

General information		2023/2024
Academic subject	Sustainable Finance	
Degree course	LMG-LMGI-CONSLAV; SSG (Caratterizzante)	
Academic Year	2° per SSG	
European Credit Transfer and Accumulation System (ECTS)	9	
Language	English	
Academic calendar (starting and ending date)	1° Semester dal 02/10/2023 al 15/12/2023	
Attendance	Optional	

Professor/ Lecturer	
Name and Surname	Antonio DAVOLA
E-mail	antonio.davola@uniba.it
Telephone	
Department and address	Department of Law-Palazzo F. Cassano-Corso Italia, 23, Piano 2°
Virtual headquarters	
Tutoring (time and day)	Tuesday 10:00-12:00

Syllabus	
Learning Objectives	<p>The course aims at providing students with a basic knowledge of the legal framework and regulations for sustainable finance.</p> <p>In particular, the goal of the course is to illustrate students:</p> <ul style="list-style-type: none"> • How sustainability became a guiding force in contemporary financial markets, and what are the main drivers behind the growing interest regarding the sustainability of financial activities. • What is the role (and meaning) of the different notions of Environmental, Social, and Governance Sustainability; how are ESG criteria identified and what is their significance within financial markets. • The characteristics and rules of the current legal framework existing in the European Union in the field of sustainable finance, with particular attention to the characteristics of the two s.c. sustainable regulations (SFDR and Taxonomy regulations) and their effects on financial markets actors. • How the overall system for supervision and governance is evolving in order to encompass insights related to sustainability, and how the European Central Bank – as well as Member States’ central banks – are re-designing their policy strategies in order to promote and, at the same time, supervise financial actors engaging in sustainable activities <p>In the second part, the course will focus on a set of contemporary issues in Sustainable Finance that illustrate and deepen the topics studied in the first part, investigating the structure of sustainable financial markets, their modes of operativity and the supervisory structures that are supposed to monitor it.</p> <p>At the end of the course, should be able to critically understand the meaning and nature of the notion of sustainability within the relevant legal</p>

	<p><i>frameworks; they should also be able to distinguish the different characteristics of each ESG criteria and evaluate accordingly how specific sustainable products are subject to different rules for circulation and monitoring in the market.</i></p> <p><i>In order to do so, they will also need to be able to understand and work with legislative and policy documents, as well as to engage in the scholarly debate in the field.</i></p>
Course prerequisites	<p><i>No prerequisite is needed to enter this course</i></p>
Contents	<p><i>Course program: The course will consist of two modules.</i></p> <p><i>First module (6 CFU) - <u>Sustainable Finance: Legal and economic foundations</u></i></p> <ul style="list-style-type: none"> <i>• Basic principles of sustainable financial markets, and its key-concepts;</i> <i>• The notion and concept of sustainable transition, moving from Agenda 2030 towards the European Green Deal;</i> <i>• How to regulate uncertainty: devising future-proof regulation</i> <i>• Meaning and functioning of ESG factors;</i> <i>• Theoretical policy models for sustainable finance: Command&Control, Nudging and Choice Architecture;</i> <i>• The existing EU and international framework for sustainable finance (EU Regulations; Level 2 rules; soft law and international policies where present), with particular reference to the Taxonomy Regulation:</i> <i>• The Models adopted by Central banks for analysis and supervision of sustainability risks;</i> <i>• Financial risk management and stress testing for green and sustainable investments:</i> <i>• The existing framework for Sustainable financial products, and their characteristics.</i> <p><i>Each topic will be addressed by taking into account both the national and the European regulation in the field and – when possible - comparing the different solutions adopted with foreign legal systems (e.g. US).</i></p>

	<p>Second module (3CFU) - <u>Contemporary issues in Sustainable Finance</u></p> <p>In the second part of the course, stringent attention will be devoted to analyze some ongoing debates in the field of sustainable finance. Building on the knowledge acquired from the first module, students will engage with prominent examples of sustainable finance initiative and products, in order to evaluate if and under which conditions these activities shall be encompassed within the existing regulations, and how they will impact on the ongoing policy discussion regarding sustainability assessment and supervision.</p>
<p>Books and bibliography</p>	<p>For the First module (6 CFU) - <u>Sustainable Finance: Legal and economic foundations:</u></p> <p>D. Busch (ed.), <i>Sustainable Finance in Europe - Corporate Governance, Financial Stability and Financial Markets</i>, Palgrave, McMillian, 2021 (Chapp. 1, 3, e 9).</p> <p>D. Busch, G. Ferrarini & A. van den Hurk, <i>The European Commission Sustainable Finance Action Plan and Other International Initiatives</i>, in <i>EUSFIL Working Paper Series 3/2020</i>, available open access at www.eusfil.eu.</p> <p>V. Colaert, <i>The Changing Nature of Financial Regulation. Sustainable Finance as a New Policy Objective</i>, 2022, available open access at: https://ssrn.com/abstract=4087166</p> <p>S. Grunewald, <i>Climate Change as a Systemic Risk – Are Macroprudential Authorities up to the Task?</i>, in <i>European Banking Institute Working Paper Series – no. 62, 2020</i>, available open access at: https://ssrn.com/abstract=3580222</p> <p>M. Och, <i>Sustainable Finance and the EU Taxonomy Regulation – Hype or Hope?</i>, in <i>Jan Ronse Institute for Company & Financial Law Working Paper No. 2020/05</i>, available open access at https://ssrn.com/abstract=3738255</p> <p>For the second module (3CFU) - <u>Contemporary issues in Sustainable Finance</u></p> <p>Bank of Italy, <i>Supervisory expectations for climate-related and environmental risks</i>, available open access at https://www.bancaditalia.it/focus/finanza-sostenibile/vigilanza-bancaria/en_Aspettative_di_vigilanza_BI_su_ESG.pdf?language_id=1</p> <p>A. Coletton et al, <i>Sustainable Finance: Market Practices</i>, in <i>European Banking Authority Research Paper No. 6, 2020</i>. Available open access at https://ssrn.com/abstract=3749454</p> <p>S. Park, <i>Investors as Regulators: Green Bonds and the Governance Challenges of the Sustainable Finance Revolution</i>, in <i>Stanford Journal of International Law</i>, Vol. 54, No. 1, 2018, available open access at https://ssrn.com/abstract=3142887</p> <p>Please note: the papers for the course are open access for the student to</p>

	download. In addition, the chapters of the recommended textbook (D. Busch (ed.), <i>Sustainable Finance in Europe</i>) will be made available to the students by the professor, in compliance with the relevant copyright provisions.
Additional materials	<i>Students will be provided with the slides related to all the topics discussed in class, including minor reports of the main legal provisions examined. Additional materials and scholarly articles will be provided throughout the course, in order to offer up to date additional contents in line with the developments occurring in the field.</i>

Work schedule			
Total	Lectures	Hands on (Laboratory, working groups, seminars, field trips)	Out-of-class study hours/ Self-study hours
Hours			
225	72		153
ECTS			
9			
Teaching strategy	<i>Conventional teaching methods. Lectures will be alternated with seminars and presentations by the class of specific cases related to sustainable finance. Due to these aspects, attendance at the course, although not strictly compulsory, is highly recommended.</i>		
Expected learning outcomes			
Knowledge and understanding on:	<i>The course aims, first of all, to provide students with a knowledge of sustainable finance in contemporary legal systems, with particular regard to regulation in the European Union.</i>		
Applying knowledge and understanding on:	<i>The analysis of regulations, policy documents, and decisions by European and national courts will enable students to contextualize theoretical issues in the specific context in which they were posed and addressed, and to evaluate the debate on sustainable finance through the lens of its development at institutional level.</i>		
Soft skills	<ul style="list-style-type: none"> • Making informed judgments and choices: <i>The knowledge acquired will enable the student to solve cases and legal questions, as well as to evaluate the characteristics and regulatory framework for the main sustainable financial products.</i> • Communicating knowledge and understanding: <i>During the course, students will be given the opportunity to analyse and present landmark cases and contested topics within the area of the course. This will enhance their communicative skills.</i> • Capacities to continue learning: <i>The methodologies of the course, with continuous interaction between lecturer and students, as well as the active participation of the students and their possibility to interact with prominent speakers for seminars organized alongside the course will encourage learning and engage them</i> 		

	<i>in a profoundly compelling topic in the global debate.</i>
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Assessment and feedback	
Methods of assessment	<i>Oral examination</i>
Evaluation criteria	<p><i>1) The examination will aim at assessing the students' learning of the problems of sustainable finance, with particular reference to the legal framework developed within the European Union, and to the current framework for supervision and governance of sustainable activities.</i></p> <p><i>2) The final evaluation will be formulated by taking into account both the theoretical and practical appraisal of the contents of the course by the students; in addition, their ability to properly refer to the main concept studied during the course and to operate critical judgments will be assessed.</i></p> <p><i>3). In addition, students will present one or more of the cases studied during the course, in order to provide insights to offer an evaluation of their autonomy of judgment and their ability in understanding and communicating knowledge.</i></p>
Criteria for assessment and attribution of the final mark	<i>The final mark will consist of an overall assessment regarding students' knowledge regarding the topics of the program and their implications within the sustainable finance debate. Learning will be tested by means of questions on the different parts of the program and the cases presented by students.</i>

Dipartimento di Giurisprudenza