



Greening Financial Literacy

Why and **how** to take action

Greening Financial Literacy Project
July 2023

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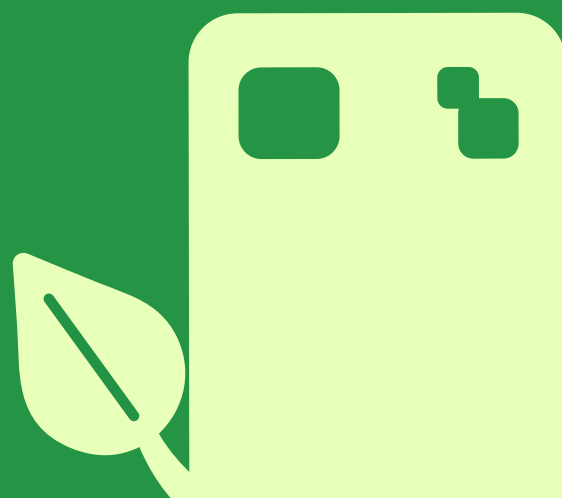
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Financial education for sustainability requires drastic change of people's mindset at a global level. In a word, people need to respect their external world, environment, societies, and firms, and make actions to improve it. Therefore, literacy per se is not enough to support sustainable finance....educating and enlightening citizens, specifically ultimate investors and depositors, so that they pay more attention to sustainability of their economy and society, is especially important."

(San-Jose et al., 2021, pp.263-264)

About this booklet

As the world faces increasing climate change challenges, it has become more crucial than ever to understand how individual financial decisions like opening a bank account, investing money or saving for retirement impact the environment.

For this reason, the Greening Financial Literacy project offers a workshop for engaged young people empowering them to educate their peers about green finance.

Accompanying materials furthermore assist civil society organisations to integrate the important topic of Green Finances in their work with young people.

Who is this project for?

Young people who are interested in becoming active in the field of Green Finance: Youth Workers, Teachers, Principals, Trainers, Researchers, Employees of civil society of any kind looking for an educative format to activate young people on the areas of environmental protection and finance.



Acknowledgments

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and project partners are:



**Umweltschutzorganisation
GLOBAL 2000**
Austria



**Forum for Freedom in
Education**
Croatia



Facing Finance
Germany



**KMOP - Social Action
and Innovation Centre**
Greece

This document has been prepared under the Erasmus+ project Greening Financial Literacy, co-funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or European Commission. Neither the European Union nor the granting authority can be held responsible for them.

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Editors: Ioanna Lagiokapa

Layout: Ariana Alexandropoulos

Date of publication: 2023

Why we urgently need to green financial literacy

Human activities, such as burning fossil fuels, deforestation, industrial emissions, and increased livestock farming, have significantly contributed to environmental degradation and the onset of climate change (IPCC, 2021; European Commission, n.d.). These activities have intensified natural disasters, including extreme weather events, rising sea levels, and ecosystem degradation (European Commission, n.d.). The consequences of these catastrophes are far-reaching, affecting ecosystems, human health, and socio-economic stability.

You, as a consumer, play a critical role in the transition to a more sustainable era.

Think about the following:



Do you wear organic clothes and support sustainable fashion brands?



Do you buy local and organic products?



Do you use renewable energy sources such as solar, wind, hydro, or geothermal power?



Do you use sustainable forms of mobility in your daily life?

These are just a few examples of how you can contribute to the growth of different industries that follow environmentally conscious practices and promote social change.

How green are your financial decisions?

What if you do all the above and even more, but your bank keeps on financing and investing in industries that are harmful to the environment and society?

The financial industry, including banks, insurance companies and asset managers, are capital providers to industries that are destroying our climate and our environment. If your money is invested in funds, stocks or bonds, have you ever checked which sectors you are invested in and if companies actually apply sustainability criteria? (European Commission, n.d.). Banks are at the forefront when it comes to driving the needed changes in the global economy: they act as

intermediaries between depositors and borrowers, enabling the flow of capital into the economy (Facing Finance, 2015).

So far, many banks do not incorporate sufficient environmental and social criteria into their lending and investment decisions by still financing fossil fuels, thereby hindering the shift to a carbon-neutral economy (Greenfield & Makortoff, 2020; Rathi & Kishan, 2022).

However, banks have recognised the opportunities to use the sustainability megatrend to raise their profits: Customers will thus be increasingly exposed to marketing or greenwashing¹ activities and must learn to recognise and competently assess them.

¹ Greenwashing refers to “activities by a company or an organisation that are intended to make people think that it is concerned about the environment, even if its real business actually harms the environment” (Oxford Advanced Learner’s Dictionary, n.d.).



Key players in the capital market

It's still your choice

You do have the power to critically assess the sustainability claims of banks/financial products, ask critical questions to your financial advisor or choose banks that prioritise green finance, sustainable practices and consider ESG² (Environmental, Social, Governance) criteria in every investment decision, avoiding any social or environmental damage that can be caused by it (e.g., not investing in fossil fuels, other polluting sectors, arms, tobacco, etc.). In other words, **you can influence** financial institutions to have a more comprehensive approach to sustainable finance and offer products and services that are better aligned with sustainability goals (GIZ et al., 2021).



² ESG criteria can be defined as “a way of judging a company by things other than its financial performance, for example its policies relating to the environment and how happy its employees are” (Cambridge Dictionary, n.d.).

Sounds complicated? We support you on your way to becoming a Green Finance advocate

If you would like to learn more about the influence banks have on climate change, take part in one of our free workshops and join your national Green Finance team!

During a short, interactive workshop you will:



learn how financial decisions influence humans and the environment



learn how to assess if your financial institution is as green as it promises or rather greenwashed



be empowered to get active together with others or individually

Furthermore, as a peer educator you will:



be trained to facilitate the workshop with your peers



be part of a group of committed like-minded young people



be able to educate yourself even further on green financial literacy



benefit from an international network of peer educators and professionals in the field of green finances




develop your own creative methods
on how to promote green finances



The workshops and peer-educator trainings will be facilitated in person in Germany, Croatia, Greece, Austria and online, in English and in the respective national languages. The program is completely free. Visit the websites of the partner organisations for information on the upcoming trainings. **No matter in which transition type of your life you are and how much you have already dealt with your finances, it is never too late to make a difference!**

Youthworkers, let's make financial literacy greener together



The Greening Financial Literacy project aims to include environmental standards in financial literacy education to raise awareness of the connection between the financial system and the environment and, in particular, the climate crisis. Especially with regard to the youth work of Civil Society Organisations (CSOs) this nexus is underrepresented, with hardly any opportunities to support young people in advocating for the issue themselves. To end this, the project aims at building the capacity of civil society in the field of non-formal youth education and youth work to strengthen young people's "green financial literacy".

In the project, CSOs from the fields of finance, environmental protection and education/youth work in Austria, Croatia, Germany and Greece join forces and share their knowledge and experience to create informal educational formats for and especially with young people (16-30 years old).

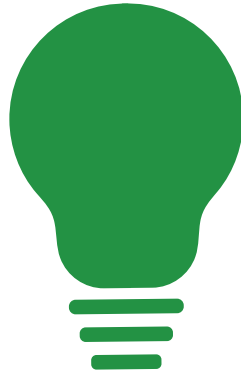
The project offers a workshop concept for informal youth education on green financial literacy. The concept is adaptable to different age groups and national contexts and includes all necessary supporting materials.

A complimentary peer-learning format allows training peers who pass on their knowledge. Furthermore, different methods to raise awareness of the importance of responsible and environmentally conscious financial decision-making and activating youth on the topic are collected and evaluated. All these concepts, materials and evaluation results are represented in a toolkit and made freely available to third parties, young people and stakeholders of the youth sector to address the needs around green financial literacy.

The toolkit aims to build capacities in order to address the needs related to green financial literacy among young people. In this context, building capacity refers to two different aspects: Firstly, CSOs need to understand what GFL is, why it is important and mostly how it can be addressed and ultimately be raised. Secondly, CSOs can use the material developed as a basis to work with it, considering that knowledge alone isn't enough. In other words, the toolkit is about delivering hands-on methods and concepts.

Are you a CSO and interested in green financial literacy? Visit our organisation's websites for more information and contact us.

Even if you haven't dealt with the issue before, our toolkit will give you everything you need to address the topic with the young people you work with. If you have any questions or comments, please feel free to contact us, we are looking forward to an exchange!



The GFL project consortium



Facing Finance

Facing Finance advocates for a socially and ecologically responsible use of money. Our goal is for banks and investors to stop providing money and capital to companies that profit from human rights abuses, environmental pollution or climate destruction. And why should everyone care? Our money ends up in the banking system, whether it is in your bank or your brokerage account. So it may very well be that you indirectly profit from exploitation in the textile industry, from the construction of fossil fuel pipelines or from arms deliveries to states that wage wars that violate international law.



GLOBAL 2000

GLOBAL 2000 is an independent Austrian environmental organization and a member of Friends of the Earth, the largest international network of environmental organizations. Since 1982, the organisation has been working on controversial social topics to uncover potential hazards for humans and the environment. GLOBAL 2000 closely monitors the development

of environmental policy in Austria and is committed to ecological fairness and a future worth living in both locally and around the globe. The organisation's 80 employees are supported by a group of highly committed activists and volunteers throughout Austria.



KMOP - Social Action and Innovation Centre

KMOP, established in 1977, is one of the oldest civil society organisations in Greece offering social support services and implementing various programs aimed at empowering and enhancing the well-being of individuals and communities. In recent years, KMOP has expanded its reach globally, currently having a presence in 5 countries and permanent offices in Athens, Piraeus, Thessaloniki, Brussels, Skopje, and Tirana. KMOP is dedicated to addressing social challenges through evidence-based solutions that promote individual and collective prosperity. Our focus is on designing and executing innovative social services that enhance individual self-worth, reduce inequality, and foster inclusive and sustainable social

development. Over the past 20 years, we have successfully carried out more than 400 social innovation initiatives with the support of both institutional and private donors. Our efforts have directly benefited over 85,000 individuals. For more information, you can visit: www.kmop.gr.



Forum for Freedom in Education (FFE)

FFE is a well-recognized civil society organisation active since 1992. It works on harmonising the educational system in Croatia with the educational standards of modern democratic societies, guided by the principles of choice and equal access to education that enables the self-realisation of a person. Our innovative, high-quality programmes provide support to teachers and schools, children and youth, university teachers and professionals working with children and youth in the educational and the social welfare systems. The programmes of teaching advancement, civic and

health education, skills of non-violent conflict resolution and improvement of school management are designed for the above listed target groups. The goals of the programmes are achieved through professional training seminars and educational activities, studies and analyses, campaigns and creative competitions, as well as through direct work with teachers and schools. Publishing plays an important role in disseminating best practices by way of compendia and other publications available on the organisation's web site. Particular attention is paid to the development of high-quality programmes for children and youth so that they can gain knowledge and skills for their participation in societal and democratic processes.

Contact us

For general questions regarding the Greening Financial Literacy project, its workshops, or educational material, use the contact information below:



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