

G20 DATA GAPS INITIATIVE 3

Recommendation 4: Climate Finance

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Overview

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- Main features of Recommendation 4 project plan
- Main work items of project plan
- Main conclusions of Virtual Workshop on Rec. 4 in May 2023
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Recommendation 4 on Climate Finance in a nutshell

Policy driver: Green financing is considered globally as a key instrument to support the transition to a more resilient economy. Policymakers will require data to track the source of resources to fund relevant projects

- Currently there is [a lack of reliable and comparable indicators for tracking “green” financing](#) via debt securities and equity instruments across the G20 economies
- Rec. 4 aims at addressing this data gap through [developing reporting templates and methodological guidance](#) to produce more comparable indicators of green financing

Target statistical product: Statistics on [green debt securities and listed shares](#) by sector of issuer and holder, and other selected breakdowns

Task Team: 99 Task Team members from all G20/FSB economies, except currently AU and HK

Lead agencies: BIS, ECB, IMF as members of the Working Group on Securities Databases (WGSD); other contributing agencies: FSB, OECD

Main Features of Recommendation 4 Project Plan

The Recommendation 4 project plan has the following **main features**:

- Use of **workshops and written consultations/surveys** to seek input/feedback from G20/FSB economies on all steps of the process
- **Step-wise approach for data dissemination** with intermediate (by end-2025) and final (by end-2027) reporting targets
- Project plan leverages on **existing methodology** ([Handbook on Securities Statistics](#)), established **reporting infrastructure** ([DGI-2 Rec. 7 reporting templates](#)), and **ongoing initiatives** (e.g. SNA update) to avoid duplication and exploit synergies
- Use of **self-commitments approach** to reflect different statistical capacities and national priorities (as used in DGI-2 Rec. 7)
- Despite the efforts to harmonise concepts and definitions, the project plan acknowledges that economies use different taxonomies or may not have developed related frameworks yet → Rec. 4 should be implemented with available information on a **best-effort basis**

Main Work Items of the Project Plan (1/3)

Main Rec. 4 activities planned for 2023:

Type of activity	Work item	Tentative timeframe
Consultation	Establish Rec. 4 Task Team ✓	Q1/2023
Virtual workshop	Kick-off workshop to start discussion on reporting templates and initiate exchange of experiences with climate finance data ✓	Q2/2023
Consultation	Consultation on draft reporting templates for aggregates on green debt securities and listed shares	Q2-Q3/2023
Consultation	Stock-taking survey on existing work on climate finance data	Q2-Q3/2023
Face-to-face workshop	Workshop to agree on reporting templates, start discussing methodological framework, and share compilation experiences	Q4/2023
Consultation	G20/FSB economies to specify self-commitments for reporting aggregates on green debt securities	Q4/2023

Main Work Items of the Project Plan (2/3)

Main Rec. 4 activities planned for 2024:

Type of activity	Work item	Tentative timeframe
Consultation	Stock-taking survey on compilation practices for green debt securities	Q1-Q2/2024
Consultation	Consultation on developing methodology for green listed shares (building on work of Rec. 1 and 3)	Q1-Q2/2024
Virtual workshop	Workshop to discuss methodological framework, support setting up plans for achieving targets, and share compilation practices for green listed shares	Q3/2024
Consultation	G20/FSB economies to specify self-commitments for reporting aggregates on green listed shares	Q4/2024
Consultation	G20/FSB economies to set up plans (e.g., on data sources and compilation approaches) to achieve the reporting targets	Q4/2024
Training	Course on Securities Statistics, including guidance on compilation of statistics on green securities	Q3-Q4/2024

Main Work Items of the Project Plan (3/3)

Main Rec. 4 activities planned for [2025-2027](#) (further details to be defined):

Type of activity	Work item	Tentative timeframe
Face-to-face workshop	Workshop to support implementation of intermediate targets, to support interoperability of data, and to share compilation experiences	Q1/2025
Dissemination (intermediate target)	G20/FSB economies to start disseminating basic aggregates on issuances of green debt securities based on self-commitments for intermediate target	by Q4/2025
Face-to-face workshop	Workshop to support implementation of final targets and to share compilation experiences (particularly on green equity)	Q1/2027
Dissemination (final target)	G20/FSB economies to start disseminating aggregates on issuances and holdings of green debt securities and listed shares based on self-commitments for final target	by Q4/2027

Main Conclusions of Virtual Workshop on Rec. 4 in May 2023

A Virtual Kick-Off Workshop on Securities Statistics and Recommendation 4 was organised by the WGSD on 15-16 May 2023 and reached the following conclusions:

- Leveraging existing reporting infrastructure established under DGI-2 Rec. 7 and use of self-commitments approach represents a sensible way forward for Rec. 4
- Draft reporting templates will be further fine-tuned and sent for written consultation to the TT members → Goal to prepare updated version to be agreed at next Workshop in October
- Future work on methodology for green securities should be closely coordinated with SNA manual update and user needs
- Further sharing of experiences on work on climate finance data (e.g., on data sources, use of s-b-s data, collection of data via aggregate surveys, and group-level approaches) will be key for success of Rec. 4

Upcoming Workshop on Rec. 4 in October 2023

The WGSD will hold a [next Workshop on Securities Statistics and Recommendation 4](#) on [5-7 October 2023](#) in Cape Town, [hosted by the South African Reserve Bank](#) with the support of the BIS Irving Fisher Committee on Central Bank Statistics (IFC).

[Invitations](#) have recently been circulated to all Rec. 4 Task Team members.

Main goals of the Workshop will be:

- [Agree on final reporting templates](#) for Rec. 4
- Kick off [work on methodology](#) for defining green securities
- [Deepen exchange of experiences](#) on ongoing work and challenges in compiling climate finance statistics, including data sources, use of security-by-security data, and user needs on green securities data

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Thank you!

**Comments and
questions welcome**