



The Bundesbank's Sustainable Finance Data Hub

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The views expressed are those of the author and do not necessarily reflect those of the Bundesbank

Introduction

Short and medium-term approaches to closing data gaps

- Global progress on improving climate data is under way, but in the short and medium-term, **leveraging of already available data sources** and approaches is essential.
- This presentation describes **steps taken by the Bundesbank** to overcome the shortage of data, first empirical results, and ways on how to increase data availability through cooperation initiatives.
- **Five short and medium-term responses** to closing data gaps:

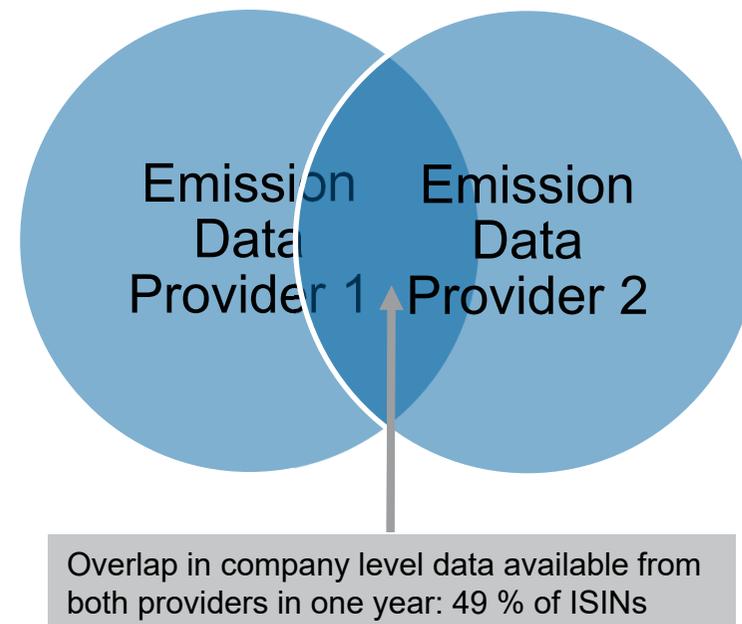


Bringing together demand and supply: Using an appropriate intra-institutional organizational setting

- To enable climate related analytical work within the Bundesbank, a **central data hub** to collect climate related data was set up in early 2020. The Sustainable Finance Data Hub is tasked with examining market data that serve **inter-divisional and permanent needs** within the Bundesbank.
- The Data Hub is a **specialized unit** within the statistics directorate, serving varying user needs within the central bank.
- Data is provided through a **central data base** and access to this data can be requested at the data hub. It is also the **first contact point** for any methodological questions.
- In addition, we **contribute to international climate-related data discussions** through participation in the Network on Greening the Financial System WS Bridging Data Gaps, the Irving Fisher Committee sustainable finance work as well as the Committee on Monetary, Financial and Balance of Payment Statistics TF on sustainable finance.

Different user needs and measurement uncertainty: The necessity for a multi-source approach

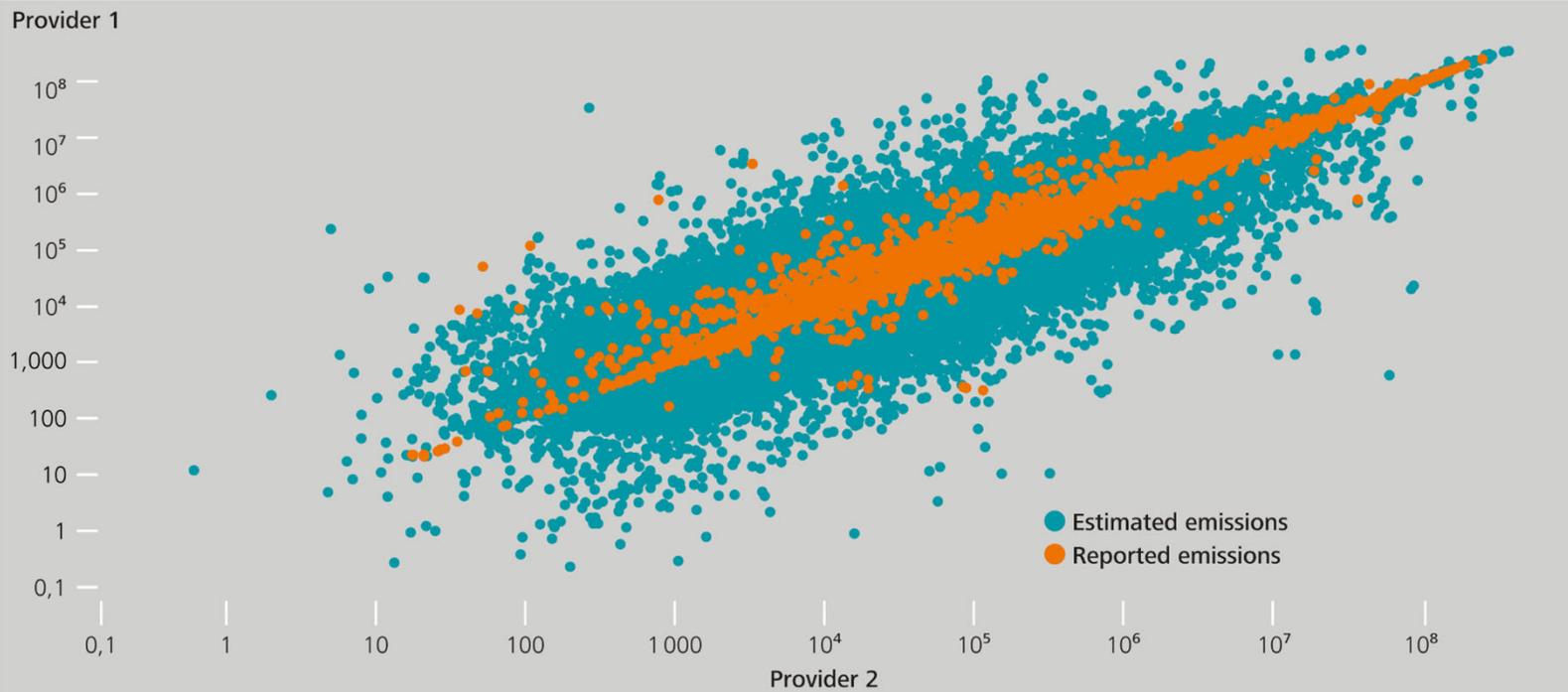
- Various data providers measuring the same or closely related phenomena reveal **measurement uncertainty**.
- **Diverse user needs** call for a comprehensive set of indicators and data source to analyse climate risk.
- In addition, two different data sources can **complement** each other in terms of the type of metrics provides, as well as coverage of company level data.



Multi-source approach: Allows for robustness checks

Comparison of greenhouse gas emissions (scope 1 + 2) from two providers

Tonnes of CO₂ equivalents, log scale



Deutsche Bundesbank

SOPR0019.Chart

Multi-source approach: Results from recent in-house survey

- In September 2021 we organized an **in-house workshop, including a small survey**, with users to receive feedback on the two data providers currently available.
- Results show that **70 % of respondents use data from both providers**, mainly for robustness checks and because of a specific data package, only available from one of the vendors.
- Users value having **both access** to:
 1. A data **providers platform** to get an overview of available data and receive methodological information
 2. The **in-house database** for larger data sets as well as other services we provide, such as combined data sets and additional identifiers

Being transparent to the public: Sustainability Statistics [website](#) including green finance dashboard

- Given the often scattered data sources of publicly available climate data, making data available to the general public through dashboards and underlying data can **facilitate access to existing data sources**.
- We reached an agreement with a 3rd party data provider to publish certain **aggregates on green and social bonds** on our website. This work with a non-traditional stakeholder forms part of the NGFS Dashboard on scaling up green finance, which we update annually.



Sustainability

DE

Green finance dashboard



indicators. >

This system of indicators uses a number of data items, most of them publicly available, to provide a quick overview over green finance in Germany and its latest developments. It distinguishes financial, real economic and climate-related

Global market for sustainable finance



Contains a collection of data and graphs on volumes of green and social bonds from global perspective. They form part of the NGFS (Network



The Bundesbank analyses the impact of climate change and climate policy on the financial sector, because climate risks are also financial risks. >



Progress report on bridging data gaps

ngfs.net

Enhancing (regional) central bank cooperation: Joint Eurosystem procurement for up to two climate data providers

All participating central banks will have the right but not the obligation to participate in the Framework Agreements resulting from the public tender procedure.

Given that many central banks face similar data challenges such cooperation minimises duplication of efforts and achieves synergies.

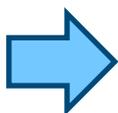
In addition, it ensures consistency of analysis and improves comparability across central banks by the broad use of the same data providers.

Work with non-traditional stakeholders: Promoting digitalization

- To **promote using digitalization** to bridge climate related data gaps we submitted, together with Banco de España, a project proposal on "Information extraction applied to sustainability-related disclosures" to for the envisaged **BIS Eurosystem Innovation Hub**.
- We are at the beginning of **joint projects with TU Darmstadt**, a technical university, working with international experts on natural language processing where we want to examine issues related to sustainability disclosure reports and physical risk indicators.



Such initiatives will become even more impactful, the more voluntary and mandatory climate related disclosure initiatives are under way, **pathing the way for a long-term statistical response**.



In the meantime, we support efforts to **build international hubs of already available data sources**, such as the NGFS bridging data gaps repository and CMFB work on data catalogues.

Thank you for your attention!
Questions?