

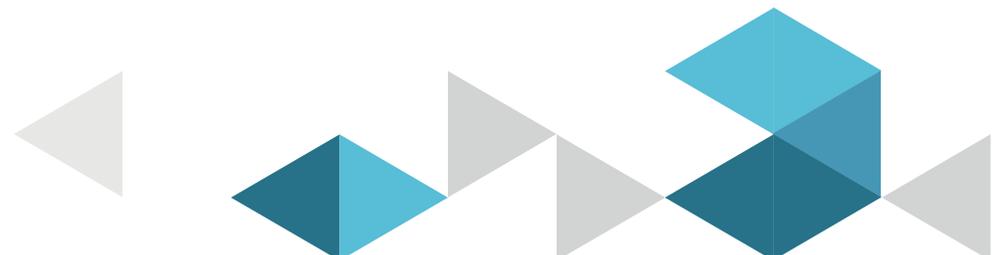


## Statistical data needs on sustainable finance for central banks

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Sabbah Gueddoudj  
Statistics Department



# Introduction

- How to apprehend the sustainability notion: definition vs taxonomy.  
LU taxonomy version (Section 1)
- Sustainable database needs and the role of central banks (CB):  
Some European experiences.  
LU sustainable bonds (Section 2)
- Recommendations for CB database users  
Repository and international cooperation (Section 3)

## Section 1 Definition vs Taxonomy (1/2)

### ➤ Definitions

a- Pricewaterhouse Coopers Consultant (2013)

b- Höhne et al.(2012)

c- United Nations Environment Programme (UNEP)  
etc.

Why should we condense the complexity of a variable into a unique definition (Lindenberg, 2014)?

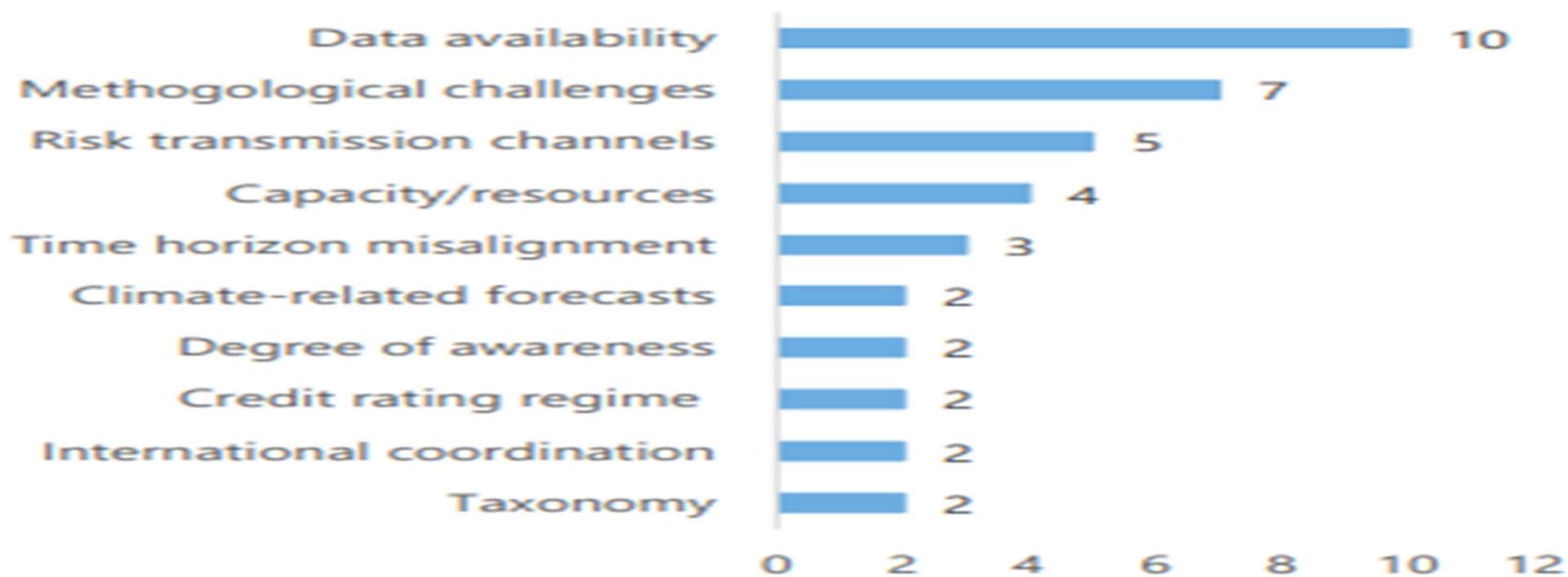
# Section 1 Definition vs Taxonomy (2/2)

- Taxonomy sample for EU, FR, **LU** and NL (based on OECD works)

	LU Definitions	EU Taxonomy	France Definitions	Netherlands Definitions
<b>Sources</b>				
Sovereign Green Bond	X		X	X
Green loans definitions in legislation <sup>45</sup>	X	X	X	X
<b>Incentives</b>				
Interest rate incentives	X		X	X
Tax incentives or subsidies	X		X	X
Monetary incentives policy/collateral				
<b>Objectives</b>				
Social objectives included	X	X	X	
Climate change adaptation	X	X	X	X
Climate change mitigation	X	X	X	X
Water and marine protection	X	X	X	X
Pollution prevention and control	X	X	X	X
Waste and recycling	X	X	X	X
Ecosystems/Biodiversity	X	X	X	X
<b>Sectors covered</b>				
Nuclear*	X	?		
Gas with emissions threshold	X	X		
Clean fuel	X			
Clean Coal (supercritical)	X			
Hydro	X	X	X	X
Solar	X	X	X	X
Wind	X	X	X	X
Biofuels (biogas, biomass)	X	X		X
Power Transmission and distribution	X	X	X	X
Energy efficiency	X	X	X	X
Green buildings/energy efficiency in buildings	X	X	X	X
Private passenger transport	X	X	X	X
Public passenger transport	X	X	X	X
Freight rail	X	X	X	X
Waterborne transport	X	X	X	
Water infrastructure	X	X	X	X
Clean water supply	X	X	X	

## Section 2- Sustainable database needs and the role of central banks: European initiatives (1/2)

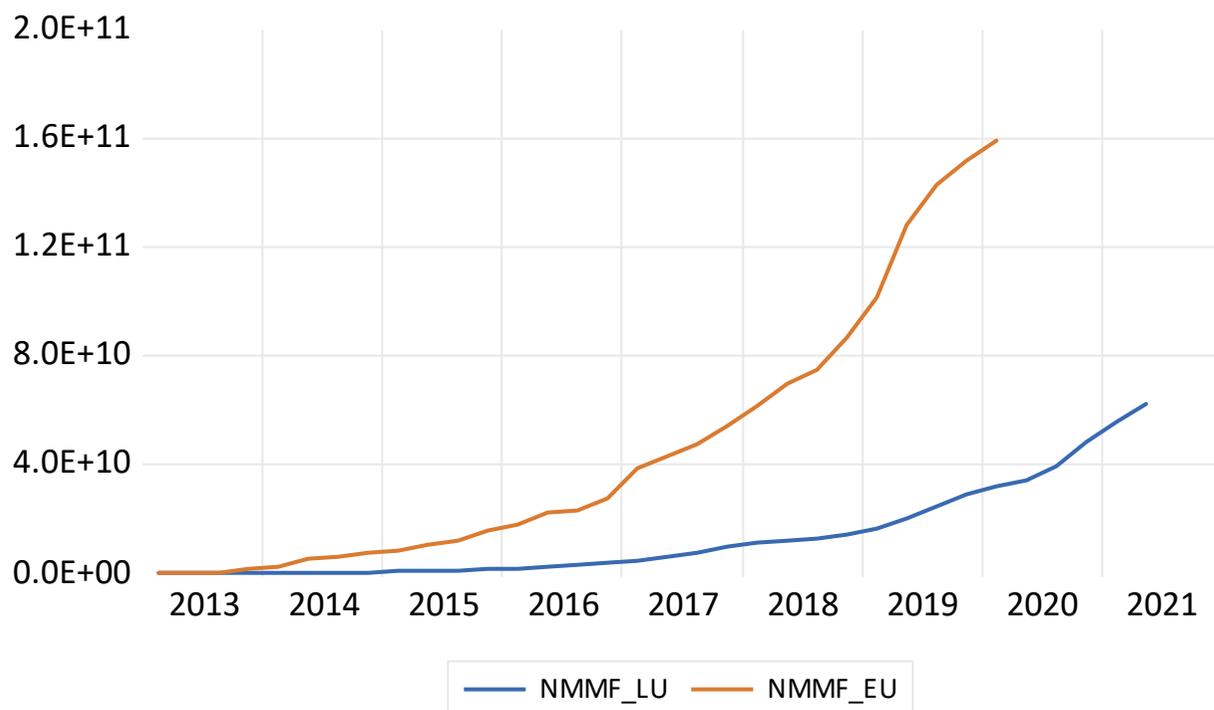
- EU Surveys



Source: Basel Committee

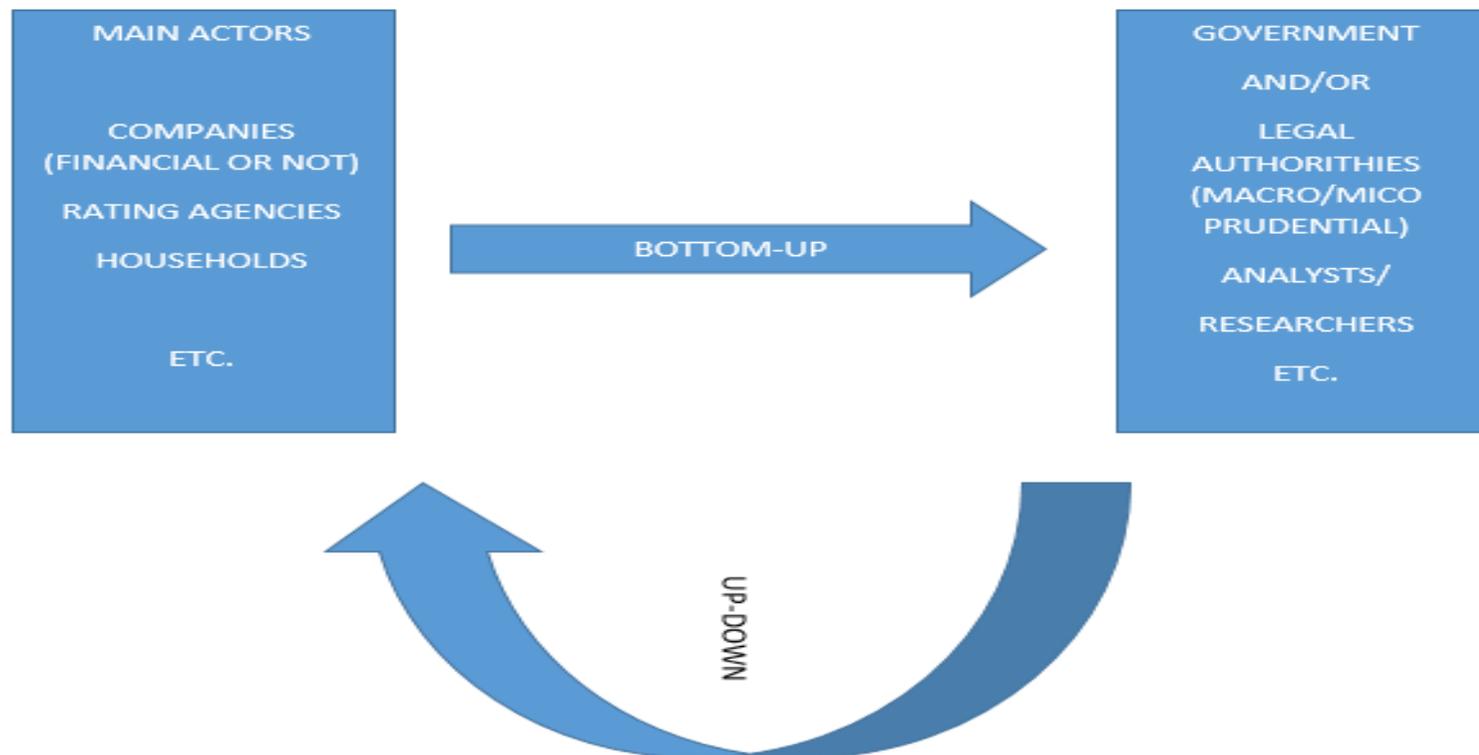
## Section-2- Sustainable database needs and the role of central banks: European initiatives (2/2)

- European and Luxembourg Sustainable bond holdings time series (Quarterly frequency, from 2013Q1 to 2021Q1, billion Euro)



# Section-3- Recommendations for CB database users (1/3)

- Bottom-up and top-down approaches



# Section-3- Recommendations for CB database users (2/3)

## ■ Dashboard vs Repository (i.e. Catalogue)

Tools	Pros	Cons
Dashboard	<ul style="list-style-type: none"><li>• Time saving approach for the producer</li><li>• Smart and customisable presentation</li><li>• Data and Graphs easily implemented and automated</li><li>• Synthetic approach (Presentation of key indicators for specific topics)</li><li>• Drill rapidly into details</li><li>• Real time approach</li><li>• For all users</li></ul>	<ul style="list-style-type: none"><li>• Limited information</li><li>• Lack of realism</li><li>• Limited objective</li><li>• Not flexible in case of information volatility (ex. Short term exogenous shocks)</li></ul>
Repository/Catalogue	<ul style="list-style-type: none"><li>• "Exhaustive" approach</li><li>• Real time approach</li><li>• Easily automated for the update step</li><li>• For all users</li></ul>	<ul style="list-style-type: none"><li>• Time consuming approach (short-term implementation step)</li><li>• Overabundance of information /Too much information kills information</li></ul>

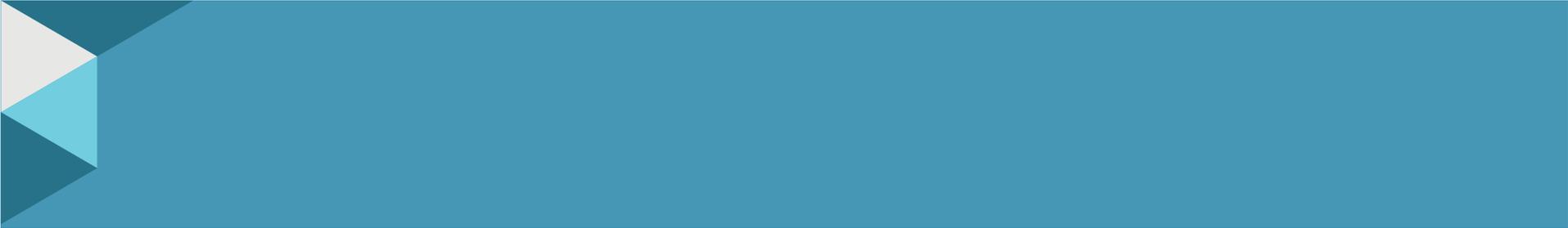
# Section-3- Recommendations for CB database users (3/3)

- Orderly roadmap for a comprehensive and reliable data catalogue

Recommendations	Phase 1	Phase 2	Phase 3
<b>R1</b> Collaboration	Mandate an International Authority to endorse the role of leader  Main actors for the collaboration: BIS,IMF, OECD, WB, Eurostat, <u>Eurosystem</u> statistical Directorates and National ESS etc.	academics institutions, Governmental and non-governmental organizations	Commercial providers
<b>R2</b> Risks data priority	Transition risks	Physical risks	Other risks
<b>R3</b> Data quality control and harmonization	Collect information data (granular and aggregated)	Involve experts in the informational content analysis	Provide labels of quality to users.

# Conclusions

- The role of CB is crucial as data producers and data users given their missions and their historical backgrounds.
- Data lacuna, lack of quality and long term/historical time series unavailability are obstacles to the CB missions.
- Climate change is global therefore international cooperation is required.  
“If you want to go fast, go alone; if you want to go far, go together” (African proverb).
- Inclusion in the data collection of the digitalisation and the artificial intelligence (IA) sectors since 1/ they are energy consuming and 2/ they play (and will play) an important role for the data collection today (and tomorrow).



Thanks for your attention. For any questions and/or suggestions, do not hesitate to contact us at [sabbah.gueddoudj@bcl.lu](mailto:sabbah.gueddoudj@bcl.lu)