

LSFI Stakeholder Assembly Follow-up & LSFI Upcoming Activities

The Luxembourg Sustainable Finance Initiative launched in July 2022 its first Stakeholder Assembly. This forum that gathers players from different sectors aimed to be a platform to introduce the different players active in Sustainable Finance in Luxembourg, exchange on challenges and needs, and find synergies.

Stakeholders' Participation and Needs

The first LSFI Stakeholder Assembly gathered representatives of over 20 organisations from the financial industry, the microfinance and inclusive finance sectors, the research and education spheres, corporates, civil society and public bodies. The Assembly was also assisted by the Luxembourg Minister of Finance, H.E. Yuriko Bakes, and the Luxembourg Minister for the Environment, Climate and Sustainable Development, H.E. Joelle Welfring.

During this first meeting, the LSFI presented its work and exposed some of the projects which will develop over the following months. Likewise, the participants were able to introduce their activities in the sustainable finance domain as well as their needs, challenges, and expectations with regard to sustainable finance in general and the LSFI in particular.

In particular, 17 stakeholders presented, raising over 50 topics among which the need to coordinate and further raise awareness, help follow regulation, analyse and face the data challenges or cover training gaps were recurrently mentioned. More in detail, the stakeholders outlined the need to:

- Further coordinate, share information and foster interactions between all the actors involved in the sustainable finance landscape in Luxembourg.
- Raise awareness and strengthen the collaborations on this front, for example, when it comes to sharing information, news, or events.
- Address the existing data challenges: data availability and access, corporate reporting, or lack of connection between corporates and the financial industry.
- Conduct a study to understand where sustainable finance stands and track progress.
- Receive toolkits and guidance to increase actors' knowledge, potential and capabilities.
- Foster training and upskilling to face market needs and HR challenges.
- Help follow sustainable finance regulation given the busy and fast-evolving regulatory agenda.

LSFI Follow-up & Upcoming Activities

Understanding its stakeholders' needs and challenges is central for the LSFI to develop its mission. The LSFI hereby exposes the main activities that the Initiative will perform throughout 2022 and 2023 in response to and aiming to address these needs. Some of the topics raised are not addressed as they go beyond the LSFI scope and are under the remit of the government or regulating entities. These actions described below are not extensive but outline the priorities and central areas of work considering the LSFI mission and mandate.

Coordination & Knowledge Sharing

The LSFI will strengthen its coordination activities through the following actions:

- Hold regular Operating Committees at sectorial level (e.g., among the different financial sector players such as banks, funds, insurance etc.) to ensure a dialogue between industries.
- Strengthen the relations between sectors (e.g., relations between research spheres, financial players, public institutions, civil society etc.), areas of expertise, and stakeholders by holding regular meetings and acting as a central point of contact.
- Launch working groups (more information below) where experts from different sectors can analyse the challenges and propose solutions on key identified topics:
 - Climate Reporting and Measurement
 - Sustainable Finance Education & Training
 - Innovation & Retail Products
 - ESG Data
- Foster dialogue on sustainable finance through the organisation of workshops and roundtables.
- Hold continuous exchanges with its stakeholders to help join the dots and connect actors, for example, on research projects, technical webinars, etc.

Analysing and reporting progress

The LSFI will further focus on analysing and reporting progress on sustainable finance, the actions in this regard will be:

- Conduct a regular study on sustainable finance in Luxembourg which will be adapted to data availability, the regulatory landscape, and the identified needs. This study aims to be objective and set a baseline for the country to understand its strengths and challenges. The first edition of this study is initially foreseen to be published in December 2022.
- Launch a Working Group on Climate Measurement and Reporting which will have as a first objective to propose practical tools and exercises on climate measurements and reporting for Luxembourg financial institutions to be launched in 2023 as a follow-up to the 2021 Climate Scenario Analysis run with the PACTA tool. The call for applications for this working group will open on the week of 16th January, and the working group is foreseen to kick off on the third week of March. Additional information can be found on the [dedicated website page](#).

ESG Data Collection

In the following months, the LSFI will try to help address the data challenges through the following actions:

- Launch a Working Group dedicated to ESG Data to assess what data is available, how to standardise it and how to make it accessible. This working group is foreseen to be launched in Q3/Q4 2023. Further information will be available in due time on the [dedicated website page](#).
- Launch a call for projects on sustainable Blockchain solutions to advance sustainable finance. The topics to be covered in this accelerator programme will be measuring scope 3 emissions, pricing biodiversity as well as data on the social dimension, aiming to strengthen all aspects of ESG further. The call for projects started on 12th October and will be open until 15th December. Selected projects will benefit from a one-week program focused on sustainability and SDGs beginning in May 2023. [More information here](#).
- Foster dialogue and find possible synergies between the financial sector, corporates, and the technology industry.

Awareness Raising

The LSFI will reinforce raising awareness in the following way:

- Develop and maintain a central source of information, such as its website, newsletter or LinkedIn page. These will continue gathering, on a regular (weekly) basis, news, events, regulatory updates, publications and tools.
- Organise and co-organise awareness-raising workshops to help introduce the topic across different sectors. The LSFI has partnered with various stakeholders for the organisation of these and is open to further collaborations.
- Organise and co-organise technical webinars targeting financial professionals. The aim is to strengthen the existing expertise further while helping unravel some of the current trends. The LSFI has partnered with the different stakeholders for the organisation of these and is open to further collaborations.

Training and Upskilling

The LSFI will strengthen its actions in this field in the following direction:

- Launch a working group on Training and Education. Its mandate will be to cover and strengthen the sustainable finance skills and competencies of Luxembourg's financial sector players to push sustainable finance. For that, the working group members will map and identify gaps and needs and propose practical solutions to develop suitable sustainable finance-related education paths/training. The call for applications for this working group was open until 14th October. The working group will kick off in the first half of November 2022, and it is expected to deliver its first outcome in April 2023. Additional information can be found on the [dedicated website page](#).
- Collaborate with Luxembourg education centres and research acting as a connecting entity between academia, research and industry (dedicated meetings, webinars, joint projects...).

- Keep the [LSFI Take Action Training website-based Toolkit](#) dedicated to training up to date every six months.

Tools and Guidance

To continue helping on this front, the LSFI will:

- Keep the [LSFI Take Action Instruments Toolkit](#) dedicated to instruments up to date every 6 months, including new ones and following market updates aiming to be a resourceful source for the sector to follow.
- Organise sessions to explain those concepts and how the instruments can be used.
- As mentioned, launch a [working group focused on climate measurement and reporting](#). Among other actions, the working group will work towards suggesting tools and methodologies for Luxembourg financial players and Luxembourg-wide studies on climate and/or climate-related measurement and reporting for 2023. If relevant, it will also recommend climate measurement or reporting initiative(s) for the Luxembourg financial sector actors to join.

Regulation Follow-Up

The LSFI is not a regulatory, public affairs or advisory entity. In this regard, we don't comment on regulation. However, following our mission to raise awareness and aiming to simplify, the LSFI regularly follows and informs in a neutral way about the latest regulatory updates. To keep supporting on this front, the LSFI will:

- Monitor and inform about the latest regulatory updates at the EU and Luxembourg level on its website, newsletter and social media posts.
- Develop a dedicated section on its website under Take Action, focused on regulation in the first half of 2023. The section will not consist of an analysis, or an in-depth explanation. It will provide a synthetic overview of the EU sustainable finance regulation, focusing on key dates and targets.
- Organise relevant workshops and webinars on this topic when necessary.

LSFI Strategy Review

The Luxembourg Sustainable Finance Strategy has been published in February 2021 and the LSFI is currently focused on implementing its action plan which includes short, medium and long-term actions. The LSFI Action Plan is reassessed every year, considering the different priorities and needs. A revision of the Strategy objectives is considered in the mid-term (2024-2025).

Stakeholder Assembly Organisation

The LSFI will regularly organise, at least once a year, a Stakeholder Assembly aiming to foster dialogue and coordination, facilitating a regular exchange on Sustainable Finance topics, challenges and needs, as well as to advance sustainable finance at the country level.

Not under the LSFI Scope

The LSFI is a not-for-profit organisation that aims to raise awareness of sustainable finance and help the financial sector transition. Actions such as incentives for sustainable finance or the creation of a scientific advisory board are not under the LSFI scope.

Conclusion

Through its past and coming work, the LSFI aims to help the financial sector transition, raise awareness and foster collaboration and regular dialogue among all the stakeholders which compose the Luxembourg sustainable finance landscape (financial institutions, public bodies, civil society, research and education, and corporates, among others).

We envisage that working on the abovementioned topics will help advance sustainable finance in Luxembourg, find a key differentiator for the country, and face challenges. To successfully deliver this mission, collaboration and involvement of all the different stakeholders will be central for the Luxembourg Sustainable Finance Initiative.

Annexe

Stakeholder Assembly Attendees list

Organization
Appui au développement autonome (ADA)
Association des Banques et Banquiers Luxembourg (ABBL)
Association des Compagnies d'Assurances et de Réassurances du Grand-Duché de Luxembourg (ACA)
Association of the Luxembourg Fund Industry (ALFI)
Chambre de Commerce (CC)
Commissariat Aux Assurances (CAA)
Commission de Surveillance du Secteur Financier (CSSF)
Etika
European Investment Bank (EIB)
Greenpeace Luxembourg
Inclusive Finance Network Luxembourg (InFiNe)
Inspiring More Sustainability (IMS)
International Climate Finance Accelerator (ICFA)
Investing for Development SICAV (IforD)

Justice et Paix Luxembourg
Luxembourg Finance Labelling Agency (LuxFLAG)
Luxembourg for Finance (LFF)
Luxembourg Institute of Science and Technology (LIST)
Luxembourg Stock Exchange (LuxSE)
Ministry of Finance
Ministry of the Environment, Climate and Sustainable Development
Social Performance Task Force (SPTF)
Spuerkeess
University of Luxembourg

Disclaimer

The above document is the official follow-up of the inaugural meeting of the LSFI Stakeholder Assembly that took place on 21st July. It outlines the main activities that the Initiative will perform throughout 2022 and 2023 in response to Stakeholders' needs, as well as following an extensive mapping of the sustainable finance ecosystem; it also aims to address existing gaps. It is also a working document that will be adapted to the needs. Should other priorities arise, the foreseen timelines and deadlines might be modified on exceptional occasions. This document can be publicly distributed.

Supporting Documentation

- LSFI Website: [Access](#)
- LSFI Take Action Toolkit – Instruments: [Access](#)
- LSFI Take Action Toolkit – Training: [Access](#)
- LSFI Working Groups dedicated website: [Access](#)
- LSFI 2021 Annual Report: [Access](#)