

Measuring green finance: new challenge for NSOs?

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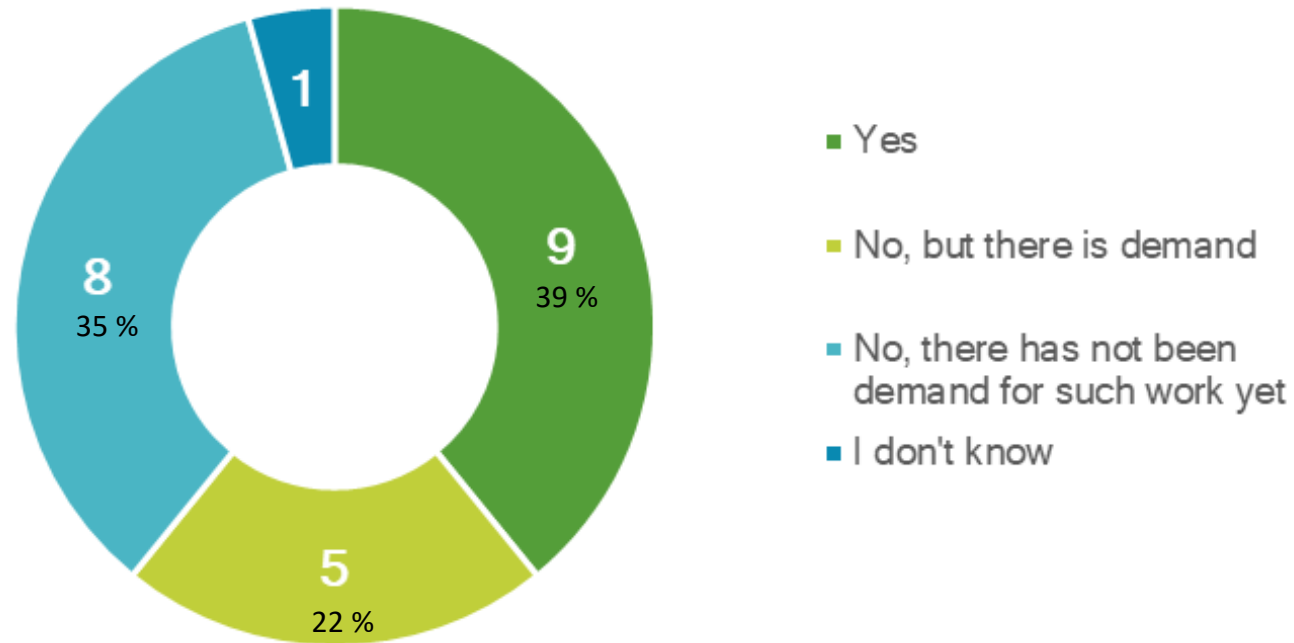
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Does your organization have any activities related to green finance or climate finance ?



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Information demands

- Measuring the effect of invested capital on the environment and the impact of changing status of the environment on the economy
- Measuring investment in climate change mitigation and the cost for the country to become carbon neutral
- Combining information on environmental subsidies with information on fossil fuel subsidies
- Unbiased assessment of the impact of green policy decisions

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Definitions and taxonomies

- ❑ Consistent and clear definitions related to ESG/sustainable finance and guidance on how to incorporate these into the SNA framework
- ❑ Establishing definitions differentiating between “green finances” and other finances, which do not have a direct connection with green policies
- ❑ Classification (taxonomy) of “green” projects to be financed through “green” bonds and “green” loans

Taxonomy Regulation



REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Art 1 §1. This Regulation establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

Climate Delegated Act, adopted on 4 June 2021, Commission Delegated Regulation (EU) .../... supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to **climate change mitigation** or **climate change adaptation** and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (C/2021/2800 final)

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Identifying statistics and data sources

- Identifying statistics and data that could be used in defining and measuring green finance
- Proposing a framework to present existing statistics
- Identifying and obtaining access to administrative data sources on green financing
- Identifying and developing new sources of data on the size and scale of green/climate/sustainable financial securities and their impacts

Green budgeting



Paris Collaborative on Green Budgeting was launched by the OECD at the One Planet Summit in Paris on 12 December 2017.

It aims to design new, innovative tools to assess and drive improvements in the alignment of national expenditure and revenue processes with climate and other environmental goals.

- ❑ **Green budget tagging** – Classifying budget measures according to their environmental and/or climate impact.
- ❑ **Environmental impact assessments** – Requiring environmental impact assessments to accompany new budget measures.
- ❑ **Ecosystem services, including carbon, pricing** – Putting a price on environmental externalities, such as greenhouse gas emissions, often through taxes and emissions trading systems, to facilitate achievement of national environmental and climate goals.

Conclusions



Green finance is not a new challenge for NSO, but it is an opportunity :

- to test existing frameworks like SEEA
- to develop new modules or more detailed statistics
- to rethink scope and classifications
- to collect new data
- to answer better to user needs



Green finance comprises

- The financing of public and private green investments (including preparatory and capital costs) in the following areas
 - Environmental goods and services (such as water management or protection of biodiversity and landscapes)
 - Prevention, minimization and compensation of damages to the environment and to the climate (such as energy efficiency or dams)
- The financing of public policies (including operational costs that encourage the implementation of environmental and environmental-damage mitigation or adaptation projects and initiatives (for example feed-in-tariffs for renewable energies))
- Components of the financial system that deal specifically with green investments, such as the Green Climate Fund or financial instruments for green investments (e.g. green bonds and structured green funds), including their specific legal, economic and institutional framework conditions