

GREEN FINANCE MEASURES DATABASE

The Green Finance Measures Database (GFMD) builds on five years of data collection by the United Nations Environment Programme (UNEP), in collaboration with the Green Growth Knowledge Partnership (GGKP).

The GFMD builds on data and analysis compiled by the UNEP Inquiry into the Design of a Sustainable Financial System, including country analysis, global reports and the Green Finance Progress Report series delivered to G20 finance ministers. This body of analysis was complemented by desk research on the

implementation of policy and regulatory measures over the course of 2019. Currently, the GFMD comprises 390+ policy and regulatory measures.

Despite our best efforts, we realize that this is by no means an exhaustive compilation of measures and welcome comments on the existing materials or suggestions for additions. Please direct any queries regarding the database to Camille Andre, GFMD Manager, at candre@ggkp.org.

CLASSIFYING THE OBJECTIVES OF POLICY AND REGULATORY MEASURES

Policy and regulatory measures on green finance have a wide range of objectives and intended outcomes. In pioneering analysis, the GGKP and the UNEP Inquiry have attempted to classify the objectives of policy and regulatory measures against a simple framework – the **five “R”s of sustainable finance**:

	<p>Reallocation and raising of capital:</p> <p>Measures to promote the capital allocation to green sectors, such as fiscal incentives (e.g. preferential refinancing) for investments in green assets, as well as frameworks to support market development (e.g. green bonds).</p>
	<p>Risk management:</p> <p>Measures to strengthen environmental risk management practices within institutions, e.g. through the introduction of climate risks into supervisory frameworks.</p>
	<p>Responsibility:</p> <p>Measures to clarify the responsibilities of financial institutions with respect to environmental factors within capital markets, such as clarifying the relevance of environmental, social and governance (ESG) issues within the context of fiduciary duties of pension funds.</p>
	<p>Reporting and disclosure:</p> <p>Measures to strengthen flows of information relating to environmental factors within the financial system, for instance requirements for public disclosure of climate-related risks to investment portfolios</p>
	<p>Reset:</p> <p>Broad measures to align groups of institutions, or the financial system itself, with environmental outcomes and sustainable development objectives, for instance the development of national roadmaps for sustainable finance.</p>

DEFINING THE PARAMETERS OF THE DATABASE

- **Subject-area scope:** “Green finance” can be understood as financing of investments that provide environmental benefits in the context of environmentally sustainable development.
- **Implementing agents:** The database focuses on policy and regulatory measures implemented by public authorities, including governments, central banks, financial regulators, and public financial institutions. Such measures include legislation, sectoral and system level regulations, supervisory frameworks, fiscal support mechanisms, market codes and standards, guidance, guidelines, consultations and other activities (e.g. research).
- **Measures:** Policy and regulatory measures may be implemented with varying compliance expectations and requirements, including mandatory compliance (such as regulatory requirements on firms), voluntary compliance (including best practice guidance), or measures without compliance requirements (such as consultations).
- **Geographic scope:** Policy and regulatory measures are largely considered at the national level, but sub-national (i.e. state-level) measures are considered, alongside regional regulations which harmonize regulatory requirements across states (e.g. European Union).
- **Asset class:** The database is the only resource which aggregates policy and regulatory measures relating to green finance across different asset classes. Measures are classified according to three asset classes—investment, banking and insurance—and can be classified as a multiple asset class when a policy framework is tackling systemic issues (e.g. climate change risk) across the three classes.

THEMATIC CLASSIFICATION

Policy and regulatory measures are also tagged to reflect the **15 key themes** through which information and knowledge products on the GGKP’s Green Finance Platform are organized. These include:

1	Environmental, social and governance , related to the integration of ESG criteria in the investment process.	9	Impact investment , related to the allocation of capital to generate a financial return and create a positive impact on the environment, society and the economy.
2	Standards and regulations , related to industry-standards on sustainable investing, and guidelines to improve reporting on climate-related information.	10	Natural capital , related to assets such as water, forests, clean air, flora and fauna, which provide services like water catchment, erosion control and crop pollination.
3	Climate change , related to the adaptation to the consequences of climate change and mitigation of greenhouse gas emissions.	11	Indicators and measurement , related to instruments provided for evidence of progress on sustainability objectives and for reporting purposes.
4	Risk and resilience , related to transition risks, climate-change risks and the importance of better risk management.	12	Digital finance , related to an ecosystem of technologies such as big data, artificial intelligence, mobile platforms and blockchain.
5	Stewardship , related to the activities undertaken by shareholders to monitor on matters that may affect the long-term value of investee companies.	13	Cities , related to investment in sustainable urban solutions.
6	Sustainable, green and social bonds , related to the use of the debt capital market to raise funds for investment in development projects.	14	Gender , related to gender-responsive financing for green growth.
7	Infrastructure , related to infrastructure financing and instruments to attract private sector investment in infrastructure.	15	Trade and supply chains , related to trade finance, such as bank guarantees, documentary credits and documentary collections, which are issued by commercial banks, insurers and traders.
8	Stock markets and regulators , related to global stock exchanges and financial regulators encouraging the transition to a low-carbon economy.		