

G20

DATA GAPS INITIATIVE 3

Recommendation 4 on Climate Finance

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Overview

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- Recommendation 4 Workshop in Cape Town, Oct 2023
- Recommendation 4 reporting templates and self-commitments
- Next steps for Recommendation 4 work
- Annex: Main work items of Recommendation 4 project plan

Recap: Recommendation 4 on Climate Finance in a nutshell

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

- Currently there is **a lack of reliable and comparable indicators for tracking climate finance** 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 climate finance

Target statistical product: Statistics on **climate finance debt securities and green listed shares** by sector of issuer and holder, and other selected breakdowns

Task Team: 106 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

Recommendation 4 Workshop in Cape Town, Oct 2023

The WGSD organised a physical [Workshop on Recommendation 4](#) on 5-6 Oct 2023, which was [hosted by the South African Reserve Bank \(SARB\)](#) with the support of the BIS IFC in Cape Town. The workshop reached the following [main conclusions](#):

- Rec. 4 Task Team members agreed on the final [reporting templates and targets](#) to be used for Rec. 4 as described in the accompanying “[Explanatory Note on the Recommendation 4 Reporting Templates](#)” (see next slide for an example of the templates)
- Task Team members started discussing the [definitions for green securities](#) and provided feedback on the draft definitions developed by the ISWGNA in the context of the SNA update process
- Task Team members reached a common view on the next steps for Rec. 4, including the [collection of self-commitments](#) (reflecting different statistical capacities and national priorities)
- The workshop also supported the [sharing of experiences](#) on work on climate finance data across economies, which will be key for facilitating the implementation of Rec. 4

[Thanks to the SARB and all Task Team members](#) for the success of this key event!

Recommendation 4 reporting templates and self-commitments

By early 2024, 19 G20/FSB economies provided [self-commitments](#) on the implementation of the agreed [Rec. 4 reporting templates](#) (which are available on the [WGSD](#) and [DGI](#) websites)

Rec. 4 reporting templates consist of 23 tables for [green bonds](#), [sustainability bonds](#), [sustainability-linked bonds](#) and [green listed shares](#).

Basic data for stocks of green bonds issuances are to be [reported by end-2025](#) (intermediate target) and more advanced ambitions data [by end-2027](#) (final target).

Table 1.1a: **Green Bonds Issues** by Sector, Currency, Maturity, Interest Rate and Market of Issuance. **Stocks at Nominal Value**

Orange cells: Core data to be transmitted by end-2025											
White cells: Advanced ambitions data to be transmitted by end-2027											
Issuer Currency Maturity Interest rate Market of issuance	Residents (\$1)										
	Non-financial corporations (\$11)	Financial corporations (\$12)						General government (\$13)	Memo item: public sector	Households and NPISH (\$14+ \$15)	All resident issuers (\$1)
		Central bank (\$121)	Other deposit-taking corporations (\$122)	Money market funds* (\$123)	Other financial corporations (\$124 to \$127)	Of which: Securitisation corporations (\$125A)	Insurance corporations and pension funds (\$128, \$129)	Of which: Central government (\$1311)			
Total											
By domestic currency											
By foreign currency											
Short term at original maturity											
Long term at original maturity											
More than 1 year and up to and including 2 years											
More than 2 years and up to and including 5 years											
More than 5 years and up to and including 10 years											
More than ten years											
Of which: Long term at original maturity, with a remaining maturity up to and including 1 year											
Fixed interest rate											
Variable interest rate											
Inflation-linked											
Interest rate-linked											
Asset price-linked											
Domestic market											
International market											

*) Money market funds do not issue debt securities. 2008 SNA codes are used for sectors and subsectors.

Next steps for Recommendation 4 work

Ongoing and upcoming Rec. 4 work focuses on the [methodology for compiling climate finance statistics](#):

- [Ongoing stock-taking survey](#) on compilation practices for climate finance debt securities and for developing methodology for green listed shares → aim to align with definitions currently being developed in the context of the SNA/BPM update process
- [Course on Securities Statistics](#), including guidance on compilation of climate finance statistics, scheduled for Sept 2024 at IMF HQ in Washington, D.C.
- [Virtual Workshop](#) planned for H2/2024 to discuss methodological framework and support setting up plans for achieving targets

[Continued close cooperation among the Rec. 4 Task Team members](#) will be key for delivering on Rec. 4 targets by end-2025 and end-2027!

The slide features a solid blue background. In the top-left and bottom-right corners, there are decorative patterns of squares in three shades: white, a medium blue, and a dark navy blue. These squares are arranged in a grid-like fashion, with some squares missing, creating a fragmented, pixelated effect.

Thank you!

**Comments and
questions welcome**

Annex: Main work items of Rec. 4 project plan (1/3)

Main Rec. 4 activities in 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

Annex: Main work items of Rec. 4 project plan (2/3)

Main Rec. 4 activities planned for 2024:

Type of activity	Work item	Tentative timeframe
Consultation	G20/FSB economies to specify self-commitments for reporting aggregates on green debt securities ✓	Q4/2023-Q1/2024
Consultation	Stock-taking survey on compilation practices for green debt securities and for developing methodology for green listed shares (currently ongoing)	Q2/2024
Training	Course on Securities Statistics, including guidance on compilation of statistics on green securities	Q3/2024
Virtual workshop	Workshop to discuss methodological framework, support setting up plans for achieving targets, and share compilation practices for green listed shares	H2/2024
Consultation	G20/FSB economies to specify self-commitments for reporting aggregates on green listed shares	Q4/2024-Q1/2025
Consultation	G20/FSB economies to set up plans (e.g., on data sources and compilation approaches) to achieve the reporting targets	Q4/2024-Q1/2025

Annex: Main work items of Rec. 4 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	H1/2025
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 end 2025
Face-to-face workshop	Workshop to support implementation of final targets and to share compilation experiences (particularly on green equity)	H1/2027
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 end 2027