

The Swiss experience in financing sustainable development

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- Dear Ladies and Gentlemen,
- Let me start by thanking the hosts for giving me the opportunity to present the Swiss government's experience in driving forward the financing of sustainable development. My thanks go in particular to Swiss Re, the Swiss Chinese Association, and the Chinese People's Association for Friendship with Foreign Countries.
- In Switzerland, we have **built solid foundations** over the last years to support companies and financial institutions in their efforts to transition to more sustainable business models.
- Most of the efforts have been geared towards improving the **transparency and comparability** of disclosures and data, as well as preventing **greenwashing**.

Climate

- **To combat climate change**, we are now moving to an **implementation phase** that requires the active participation of the private sector to make sure that climate aspects are mainstreamed into decision-making at all levels.
 - One example is the climate ordinance, which makes climate disclosures based on the recommendations of the Taskforce for Climate-related Financial Disclosures mandatory as of 2025.
 - Another example are the Swiss Climate Scores that are in the process of being implemented by various financial institutions on a voluntary basis.
- We will be eager to see progress, as it is a matter of making sure that the measures that are taken are sufficient to meet **Switzerland's 2050 net zero goal**.
 - The popular vote in June on the **Climate and Innovation Law** has allowed us to anchor the **2050 net zero target into law**. It also shows that a large **majority of the Swiss population wants to see action**.

- The law will require companies headquartered in Switzerland to align with the 2050 net zero target. It also mandates us to ensure that the Swiss financial center makes an effective contribution to reducing the climate impact of financial flows.
- We will focus on **refining frameworks** and **ensuring that** Swiss sustainable finance policies are **well-aligned with international developments**.
- We will be **mindful of the reporting burden** created for firms and strive to **support internationally consistent approaches** that maximize comparability and decision-usefulness.
- We also believe in the value of policies that are **carefully planned out** and **predictable**. This is particularly important as businesses need time to make the necessary changes.

Nature

- Ladies and gentlemen, we will not be successful in combating climate change if we don't stop the **breakdown of nature and biodiversity**.
- Switzerland has been an early supporter to address this, for example by supporting the work of Taskforce for Nature-related Financial Disclosures (TNFD) in building a framework for nature-related disclosures.
- Besides the Swiss government, various leading Swiss firms have been instrumental in the development of the TNFD, including Swiss Re.
- It will be important to integrate nature-related considerations into international reporting standards. Switzerland has thus advocated internationally that TNFD become the basis on which nature-related standards are developed by the International Sustainability Standards Board (ISSB).
- This is well in line with trying to establish a main framework internationally, rather than having fragmented jurisdiction-level approaches.
- Now that the TNFD framework has been launched, it will be important to show that it is workable and easy-to-use for firms in a first step, to lower the perceived burden on firms and increase the acceptance of the framework.
- At this stage, Switzerland is focusing on the voluntary use of the TNFD framework and has launched a National Consultation Group last year to promote its use among Swiss companies.

- Several firms and financial institutions are currently using the TNFD recommendations to guide their nature-related disclosures and have found the framework to be workable, which is already a positive development.

International cooperation

- The global challenges, in particular climate change and nature loss, require multilateral action.
- I particularly want to highlight the fruitful cooperation Switzerland has with China in the G20 Sustainable Finance Working Group, which China is chairing together with the US. We especially welcome China's focus on bringing nature on the agenda of the G20.
- Also, both China and Switzerland are very active members of the International Platform on Sustainable Finance, where China is co-chairing the Working Group on Taxonomies, whilst Switzerland is co-chairing the Working Group on Transition Finance.
- With COP28 in Dubai, we have another key platform ahead of us.
- Besides the negotiations, it is always a great opportunity to **deepen the policy dialogue with various initiatives and stakeholders**, in particular through **bilateral meetings and side-events**.
- This year, the State Secretariat for International Finance has invited several high-level financial institution representatives to join us as part of a **Building Bridges Delegation** for two days including Finance Day on December 4.
- This will be the occasion to **build new bridges internationally** on sustainable finance, **showcase what we are doing here in Switzerland**, and **hearing about what initiatives others are launching**.
- I hope that this delegation visit will inspire us to be even more ambitious and create a positive momentum together with our international partners.

Call to action

- Let me close with a call to action to the private sector and to policy makers:
- **To the private sector:**
 - **Implement:** be as transparent, credible, and comprehensive as possible. Align your stakeholder engagements with your net-zero pledges. **Walk the talk.**

- **Show initiative:** go beyond minimum requirements and join voluntary initiatives (e.g. GFANZ net zero alliances, Swiss Climate Scores, Climate Action 100+, beta test and upload data into the instrumental Net Zero Data Public Utility, report voluntarily based on the TNFD framework)
- To policy makers around the globe:
 - Be **internationally consistent:** ensure international comparability and consistency, avoid fragmented and costly approaches, develop a common language on sustainability.
 - **Internalise externalities:** I could go on for hours on this particular point but decided to keep it very short, by quoting the former OECD Secretary General Angel Gurría: “We need a big fat price on carbon”
- Thank you