

TRAINING PROGRAMME ON SUSTAINABLE FINANCE TAXONOMIES

Session V: Interoperability and the LAC Common Framework

Virtual session – Thursday March 14th from 9:00 a.m. to 11:00 a.m. (2 hours)

Interoperability implies that taxonomies must be based on similar guiding principles, include design elements such as objectives, classification systems for sectors and activities that are comparable and similar in approaches and methodologies used for defining eligibility, while considering local specificities. This session will address the importance of developing a Common Framework of Sustainable Finance Taxonomies for the LAC region,¹ which includes: strategic objective, environmental objectives, the prioritization of economic sectors, the identification of the type of economic activities, and the selection of metrics for each of the sectors covered (Agriculture, Forestry and Livestock, Buildings, Energy, Industry, TIC, Transport, Waste, Mining, Others).

This session will cover the following themes:

- Introduction to the meaning of interoperability, discuss definitions, importance, and relevance for Taxonomy development and for Taxonomy implementation.
 - Understand the meaning of interoperability and its relevance to ensure best practices in sustainable finance.
 - How does interoperability function between existing taxonomies.
- Discuss the Common Framework of Sustainable Finance Taxonomies for the Latin America and the Caribbean region.
 - Present its strategic objectives, environmental objectives, the prioritization of economic sectors, the identification of economic activities and the creating of standards and metrics for each sector.

By the end of the session, participants should be able to answer the following topics and questions:

- The role of interoperability in the context of increasing number of sustainable finance taxonomies globally and regionally.
- The opportunities the challenges that arise from central banks and financial supervisors and regulators from ensuring interoperability in the sustainable finance taxonomies at the regional and global scale.
- Key elements in the taxonomy development process for ensuring interoperability between these instruments.
- International experiences about interoperability in sustainable finance taxonomies.

¹ This framework was launched in July 2023 aiming at serving as a reference to orient LAC countries that are in the process of or intending to develop sustainable finance taxonomies. While considering local specificities, it establishes a set of guiding principles, drawing on international best practices, that will improve comparability and ensure interoperability of sustainable finance taxonomies in the LAC region and internationally.

- Why is it important to have a LAC Common Framework for the development of taxonomies?
- What are the most relevant aspects of the LAC Common Framework?
- What does each prioritized sector of the LAC Common Framework consist of?
- How to use the LAC Common Framework in a national taxonomy development process?

Instructors:

- Vishwas Vidyaranya, Co-founder, and Managing Director, Ambire Global.

Guest Speakers:

- **Karina Velásquez, Executive Secretariat – Consejo Centroamericano de Superintendentes de Bancos, de Seguros y de Otras Instituciones (CCSBSO)**

This presentation will address the experience of the CCSBSO using the LAC Common Framework as one of the main instruments for the development of their Taxonomy and how the Framework ensured interoperability of the CCSBSO Taxonomy with other regional and global taxonomies.

- **Gianleo Frisari, Senior Sustainable Finance Specialist – World Bank**

This presentation will address the experience of the World Bank creating the interoperability principles for sustainable finance taxonomies for the G20 and the LAC Common Framework and how these have contributed to the development of taxonomies and their goals.