In the context of G20 DGI-3 Recommendation 4 on Climate Finance, a Workshop on Securities Statistics for G20 and FSB economies was held in Cape Town (ZA) on 5-6 October 2023. It was hosted by the South African Reserve Bank (SARB) with the support of the BIS IFC and jointly organised by the BIS, ECB and IMF. The Workshop was chaired by the BIS as chair of the Working Group on Securities Databases (WGSD). It was attended by 72 Recommendation 4 Task Team members and other representatives from 19 G20 and FSB economies, 4 other IFC member central banks, the WGSD members, OECD, and FSB. The main objectives of the workshop were to: (1) provide an overview of the state of play of the Recommendation 4 project plan and the ongoing work across economies, (2) agree on the final reporting templates for DGI-3 Recommendation 4 on Climate Finance, (3) start discussing the definitions for green securities, and (4) deepen the exchange of experiences on climate finance data. In discussing these topics, the Workshop agreed on several conclusions and follow-up actions that are summarised in the following paragraphs and that will be reported to the DGI Contact Persons as well as presented at the 2024 G20 DGI Global Conference.

The Workshop discussed the Recommendation 4 project plan that had been approved by the G20 Contact Persons in early 2023 and the results of the recent stock-taking survey on climate finance data. It was concluded that a selection of the survey results would deserve to be published to a wider audience. The survey results supported the structure of the Recommendation 4 draft reporting templates, while also showing some heterogeneity in the state of implementation of climate finance statistics across economies. Thus, the use of the self-commitments approach will be key for aligning economies’ Recommendation 4 reporting targets with their statistical capacities.

Task Team members agreed on the Recommendation 4 reporting templates and targets. The templates cover a set of tables for issuances, holdings and from-whom-to-whom statistics on green bonds, sustainability bonds, sustainability-linked bonds, and green listed shares, with the templates on the different types of green debt securities presenting “of which” breakdowns of the established DGI-2 Recommendation 7 breakdowns. The reporting targets include a basic intermediate target for core data on green bonds by end-2025 and a final target for other data by the end of the DGI-3 at end-2027. The reporting will rely on the existing DGI-2 Recommendation 7 reporting infrastructure, including frequency, timeliness, use of the methodology of the Handbook on Securities Statistics (HSS), and use of the Global DSD for Sector Accounts (NA_SEC). The agreed templates and targets are described in an

1 Out of these, 7 G20 and FSB economies, 3 other IFC central banks, the OECD and FSB were following the Workshop virtually.
2 Task Team members (including those not able to physically attend the Workshop) were asked to provide any fatal flaw comments on the final reporting templates by 20 October 2023. No comments were received in this written consultation.
accompanying “Explanatory Note on the Recommendation 4 Reporting Templates”, which will be shared for information with the DGI Contact Persons.

Task Team members welcomed and stressed the importance of the use of the self-commitments approach for the successful implementation of Recommendation 4. Assessing the progress in implementing Recommendation 4 against economies' self-commitments will allow economies to set their own targets for the reporting templates in line with their statistical capacity and national priorities. It was agreed to collect economies' self-commitments on green debt securities by end-2023, while self-commitments for green listed shares should be collected later in 2024 once the concept of green listed shares has been further defined. Moreover, it was discussed that the Recommendation 4 reporting templates could be also voluntarily applied to new types of climate finance securities that may become relevant in the future and that guidance could be provided via complementary notes to allow for a harmonised reporting of such securities by economies on a voluntary basis (outside the DGI context).

The Workshop started discussing the definitions for green securities and provided feedback on the draft definitions developed by the Intersecretariat Working Group on National Accounts (ISWGNA) in the context of the SNA update process. Task Team members considered that the draft SNA definitions for ESG/green bonds – once they have been finalised – could be also applied in the Recommendation 4 reporting. The Task Team also provided concrete feedback for consideration by the ISWGNA, suggesting that conceptual approaches used (e.g., use of proceeds or link to performance targets) should depend on the instrument type, that flexibility should be applied in use of taxonomies and in the required assurance level (e.g., self-labelling, second-party opinion or certification), and that the definition of ESG bonds should be fine-tuned to make it applicable also to sustainability-linked bonds. Moreover, it was concluded that the definition of green listed shares seems most appropriate to be based on entity level approaches, while related conceptual issues will require further work by the Task Team in 2024 and should continue to be closely aligned with the SNA update and user needs. Given that different economies may rely on different national taxonomies or definitions in their implementation work, it was highlighted that it will be key to document the methodologies applied as meta data of the Recommendation 4 aggregates and to promote further harmonisation by incorporating a new chapter on climate finance statistics in the next update of the HSS.

The Workshop also emphasised the importance of a close collaboration with other DGI Recommendations. It was discussed that the implementation of Recommendation 4 will benefit from close collaboration with DGI-3 Recommendations 1 and 3, as well as from further enhancing the general publication of securities statistics in the ongoing DGI-2 Recommendation 7 work. Moreover, it was considered important to focus the communication on Recommendation 4 and other DGI-3 work more strongly on the insights provided by the new data and not only on the closing of data gaps.

Task Team members continued exchanging experiences on climate finance data and concluded that deepening such cooperation will be key for the success of Recommendation 4. Representatives from South Africa, Brasil, Germany, Mexico, the EU, and the BIS presented their work on climate finance data, which highlighted variations in the progress across economies as well as concrete challenges, on which further exchanges were considered relevant (e.g., the selection of data sources, the use of s-b-s data, and the application of group-level approaches). In this context, it was agreed that economy presentations could be published on a voluntary basis to reach a wider audience.

Finally, the Workshop also reached a common view on the Recommendation 4 input for the 2024 G20 DGI Global Conference. It was agreed to inform the Global Conference about the outcome of the Workshop, including the agreed reporting templates, the use of the self-commitments approach, the methodological work on defining green securities, and the exchange of experiences on climate finance data. To progress on all these aspects, the Task Team members will meet at the upcoming Virtual Workshop on Recommendation 4 organised by the WGSD in the second half of 2024.