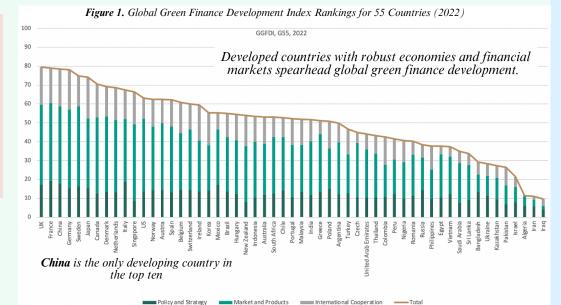
## Global Green Finance **Development Index Report**



The Global Green Finance Development Index (GGFDI), developed by the International Institute of Green Finance (IIGF) and the International Finance Forum (IFF), is a comprehensive measure of national progress in green finance. It utilizes 54 indicators across policy, market, and international cooperation domains to assess how effectively nations are advancing sustainable financial practices and policies.

A No distinction between developed and developing countries in the ranking process



## Global Green Finance Policies and Strategies

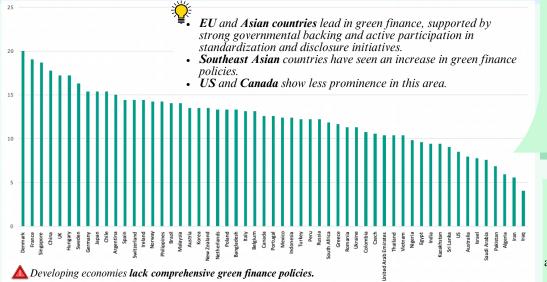


Figure 2. 2022 Global Green Finance Development Index Rankings: Policies and Strategies for 55 Countries

#### Policies Directly Related to Green Finance:

- More than two-thirds of countries have national green finance strategies;
- Green financial products are mainly focused on **green bond** regulations;
- Green insurance and funds are less common globally;
- Environmental or ESG disclosure policies are becoming mandatory in many countries.

**Green Development Policies and** Strategies: Countries globally are implementing green development policies and strategies, including lowcarbon economic plans, NDCs legislation aimed at carbon neutrality, and the establishment of carbon pricing mechanisms.

## **Global Green Finance Markets and Products**

Data on green financial instruments beyond green bonds is significantly limited

### **Green Loans:**

- Lack of standardized criteria; few countries systematically record green loan data.
- Notable growth in China and Japan's green loan balances and issuance.

## **Carbon Financial Products:**

 Limited widespread adoption of on-exchange trading mechanisms.

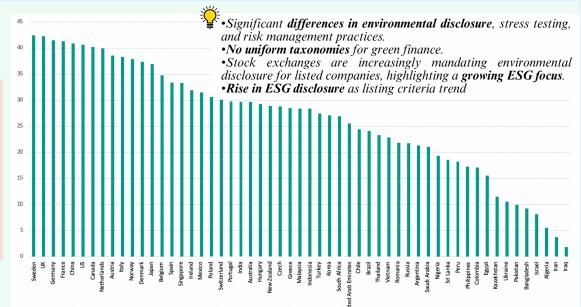
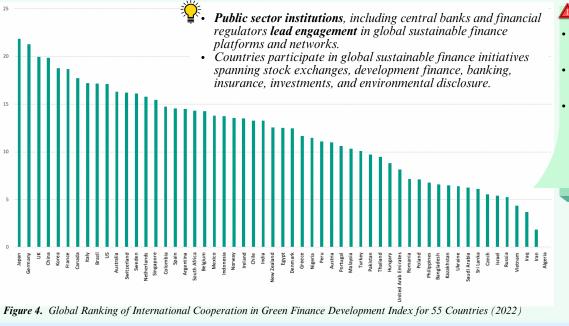


Figure 3. Market and Product Ranking of Green Finance Development Index for 55 Countries (2022)

# **Global Cooperation in Green Finance**



Significant increase in institutions aligning with the Principles for Responsible Investment.

Rapid rise in membership within the Task Force on Climate-related Financial Disclosures.
International Sustainability

Standards Board (ISSB) by integrating global sustainable disclosure standards, gaining recognition and adoption in national green finance policies.

Comparison of Green Finance Development Index across Country Groups

#### Developed Economies vs. Emerging Markets/Developing Economies:

- Sample includes 25 developed economies (strong policy and strategic scores) and 30 emerging markets and developing economies (lag in market and product development and international cooperation);
- Green finance development closely linked to economic advancement, with market/product scores significantly influencing standings.

Please note: The high score for Oceania reflects data solely from Australia and New Zealand, excluding SIDs and LDCs due to limited data availability.

# G55 vs G20 • G20 countries outperform G55 in green finance development. · Low-scoring countries show gaps in market and international cooperation. Stronger market development correlates with higher international cooperation scores. · Policies and strategies don't consistently impact market or international cooperation scores.

## Global Green Finance Development Trends in 2023

Market Expansion Faces **Insufficient Investment:** Public capital is the main driver, with private sector potential untapped; disparities in green finance resource distribution:

#### Breakthroughs in Sustainable Disclosure Standards and **Regulations:**

Global adoption of ISSB-led sustainable disclosure standards, UNEP FI and UNCTAD initiatives, TCFD guidelines are

Global recognition of climate change as a macroeconomic risk drives financial system assessments, regulatory responses, climate-related risk management in banks, development of transition finance frameworks, and

Enhanced regional, global, and bilateral cooperation, exemplified by ASEAN, Belt and Road, G20 initiatives, is advancing green finance, with financial institutions committing to net-zero targets and integrating

and training.

developed countries vs. developing countries.

enhancing transparency and driving corporate ESG and lowcarbon transitions.

biodiversity conservation sustainability into education initiatives.