

EC Conference on

“Promoting Sustainable Finance”

January 8-9, 2019
Brussels

CALL FOR PAPERS

The Technical Expert Group (TEG) on Sustainable Finance and the Community of Practice in Financial Research (CoPFiR), both set up by the European Commission, are pleased to announce a call for papers for a Conference on "Promoting Sustainable Finance". The conference will be held on January 8-9, 2019, at the European Commission's Berlaymont headquarters in Brussels.¹

The purpose of the two-day event is to allow researchers to present policy-relevant empirical papers and to promote the exchange of ideas and knowledge between academics, professionals and policy makers on how to mobilise the necessary financing for green and sustainable investments.

KEY DATES

Deadline for submission of extended abstracts or full papers: **December 7, 2018**

Notification of paper acceptance: **December 19, 2018**

Deadline to submit full papers and presentations: **December 30, 2018**

Conference dates: **January 8-9, 2019**

TOPICS

The adoption of the Paris Agreement on climate change and the UN 2030 Agenda for Sustainable Development marks a historical international commitment to the objective of a more sustainable economy and society. In this context, the financial system has a key role to play. Re-orienting finance to more sustainable investments is crucial to achieve climate and other environmental and societal policy goals. Long-term competitiveness and durable growth cannot be fostered without an equally sustainable finance. At the same time, financial risks

¹ Further information can be found in the TEG FAQs (https://ec.europa.eu/info/sites/info/files/sustainable-finance-teg-faq_en.pdf) and on the CoPFiR website (<https://ec.europa.eu/jrc/communities/community/copfir>).



stemming from environmental risks² including climate change and resource depletion need to be managed.

While policy initiatives on sustainable finance are advancing at the European level, there is a strong need for research shedding light on substantive sustainable finance issues. Manuscripts are encouraged on a variety of research questions relating but not limited to the four TEG workstreams. These questions include:

Taxonomy:

- 1) How can corporate activities be classified in terms of their impact on:
 - climate change mitigation;
 - climate change adaptation;
 - sustainable use and protection of water and marine resources;
 - transition to a circular economy, waste prevention and recycling;
 - pollution prevention and control;
 - protection of healthy ecosystems?
- 2) How can sub-sectors/sub-industries be best sub-categorised into activities?
- 3) How can one firm best be modelled as portfolio of multiple activities that may belong to several economic sectors?
- 4) How can corporate green-washing be detected and disincentivised?
- 5) Which corporate activities have potential to do significant harm on any of the objectives listed in question 1?
- 6) What are the uses of a taxonomy and its potential impacts? Is there evidence on other related initiatives?

Green Bonds:

- 7) Which companies issue green bonds, and why?
- 8) Why do institutional investors buy green bonds?
- 9) How do green bonds perform in terms of return per unit of risk when compared with conventional bonds?
- 10) Which information shall be supplied in the green bonds' prospectus?
- 11) Do assessments of 'greenness' need to be financially independent to avoid conflicts of interest?
- 12) What is the impact of ecolabels on consumer behaviour?

Benchmarks:

- 13) Are low carbon benchmark indices delivering sufficient financial returns per unit of risk taken by them?
- 14) Are low carbon benchmark indices reducing financial risk?
- 15) How can 'Avoided Emissions' be defined? And what are the implications of diverging definitions?
- 16) Which corporate activities provide investors with the greatest opportunities for avoided environmental impact, including GHG emissions?

² The World Economic Forum Global Risks Report 2018 looks at five categories of environmental risks: extreme weather events and temperatures; accelerating biodiversity loss; pollution of air, soil and water; failures of climate change mitigation and adaptation; and risks linked to the transition to low carbon.



- 17) How can institutional investors be incentivised to think, act and benchmark with a stronger long term focus?
- 18) How to measure risk compared to uncertainty within institutional investors' fiduciary duty?
- 19) What data science infrastructure (e.g. FIGIs, LEIs etc.)³ is needed to ensure that newly issued securities are seamlessly connected with ESG information?
- 20) How do the various methodologies used by current low carbon/sustainable indices compare with each other and what are the implications of using one or another?

Climate-Related Disclosures:

- 21) Which factors influence the accuracy of corporate GHG reporting?
- 22) How can more corporations be incentivised to report GHG emissions accurately and timely?
- 23) How can big data and public data, including satellite data, be used by financial markets, regulators and supervisors to complement or replace corporate reporting?
- 24) How can models be estimated to understand if investment portfolios are aligning with the 2 or 1.5 degree target? How much (un)certainly do these models have?
- 25) Which factors influence the adoption of TCFD reporting?
- 26) What is the information value of climate-related disclosures for investors?

Questions beyond the TEG tasks:

- 27) How can natural capital accounting enhance management of corporations' impacts and dependencies on the environment?
- 28) How do sustainable finance initiatives affect the demand/supply balance for green products/services within economies, and the real economy as a whole?
- 29) Should the sustainability criteria aim at benchmarking against best (i) environmental performance, (ii) precautionary principle based scenarios, (iii) cost effectiveness or (iv) otherwise?
- 30) Do conflicts of interests in financial markets, such as ratings paid for by issuers, lead to unsustainable outcomes in financial markets?
- 31) What are the implications of sustainable finance for financial stability and systemic risk?
- 32) Which challenges for the regulators arise from sustainable finance?
- 33) How does environmental risk affect portfolio choices?
- 34) Which parts and proportion of climate change and other environment related risks are currently reflected in asset prices?

CONFIRMED KEYNOTE SPEAKERS

Prof. [Bo Becker](#) (Stockholm School of Economics) and Prof. [Pedro Matos](#) (University of Virginia at Darden) have confirmed their participation.

³ See also <https://www.gleif.org/en/about-lei/introducing-the-legal-entity-identifier-lei> and <https://openfigi.com/api>



CONFIRMED PROFESSIONAL/POLICY SPEAKERS

European Commission Vice-President [Valdis Dombrovskis](#), [Martin Spolc](#) (Head of the Capital Markets Union unit, DG FISMA), and Dr. [Hans-Christoph Hirt](#) (Head of Hermes EOS) have confirmed their participation.

PAPER SUBMISSION PROCEDURE

Extended abstracts or, preferably, full papers should be submitted by **December 7, 2018**.

To submit an extended abstract or paper, please send an email to JRC-COPFIR@ec.europa.eu ccing Andreas.Hoepner@ucd.ie with "Submission Sustainable Finance Conference" in the email's subject line. There is no submission fee.

The cover page should include the title of the paper, affiliation, address, phone and email address of the corresponding author, an abstract and JEL classifications.

Authors of papers accepted for presentation at the conference will be notified by December 19, 2018.

CONFERENCE ORGANIZERS

The organizing committee of the conference includes TEG Member Prof. [Andreas G. F. Hoepner](#) and JRC Unit B1 staff. Should you have any questions, please contact JRC-COPFIR@ec.europa.eu.

