

Green Financing, Interrupted?

Christian Schulz

University of Luxembourg

Luxembourg, 16 May 2023

- Context
- Interrogations
- Conclusions

- **AltFin project:**
**Regional approaches towards alternative economies
and sustainable finance (FNR-CORE; 2020-2024)**

with Dr Sabine Dörry (LISER, CoPI),
Elena Emrick-Schmitz (Univ. Lux.), Nicolas Hercelin (LISER)





Local Environment

The International Journal of Justice and Sustainability

ISSN: 1354-9839 (Print) 1469-6711 (Online) Journal homepage: <http://www.tandfonline.com/loi/cloe20>

Green financing, interrupted. Potential directions for sustainable finance in Luxembourg

Sabine Dörry & Christian Schulz

To cite this article: Sabine Dörry & Christian Schulz (2018) Green financing, interrupted. Potential directions for sustainable finance in Luxembourg, *Local Environment*, 23:7, 717-733, DOI: [10.1080/13549839.2018.1428792](https://doi.org/10.1080/13549839.2018.1428792)

Question 1:
What is sustainable?

- Motivations
- Standards (ESG, EU Taxonomy, ...)
- Impacts
- Monitoring

Question 2:

Does the scale of assets match the granularity of investment opportunities?

- Large-scale investments
- Short-termism
- Topical fit

Question 3:

Who needs sustainable finance/financing?

- Real economy
- Scalar mismatches
- Interfering motivations

Question 4:

Who has the specific knowledge and skills,
and who shares the specific knowledge?

- Technical or topical due diligence?
- Training as a business model
- „Skill-washing“?

| Skill Materiality | | Materiality of Expertise | | Sample Subject Matter Areas | | | | | | | | | | | | | | | |
|-------------------|---|-----------------------------|--------|-----------------------------|----------|---------------------------|------------------------|--------------------------|-------------------------------|----------------------------|------------------------------|--|---|---|---|---|--------------------------------------|----------------------------------|---|
| | | Very Low | Low | Medium | High | Ph.D (STEM) or equivalent | Master's Degree (STEM) | Bachelor's Degree (STEM) | Ph.D (Non-STEM) or equivalent | Master's Degree (Non-STEM) | Bachelor's Degree (Non-STEM) | Certificate Degree (Introductory CPD course) | 8+ Years ESG/Sustainability Practitioner Track Record | 5+ Years ESG/Sustainability Practitioner Track Record | 3+ Years ESG/Sustainability Practitioner Track Record | 1+ Years ESG/Sustainability Practitioner Track Record | Industry Group Advisory/Expert Board | Government Advisory/Expert Board | Volunteer Activities (e.g. NGO or Philanthropy) |
| Skill Materiality | E | Climate Change | High | High | Medium | High | Low | Very Low | High | Low | Very Low | High | Medium | Low | Very Low | High | Medium | Low | Very Low |
| | | Biodiversity Loss | High | High | Medium | High | Low | Very Low | High | Low | Very Low | High | Medium | Low | Very Low | High | Medium | Low | Very Low |
| | S | Human Rights | Medium | Medium | Low | High | High | Medium | High | Low | Very Low | High | Medium | Low | Very Low | High | Medium | Low | Very Low |
| | | Diversity and Equality | Medium | Low | Very Low | High | High | Medium | High | Low | Very Low | High | Medium | Low | Very Low | High | Medium | Low | Very Low |
| | G | Transparency and Corruption | Medium | Low | Very Low | High | High | Medium | High | Low | Very Low | High | Medium | Low | Very Low | High | Medium | Low | Very Low |
| | | Board Composition | Medium | Low | Very Low | High | High | Medium | High | Low | Very Low | High | Medium | Low | Very Low | High | Medium | Low | Very Low |

- Values and motivations
- Transparency and accountability
- Challenging business models (e.g. of “financialised finance”)
- More than a business opportunity

Reference slide #9:

Schumacher, Kim (2022): Environmental, Social, and Governance (ESG) Factors and Green Productivity: The Impacts of Greenwashing and Competence Greenwashing on Sustainable Finance and ESG Investing. APO Productivity Insights Vol. 2-11
<http://dx.doi.org/10.2139/ssrn.4303609>

Our work:

WWW <https://altfin.uni.lu/>

Twitter @AltFin_uni_lu

E-mail christian.schulz@uni.lu