

Swissquote Conference 2016 on the Future of Banking

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Title: Bank Regulation and Sustainable Finance

Abstract: The transition to a sustainable economy will require massive investments that exceed the financing capacity of governments. Private banks have a major role to play in steering funds towards “green” projects. Some Central banks have already incorporated incentive measures into their prudential and refinancing policies, in the forms of lower refinancing rates and lower capital requirements for green projects. I examine whether this is a good idea to mix banking regulation and green finance, and explore alternative means for policy makers to encourage more participation by banks to sustainable finance.