial Inclusion and Literacy](#)
- [WAIFC Report on Supporting Ecosystem for Sustained Recovery and Growth of SMEs](#)
- [Whitepaper on the Future of Financial Centers](#)
- [The Impact of COVID-19 on the Future of Banking Regulation](#)
- [WAIFC Report on Regulatory Cooperation](#)
- [SMEs Finance: How regulators can ensure recovery from COVID-19](#)
- [Supporting SMEs with Sustained Post-Pandemic Economic Recovery](#)
- [Innovation and FinTechs in a Post-Pandemic World](#)
- [Sustainable Finance in a Post-Pandemic World](#)

- [How global financial centers can help combat the COVID-19 pandemic](#)
- [The role of financial centers in driving economic growth](#)

Institutional

- [WAIFC Presentation](#)
- [WAIFC Presentation in Chinese](#)

The **World Alliance of International Financial Centers (WAIFC)** is a non-profit association registered in Belgium, representing 30 leading international financial centers on five continents. Its members are government agencies, associations, and similar institutions developing and promoting their financial centers. WAIFC facilitates cooperation between financial centers, exchanging best practices, and communication with the general public.

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