

# CEE Sustainable Finance Summit

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Prague  
15-19 May  
2023

## SUMMIT REPORT

[www.ceesummit.org](http://www.ceesummit.org)



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The opinions and positions expressed in this Summit report reflect and summarise the views, thoughts, and opinions shared by the Summit's speakers and focus group participants. These opinions are not representative of the positions or opinions of the Summit organisers or partners.



# Partners

CEE Sustainable Finance Summit | Prague  
15-19 May 2023

## MAIN PARTNERS



## VISIBILITY PARTNERS



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# A word from the organisers



## LINDA ZEILINA - CROSS

Founder & CEO,  
International Sustainable  
Finance Centre (ISFC)

The last two years have seen an exponential rise in the number of ESG events and the emergence of an increasing number of self-professed experts. Many professionals have already grown tired of hearing about “ESG” and the alleged benefits of its integration into business models and investment risk analysis, amongst other things. At the same time, the EU has passed regulations and policies which are aimed to change the course of our economies over the next few years.

Our 2023 Summit made clear that the time for high level conceptualising and academic discussion has passed. Instead, what is needed are deeper expertise, technical know-how, and the ability to translate these into a more strategic vision and product lines. Yet, there is a shortage of people or organisations that can do both, and therein lies the problem.

**The 2023 Summit showed that we have a long way to go to align the macro-data and analysis needs with the micro-level data.** Our climate risk modelling and our environmental disclosures still lack granularity, as smaller entities do not collect the data. We have an insufficient understanding of the European SME sector and our supply chains, the consequence of which is an overreliance on estimates and proxies.

However, the Summit also demonstrated a growing interest in holding meaningful discussions about how to overcome obstacles and policy barriers to improve the status quo. From market participants, there was a clear call for more alignment and action on the part of local governments: for smaller companies to benefit from the so called ‘green shift’, we need clearer national strategies, better knowledge bases, and local incentive structures that can support and accelerate the transition to business models with improved ESG performance.

So, what next? Inaction is a bad choice – lack of clarity on the future trajectory of an economy, government priorities, and strategy acts to stifle investor and business interest. It is a tragedy of opportunity cost. We have chosen policies and financial instruments that we know well and that face no major questioning, but **this is the time to use a “sand box” approach, experiment with incentives that directly create savings for businesses and individuals by lowering their energy use, carbon emissions, while improving governance and diversity and inclusion to leverage the entire force of the workforce.**

Meanwhile, institutional investors and large corporates are looking for opportunities to decarbonise and show positive impact. The CEE region has huge capital needs, but also potential for significant positive impact in terms of emission reduction, biodiversity preservation, and positive social outcomes. It is high time the region’s national governments to invested time and political capital to future-proof their economies, and to leverage broad popular support for cleaner air and water, less pollution, and better employment.

We are already preparing for the 2024 Summit, making sure that we create insightful discussions, that we positively influence the momentum for change along with practical solutions and applicable next steps that can be utilised by key target stakeholders. We believe that the urgency of the transition requires as many of us as possible to work together, so **we invite everyone interested to reach out and get involved in the Summit!** We would love to hear from you and see you become part of the discussion and – most importantly – the action which come next. Actions speak a lot louder than words, so let’s make sure we walk the walk together.

## Our Summit in numbers

5

The **CEE Sustainable Finance Summit** lasted **5** days with a focus on **6** different topics linked to Sustainability in the CEE region – Finance, Energy, Business, Banking and Investing & Innovation.

45

We held **45** sessions (**22** panel discussions, **12** keynote and elevator-pitch style speeches, **8** roundtables and **3** TED-style speeches).

70

The summit was supported by **70** partners from CEE countries and beyond, including Czechia, Slovakia, Hungary, Poland, Germany, Romania, and others.

129

We welcomed **129** panellists representing the private and public sector, academia, international institutions, banks, start-ups, and civil society, coming from **18** countries.

500+

In 5 days the summit had **500+** in-person visits from **400+** unique participants representing **24** countries.

9 000+

The online streamed and recorded sessions saw **9000+** views and counting.

30 000+

We had **30k** visits on the [ceesummit.org](https://ceesummit.org) webpage in May 2023.



# Agenda



Sustainability  
in  
Finance  
**15 MAY**



Sustainability  
in  
Banking  
**16 MAY**



Sustainability  
in  
Energy  
**17 MAY**



Sustainability  
in  
Business  
**18 MAY**



Sustainability  
in Innovation  
& Investing  
**19 MAY**



## Keynote takeaways



Marek Havrda  
Deputy Minister for  
European Affairs  
Czech Republic

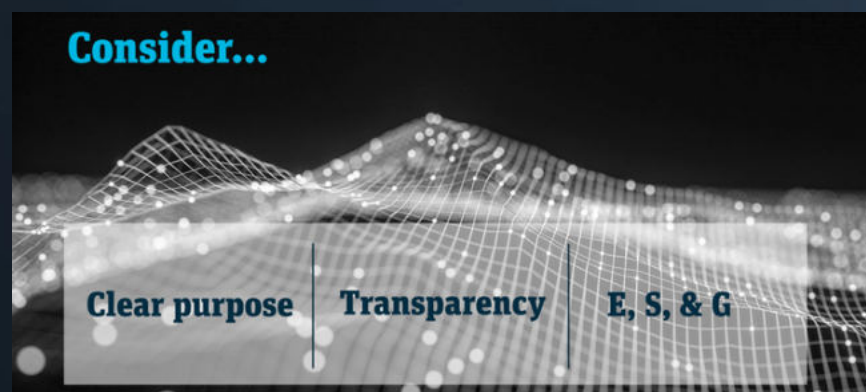
**Marek Havrda** pointed out that the concept of Sustainability is, and will be, one of the main factors influencing the transformation of the industry and economy. Sustainable finance is understood here as supporting economic prosperity, by reducing the environmental pressures while also considering the social and government aspects.



Philipp Aeby  
CEO  
RepRisk

**Philipp Aeby** argued that ESG has a less than favourable reputation because of the false promises and pledges about the actual impact it can have on society. Companies solely preparing ESG reporting without actual transition activities is not enough. Investors should actively seek for the right impact, investing in the most efficient and sustainable technologies. Also, we need to think of carbon emissions not from the perspective of a company, but the whole climate system. We further need a clear purpose on how regulation can support the transition to a low carbon economy.

As key takeaways he suggests to identify science-based targets and specifically mechanisms, to lower the carbon in our system. At the same time, the importance of transparency on the ESG methodology used cannot be underestimated, as it informs us on the ongoing changes in our economies.



[Watch the recorded session](#)

[Download the presentation](#)

## Can and will Europe lead on sustainable finance, and will its policies deliver?

Moderator

**Nadia Humphreys**, Bloomberg

Speakers

**Martin Špolc**, DG FISMA

**Lubomír Vystavěl**, Goldman Sachs Asset Management

**Katarzyna Szwarz**, Ministry of Finance, Poland

**Agnieszka Słomka-Gołębiowska**, mBank S.A.



The first panel of the conference shed light on the opportunities and challenges surrounding sustainable finance, with a particular focus on understanding ESG principles. The panellists offered recommendations to build towards a greener and more resilient future. It was argued that public sector entities should adopt taxonomy and sustainability practices to inspire other sectors to follow suit. Fostering global cooperation and partnering with international entities and organisations can help achieve shared sustainability goals on a global scale.

- Governments and policymakers should establish clear objectives that redirect capital flows towards sustainable investments and promote resilience to climate change and environmental degradation within the financial sector and corporations. To achieve this, a comprehensive financial mechanism should be developed, including ESG audits, certification systems, and strategies to address high-emitting businesses.
- Expanding access to capital market mechanisms beyond national borders can support sustainable development and foster economic growth.
- Collaboration between sustainable finance platforms and relevant ministries should be encouraged to promote a cohesive approach towards sustainable finance.
- Enhancing reporting and regulatory understanding, improving taxonomy clarity, and establishing robust systems for tracking capital flow are crucial steps towards effective implementation of sustainability measures. Governments and policymakers should invest in training programs and knowledge-sharing initiatives to address the shortage of expertise and combat greenwashing effectively.
- Comprehensive environmental legislation should go beyond climate benchmarks and cover a wide range of sustainability factors.

[Watch the recorded session](#)

## Will the ISSB standardisation efforts change the financial sector?

Moderator

**Pierre Schlosser**, Florence School of Banking and Finance

Speakers for yes, paradigm shift

**Maxfield Weiss**, CDP Europe

**Margarita Pirovska**, Principles for Responsible Investment

Speakers for no, old concept

**Iancu Daramus**, Fulcrum Asset Management

**Sean Kidney**, Climate Bonds Initiative



The third panel of the day presented two contrasting perspectives on ESG and its influence on the economy and finance. The Oxford-style debate on ESG as a concept presented arguments from both sides. Margarita and Maxfield advocated for the adoption of ESG, emphasising the paradigm shift, the need for standardisation, and the global presence of organisations like ISSB and PRI. They stressed the importance of data comparability and standardisation. Sean and Iancu, on the other hand, expressed scepticism towards ESG, questioning the value of standardisation and emphasising the significance of individual judgment. They cited examples like building standards in Turkey and wage disclosure in the US to highlight potential issues with execution. The panel discussion recognised the importance of data and the burden on companies but differed in their perspectives on the extent to which ESG standards should be embraced.

[Watch the recorded session](#)



## Keynote takeaways



Werner Hoyer  
President  
European  
Investment Bank



In his speech, **Werner Hoyer** emphasised the significance of EU integration as a tool for remaining competitive in the face of global challenges. From an apparently lunatic idea back in 2007, green bond issuance has now generated considerable momentum and can significantly contribute to the transition we need. Addressing the recent energy crisis, Hoyer acknowledged the need to wean ourselves off Russian fossil fuels, while the EU can tap into green innovation and investments to accelerate this much-needed transition.

Hoyer stressed the importance of considering the Global South in sustainability efforts, emphasising the need for collaboration rather than exploitation. He highlighted energy efficiency, low-carbon energy supplies, and climate-proof solutions as crucial topics for the EU's unprecedented move and ambition towards Net Zero. Last year alone, the EIB invested a record 19 billion euro in clean energies worldwide, and EIB's support to the energy sector in the Czech Republic has reached nearly 1 billion Euros.



Gabriel Marosi  
Chief Sustainability  
Officer  
ERSTE Group



**Gabriel Marosi** discussed the role of banking in supporting a successful transition towards sustainability. He mentioned ERSTE Group's targets and commented on their sustainability journey. Marosi emphasised that sustainability requires a systemic shift in society and the need to simplify jargon around the topic in order to facilitate understanding.

Not only do banks face investor pressure, but they are also scrutinised by regulators about climate risks integration, and the collection of voluntary ESG data from companies. Marosi identified two key enablers for the transition: more stringent GHG emissions management for the private sector and easier reporting standards for SMEs. ESG ratings and information can guide financial decisions but we still need to filter through the noisy data rating agencies provide.

## ESG data and ratings: time for a rethink?

Moderator

**Lucy Fitzgeorge-Parker**, Responsible Investor

Speakers

**Philipp Aeby**, RepRisk

**Elena Philipova**, London Stock Exchange Group

**Kateřina Bohuslavova**, EZ Group

**Hakan Lucius**, European Investment Bank

**Julien Mazzacurati**, European Securities and Markets Authority



In a world grappling with the challenges of global integration and sustainability, the future of finance and ESG ratings takes centre stage. Industry experts and leaders discussed the implications of EU integration, the urgent need for low-carbon energy solutions, and the complexities of ESG ratings. The panel discussion on ESG ratings highlighted various concerns and considerations. The need for a common legal framework and technical standards was discussed, along with the challenges faced by small and emerging regions in complying with different sets of rules. Overall, the panel emphasised the importance of transparency, clarity, and consistent methodologies in the ESG rating market.

- Complexity and competition in the ESG rating market raise concerns about the clarity and understandability of data.
- Lack of regulation, changing methodologies, and limited cooperation contribute to confusion in ESG ratings.
- Increased adoption of ESG ratings and transparency create pressure on businesses and highlight the need for controls and accurate interpretation.
- Clarity of measures, transparency of methodology, and the impact of methodology changes are key considerations for ESG ratings.
- The development of a common legal framework and technical standards is necessary to establish comparability and improve transparency in ESG ratings.
- Challenges in data granularity, transparency, and lack of coverage need to be addressed for the effective use of aggregated ESG ratings.

[Watch the recorded session](#)



Kateřina Bohuslavova  
Chief Sustainability  
Officer  
EZ Group

***“Sustainability reporting at EZ Group rests on four legs.***

*The first one clearly is **legislation**. Then there are also sustainability **reporting standards** and although they are not mandatory, we believe that they provide clarity. Then, of course, because we are a publicly traded company, we get **rated by ESG** agencies ... And the fourth leg actually is **competition**, our peers in the market. That is important due to the fact that some ESG ratings are not objective, but they 'have a relative element comparing peers to one another.”*



**CEZ GROUP**

## Keynote takeaways



Maxfield Weiss  
Executive Director  
CDP Europe

### From transparency to transformation: Investing for a sustainable future

**Maxfield Weiss** emphasized the need for action, pointing out the significant financial risks involved. On the positive side, his speech highlighted the tremendous opportunities worth trillions of dollars that can be realized through proactive measures.



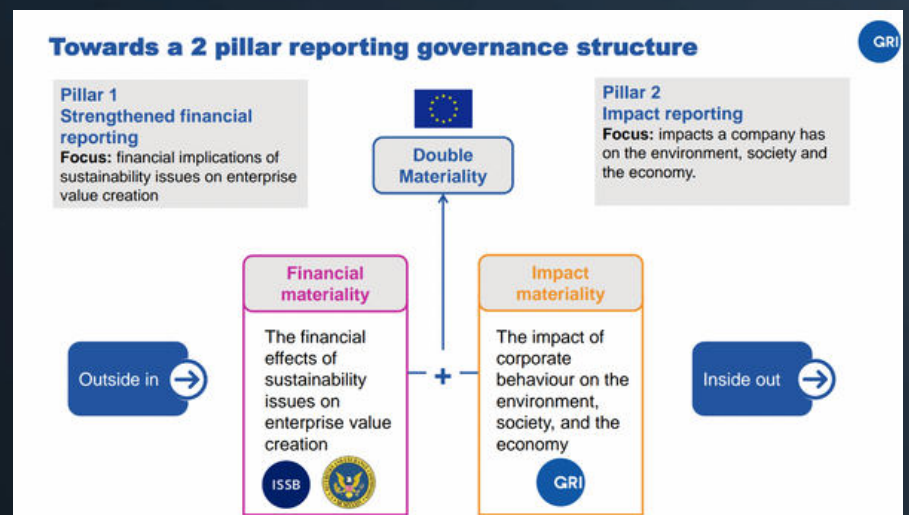
[Download the presentation](#)



Eelco van der Enden  
CEO  
Global Reporting Initiative (GRI)

### The importance of data and standards

The big challenges we face in reporting standards are alignment and interoperability. In order to navigate this landscape, we must understand its two parts: the financial materiality served by SEC and ISSB, and the impact materiality covered by GRI, aligning with the concept of double materiality adopted by the EU.



[Watch the recorded session](#)

[Download the presentation](#)



## The S in ESG: elusive concept, or a critical element for resilience?

Moderator

**Giulia Corinaldi**, Thomson Reuters Foundation

Speakers

**Marek Blaha**, Affordable Housing of Česká spořitelna

**Kęstutis Kupšys**, European Economic and Social Committee

**Barbora Kotoun**, IKEA



The panel discussion revolved around the incorporation of the "S" (social) aspect into business, banking, and government strategies, focusing on addressing poverty, housing, and energy crises.

The importance of banks was recognised for implementing social policies, while governments were considered responsible for steering discussions, setting ambition, and achieving social targets. The panel warned of potential consequences of climate change, such as migration, if action is not taken promptly.

- The historical example of Prague Spořilov district by Česká spořitelna was mentioned, drawing parallels to contemporary initiatives like Česká spořitelna's Affordable Housing.
- Municipalities need to take a more active role and initiate housing projects and open a dialogue about the financial gap to realise the housing projects.
- The panel emphasised the need for enlightened investors to create social sensitivity and an appreciation of housing and affordability problems. Companies can set out to integrate the "S" into business practices. IKEA has done so, as we heard on the panel.
- Broadly speaking, we need a mindset shift away from optimising GDP growth - which was acknowledged as a poor measure of social inclusion and income conditions. We need more socially sensitive metrics to assess progress.
- The EU and national governments should do better in addressing social issues. While there has been little progress made in recent years, more action is needed to overcome the inertia of business as usual.

[Watch the recorded session](#)

## Geopolitics of sustainability

Moderator

**Tom Nuttall**, The Economist

Speakers

**Piotr Arak**, Polish Economic Institute

**Sean Kidney**, Climate Bonds Initiative



In the last discussion of the day, the focus shifted to geopolitics and new industrial policies, such as the IRA (Investment Risk Assessment) and its impact on foreign direct investment (FDI) in the US.

The panellists discussed the IRA's implications for the green transition, including its geopolitical aspects and potential effects on global trade. The need for common trade and defence policies in Europe was also mentioned, particularly in light of the ongoing conflict in Ukraine.

[Watch the recorded session](#)

Marek Blaha  
CEO - Affordable  
Housing of Česká  
spořitelna

*"If you want to keep the big cities working, you really have to **understand affordable housing**. We need enlightened investors that really understand long-term shareholder value growth and responsibility for the country."*

## Keynote takeaways



András Puskás Deputy  
CEO and CSO  
MBH Bank



**András Puskás** thinks the most challenging on the ESG path at this point is the management of the immense amount of data that is necessary to have for the disclosures provided by financial institutions. Hence it is crucial to create data pools for companies that will enable banks to meet sustainable obligations smoothly and, at the same time, to make decisions based on good quality data.

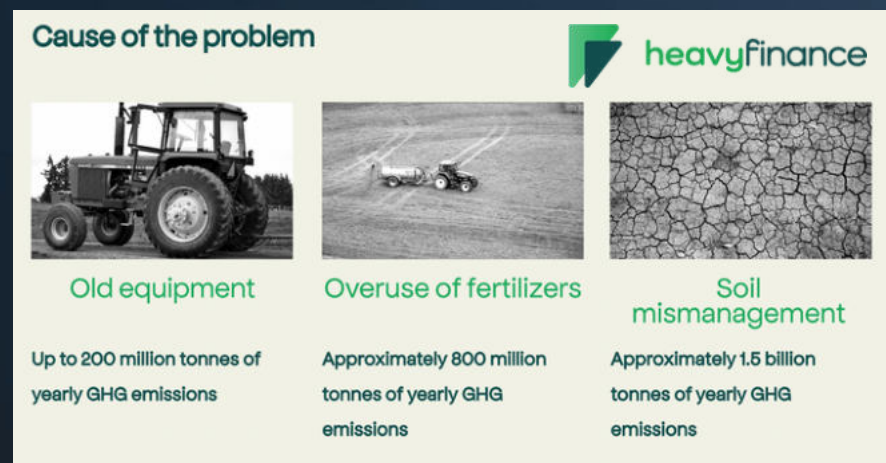
The best way to predict the future is to create it. MBH Bank aspires to invest in 3 directions: employees – in their skills, training and development, customers – through product and service development and innovation, and nature – through biodiversity initiatives which are already taking shape.

[Download the presentation](#)



Eryk Frontczak  
Carbon Product  
Manager  
Heavy Finance

**Eryk Frontczak** notes that agriculture is a significant contributor to GHG emissions, accounting for approximately 20% of total emissions, that need urgent investments to tackle.



European studies show that the financial gap within agricultural space is valued at at least 18 billion euros, significantly hindering the development of the sector.

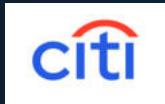
**Heavy Finance**, a borderless lending platform for farmers and investors aims to close this gap by processing loans of total value exceeding 36 million euros. Currently present in 5 markets, they have created products that create real financial incentives for farmers to adopt more sustainable practices, where farmers are benefited and rewarded for each ton of sequestered carbon.

[Download the presentation](#)

## Keynote takeaways



Munir Nanji  
Managing Director  
Citi



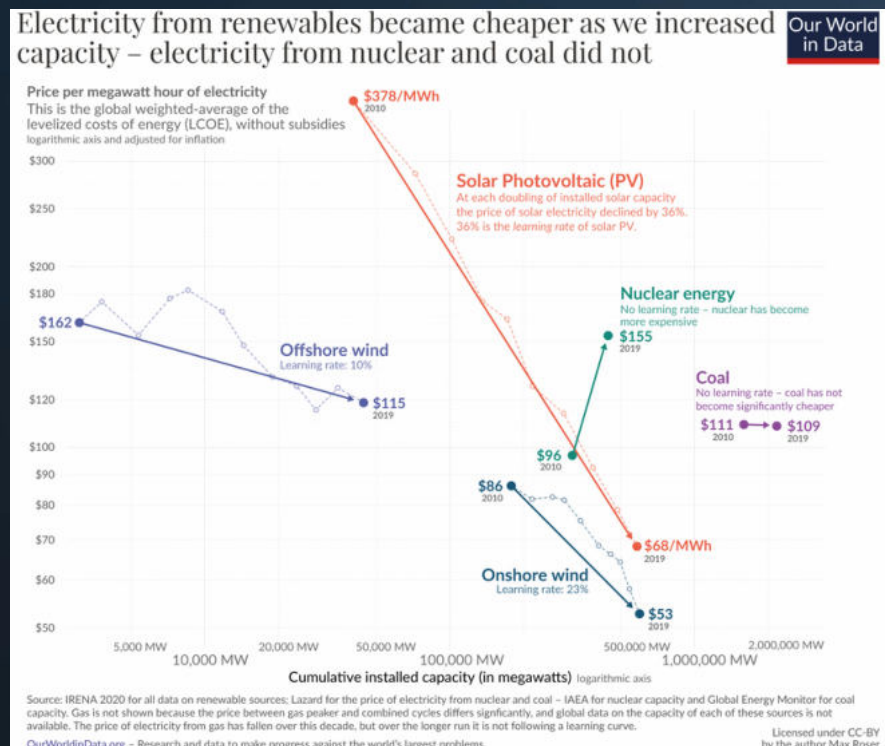
**Munir Nanji** emphasised the interconnection between the financial sector and sustainability, highlighting opportunities in the CEE region.

The speech touched upon the hot topic of U.S. debt and its potential impact on the global economy. Recent bank failures were also discussed, with a focus on the rise of FinTech and its competitive edge in the industry. The CEE region was highlighted as having potential for future growth, particularly in entrepreneurship and the startup scene. The importance of ESG and sustainability was emphasised, along with the need for improvement in the region's performance.



Mark Campanale  
Founder  
Carbon Tracker

**Mark Campanale** underscored the inevitability of transitioning away from coal, and the increasing competitiveness of renewable energy. Renewable energy is now cheaper than fossils which will create new incentives. The transition to a cleaner energy system will require mindfulness on the part of investors and company management.



Do electricity prices follow learning curves? – Our World in Data, 2020

[Download the presentation](#)

[Watch the recorded session](#)



## European banking system

Moderator

**Erik Jones**, Schuman Centre, EUI

Speakers

**Prof Peter Bofinger**, University of Würzburg

**Helena Horská**, Raiffeisenbank

**Miroslav Plojhar**, Česká spořitelna



The panel discussion explored the risks and challenges faced by banks, the need for a new growth model, and the impact of interest rate risks on the banking sector. The panellists scrutinised the 'lenders of last resort' role of the central banks and what this might mean in the context of interest rate hikes and impending economic transition. The importance of investment in physical and digital infrastructure in the CEE region was highlighted, along with the need for sustainability and price stability. Overall, the panel emphasised the importance of core macroeconomic principles, including price stability, sustainability, and the need to address real constraints for long-term economic growth.

The following points were also made by the panellists:

- The financial world is interwoven with sustainability, and it's important for banks to be aware of macro-level issues such as environmental and climate related concerns.
- The Czech economy needs to modernise and grow, with a focus on labour force and education while managing the shocks from the energy transition. In the context of the impending energy transition, rising interest rates are not good news as the tightening reduces viable investment opportunities.
- The biggest challenge for central banks is reducing balance sheets without impacting the market and banking system stability.
- The real constraint for governments is inflation, and they must be careful with transfers to households.

[Watch the recorded session](#)

**"Transaction banking will play a crucial role in sustainable finance. Implementing sustainability in supply chain finance can help evaluate progress towards sustainability goals."**

Petr Fiala, Head of Trade Finance & Factoring, Raiffeisenbank



**"Please be patient with the banks. Their processes need time to mature and become more comfortable in implementing sustainable practices."**

Gabriel Marosi, Group Sustainability Officer, ERSTE Group



**"These are new risks to banks. How these risks manifest is through financing projects, managing client risks, and setting portfolio-level risk metrics. Transparency is key."**

Kathryn Mintoft, Head of EMEA Sustainability & ESG, Citi



**"Green transition and increased volumes of green assets do not necessary bear lower risks, they technically can bear higher risk. Successful strategies will be those that manage these risks at a healthy level."**

Martin Křivánek, Director & Head of CEE Sustainability Services, KPMG



## Sustainability and leadership in banking – from pledges to action

Moderator

**Laura Negrisoiu**, Mazars

Speakers

**Gabriel Marosi**, ERSTE Group

**Kathryn Mintoft**, Citi

**Tomasz Niewola**, mBank S.A.

**Prof Ben Caldecott**, Global Research Alliance for Sustainable Finance and Investment (GRASFI)



The panel discussion revolved around the role of banks in achieving net-zero emissions and supporting the green transition. Key points included the commitments made by the banking sector to reduce financed emissions, the need to understand the current CEE status quo and business opportunities, the importance of transition planning, as well as significant data challenges that are faced by banks.

The panellists argued that:

- The banking sector is in a transitional phase, with regulatory agendas under development. But changing the mindsets of customers and companies is a more gradual process.
- The lack of convincing transition plans for companies hinders the progress in the CEE market. Banks can't set overly ambitious targets for financed emission reductions if the companies are not implementing more ambitious plans.
- Environmental risk factors and ESG information are needed for better risk assessment, but they can also help banks in implementing mitigation strategies.
- Banks need to comply with ECB guidelines on climate and environmental risk management by 2024. 60% of banks are progressing well, but 40% are still at the beginning of this journey.
- Risk assessment, stress tests, and monitoring of portfolio-level metrics were highlighted as important tools for managing climate risks.
- Overall, the panel concluded that the banking sector is actively working towards the green transition, but challenges remain, necessitating collaboration between banks, regulators, and policymakers for success.

[Watch the recorded session](#)

## Keynote takeaways

In his keynote speech, **David Carlin, Head of Climate Risk & TCFD Programme Lead, UNEP FI**, stressed the need to confront our biases by tapping into data and enhanced analytics. Climate data can provide a holistic view of risks if we use it correctly. Data confirms or rejects hypotheses and helps us see things we could have otherwise missed. But equally importantly, sustainability data and analytics have applications beyond risk management. They can enhance strategy and business development.



**Ulf Erlandsson, Founder & CEO, Anthropocene Fixed Income Institute**, discussed how ESG integration influences the cost of capital. Fixed income instruments directly drive the cost of capital and have a broader reach than equities. He stressed that sustainability linked bonds are effective in reaching smaller and lower-rated companies. Sustainability targets can increase optionality and lower fixed coupon rates.

## Financing the transition: strategies, solutions, products

Moderator

**Tomasz Piasecki**, Mazars

Speakers

**Pilar Solano**, Director, EIB

**Petr Fiala**, Raiffeisenbank

**Ota Melcher**, Ministry of Finance, Czech Republic

**Matúš Púll**, Česká spořitelna

**Jarek Rot**, BNP Paribas Poland



The panel discussion focused on the role of the banking sector in financing the transition across the CEE region. Strategies and solutions for financing the transition were discussed, considering political volatility, inflation, and the liquidity crisis. Regulatory and policy support for the banking sector was deemed crucial by the panellists, and key financing products for the region's transitions were identified. Our speakers offered their opinion on the impact of the EU's Sustainable Finance Agenda and regulatory changes. Private sector players are the primary movers in financing the transition, but the government can play a role as a facilitator or broker in creating a transparent regulatory environment and removing elements that discourage sustainable investment.

- Pilar Solano highlighted the EIB's commitment to climate action and sustainability through earmarked financing, such as the RePowerEU program.
- The Czech Republic intends to create a favourable regulatory environment and will play a greater role in the standardisation and sector-specific governance adaptations.
- Retail banks now have initiatives to address the financial struggles of retail customers, energy-efficient mortgages, and support for SMEs in implementing sustainable practices.
- Jarek Rot from BNP Paribas Poland emphasised the need for stricter policies to eliminate carbon-intensive sectors, highlighted successful small-scale PV installations in Poland, and underscored the importance of financial incentives for the transition.
- De-risking programs, guarantees, and shorter-term finance for SMEs were discussed, with a focus on government support and energy-efficient frameworks.
- Transparency, granular planning, and simplification of state policies and regulatory frameworks were identified as key enabling factors for successful financing of the transition.
- Collaboration between banks, governments, and stakeholders was emphasised as vital for achieving a sustainable and successful transition in the CEE region.

### Watch the recorded session

"The **EIB is committed to financing a sustainable economy**. 100% of financing is price-aligned and 50% contributes to climate action and environmental sustainability."

Pilar Solano, Director, European Investment Bank



"The key goal is to contribute to the effort of limiting global warming to degrees in comparison to pre-industrial levels. This can **only be done with the private sector**."

Tomasz Piasecki, Associate Director, Mazars



"We think that the key initiative is **energy efficient mortgages and renovation loans**. We see a growing number of people interested in this."

Matúš Púll, Chief Sustainability Officer, Česká spořitelna



"There is a **clear watershed between the banks** that are making major steps in improvement in using and collecting sustainability data, and those who are still far behind."

Pierpaolo Cristaudo, Senior Director, CRIF





## Keynote takeaways



Val C Smith  
Chief Sustainability Officer  
Citi Bank

**Val C Smith** presented Citi's Net Zero plan and commitment to sustainable finance. Citibank has set targets for six loan portfolios aligned with climate science and consistent with 1.5-degree pathways for each sector. Val emphasised the importance of ensuring social issues don't fade to the background as we lean into the energy transition.

*"I believe that the transition that is possible is a just transition that ensures access to energy and access to opportunity, and that they are both widespread."*



Peter Sweatman  
Chief Executive and  
Founder  
Climate Strategy & Partners

**Peter Sweatman** presented a 2 trillion-euro opportunity existing in renovating inefficient buildings in Europe. 75% of buildings in Europe are inefficient, emitting a third of greenhouse gases. 50 million homeowners in the middle of the distribution curve can borrow against their homes for renovations. The proposed EU Renovation Loan scheme comes with an EU guarantee and does not require an in-depth screening by the banks. Liquidity is provided through the ECB to facilitate the framework for renovation financing. The EU guarantee also ensures that borrowers receive a fair interest rate.

### What is an EU Renovation Loan ?

The EU Renovation Loan ("ERL") is

"an EU-backed, privately contracted, collateralised loan that provides all homeowners fair and equal access to long-term financing for the deep renovation of their home. The funding is provided on a zero-coupon basis with repayment of principal and accrued interest at EU-borrowing costs upon the earlier of transfer, sale or its 30 year maturity."

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## Climate and sustainability-related risks

Moderator

**Lucy Fitzgeorge-Parker**, Responsible Investor

Speakers

**Dr Tony Hughes**, GARP

**Martin Křivánek**, KPMG

**Pierpaolo Cristaudo**, CRIF



ECB provided guidance on climate risk management for banks and offered 13 recommendations. Still, banks are unsure of which risk management strategies to pursue when it comes to physical and transition risks they face due to climate change. In this context, scenario analysis is appearing as a preferred risk management tool. Banks need to find new ways to develop methodologies to address transition risk – which appears more challenging than quantifying physical impacts of climate change.

- Climate change forces banks to extend horizons in risk management and business planning beyond the maturation of their longest dated assets.
- Data providers are the ones making money in sustainable finance. A lot of uncertainty lingers around the use cases for new types of datasets. Validation of non-financial data is still very much missing, and it hampers the development of quantitative methods.
- Banks need to lean into the analysis of past transition efforts. This can help understand the impact of legislative changes and policies.
- When constructing scenarios banks must deal with the credibility of climate targets and pledges. Government decarbonisation pathways are not meeting the 1.5 or even 2 Celsius pathways. Lack of credibility in this area means that banks can't rely on 1.5 standard scenarios by NGFS and central banks.

[Watch the recorded session](#)

## Central bank mandates: out of date or pushed too far?

Moderator

**Reiner Martin**, National Bank of Slovakia

Speakers

**Eva Zamrazilová**, Czech National Bank

**Mark Campanale**, Carbon Tracker

**Norbert Holczinger**, MNB – National Bank of Hungary



The panel discussion touched upon the role of central banks in the climate change debate. Stress tests incorporating climate change consequences were discussed as part of financial stability systems. The panel also covered the mandates of central banks and the challenges of aligning political and financial horizons. The panelists emphasised that:

- The old, fossil-based energy system is inherently inflationary, while renewables are deflationary. Transition to clean energy will cause a decline in the value of fossil fuel assets and this asset stranding can wreak havoc for the banking sector.
- Central banks have taken micro and macro prudential measures to incentivise banks to do more on environmental sustainability. They should consider issuing recommendations for banks to improve their preparedness and awareness, starting preferential green capital programs to incentivise green lending, and performing stress tests covering not only the banking sector but also the insurance sector.
- Central banks should lead climate research and design climate scenarios for the private sector to use for their risk management.
- Financial risk management in the Czech banking sector is appropriate and the sector is resilient.

[Watch the recorded session](#)

## Keynote takeaways



Mary Burce Warlick  
Deputy Director  
IEA – International  
Energy Agency

The progress of the clean energy revolution is exceeding expectations, shared **Mary Burce Warlick** as evidenced by the fact that global clean energy-related carbon dioxide emissions in 2022 were lower than initially anticipated. This is due to the unprecedented deployment of renewables, electric vehicles, and heat pumps. To achieve the 1.5-degree Celsius trajectory, it is crucial to increase clean energy investments in emerging markets and developing economies.

Government actions have the potential to play a significant role in propelling clean energy investment to over \$2 trillion per year by 2030, which would represent a rise of more than 50% from current levels. However, there are structural issues and a limited pool of investable assets that are preventing capital from flowing into emerging markets and developing economies, despite the fact that over 80% of financial assets are held in advanced economies. This underscores the need for more action to overcome these obstacles.



Giles Dickson  
CEO  
WindEurope

**Giles Dickson** notes that the wind energy sector in Europe is confronted with four significant obstacles. Firstly, the EU has established fresh regulations to streamline the permit application and processing procedures. Secondly, Europe must allocate more funds towards the development of grids, transmission, and distribution networks. Thirdly, governments must guarantee that investors in renewable energy have a stable revenue outlook. Lastly, the supply chain for wind energy must be expanded to satisfy Europe's renewable energy objectives.

In order to achieve these objectives, Europe must construct more wind turbines and factories. The EU's green deal industrial plan must be fortified to provide operational expenditure support and consider additional value in auctions. National governments must update their energy and climate plans with greater policy ambition. A systems perspective is required to comprehend the principles of stocks and flows in renewable energy.



## Keynote takeaway



Hans van der Loo  
Chairman  
Institute for Integrated  
Economic Research

Keynote speaker, **Hans Van Der Loo** took us through time to express the deeply rooted connection between energy, resources and our evolving living standards. Whilst the prevailing myth is that renewable energy will get cheaper over time, and that electric mobility will get more accessible, half of the picture is still missing as extracted materials necessary to upscale renewables follow a different curve:

### Marginal cost is irreversibly growing

We must think more deeply & more realistically about what part of the energy transition can be realised.

In most production environments, we are used to constantly shifting price curves, leading to lower and lower cost for goods, based on improvements in technology and efficiency.



[Watch the recorded session](#)

*"The EU's objective is to reduce carbon emissions and decrease the import of fossil fuels, and at the same time to achieve energy independence. There is a **synergy between decarbonisation and energy security.**"*

Ondřej Strecker, Head of Energy Markets Analysis, ČEZ



CEZ GROUP

## Energy sector in CEE countries: a bleak or a promising future?

Moderator

**Jana Chwaszcz**, Allen & Overy

Speakers

**Jan Krčmář**, Czech Solar Association

**Ján Karaba**, Slovak Photovoltaic Industry and RES Association (SAPI)

**Mary Burce Warlick**, International Energy Agency (IEA)

**Ondřej Strecker**, ČEZ

**Gary Mazzotti**, EP Infrastructure



The panelists discussed the clean energy revolution that is progressing faster than expected, with renewables, electric vehicles, and heat pumps being deployed at an unprecedented rate. Scaling up clean energy investments in emerging markets and developing economies is crucial, but overcoming structural issues and limited investable assets is necessary.

- Government actions have the potential to propel clean energy investment to over \$2 trillion a year by 2030, a rise of more than 50% from today.
- Europe's wind energy industry faces four significant challenges, including the need for streamlined permit procedures, increased investment in grids and networks, stable revenue perspectives for renewables investors, and an expanded supply chain to meet wind energy goals.
- To meet renewable energy goals, Europe needs to build more wind turbines and factories. Strengthening the EU's green deal industrial plan, updating national energy and climate plans with higher policy ambition, and understanding the principles of stocks and flows in renewable energy are necessary steps.
- The cost reduction of renewable energy is limited by extractive material costs, including the availability and recycling of these materials. A shift from economics to ecosystem science is needed for sustainable energy, considering factors like China's control of key components and the importance of energy efficiency.

[Watch the recorded session](#)

## Energy transition: managing the socio-economic impacts

Moderator

**Kostis Geropoulos**, NE Global Media

Speakers

**Arjun Flora**, Europe, IEEFA

**Julian Popov**, Buildings Performance Institute Europe

**Jakub Skavroň**, Climate & Sustainability Leaders Czech Republic

**Linda Zeilina**, International Sustainable Finance Centre (ISFC)



The discussion focused on the decarbonisation of electricity, which requires a range of options, not just renewables, and a clear image of the future is essential. Collaboration within the CEE region, along with EU partners, is necessary to achieve significant wind and solar energy capacity. Addressing energy poverty, regional disparities, and negative impacts through political will and infrastructure improvements is crucial to avoid political polarisation and benefit all households.

- Transitioning to renewables is necessary due to the long construction time of nuclear power stations. Increasing solar production and regional collaboration can lower power prices, create economic advantages, and turn the region into an electricity exporter.
- The energy market needs clear and unified incentives to support a successful transition. Negative economic and health effects in coal regions highlight the need for decentralised renewables planning and the role of role models in driving change.
- While targets are important, action is necessary. New construction projects, energy independent areas, and role models are needed to communicate the need for change and accelerate the energy transition.

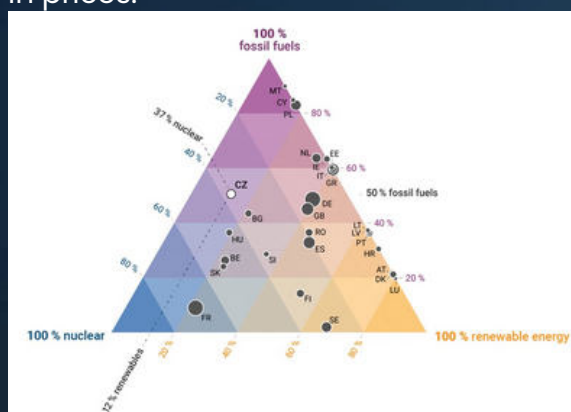
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## Keynote takeaways



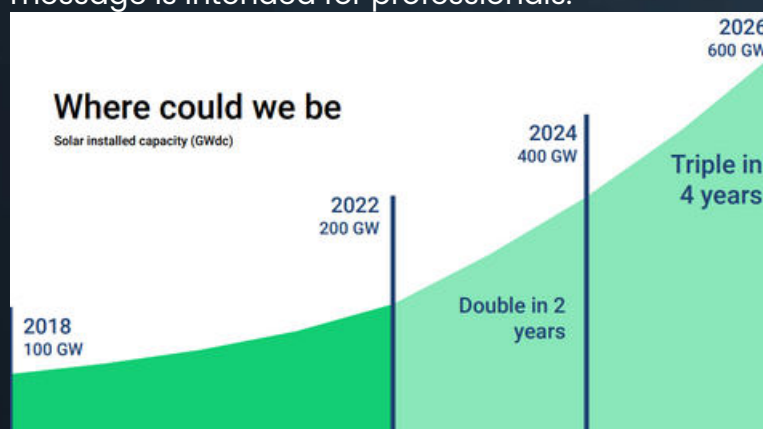
Ondráš Přibyla  
Founder & CEO  
Fakta o Klimatu

**Ondráš Přibyla** notes that the process of decarbonising electricity is multifaceted and entails more than solely relying on renewable sources. To achieve this, a comprehensive understanding of future energy needs is necessary. One useful tool for navigating conversations about energy transition is a map that outlines various energy mixes utilised by European nations. The protracted period required for the construction of nuclear power plants necessitates transitioning to renewable sources. Renewable energy is the sole viable option for progressing forward. Increasing solar power production six-fold would result in a consistent surplus of electricity and a reduction in prices.



Pawel Czyzak  
Senior Analyst  
Ember

**Pawel Czyzak** shows that the Central and Eastern (CE) region has the potential to generate 200 GW of wind and solar energy by 2030, resulting in a significant reduction of wholesale power prices by 29% and transforming the region into an electricity exporter. However, this can only be achieved through collaboration within the region and with partners in the European Union. The benefits of this transition include economic advantages and potential public funding of up to 136 billion euros. However, there are risks associated with the energy transition, including socio-economic impacts and resistance from powerful incumbents in the energy industry. To address these challenges, it is crucial to prioritise political focus, transparency, and accountability. This technical message is intended for professionals.





## Scaling up renewable energy solutions

Moderator

**Claudia Patricolo**, CEENERGYNews

Speakers

**Gábor Molnár**, MET Group

**Jan Cornillie**, 3E

**George A. Formandl**, Rezolv Energy

**Bart Dujczynski**, Proventus Renewables Ltd

**Martin Dratva**, REDSIDE investiční společnost, a.s.



The panel discussed highlighting the enormous potential for solar and wind energy in the region. Significant EU funding is available to support the region's development. Challenges such as grid infrastructure and transitioning from coal need to be addressed. Stable regulatory systems, respect for the business model, and a free-market principle are key to successful renewable energy investments. Efficient power purchase agreement (PPA) and contract for difference (CFD) markets, as well as cross-border power trading, all require regulatory support.

- Poland has set a target of 50% renewables by 2030 and is addressing grid issues, making it an attractive location for renewable energy projects.
- Policymakers need to balance intervention and market-based solutions to encourage investment in renewable energy. Reliable, cheap, and green electricity is the goal.
- Countries with good regulatory systems have stabilised the business model, with the Netherlands and Poland cited as examples.
- The clean energy industry faces challenges in business models, supply chains, and regulatory uncertainty. Ambitious targets and subsidy schemes need to consider increasing interest rates and equipment costs. Stable regulations and a free-market principle are necessary for developing renewable energy sources in the region.

[Watch the recorded session](#)

## Industry: unleashing the power of company decarbonisation

Moderator

**Levente Koczóh**, Green Policy Center

Speakers

**Carlo Beltrame**, AFV Beltrame Group

**Michaela Hletkova Ploszekova**, Volkswagen Slovakia

**Boris Gaspar**, BASF

**Zdeněk Petzl**, Association of the Automotive Industry of the Czech Republic (AutoSAP)



Decarbonising industries in the CEE region is a vital step in the climate change agenda according to the panelists. The shift towards sustainable finance and the integration of ESG goals are becoming more prominent. Market-based mechanisms should be used to lower emissions without stifling industries, and with a need for better comprehension of the EU's response to decarbonisation.

- The world is shifting towards social responsibility with increased state interventionism and regulation. ESG considerations have to be adapted without harming industries.
- Decarbonisation of heavy industry faces challenges of protectionism, impact analysis, legislative changes, and competition from countries with cheaper production costs.
- The European industrial sectors need a successful transition to green technology through renewable energy and circular business models.

[Watch the recorded session](#)

## Keynote takeaways



Marek Mora  
Deputy Finance Minister  
Czechia

**Marek Mora** explored the potential for scaling up renewable energy in Central and Eastern Europe. The region boasts significant capacity for solar and wind energy, with 12% and 7% respectively already installed. To support the transition to renewable energy, the EU has made over 130 billion euros available through various funding initiatives, including the Recovery and Resilience Facility, Just Transition fund, and Modernization fund.

The region faces several challenges, including outdated grid infrastructure and the need to transition away from coal. To achieve this energy transition, policymakers must strike a balance between intervention and market-based solutions. The aim is to provide reliable, affordable, and environmentally friendly electricity, while encouraging investment in the sector. Technical allocation of capacity and measuring scenarios are also important non-investment measures, while battery storage, balancing market reform, and cable pooling of technologies are positive investment measures. Ultimately, policymakers must integrate approaches towards financing new infrastructure needs to support a successful transition to renewable energy.



Tomáš Jungwirth  
Head of Climate Team  
AMO

**Tomáš Jungwirth** shows that the clean energy industry is currently facing several challenges, including issues with their business model, supply chains, and regulatory uncertainty. Despite ambitious targets and subsidy schemes, rising interest rates and equipment costs are posing significant obstacles. Regulatory changes, whether positive or negative, are creating uncertainty and causing a backlog of projects. Therefore, stable regulations are crucial for investment.

In order to develop renewable energy sources in the region, it is important to establish stable legislation and adhere to free-market principles. For PV projects, it is essential to consider long-term cash flow projections spanning 30-40 years. While capital expenditure incentives are a good way to support renewable energy investments, an excess of money in circulation can lead to instability. Overall, a professional approach is necessary to tackle these challenges and ensure the success of the clean energy industry.

## **Decarbonisation of the steel industry in the Visegrad countries**

### Roundtable

The V4 steel sector faces a set of challenges such as a carbon-intensive energy mix and processes, increasing pressure to decarbonise, low and volatile operating profitability, risky decarbonisation transition pathways, or less attention from governments to its decarbonisation (e.g. compared to the energy sector).

- Sectoral emissions have declined significantly since 1990, but mostly due to the drop in production in the early 90s; since then the moderate decrease has been mostly due to energy efficiencies, and there has not been a significant reduction due to changes in production technology.
- While V4 steel producers currently receive more free allowances in total than their emissions (excl. energy production possibly outsourced to other legal entities within the groups), the impact of carbon-related costs will increase significantly as free allowances phase out in 2026–34.
- While the CBAM is designed to protect EU producers from unfair high-carbon imports, local steel producers are particularly concerned about the absence of a trial period and the impact on their export competitiveness.
- Two major technologies are in the sights of steel producers: electric arc furnaces (processing only steel scrap) and hydrogen direct reduction (processing both steel scrap and iron ore). While the former is available and producers plan to deploy it in the region (often by 2030), the latter's TRL is 5–7 and requires 6 times more electricity (incl. electricity for the electrolyser hydrogen production) than EAFs.
- The most relevant public financing sources for steel industry decarbonisation are the Modernisation Fund and Innovation Fund (IF); other funds (RRF, Cohesion funds, Horizon Europe) play a secondary role.
- V4 countries have been less successful in the IF grant application than expected based on their respective share of EU emissions, which may be due to (i) centralisation of decarbonisation projects to headquarters, (ii) lower quality of projects submitted, (iii) a gap in funding for pilot and demonstration scale installations in V4.
- Possible instruments to de-risk decarbonisation investments include: (i) clear industrial strategic documents at government level incl. decarbonisation pathways, (ii) public co-funding of pilot and demonstration scale projects, (iii) expansion of credit enhancement and blended finance tools to cutting-edge industrial decarbonisation technologies, (iv) demand-side measures.

For more insights on the topic, read ISFC's latest publication on the **Czech Heavy Industry Decarbonisation - Policy and Financing Roadmap**.

[\*\*Download the report\*\*](#)





## Keynote takeaways



Karel Voldřich  
Head of Industry  
Decarbonisation  
ISFC

**Karel Voldřich** summarised in the opening keynote the key elements to successful corporate transformation into three points: 1. competitive advantage, 2. cooperation and 3. strategy and leadership, with the last one being particularly important. If you don't know where you're going, you'll logically struggle in the transformation process. Many companies will have to change their business model, others will have to change suppliers, new market segments will emerge. Karel spent time outlining how this will not be a simple and trivial change, and therefore strong and bold leaders are sorely needed.

*"The EU taxonomy teaches the companies how to collect and deal with sustainability data and see how they compare with their peers. **The EU taxonomy, however, is just Ground Zero.** It helps us understand precisely what is sustainability."*

Eva Bučova, Head Corporate Sector Coverage & Chair Sustainability Committee, ING.



*"The EU taxonomy introduces a screening of activities with a positive impact, and it motivates the financial community to invest in them."*

Gergely Jancsár, CEE CSO, SAP



*"We're now experiencing a huge shift - instead of understanding ESG as something affecting reputation, our clients start to realise that it gives a competitive advantage and it can drive innovation. They move **ESG agenda directly under the CEO.**"*

Jana Ružická, Sustainability Director, Mazars in Slovakia



*"CTP Group is striving to be climate positive, embed our 'parks' in communities, and stimulate social impact and wellbeing. We call ourselves 'Parkmakers'- we don't just build 'big box' warehouse buildings, **we build vibrant sustainable business ecosystems** of the future for our clients, and we do it green, with solar power, energy efficient buildings, forest conservation, and a vision for the future."*

Richard Wilkinson, CFO & Deputy CEO, CTP



## European Green Deal and Fit for 55: from an idea to action?

Moderator

**Martin Ehl**, Hospodářské Noviny

Speakers

**Eila Kreivi**, European Investment Bank

**Philipp Killius**, Mazars

**Eva Bučova**, ING Česká republika



The panel discussed focused on exploring sustainability in business and its integration into strategies and operations. The panellists touched on many interrelated topics from European competitiveness to SMEs and ESG reporting. They emphasised the competitive advantage of sustainability and estimated the additional costs involved in transitioning to sustainable practices. A key takeaway of the panel was the importance of a strong strategy and leadership for achieving sustainability success.

- Transitioning to renewable energy sources is a key tenet of the preserving competitiveness of European companies.
- As sustainability practices mature, companies need to focus on improving ownership and oversight and ensuring the cooperation of all internal stakeholders.
- Sectoral policies remain crucial to achieving emission reduction targets. Companies must start their journey by defining material issues for their business and start publicly disclosing these.
- Both the Czech Republic and Slovakia have seen an uptick in green instruments. Companies are becoming more aware of the need for green financing options due to changing market requirements and ESG strategies. Over the medium term, no European company will be able to avoid the fresh wave of regulations and the shift in consumer sentiment. Small and medium sized enterprises in the energy and emission intensive industries will be the most impacted and may need financial support to change their operations.

[Watch the recorded session](#)

## Sustainability in CEE business models – what role for CBAM?

Moderator

**Raphael Minder**, The Financial Times

Speakers

**Hans van der Loo**, Institute for Integrated Economic Research, Blue Cooling Initiative & STEM Ambassador

**Marta Mikliszanka**, Allegro

**Fady al-Kheir**, ENERCON HOLDING a.s.



The panel delved into topics such as international trade, industrial decarbonisation, production relocation, carbon pricing, carbon leakage, and the role of energy transformation in daily business operations. The panellists highlighted the rapidly evolving EU regulatory framework towards renewable energy and the effectiveness of the EU ETS system inspired by the US sulphur trading scheme.

- The panelists emphasised the issue of emission reduction primarily resulting from business relocation or cancellation, suggesting that a level playing field is lacking if carbon leakage is easily possible. The panel supported the Carbon Border Adjustment Mechanism (CBAM), and proposed an independent body to oversee its functioning.
- The lack of strategic discussions and long-term outlook for industrial decarbonisation in the Czech Republic was questioned. Focusing only on short-term energy prices is concerning, particularly on the automotive industry's absence of a long-term outlook.
- Besides sustainable regulations, businesses also have an influence on their supply chains. The importance of building sustainability awareness among businesses and consumers, along with provisioning the correct decision-making tools was emphasised with key areas of interest in e-commerce, including packaging and waste management.

[Watch the recorded session](#)

## Keynote takeaways



Pavel Zámyslický  
Director

Ministry of the Environment  
Czechia

### Future of business

**Pavel Zámyslický** kicked off the panel by discussing the evolution of the Fit for 55 package, the success of the Czech presidency of the EU Council, and ongoing negotiations on critical files such as the EU ETS revision and CBAM introduction. The EU has already reduced emissions by 30% since 1990, but the most crucial part is still ahead of us, he highlighted. Equally important is how the carbon revenues made through the ETS system will be distributed and how policy-makers design subsidies and programs.

[Download the presentation](#)

**Helena Naffa** emphasised the contribution of academic research to sustainable finance. Climate change in economic and finance research appeared rather late, before 2015 we'd find very little empirical evidence.

In 2023, we need to enhance the economic models and incorporate the sustainability-oriented behaviour of investors and consumers. Behaviour determines the investment priorities Helena argued, as well as active portfolio management and the investment horizon. More sustainability-savvy investors have active ownership and are likely to be more impactful. Moreover, empirical research shows that better company governance mitigates against long-term financial risks.

[Download the presentation](#)



Dr. Helena Naffa  
Director of Sustainable  
Finance Research Centre  
Corvinus University of  
Budapest

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### Capital markets and the future of stock exchanges

**Peter Kobic, CEO of Prague Stock Exchange** and **Richárd Végh, CEO of Budapest Stock Exchange** discussed their role in advancing sustainability, moderated by **Corina Murafa, Energy & Climate Policy Expert, RoSIF**. The Prague Stock Exchange just released an ESG Guideline for Czech businesses. Similar guidelines were released in Hungary in 2021, that helped facilitating the discussion on ESG principles within the market.



[Watch the recorded session](#)



## Rethinking real estate

Moderator

**Raúl García Rodríguez**, Deloitte

Speakers

**Stefan de Goeij**, MRICS, RICS in the Czech Republic

**Richard Wilkinson**, CTP

**Omar Sattar**, CPI Property Group

**Patrik Choleva**, Skanska Central Europe



The panel discussion on sustainability in real estate brought together CFOs and sustainability officers from major real estate companies to explore the integration of sustainability practices in the industry and the role of finance in driving this transition. The panel highlighted that different real estate sectors are addressing ESG agendas at varying speeds, with residential, commercial, and infrastructure sectors all striving to reduce their carbon footprints. While challenges persist, embracing sustainability practices presents opportunities for companies to enhance financial performance, attract tenants, and contribute to a more sustainable future. The panelists emphasised that:

- While demand for carbon neutral buildings is emerging among larger companies, it remains a relatively new phenomenon.
- In some markets, sustainability ratings have been shown to lead to rent premiums of up to 15%. Additionally, energy-efficient buildings offer cost savings through reduced operational expenses, contributing to a lower total cost of occupancy.
- The discussion emphasised that having an investment plan with sustainability as a core element is critical for a successful real estate portfolio. Improvements in sustainability not only enhance property values but also attract tenants who value environmentally conscious practices.
- Regulatory measures such as carbon taxes and risk monitors are pushing landlords to invest in renewable energy and energy-efficient upgrades. The panel stressed the importance of standardisation and transparency to encourage the financial industry's adoption of sustainable practices.

[Watch the recorded session](#)

## Sustainability performance: leveraging ESG reporting and ratings

Moderator

**Paula Singliarova**, ISFC

Speakers

**Jana Ružická**, Mazars in Slovakia

**Gergely Jancsár**, SAP

**Dr. Helena Naffa**, Corvinus University

**Eva Pekárková**, ČEZ Group



The discussion highlighted the importance of developing disclosure methodologies for non-listed entities, as they often serve as suppliers to multinational companies that are required to conduct due diligence throughout their value chain. The discussion emphasised the need to separate the impact of companies on their own operations from their impact on the environment in ESG ratings. The taxonomy regulation was highlighted as a positive step towards clarifying the environmental impact of company activities. The panelists emphasised that:

- ESG regulation and reporting requirements have been reduced, bringing relief to companies and asset managers. While some organisations still perceive ESG regulation as a compliance burden, others view it as an opportunity to showcase their sustainability efforts.
- Implementing quality reporting and ESG ratings presents several challenges. The support of top management is critical for successful implementation, and ongoing efforts are required to standardise ESG rating agencies and effectively incorporate ratings into investment decisions.
- Materiality of ESG data is a key factor in generating accurate ratings. Assessing the materiality of ESG factors for each company is crucial to provide meaningful and reliable ESG ratings. Transparency and understanding of data collection methods are important for both investors and companies to ensure confidence in the ratings.

[Watch the recorded session](#)

## **Decarbonisation of the chemical industry in the Visegrad countries**

### Roundtable

The chemical industry in V4 has historically been dependent on cheap natural gas from Russia. Access to low-cost gas in the region rendered petrochemicals and fertilisers one of the fastest growing areas recently. However, over the longer term, the region's chemical industry would benefit from weaning itself off natural gas.

- As a result of the energy crisis, the sector has struggled to maintain the production levels of previous years and many producers have even been forced to temporarily close some of their production facilities (e.g. ammonia fertilizers producers)
- Increased carbon prices and the gradual phasing out of free EAs allocation from 2026 onward are putting pressure on company profits going forward, but significantly less than in other hard-to-abate industries, such as steel or cement.
- Deep decarbonisation would require the deployment of multiple innovations (bio-energy, energy efficiency, hydrogen, etc.), for several of which TRL is currently insufficient for concrete investment planning
- The chemical industry shows the highest variations in investment needs, depending on the different models.
- Public funding schemes, especially national ones, are not sufficiently targeted at the hard-to-abate industries' decarbonisation. The vast majority of public funding available for the (chemical) industry decarbonisation comes from the Modernisation and Innovation Fund.
- There are gaps in the strategy and policy environment in (some) V4 countries, such as comprehensive industrial strategies, national sectoral transition pathways, or CCUS policies.

For more insights on the topic, read ISFC's latest publication on the **Czech Heavy Industry Decarbonisation - Policy and Financing Roadmap**.

[\*\*Download the report\*\*](#)





## **Decarbonisation of the Czech heavy industry**

### Roundtable

The hard-to-abate industries (steel, cement and chemicals) have to overcome a combination of challenges on their decarbonisation pathway, including high intake of fossil fuels, increased EAS prices and free allocation phase out, low TRL of many new low-carbon technologies, high investment risk and limited bankability of new technologies, and long investment cycles with often a single investment window until 2050.

- A national industrial strategy is sought to provide a transparent and predictable framework to support business planning, link technology-related strategies (CCUS, hydrogen, etc.), reflect policy changes in key neighbouring countries, summarise public actions to support both the supply and demand side, and outline possible pathways for industrial sectors transition.
- The sectoral transition pathways would outline policy scenarios addressing investment risks and logistical challenges, reflect/ initiate feasibility studies to understand the economic viability and (prospective) competitiveness of new technologies and product opportunities, and involve structured open consultation processes aligning all major stakeholders: industries, public authorities, and possibly academia or financial industry representatives
- Demand-side measures can get consumers to choose low carbon: systemic implementation of green public procurement rules, improved data transparency to accurately determine the product carbon content, or labelling schemes reflecting the environmental impact of intermediary industrial products
- Regulators must be prepared to flexibly and more frequently revisit and update existing standards and codes (such as regarding clinker-to-cement ratio, construction materials standards, or applications of carbon capture and its geological storage)
- Targeted technical assistance in key grant calls can support to mobilise local businesses and increase their success rate in the Modernisation Fund and Innovation Fund
- National sources from auctioning EU ETS allowances to be dedicated to climate protection, including industry decarbonisation
- Cutting-edge low-carbon investments to be considered eligible for risk-coverage instruments such as project-based carbon contracts for difference (CCfDs) or discounted loans and/or guarantees for banking products (currently focused on SMEs, start-ups, infrastructure)
- Investment needs: estimated to exceed EUR 5 bil. in total until 2030, based on available models/scenarios, but publicly available and reliable estimates are rare; information from companies indicates approx. 15-20% higher capex compared to the model estimates; decarbonisation-related investments estimated to increase business-as-usual total capex by lower tens of %
- Financing available: compared to the cement and chemical sectors, the steel industry might find it challenging to cover its increased investment needs from (local) private sources, subject to the market situation; public sources can help, the main ones being the Modernisation Fund and Innovation Fund, but the volume of grants provided to Czech hard-to-abate industrial companies have been still limited.

For more insights on the topic, read ISFC's latest publication on the **Czech Heavy Industry Decarbonisation - Policy and Financing Roadmap**.

**Download the report**



## Keynote takeaways



Ivan Bartoš  
Deputy Prime Minister  
for Digitalisation and  
Minister of Regional  
Development  
Czechia

**Ivan Bartoš** talked about the potential of the CEE region to become the fastest developing economic area in the EU, with various public, private, and cohesion funds. Modernising the current government strategies was also touched upon, as well as the need to prioritise sustainability, greenhouse gas efficiency, and more structurally damaged regions.



Tomáš Studeník  
Founder  
Caelestinus Incubator

**Tomáš Studeník** issued a rallying cry to younger populations to rid themselves of fear of failure. He described this as the biggest hurdle preventing younger generations from achieving a mindset to fuel innovation. Failure is what fuels innovation and should not be viewed with a negative connotation, Tomas argued. He suggested changing how the education systems approach the concept of 'failure' in order to remove the 'fear factor' that holds people back. Studeník encouraged experiences and opportunities without any filters, as younger crowds are already captivated by idea sustainability – such as the regularly organised hackathons by Tomáš and his team.

## Can CEE countries become powerhouses of innovation and digitalisation?

Moderator

**Ciprian Stanescu**, Social Innovation Solutions

Speakers

**Senta Čermaková**, Deloitte

**Łukasz Dziekoński**, Montis Capital

**Klaus Beetz**, EIT Manufacturing

**Jan Burian**, IDC Europe

**Ivo Denmark**, CzechInvest



The panellists espoused the view that investors in the CEE region, but also beyond, must adopt several key strategies to navigate the rapidly changing investment landscape and maintain a long-term perspective by contingency planning, and continued education. The panelists emphasised that:

- Estonia, followed by Lithuania and Latvia, were recognised as leading in the IT ecosystem, while larger countries like Czech Republic, Poland, Romania, Serbia, and Bulgaria lagged behind. The willingness of venture capitalists to invest in these larger countries was significantly lower, indicating a digital divide within the region.
- The panelists expressed optimism about the younger generations in CEE, who are seen as enthusiastic drivers of innovation. Universities were highlighted as playing a crucial role in fostering an entrepreneurial mindset and supporting students in establishing their ventures. Promoting entrepreneurship and celebrating successful entrepreneurs among university alumni were seen as essential to inspire the younger generation.
- The main challenge in the CEE region is finding common ground between government officials and start up founders. CEE innovators need to think in terms of global expansion, rather than local.
- Collaboration within the CEE region will display the potential for growth within the green transition. Countries within the CEE region will then collectively benefit from the re-globalisation of their supply chains and opportunities in green technologies and economies.

[Watch the recorded session](#)

## Investors to rescue – supporting start-up scene in the CEE region

Moderator

**Andrew Gray**, Tilia Impact Ventures

Speakers

**Vaclav Gregor**, Soulmates Ventures

**Jan Stanek**, Purple Ventures

**Marian Gazdik**, G-Force

**Terezia Jacova**, CB ESPRI



Navigating the investment industry has become increasingly challenging due to rapid changes, and effective risk management is essential for success. With emerging technologies, evolving regulations, and shifting market dynamics, this landscape requires adaptability and strategic approaches. Investors must stay informed about industry trends and market developments, embracing new technologies and data-driven insights. Diversification across various asset classes and regions helps mitigate risks and capture opportunities. Maintaining a long-term perspective and avoiding reactionary decision-making is crucial. The panelists emphasised that:

- Although the CEE market is seeing annual capital flow, the numbers still lag behind other markets in terms of unicorns, exits, total funding, and funding from outside the region. Sectors like health tech and biotech are affected by underfunded scientific infrastructure and research and development.
- There is a need to showcase examples of successful investments in the region. Demonstrating the feasibility and profitability of sustainable investments is crucial in dispelling the perception that sustainability comes at the expense of financial returns, especially among millennial investors.
- The discussion highlights the challenges faced both upstream (universities, funding) and downstream (excitement and adoption) in the innovation cycle. The underfunding of research and development in universities and the need to generate excitement and interest in the outputs of innovations are identified as key challenges.

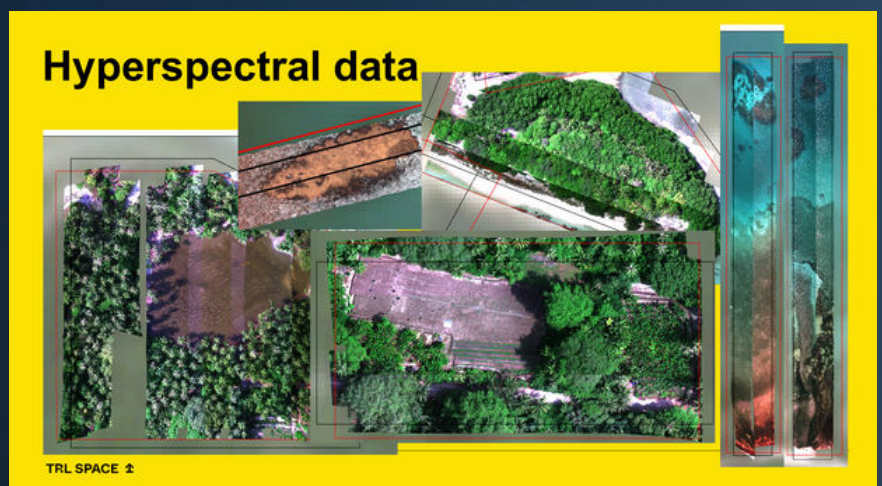
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## Keynote takeaways



Petr Boháček  
Co-owner & Strategy Manager  
TRL Space

**Petr Boháček** notes that **TRL space** is a good example of how innovations in a niche topic can arise from relatively small markets, such as Czechia. TRL Space aims to integrate the space industry in Czechia and aid developing countries in accessing space technologies in a sustainable fashion. The company is widespread in its operations, focusing on developing nations in Africa, Southeast Asia, and Latin America, and working on projects and training programs related to agriculture and lunar probes. Their lunar mission is joining together 30 institutions in Central and Eastern Europe to develop and build a probe to fly to the moon.



Chris Dixon  
Founder  
Pedal Me

**Pedal Me** offers an innovative and sustainable solution for same day deliveries and passenger transport in London - a fleet of electric cargo bikes piloted by highly-skilled, well-trained riders throughout the city. This cargo bike company has faster delivery times than conventional courier companies thanks to its much narrower transit times. The aim is to help decarbonise cities through the use of the bikes, and change societal and business attitudes towards the cyclists to ensure a safer and healthier city life. Moreover, the service provided by PedalMe is not only greener, but also cheaper.



## Leadership in investing

Moderator

**Andrew Wrobel**, Emerging Europe

Speakers

**Martin Hudeček**, RSJ Investments

**Elodie Donjon**, European Investment Bank EIB

**Brian Wardrop**, ARX Investment Partners

**Aleksandra Palinska**, Eurosif

**Wojciech Lukawski**, Abris Capital Partners



The discussion touched on the importance of incentives in driving sustainable investment behaviour, the implementation of ambitious yet implementable rules for sustainable investing and promoting ESG as an integral part of investment activities. The panelists agreed that while regulations play a role, incentives are crucial for motivating portfolio managers and aligning financial interests with sustainability goals. The panelists expressed optimism about the increasing adoption of ESG:

- Regulations and frameworks such as the Sustainable Finance Disclosure Regulation (SFDR) and EU taxonomy have played a significant role in promoting transparency and standardisation in ESG practices. These regulations have stimulated changes in investment practices and encouraged more sustainable approaches.
- There is a need, however, for better corporate sustainability disclosures, especially regarding social matters. Companies should have access to information on social matters and calculating relevant indicators should not be considered overly complex.
- Aligning financial incentives with sustainability goals, such as reducing greenhouse gas emissions, can create stronger alignment and drive positive change in portfolio companies. This approach can lead to higher-quality companies and potentially attract more buyers willing to pay a premium.
- Leadership and pressure from all stakeholders are necessary to combat greenwashing and promote authentic sustainable investments.

[Watch the recorded session](#)

## Women in finance and innovation

Moderator

**Julian Toth**, Czech SIF

Speakers

**Emilia Mamajova**, ESPIRA

**Traian Urban**, EIT Urban Mobility

**Andrea Ferjenčíková**, European Investment Bank

**Tom Cironis**, Startup Kitchen

**Silke Horáková**, Tilia Impact Ventures



Empowering women in finance and innovation requires a comprehensive approach to overcome challenges and foster their success. Key strategies include promoting education and skill development, facilitating networking opportunities, providing mentorship and role models, supporting equal access to funding, encouraging risk-taking and confidence-building, offering targeted support and resources, advocating for policy changes, and challenging stereotypes. The aim is to create a more inclusive and diverse landscape that empowers women in finance and innovation to thrive.

- Only 27% of the VC teams in the EU are female-led, and the reported average of female representation in private equity teams is about 10%. Yet gender diversity has been shown to lead to better investment decisions, as well as higher employee and customer satisfaction.
- The focus on female-led businesses is not solely driven by social initiatives or charity. There is a commercial interest in supporting these businesses, as they often offer unique investment opportunities and have the potential for above-average results.
- Different organisations and investors have varying approaches to gender diversity. Some prioritise gender diversity explicitly in their investment strategies. Board seats held by investors can also contribute to bringing additional diversity to the decision-making process. EIB and EIF have strategies to support female empowerment and economic investments in female-led firms.

[Watch the recorded session](#)

## Keynote takeaways

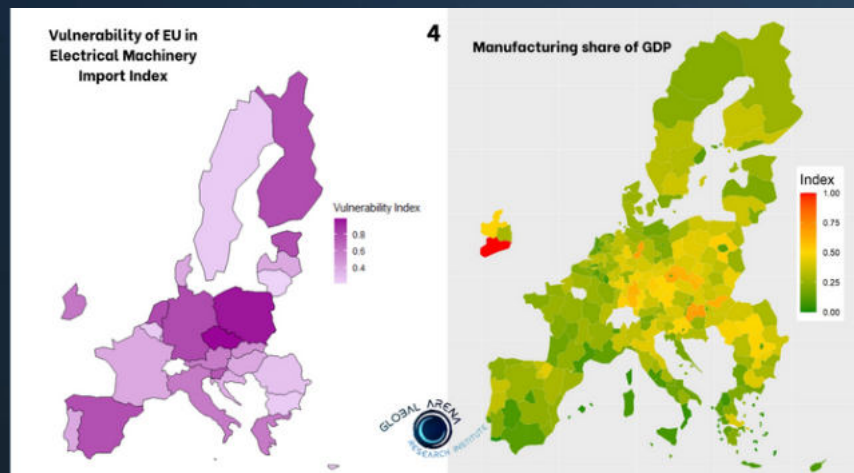


Odessa Primus  
Executive Director  
Global Arena Research  
Institute

### How to use a digital twin of the world to understand, predict and design globalisation

**Odessa Primus** introduced the institute's mission to democratise big data and artificial intelligence (AI) via the concept of a "digital twin" of the globalised world. The digital twin aims to capture and analyse complex global socioeconomic flows and political interactions to aid in decision-making, understanding, and predicting future trends. Odessa presented two tools: a commodity price projection tool and an interactive data environment for analysing liabilities and vulnerabilities. These tools provide insights into commodity prices, import vulnerabilities of EU countries, and the digitalisation and green energy transition readiness of different regions.

[Watch the recorded session](#)



"We have amazing technical engineers in CEE, who are poor in their soft skills. **It is our role to mentor and train them how to talk to investors** and how to deliver a good business proposition."

**Deloitte.**

Senta Čermaková, Chief Innovation Officer, Deloitte

"What I see recently in my field is that **startup founders with a climate perspective are emerging from different fields** than the usual tech programmers, such as from the non-profit industry."

Martin Hudeček, Asset Manager of Tech and Insurtech funds, RSJ Investments

**RSJ**

## Read more about the topic


For more insights into the topics in Czech, check out the special supplement in **Hospodářské noviny**, one of **CEE Sustainable Finance Summit** media partners!

The articles are dedicated to topics shaping our world: ESG, transition to a net zero economy, heavy industry decarbonisation, and other crucial themes.

KOMERČNÍ PŘÍLOHA

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## Co znamená udržitelnost v byznysu a jak změni naši práci?



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**Infografika**

### Udržitelné finance v EU: Historické milníky

- Březen 2018**  
Evropská komise zveřejňuje Akční plán pro udržitelné financování
- Červen 2019**  
Expertní technická skupina (TEG) pro udržitelné financování zveřejňuje svou první zprávu o evropském standardu pro zelené dluhopisy
- Prosinec 2019**  
Evropská komise představuje Zelenou dohodu pro Evropu
- Leden 2020**  
Je představen investiční pilř Zelené dohody
- Březen 2020**  
TEG vydává finální report o taxonomii pro zmírnění dopadu klimatických změn a adaptace na ně
- Červen 2020**  
Evropský parlament přijímá nařízení o taxonomii
- Červenec 2020**  
EU se zavazuje, že 30 % z 1,82 bilionového rozpočtu vyčlení na fond obnovy a zelené investice
- Prosinec 2020**  
Dle nařízení o taxonomii je přijat akt o zmírnění dopadu klimatických změn a adaptaci na ně

Udržitelné financování pomáhá při mobilizaci potřebného kapitálu pro naplnění cílů stanovených v evropské Zelené dohodě a mezinárodních závazků Evropské unie v oblasti klimatu (Pařížská dohoda) a cílů udržitelného rozvoje (SDG).  
Ve snaze pomoci investorům lépe porozumět tomu, jaké ekonomické aktivity jsou udržitelné z hlediska ochrany životního prostředí, vytvořila Evropská unie klasifikační systém udržitelných činností, takzvanou EU Taxonomii.

## Udržitelné finance

Udržitelnost představuje schopnost uspokojit naše potřeby bez ohrožení schopnosti **budoucích generací** naplnit jejich potřeby. Pro dosažení udržitelnosti je zásadní efektivně využívat všechny ekonomické, sociální a přírodní zdroje.

**Finance** jsou ekonomickým termínem, který se týká tvorby nakládání s penězi a investicemi a jejich zkoumání. Můžeme ho rozdělit do tří kategorií: **osobní, podnikové a veřejné finance**. Hlavním zájmem této publikace jsou poslední dvě kategorie.

### Udržitelnost a finance: Co to vlastně znamená?

**Finanční trhy** fungují jako systém mechanismů pro přerozdělování kapitálu investorů mezi různé projekty, které přináší investiční výnosy, nicméně pojí se k nim také určitá rizika. Porovnání očekávané **výnosnosti a rizik** pomáhá investorům při výběru, do kterého projektu vloží svůj kapitál.



### Udržitelnost ve světě financí: Investice do budoucnosti

**Udržitelné finance** odkazují na proces, kdy jsou při rozhodování o investicích zvaženy faktory spojené s **dopady na životní prostředí, společenskou odpovědností a stylem řízení firmy** (Environmental, Social and Governance, **ESG**). Investoři si při výběru, do jaké firmy investovat, kladou otázky jako například:

**E**

Snáší se firma o efektivní využívání energie?

Je aktivita firmy spojená s odlesťováním či smrtičováním ovčů?

Snáší se firma snižovat svou uhlíkovou stopu?

**S**

Poskytuje firma svým zaměstnancům bezpečné a zdravé pracovní podmínky?

Má firma pozitivní dopad na komunitu ve svém okolí?

Ohrožuje firma lidská práva například svým výrobami nebo službami?

**G**

Jaké kroky činí firma v boji s korupcí?

Já nastává firma s investičními informacemi? Je transparentní?

Má firma nezávislé vedení?

**ESG v praxi:** Investoři mohou, vedle zvažování finančních výnosů a rizik, použít **ESG jako rámec pro posouzení investic** a zvládnutí potenciálních rizik spojených s negativními dopady na životní prostředí a společnost.

**Dobré ESG skóre** znamená, že firma podniká kroky pro snižování environmentálních, sociálních a společenských rizik, což postupně zvyšuje atraktivitu a výkonnost investice.



**Špatné ESG skóre** znamená, že firma je vystavena silnějším rizikům, a proto se v dlouhodobé perspektivě může snížit její konkurenceschopnost.

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