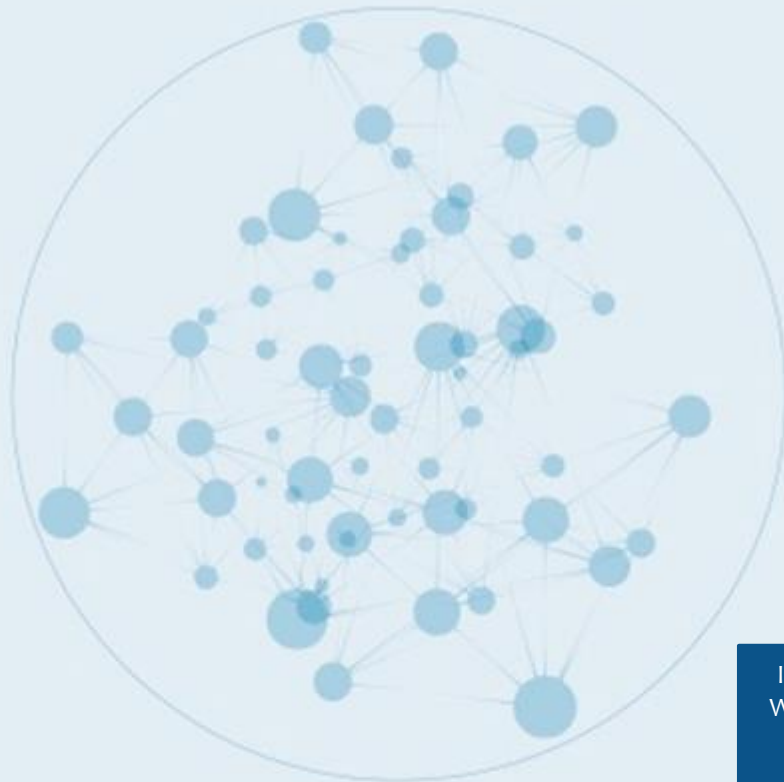




# DEFINITIONS AND CONCEPTS

Background Note



INQUIRY  
WORKING  
PAPER

16/13

September  
2016

## The UNEP Inquiry

The Inquiry into the Design of a Sustainable Financial System has been initiated by the United Nations Environment Programme to advance policy options to improve the financial system's effectiveness in mobilizing capital towards a green and inclusive economy—in other words, sustainable development. Established in January 2014, it published its final report, *The Financial System We Need*, in October 2015 and is currently focused on actions to take forward its findings.

More information on the Inquiry is at: [www.unep.org/inquiry](http://www.unep.org/inquiry) and [www.unepinquiry.org](http://www.unepinquiry.org) or from: Ms. Mahenau Agha, Director of Outreach [mahenau.gha@unep.org](mailto:mahenau.gha@unep.org).

## About this report

This input paper has been prepared by the authors as a contribution to the G20 Green Finance Study Group (GFSG) but has not been endorsed by it nor does it represent the official views or position of the GFSG or any of its members.

Comments are welcome and should be sent to [nick.robins@unep.org](mailto:nick.robins@unep.org).

## Acknowledgements

Maya Forstater and Naurin Nuohan Zhang are the authors of this paper.

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## Contents

1	DEFINITIONS OF ‘GREEN FINANCE’ IN USE .....	5
2	THEMATIC INVESTMENT TYPOLOGIES.....	7
3	GREEN, LOW-CARBON AND SUSTAINABLE FINANCE .....	10
	ANNEX I: SOME HIGH-LEVEL DEFINITIONS OF GREEN FINANCE AND RELATED TERMS.....	12
	ANNEX II: THEMATIC TYPOLOGIES .....	17

This short paper is part of a wider body of work on the GFSG Research Subject: Measuring Progress. It provides an initial mapping of existing practice in G20 and other countries and, where relevant internationally, highlights areas of convergence and difference, as well as distinctions between green, climate, and sustainable finance. It covers:

1. Definitions of 'green finance' that countries adopted
2. Thematic typologies of green investment in particular industries
3. Clarification of the scope of 'green finance' in comparison with other related concepts such as climate finance and sustainable finance

In summary, its findings are:

1. **Increasing use of the term in many countries and internationally**, most usually in broad, underdefined ways, but increasingly in the context of market-led standards (e.g. green bond principles), policy/regulatory measures (e.g. environmental risk regulations, reporting requirements, fiscal measures (e.g. tax credits) and 'development' financing involving public and private financing.
2. **Broad convergence of definitions and some distinct differences**, most specific elements/categories are similar across diverse contexts and uses, with a number of divergences, some uncontroversial (e.g. internet infrastructure) and others more contested (e.g. diesel railways, hydropower/nuclear/ultracritical coal).
3. **Broad agreement in distinctions between green, climate and sustainable finance**, with sustainable finance being the most inclusive including social, environmental and economic aspects, climate including a subset of environmental aspects, and green finance including climate finance but excluding social and economic aspects.

It is intended as an initial framework that can continue to be developed drawing in the results of the ongoing survey undertaken for the study group by the International Finance Corporation (IFC).

## 1 Definitions of ‘Green Finance’ in Use

There is no single definition for green or sustainable finance but a few working definitions and sets of criteria have been developed in the context of the global financial system, national financial systems, financial institutions (e.g. ‘green banking’) and financial instruments (e.g. ‘green bonds’). Definitions include broad general statements, market-led standards and official criteria for policy, regulatory, fiscal or statistical purposes. A number of studies have also established working definitions in order to assess green finance internationally.<sup>1</sup>

- **People’s Bank of China:** “Green finance policy refers to a series of policy and institutional arrangements to attract private capital investments into green industries such as environmental protection, energy conservation and clean energy through financial services including lending, private equity funds, bonds, shares and insurance.”<sup>2</sup>
- **Government of Germany:** “Green Finance is a strategic approach to incorporate the financial sector in the transformation process towards low-carbon and resource-efficient economies, and in the context of adaptation to climate change.”<sup>3</sup>
- **Indonesian Financial Services Authority (OJK):** Sustainable finance in Indonesia is defined as “comprehensive support from the financial service industry to achieve sustainable development resulted from a harmonious relationship between economic, social and environmental interests”.<sup>4</sup>
- **Organisation for Economic Co-operation and Development (OECD):** Green Finance is finance for “achieving economic growth while reducing pollution and greenhouse gas emissions, minimising waste and improving efficiency in the use of natural resources.”<sup>5</sup>
- **Swiss Federal Ministry of Environment (FOEN):** Sustainable finance is defined as financial products and services, under the consideration of environmental, social and governance factors throughout the whole risk management and decision-making process, provided to promote responsible investments which create a positive environmental, social and governance impact.<sup>6</sup>

‘Green finance’ is also often thought of in terms of **finance for green growth**:

- **United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP):** growth that emphasizes environmentally sustainable economic progress to foster low-carbon, socially inclusive development.
- **OECD:** fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies.
- **World Bank:** growth that is efficient in its use of natural resources, clean in that it minimizes pollution and environmental impacts, and resilient in that it accounts for natural hazards and the role of environmental management and natural capital in preventing physical disasters.

In addition to general definitions are those focused on particular financial segments and instruments such as banking, bonds or institutional investment:

- **China Banking Regulatory Commission:** Article 6 of the Green Credit Guidelines states that “The board of directors or supervisory board of a banking institution shall build and promote green credit concepts concerning energy saving, environmental protection and sustainable development, be committed to giving play to the functions of facilitating holistic, coordinated

and sustainable economic and social development, and establish a sustainable development model that will benefit the society at the same time.”<sup>7</sup>

- **Bangladesh Bank:** “Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general. Green banking is a component of the global initiative by a group of stakeholders to save environment.”
- The **Global Sustainable Investment Alliance** defines sustainable investing as an investment approach that considers environmental, social and governance (ESG) factors in portfolio selection and management.<sup>8</sup>
- **South Africa’s Code for Responsible Investment in South Africa (CRISA)** states that “an institutional investor should incorporate sustainability considerations, including ESG, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries.”
- The **International Development Finance Club** defines green finance as referring to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy.

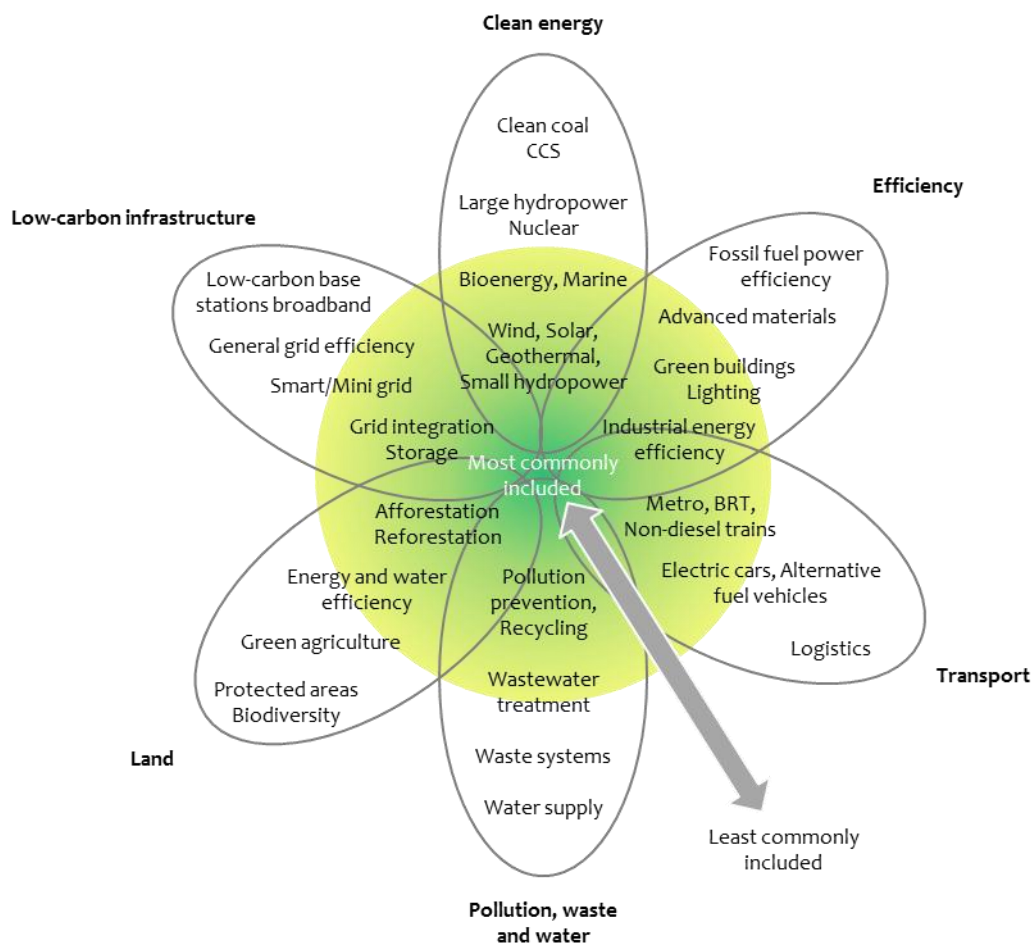
## 2 Thematic Investment Typologies

Beyond these high-level definitions, and in some cases standards, the following typologies have been developed, which target **thematic industries and technology sectors**.

- **Climate Bonds Standard (CBS):**<sup>9</sup> Green technologies specified in energy, buildings, industry, waste, transport and ICT.
- **French government's Climate and Energy Transition Label:**<sup>10</sup> Green technologies specified in energy, buildings, industry, waste, transport and ICT.
- **China's Green Projects Catalogue:** Energy saving, pollution prevention and control, resource conservation and recycling, clean transportation, clean energy, ecological protection.
- **US Clean Technology Index:** Alternative energy and energy efficiency to advanced materials, clean air and water, eco-friendly agriculture/nutrition and clean manufacturing.<sup>11</sup>
- **NASDAQ Green Economy Index:** Energy efficiency, clean fuels, renewable energy generation, natural resources, water, pollution mitigation and advanced materials.<sup>12</sup>
- **Netherlands Green Funds Scheme:**<sup>13</sup> Nature, forest and landscape, agriculture green projects, energy, sustainable construction and sustainable mobility.
- **US Energy Conservation and Renewable Energy Bonds:**<sup>14</sup> Energy efficiency in public buildings, green communities, renewable energy production, R&D, efficiency/energy reduction measures for mass transit, and energy efficiency education campaigns, solar, wind, biomass, solid waste and hydropower projects.
- **UK's Green Investment Bank:** "Positive contribution to a recognised green purpose (greenhouse gas (GHG) reduction, resource efficiency, protection of the environment and biodiversity, promotion of environmental sustainability).<sup>15</sup> Specific criteria for sustainable investment projects for offshore wind, waste, energy efficiency, biomass, onshore wind, and hydropower.<sup>16</sup>
- **Bangladesh Green Banking Guidelines:** Renewable energy and biogas, water supply, wastewater treatment, solid and hazardous waste disposal, green buildings, green products and materials, energy efficient brick kilns, clean transportation, land remediation, and sustainable land management.
- **China Banking Regulatory Commission – Green Credit Statistics:** Green agriculture, green forestry, industrial energy and water conservation and environmental protection, nature protection, ecological restoration and disaster prevention resource recycling, waste disposal and pollution prevention and treatment, renewable and clean energy sources, water supply, energy saving, green buildings and green transportation, and overseas projects where international conventions and standards are adopted.
- **Deutsche Bank Climate Change Investment Universe:**<sup>17</sup> Specific green technologies identified in clean energy, agriculture, energy efficiency, water, waste, transport.
- **The Brazilian Bankers Federation (FEBRABAN)** has developed a methodology for assessing finance for the green economy which looks at volumes of investment which are subject to general policies and voluntary commitments, those where there is evidence that ESG analysis has been actively applied, those subject to sectoral environmental criteria.<sup>18</sup>

In many cases, more detailed environmental and performance specifications are also attached to the categories to determine investments eligible for a particular ‘green’ label or source of finance.<sup>19</sup> These taxonomies use different approaches and structures, but there are large areas of consensus and significant overlap between category schemes for “tagging” green investment and finance.

**Exhibit 1: Clusters of categories**



[Illustrative: not exhaustive]

The table below provides a broad, non-exhaustive outline of key categories included most commonly in lists of green sectors (‘core’), those which are included in some taxonomies (‘additional’) and those (‘questioned’) categories where some taxonomies consider that more work is needed to determine sustainability standards, or where some may explicitly exclude this category altogether.



## Exhibit 2: Analysis of sectors commonly included in green finance taxonomies

	Core – categories broadly included across taxonomies	Additional – categories included in some taxonomies	Questioned – more work may be needed to determine sustainability standards
<b>Clean energy</b>	Wind, geothermal, solar, small hydropower, biomass	Other renewables, waste-to-energy, cogeneration	Nuclear, large hydropower, bioenergy feedstocks, clean coal, improvements in fossil fuels, cleaner fuel production
<b>Transmission</b>	Transmission systems for renewables, storage systems, smart grids and mini grids	Improving efficiency of transmission systems	
<b>Efficiency</b>	Waste heat recovery, industrial energy efficiency, cogeneration, energy efficiency products	Efficient products	Energy efficiency in fossil fuel use
<b>Green buildings</b>	Building retrofits, new green buildings, energy audits/ energy services, equipment (e.g. lights, HVAC)	Advanced materials	
<b>Transport</b>	Urban mass transit, non-diesel railways	Electric vehicles, hybrids, alternative fuel vehicles, bicycle, pedestrian, waterways, logistics improvement	Diesel railways, rail for transport of fossil fuels
<b>Non energy GHGs</b>	Coal mine methane capture, CCS, reduction in GHGs e.g. in cement, chemicals		
<b>Pollution control &amp; waste</b>	Air and water pollution control, soil remediation and mine rehabilitation, waste-to-energy, waste gasification, composting, scrubbers/filters, recycling		Waste: landfill and incineration without energy/gas capture
<b>Agriculture and land</b>	Energy and water saving, afforestation / plantations, reforestation, sustainable forest management	Conservation agriculture, sustainable fisheries, identification of protected ecosystems, ecotourism	
<b>Water</b>	Water saving	Municipal, industrial and agricultural water supply, improved drainage, treatment of wastewater to meet compliance obligations	
<b>Disaster and resilience</b>		Climate resilient infrastructure, early warning systems, insurance against natural disasters	
<b>Other</b>		Broadband, data centres using renewable energy, low carbon energy-powered mobile base stations, virtual conferencing/ tech substitution	

[Illustrative: not exhaustive]

### 3 Green, Low-carbon and Sustainable Finance

The terms ‘green finance’, ‘sustainable finance’, ‘climate finance’ and ‘low carbon finance’ relate to an overlapping territory of issues, applied to financial decision-making and flows:<sup>20</sup>

1. **Environmental issues** relate to the quality and functioning of the natural environment and natural systems including biodiversity loss; greenhouse gas emissions, renewable energy, energy efficiency, natural resource depletion or pollution; waste management; ozone depletion; changes in land use; ocean acidification and changes to the nitrogen and phosphorus cycles.
2. **Social issues** relate to rights, well-being and interests of people and communities including human rights, labour standards, health and safety, relations with local communities, activities in conflict zones, health and access to medicine, consumer protection; and controversial weapons.
3. **Economic issues** relate to investee impacts on economic conditions at local, national, and global levels. Performance areas include direct financial performance and risk, and indirect impacts such as through employment, supply chains, and provision of infrastructure.
4. **Governance issues** related to the management of investee entities. Issues include board structure, size, diversity, skills and independence; executive pay; shareholder rights; stakeholder interaction; disclosure of information; business ethics; bribery and corruption; internal controls and risk management; and, in general, issues dealing with the relationship between a company’s management, its board, its shareholders and its other stakeholders.

All these issues overlap and interrelate to each other. For example, climate change has impacts on social development, while governance issues can include the extent to which environmental risks are incorporated by investee companies.

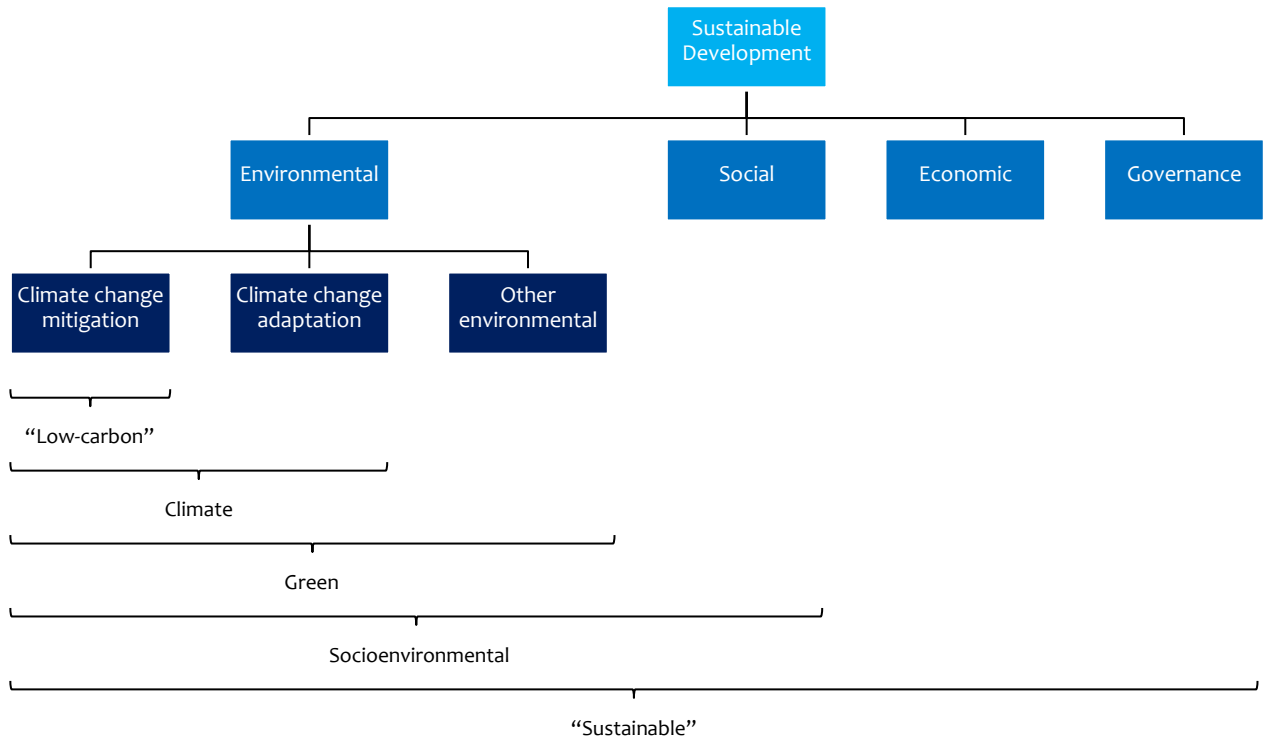
Nevertheless, the categories provide a useful simplified scheme for identifying what areas are included in the scope of different terms.

Although the terms are not always used consistently, in general a distinction can be drawn between approaches to sustainable finance that take a broad environmental, social, economic and governance approach, and those that take a narrower, ‘green finance’ one concerned only with environmental issues. Even more narrowly focused are those targeted only on climate change mitigation and/or adapting to climate change impacts.

‘**Climate finance**’ tends to be particularly associated with the United Nations Framework Convention on Climate Change (UNFCCC), which defines it as “local, national or transnational financing, which may be drawn from public, private and alternative sources of financing. Climate finance is critical to both reduce emissions and to allow countries to adapt to the adverse effects and reduce the impacts of climate change”.<sup>21</sup>

‘**Green finance**’ is generally used to convey something broader than climate finance, in that it addresses other environmental objectives and risks. It tends to be understood with a greater focus on greening broad flows of private investment rather than mainly concerning public and public-leveraged financial flows.

**Exhibit 3: A simplified schema for understanding broad terms**



## Annex I: Some High-level Definitions of Green Finance and Related Terms

Institution	Term	Definition	Sustainable development focus	Finance focus
UN Intergovernmental Committee of Experts on Sustainable Development Financing	Finance for sustainable Development	<p><b>General sustainable development</b></p> <ul style="list-style-type: none"> <li>• basic needs - eradicating poverty and hunger, improving health and education, access to energy, gender equality</li> <li>• infrastructure</li> <li>• rural development</li> <li>• adaptation</li> <li>• global public goods, including the protection of the global environment and combatting climate change.</li> </ul>		All sources
World Bank Group <a href="https://www.imf.org/external/np/g20/pdf/110411c.pdf">https://www.imf.org/external/np/g20/pdf/110411c.pdf</a>	Climate finance	“While there is no precise internationally agreed definition of climate finance at present, the term broadly refers to resources that catalyze low-carbon and climate-resilient development.”	<p><b>Green &amp; resilient public infrastructure</b></p> <ul style="list-style-type: none"> <li>• cost and risks of climate action</li> <li>• support for enabling environment</li> <li>• capacity for adaptation</li> <li>• R&amp;D and deployment of new technologies.</li> </ul>	
Secretary-General’s High-level Advisory Group on Climate Change Financing <a href="http://www.un.org/wcm/webdav/site/climatechange/shared/Documents/AGF_reports/AGF%20Report.pdf">http://www.un.org/wcm/webdav/site/climatechange/shared/Documents/AGF_reports/AGF%20Report.pdf</a>	Climate finance	“Long-term financing for mitigation and adaptation strategies in developing countries from various public and private sources”	<p><b>Climate change mitigation and adaptation</b></p>	Public sources; Development bank instruments; Carbon market finance; and Private capital.
OECD Corfee-Morlot, J. et al. (2012), “Towards a Green Investment Policy Framework: The Case of Low-Carbon, Climate Resilient Infrastructure”, OECD Environment Working Papers, No. 48, OECD Publishing. <a href="http://dx.doi.org/10.1787/5k8zth7s6s6d-en">http://dx.doi.org/10.1787/5k8zth7s6s6d-en</a>	Low Carbon, Climate Resilient Investment	“Green infrastructure or low-carbon, climate-resilient (LCR) infrastructure projects will either mitigate greenhouse gas emissions and/ or support adaptation to climate change in the area of transport, energy or buildings.”	<p><b>Green industries:</b></p> <ul style="list-style-type: none"> <li>• clean energy</li> <li>• green transport and buildings</li> <li>• retrofitting power plants or energy efficiency projects</li> </ul> <p><b>Information provision</b></p>	All sources

<p><b>People’s Bank of China</b>  <a href="http://unepinquiry.org/wp-content/uploads/2015/04/ECGFS_Background_Paper_A_Theoretical_Framework.pdf">http://unepinquiry.org/wp-content/uploads/2015/04/ECGFS_Background_Paper_A_Theoretical_Framework.pdf</a></p>	<p><b>Green Finance</b></p>	<p>“Green finance policy refers to a series of policy and institutional arrangements to attract private capital investments into green industries such as environmental protection, energy conservation and clean energy through financial services including lending, private equity funds, bonds, shares and insurance.”</p>	<p><b>Green industries:</b></p> <ul style="list-style-type: none"> <li>• environmental protection</li> <li>• resource efficiency</li> <li>• energy efficiency</li> <li>• clean energy</li> </ul>	<p><b>Overall financial sector</b></p>
<p><b>Government of Germany – BMZ and GIZ (international cooperation)</b>  <a href="http://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Green_finance_GIZ.pdf">http://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Green_finance_GIZ.pdf</a>  <a href="https://www.bmz.de/en/what_we_do/issues/wirtschaft/nachhaltige_wirtschaftsentwicklung/finanzsystementwicklung/green_finance/index.html">https://www.bmz.de/en/what_we_do/issues/wirtschaft/nachhaltige_wirtschaftsentwicklung/finanzsystementwicklung/green_finance/index.html</a></p>	<p><b>Green Finance</b></p>	<p>“Green Finance is a strategic approach to incorporate the financial sector in the transformation process towards low-carbon and resource-efficient economies, and in the context of adaptation to climate change.”</p>	<p><b>Green industries:</b></p> <ul style="list-style-type: none"> <li>• resource efficiency</li> <li>• energy efficiency</li> <li>• clean energy</li> <li>• adaptation to climate change</li> </ul>	<p><b>Overall financial sector</b></p>
<p><b>Indonesian Financial Services Authority (OJK)</b>  <a href="http://www.ojk.go.id/en/sustainable-finance">http://www.ojk.go.id/en/sustainable-finance</a></p>	<p><b>Sustainable Finance</b></p>	<p>“Sustainable finance in Indonesia is defined as comprehensive support from the financial service industry to achieve sustainable development resulted from a harmonious relationship between economic, social and environmental interests”.</p>	<p><b>Sustainable development:</b> General</p>	<p><b>Overall financial sector</b></p>
<p><b>OECD</b>  <a href="http://www.oecd-ilibrary.org/environment/green-finance-and-investment_24090344">http://www.oecd-ilibrary.org/environment/green-finance-and-investment_24090344</a></p>	<p><b>Green Finance</b></p>	<p>[Finance for... ] achieving economic growth while reducing pollution and greenhouse gas emissions, minimising waste and improving efficiency in the use of natural resources.</p>	<p><b>Green industries:</b></p> <ul style="list-style-type: none"> <li>• resource efficiency</li> <li>• energy efficiency</li> <li>• clean energy</li> </ul>	<p><b>Overall private investment</b></p>
<p><b>The UK House of Commons Environmental Audit Committee</b>  <a href="http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvaud/191/191.pdf">http://www.publications.parliament.uk/pa/cm201314/cmselect/cmenvaud/191/191.pdf</a></p>	<p><b>Green Finance</b></p>	<p>No specified definition, but focus on low-carbon</p>	<p><b>Green industries:</b></p> <ul style="list-style-type: none"> <li>• clean energy</li> </ul>	<p><b>Overall private investment</b></p>

<p><b>Swiss Federal Ministry of Environment (FOEN)</b>  <a href="http://www.sustainablefinance.ch/upload/cms/user/20151031_pwc_green_swiss_financial_market_e.pdf">http://www.sustainablefinance.ch/upload/cms/user/20151031_pwc_green_swiss_financial_market_e.pdf</a></p>	<p><b>Sustainable finance</b></p>	<p>Sustainable finance is defined as financial products and services, under the consideration of environmental, social and governance factors throughout the whole risk management and decision making process, provided to promote responsible investments which create a positive environmental, social and governance impact</p>	<p><b>Sustainable development:</b> Environmental, social and governance</p>	<p><b>Differentiated financial products</b></p>
<p><b>The International Development Finance Club</b>  <a href="https://www.idfc.org/Downloads/Publications/01_green_finance_mappings/IDFC_Green_Finance_Mapping_Report_for_2013_12-09-14.pdf">https://www.idfc.org/Downloads/Publications/01_green_finance_mappings/IDFC_Green_Finance_Mapping_Report_for_2013_12-09-14.pdf</a></p>	<p><b>Green Finance</b></p>	<p>Green finance is a broad term that can refer to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy</p>	<ul style="list-style-type: none"> <li>• clean energy</li> <li>• energy efficiency</li> <li>• pollution reduction</li> <li>• sustainable transport</li> <li>• water preservation</li> <li>• agriculture, natural resources and ecosystems</li> <li>• coastal protection</li> <li>• disaster risk reduction</li> <li>• waste management</li> </ul>	<p><b>General (but tends to assess public flows)</b></p>
<p><b>China Banking Regulatory Commission</b>  <a href="http://www.cbrc.gov.cn/EngdocView.do?docID=3CE646AB629B46B9B533B1D8D9FF8C4A">http://www.cbrc.gov.cn/EngdocView.do?docID=3CE646AB629B46B9B533B1D8D9FF8C4A</a></p>	<p><b>Green Credit</b></p>	<p>Green credit concepts concerning energy saving, environmental protection and sustainable development, be committed to giving play to the functions of facilitating holistic, coordinated and sustainable economic and social development, and establish a sustainable development model that will benefit the society at the same time</p>		<p><b>Specific financial institution:</b> Banking</p>
<p><b>Code for Responsible Investment in South Africa (CRISA)</b>  <a href="http://c.ymcdn.com/sites/www.iodsa.co.za/resource/resmgr/crisa/crisa_19_july_2011.pdf">http://c.ymcdn.com/sites/www.iodsa.co.za/resource/resmgr/crisa/crisa_19_july_2011.pdf</a></p>	<p><b>Responsible Investment</b></p>	<p>An institutional investor should incorporate sustainability considerations, including ESG, into its investment analysis and investment activities as part of the delivery of superior risk-adjusted returns to the ultimate beneficiaries</p>	<p><b>Sustainable development:</b> Environmental, social and governance</p>	<p><b>Specific financial institution:</b> Institution Investment</p>

<p><b>Global Sustainable Investment Alliance</b>  <a href="http://www.gsi-alliance.org/wp-content/uploads/2015/02/GSIA_Review_download.pdf">http://www.gsi-alliance.org/wp-content/uploads/2015/02/GSIA_Review_download.pdf</a></p>	<p><b>Sustainable Investing</b></p>	<p>An investment approach that considers environmental, social and governance (ESG) factors in portfolio selection and management</p>	<p><b>Sustainable development:</b> Environmental, social and governance</p>	<p><b>Specific financial institution:</b> Institution Investment</p>
<p><b>Principles for Responsible Investment</b>  <a href="http://www.unpri.org/introducing-responsible-investment/">http://www.unpri.org/introducing-responsible-investment/</a></p>	<p><b>Responsible Investment</b></p>	<p>Responsible investment is an approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance factors, and of the long-term health and stability of the market as a whole. It recognizes that the generation of long-term sustainable returns is dependent on stable, well-functioning and well-governed social, environmental and economic systems</p>	<p><b>Sustainable development:</b> Environmental, social and governance</p>	<p><b>Overall financial sector</b></p>
<p><b>Bangladesh Bank</b>  <a href="https://www.bb.org.bd/mediaroom/circulars/brpd/feb272011brpdo2e.pdf">https://www.bb.org.bd/mediaroom/circulars/brpd/feb272011brpdo2e.pdf</a></p>	<p><b>Green Banking</b></p>	<p>Green finance as a part of Green Banking makes great contribution to the transition to resource-efficient and low carbon industries i.e. green industry and green economy in general. Green banking is a component of the global initiative by a group of stakeholders to save environment.</p>	<p><b>High impact industries</b>  <b>Green industries:</b></p> <ul style="list-style-type: none"> <li>• clean energy</li> <li>• energy efficiency</li> <li>• resource efficiency</li> </ul>	<p><b>Specific financial institution:</b> Banking</p>
<p><b>Brazil: Resolution No. 4,327</b>  <a href="http://www.mondaq.com/brazil/x/311440/Financial+Services/The+Social+And+Environmental+Responsibility+Policy+Of+The+Brazilian+Financial+Institutions">http://www.mondaq.com/brazil/x/311440/Financial+Services/The+Social+And+Environmental+Responsibility+Policy+Of+The+Brazilian+Financial+Institutions</a></p>	<p><b>Social and environmental Responsibility</b></p>	<p>Each Institution must develop its own policy on social and environmental responsibility considering the principles of relevance and proportionality:</p> <p>(i) relevance means the degree of exposure to the social and environmental risk of the activities and transactions of the institution; and</p> <p>(ii) proportionality means the compatibility of the policy with the nature of the institution and with the complexity of its activities and financial products and services.</p>	<p><b>Environmental and social risks</b></p>	<p><b>Banking</b></p>

<p><b>Equator Principles</b>  <a href="http://www.equator-principles.com/">http://www.equator-principles.com/</a></p>			<p><b>Environmental and social risks</b>          Adopts the World Bank Group's Environmental Health and Safety Guidelines for key sectors.</p>	<p><b>Project finance</b></p>
<p><b>Green Bond Principles</b>  <a href="http://www.ceres.org/resources/reports/green-bond-principles-2014-voluntary-process-guidelines-for-issuing-green-bonds">http://www.ceres.org/resources/reports/green-bond-principles-2014-voluntary-process-guidelines-for-issuing-green-bonds</a></p>	<p>Green Bonds</p>	<p>Green Bonds enable capital-raising and investment for new and existing projects with environmental benefits.</p>	<p><b>Green industries</b>  <b>Conservation</b></p> <ul style="list-style-type: none"> <li>• renewable energy</li> <li>• energy efficiency (including efficient buildings)</li> <li>• sustainable waste management</li> <li>• sustainable land use (including sustainable forestry and agriculture)</li> <li>• biodiversity conservation</li> <li>• clean transportation</li> <li>• clean water and/or drinking water</li> </ul>	<p><b>Bonds</b></p>



## Annex II: Thematic typologies

	Financial segment	Geographic scope	Industry/technology focus
<b>Climate Bonds Standard (CBS)</b> <sup>22</sup>	Bonds	International	Green technologies specified in energy, buildings, industry, waste, transport and ICT
<b>French government's Climate &amp; Energy Transition Label</b> <sup>23</sup>	Institutional investment	France	Green technologies specified in energy, buildings, industry, waste, transport and ICT
<b>China's Green Projects Catalogue</b>	Bonds	China	Energy saving, pollution prevention and control, resource conservation and recycling, clean transportation, clean energy, ecological protection,
<b>US Clean Technology Index</b>	Equities	US	Alternative energy and energy efficiency to advanced materials, clean air and water, eco-friendly agriculture/nutrition and clean manufacturing. <sup>24</sup>
<b>NASDAQ Green Economy Index</b>	Equities	US	Energy efficiency, clean fuels, renewable energy generation, natural resources, water, pollution mitigation and advanced materials. <sup>25</sup>
<b>Netherlands Green Funds Scheme</b> <sup>26</sup>	Institutional investment and banking	Netherlands	Nature, forest and landscape, agriculture green projects, energy, sustainable construction and sustainable mobility.
<b>US Energy Conservation and Renewable Energy Bonds</b> <sup>27</sup>	Bonds	US	Energy efficiency capital expenditures in public buildings, green communities, renewable energy production, R&D, efficiency/energy reduction measures for mass transit, and energy efficiency education campaigns, by public power utilities, electric cooperatives, government entities and certain lenders for solar, wind, biomass, solid waste and hydropower projects.
<b>UK's Green Investment Bank</b>	Development finance	UK	"Positive contribution to a recognised green purpose (GHG reduction, resource efficiency, protection of the environment and biodiversity, promotion of environmental sustainability). <sup>28</sup> Specific criteria for sustainable investment projects for offshore wind, waste, energy efficiency, biomass, onshore wind, and hydropower. <sup>29</sup>
<b>Bangladesh Green Banking Guidelines</b>	Commercial Banking	Bangladesh	Renewable energy and biogas, water supply, wastewater treatment, solid and hazardous waste disposal, green buildings, green products and materials, energy efficient brick kilns, clean transportation, land remediation, and sustainable land management.
<b>China Banking Regulatory Commission – Green Credit Statistics</b>	Commercial Banking	China	Green agriculture, green forestry, industrial energy and water conservation and environmental protection, nature protection, ecological restoration and disaster prevention resource recycling, waste disposal and pollution prevention and treatment, renewable and clean energy sources, water supply, energy saving, green buildings and green transportation, and overseas projects where international conventions and standards are adopted.
<b>Deutsche Bank Climate Change Investment Universe</b> <sup>30</sup>	Bonds, equities	International	Specific green technologies identified in: clean energy, agriculture, energy efficiency, water, waste, transport

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- <sup>2</sup> People's Bank of China. UNEP Inquiry (2015). Establishing China's Green Financial System. Theoretical Framework of Green Finance [http://unepinquiry.org/wp-content/uploads/2015/04/ECGFS\\_Background\\_Paper\\_A\\_Theoretical\\_Framework.pdf](http://unepinquiry.org/wp-content/uploads/2015/04/ECGFS_Background_Paper_A_Theoretical_Framework.pdf)
- <sup>3</sup> BMZ and GIZ (international cooperation), [http://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Green\\_finance\\_GIZ.pdf](http://www.greengrowthknowledge.org/sites/default/files/downloads/resource/Green_finance_GIZ.pdf), [https://www.bmz.de/en/what\\_we\\_do/issues/wirtschaft/nachhaltige\\_wirtschaftsentwicklung/finanzsystementwicklung/green\\_finance/index.html](https://www.bmz.de/en/what_we_do/issues/wirtschaft/nachhaltige_wirtschaftsentwicklung/finanzsystementwicklung/green_finance/index.html)
- <sup>4</sup> Otoritas Jasa Keuangan (2014). 2015-2019 - Roadmap Keuangan Berkelanjutan di Indonesia / Roadmap for Sustainable Finance in Indonesia, OJK. <http://unepinquiry.org/wp-content/uploads/2015/10/Roadmap-OJK-2015-2019.pdf>
- <sup>5</sup> Green Finance and Investment [http://www.oecd-ilibrary.org/environment/green-finance-and-investment\\_24090344](http://www.oecd-ilibrary.org/environment/green-finance-and-investment_24090344).
- <sup>6</sup> [http://www.sustainablefinance.ch/upload/cms/user/20151031\\_pwc\\_green\\_swiss\\_financial\\_market\\_e.pdf](http://www.sustainablefinance.ch/upload/cms/user/20151031_pwc_green_swiss_financial_market_e.pdf)
- <sup>7</sup> <http://www.cbrc.gov.cn/EngdocView.do?docID=3CE646AB629B46B9B533B1D8D9FF8C4A>
- <sup>8</sup> Global Sustainable Investment Association (2014). Global Sustainable Investment Review. [http://www.gsi-alliance.org/wp-content/uploads/2015/02/GSIA\\_Review\\_download.pdf](http://www.gsi-alliance.org/wp-content/uploads/2015/02/GSIA_Review_download.pdf)
- <sup>9</sup> <http://www.climatebonds.net/standards/taxonomy2>
- <sup>10</sup> Ministère du Développement durable (2015). Projet de label « Transition énergétique et climat » <http://www.consultations-publiques.developpement-durable.gouv.fr/projet-de-label-transition-energetique-et-climat-a1130.html>
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- <sup>13</sup> Netherlands Ministry of Housing, Spatial Planning and the Environment (2010). The Green Funds Scheme A success story in the making [http://www.rvo.nl/sites/default/files/bijlagen/SENo40%20DOW%20A4%20Greenfunds\\_tcm24-119449.pdf](http://www.rvo.nl/sites/default/files/bijlagen/SENo40%20DOW%20A4%20Greenfunds_tcm24-119449.pdf)
- <sup>14</sup> US Department of Energy (n.d.). Qualified Energy Conservation Bonds (“QECSBs”) & New Clean Renewable Energy Bonds (“New CREBs”) [http://www1.eere.energy.gov/wip/pdfs/qecb\\_creb\\_primer.pdf](http://www1.eere.energy.gov/wip/pdfs/qecb_creb_primer.pdf)
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- <sup>21</sup> [http://unfccc.int/focus/climate\\_finance/items/7001.php#intro](http://unfccc.int/focus/climate_finance/items/7001.php#intro)
- <sup>22</sup> <http://www.climatebonds.net/standards/taxonomy>
- <sup>23</sup> Ministère du Développement durable (2015). Projet de label « Transition énergétique et climat » <http://www.consultations-publiques.developpement-durable.gouv.fr/projet-de-label-transition-energetique-et-climat-a1130.html>
- <sup>24</sup> Cleantech Group (2009). Clean Tech Index Rulebook V4. <http://www.cleantech.com/wp-content/uploads/2014/08/CleantechIndexGuideRulebookV4.pdf>
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