

Sustainable Finance – G7 Environmental Meeting

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These days Milan is enjoying an extraordinary economic, cultural development and civic engagement. The city acts in the European and international context taking on a leading role as municipality able to rapidly evolve and cross over the rankings of the most cosmopolitan and innovative cities in the world.

There are multiple reasons behind Milan's Renaissance: much should be attributed to the restored credibility of local government which caught the most impellent contemporary challenges and developed together with its citizens and national institutions cutting-edge strategies and targets. Open administration, dutiful attention to transparency and budget legality are few, but impacting, examples of how Milan has been building its credibility for foreign investors and how we intend to pursue the competition with the other EU financial capitals. The main rating companies acknowledge this transformation process and attribute a solid trust to the local administration by setting A+ in the "stand alone credit profile" of the city.

However, Milan is far from considering its targets fixed and achieved. And it would sound pretty artificial for a city built on excellence and competitiveness to give up maximizing some of the opportunities at stakes, including Brexit. In this process, Milan shouldn't be perceived as adverse city to London, Paris or Frankfurt but fair competitor, complementary to the offer of the other financial centers.

One of the core element to satisfy this complementarity is leveraging the offer for sustainable standards, equating the green vision of Borsa Italiana to the standards set in other EU cities as Paris or London. This would be particularly important to ensure a convergence around disclosure and labeling standards to underpin the growth of green financial services but also essential to satisfy the local demand of SMEs from the green sector. We are looking at the Green Finance Initiative in London as a best practice to advocate for specific regulatory and policy proposals that might enhance the green finance sector worldwide while promoting the city interests and role as leading global centre for the provision of green financial. From this example it appears clear how private-public partnerships can provide the most effective and exhaustive results.

The Foreign Affairs Department of the city of Milan is already in the process of mapping the requests for sustainable finance regulation advanced by private stakeholders and NGOs but it is essential that we converge these interests with the ones of private institutions as Borsa Italiana, BAF association and CDP to make sure that the process is fully inclusive and successful.

The City of Milan is nonetheless owing an interesting number of companies specialized in the field of green/energy market (e.g. A2A) which could enjoy a number of advantages from this initiative.

Being competitive and sustainable today also means providing to the citizens the most advanced educational offer in terms of business schools and technical institutes. In this respect, Milan is at the forefront for educating the future class of finance managers, thanks to Bocconi University

which recently opened a Master in Green Management, Energy and CSR and to the other 10 universities such as Politecnico and Università Cattolica which are competing at an international level. Classes in “Sustainable Development”(UNIMI), “Promoting Creative Sustainable Urban Initiatives”(Unicatt) or “Master in Sustainable Design for Complexity” (Politecnico) are the vanguard needed to attract new talents and innovative firms.

In the aftermath of the world fair Expo Milano 2015, Milan has become a major destination in Europe for green start-ups also thanks to the presence of several incubators focused on innovation with high impact on social aspects and with high sustainability (e.g. Pulihub, Avanzi, Copernico etc.) and private investors socially oriented (e.g Fondazione Cariplo). There are around 300 fresh companies each year receiving private and public investment 17% working in the life sciences field and 6% in the green sector.

The local innovation ecosystem is becoming every year stronger and more visible. In Milan you can now find a well-defined angel and venture capital community, knowledgeable and startup adapted service providers, a growing number of serial entrepreneurs, advisors and mentors ready to help, large and medium sized enterprises willing to engage with innovative startups. But Milan is not only about business. The city hosts more than 600 no profit organizations, NGOs, civic and cultural associations that provide great value to the quality of life of the community. From this civic richness a new wave of social entrepreneurs is emerging. That’s why the Municipality is directly and indirectly investing in incubators and acceleration programs with a specific focus on sharing economy, social innovation and cultural and creative enterprises, promoting a new way and more sustainable way of doing business.

We worked closely with the Italian Ministry of Finance in these months to include new fiscal benefits to attract fresh investors in the city and most of the incentives introduced by the new Budget Law 2017 apply to investors in the field of innovative start-ups and research. This can be a basis to expand the request of investment in sustainable finance, considering that the city hosts already 10,000 employees in the bank and finance sectors and is home to over 40 international bank institutes.

Green finance is just one element of the bigger FDIs attraction strategy which includes a constant dialogue with private stakeholders to analyze the market requests and a proactive exchange with main national and EU institutions to boost the city business potential. As a matter of fact, Milan is hugely committed to be candidate city for the relocation of EMA agency, confident of the weight of its pharma industry and the cultural, economic, lifestyle offer which could guarantee to the 890 officials working at the agency. There are over 100 companies and 30 research centers in the sole area of Milan employing more than 28,000 workers and Milan would be perfectly able to answer the 56,000 presences of visitors to the agency and covering their 65,000 hotel nights considering that is a city used to welcome over 3 million tourists in 2016.