Emerging markets have become a major force in driving sustainable development and fighting climate change. 34 emerging market countries -- that form the Sustainable Banking Network (SBN) -- have initiated banking reforms to introduce environmental and social risk assessment into banks’ lending operations and expand lending to sustainable and green projects. SBN member countries hold $42.6 trillion in banking assets or 85% of the total in emerging markets.

Sustainable Banking Network (SBN), supported by IFC, is a community of financial sector regulators and banking associations.

2018 SBN member countries have grown to 34 that represent $42.6 trillion in banking assets, accounting for 85% of the total in emerging markets.

SBN member countries
Argentina
Bangladesh
Brazil
Cambodia
Chile
China
Colombia
Dominican Republic
Ecuador
Egypt
Fiji
Georgia
Ghana
Honduras
India
Indonesia
Jordan
Kenya
Lao PDR
Mexico
Mongolia
Morocco
Nepal
Nigeria
Pakistan
Panama
Paraguay
Peru
Philippines
Sri Lanka
South Africa
Taiwan
Thailand
Turkey
Vietnam

All SBN member countries are advancing sustainable finance reforms. They are at different stages of progress from commitment to reforms to changing domestic banks’ lending practices. 15 SBN member countries have started implementing national sustainable finance policies and principles in alignment with international industry standards, such as IFC Performance Standards and the Equator Principles, to create sustainable finance markets. Eight countries—Bangladesh, Brazil, China, Colombia, Indonesia, Mongolia, Nigeria, and Vietnam—have reached an advanced stage, having implemented large-scale reforms and put in place systems for results measurement.

Initiating Commitment
Formative + Strategy in place
Emerging + Framework implementation under way
Established + Measuring results
Mature + Behavior change measured by finance flows

Argentina
Cambodia
Chile
Dominican Republic
Ecuador
Fiji
Georgia
Ghana
Honduras
India
Jordan
Lao PDR
Nepal
Pakistan
Panama
Paraguay
Philippines
Sri Lanka
Thailand
Kenya
Mexico
Morocco
Peru
South Africa
Turkey
Bangladesh
Brazil
China
Colombia
Indonesia
Mongolia
Nigeria
Vietnam

* Pakistan launched its policy in October 2017, after the cut off date of June 2017 for analysis in the report.

www.ifc.org/sbnreport
Sustainable finance is expanding globally—wealth, market maturity, and level of development do not limit the transition to sustainable finance. Even the poorest countries can adopt sustainable finance policies.

An analysis of country initiatives compared with income level, as defined by the World Bank, shows that examined countries of all income levels are advancing the development of sustainable finance, with lower-income countries quickly joining the ranks.

For example, Bangladesh was among the first movers in adopting sustainable finance regulation, with a per capita income of $1,358.1

The report is based on an innovative results-measurement approach that has been agreed by all 34 member countries—a remarkable achievement that is breaking new ground for measuring progress at the global level. National sustainable finance policies and principles were assessed against environmental and social risk management practices, green finance flows and enabling environment. Countries were mapped across a progression matrix to capture their level of progress.

1. **EoS Risk Management Pillar** assesses the degree to which national policies or principles provide comprehensive and in-depth guidance and requirements to FIs in managing EoS risks, including climate risk.

2. **Green Finance Flows Pillar** assesses the degree to which market infrastructure has been introduced to encourage FIs to direct their lending to projects and businesses with positive environmental and climate impacts.

3. **Enabling Environment Pillar** assesses crosscutting factors that have been shown to have a multiplying or undermining effect in achieving the first two pillars.

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