

Sustainable Investments

MESCI (Master in Economic Development and International Cooperation)

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Course Overview: Climate change, water scarcity, community conflict, resource depletion, supply chain breakdowns, worker well-being, and economic inequality pose material challenges that make sustainability an imperative for successful corporations and investors. This course provides a conceptual foundation in Sustainable Finance providing an overview on the evolution, frameworks, terminology and approaches adopted by investors in order to integrate Social and Responsible considerations in their portfolios (from exclusions to ESG factors' integration and engagement/stewardship). Participants will take away a solid grasp on the theory and practice of sustainable investing, exploring related investment strategies (and related challenges) and industry trends across all asset classes.

Course Content:

- The context of Sustainable Investing (why is it important?)
- Fundamentals of Sustainable Investing (& ESG)
 - Strategies and instruments
 - Focus: *Sustainable Debt instruments*
 - Sustainable Finance Regulation essentials (addressing *greenwashing* and transparency concern)
- Sustainable Investing trends (interactions with AI?)
 - Focus: *sustainable finance in Emerging Markets*
- The integration of sustainability criteria in Banca d'Italia's investment portfolio.

Course material: presentations provided on the MESCI *Teams* website.

Suggested readings:

- Silvola H., Landau T., Sustainable Investing, Beating the Market with ESG ([978-3-030-71489-5.pdf](#))
- Climate Bond Initiative, Sustainable Debt Global State Of The Market 2023 ([cbi_sotm23_02h.pdf](#))
- Antonelli S. et al, Green Bonds: the Sovereign Issuers' Perspective ([Bank of Italy - No. 3 - Green Bonds: the Sovereign Issuers' Perspective](#))
- The Responsible Investment Charter, Bank of Italy ([Bank of Italy - The Responsible Investment Charter](#))
- IMF, Sustainable Finance in Emerging Markets: Evolution, Challenges, and Policy Priorities ([Sustainable Finance in Emerging Markets: Evolution, Challenges, and Policy Priorities](#))

Grading: short writing assignments.