

PRESS RELEASE

OCTOBER 25TH 2022

PUBLICATION OF THE GLOBAL SYNTHESIS REPORT ON CLIMATE FINANCE 2022



According to figures from the Organisation for Economic Co-operation and Development (OECD) published at the end of July, climate finance amounted to 83.3 billion dollars (USD) in 2020, falling short of the promise made by Global North countries to commit 100 billion dollars per year, from 2020 onwards to those in the Global South. In the lead-up to COP7, organized this year on the African continent in Sharm El Sheikh, the climate negotiations will focus on the issue of financing and commitments, the drivers of climate action.

Given the need for consistent action by the financial sector in relation to climate and environmental issues, the **Global Synthesis Report on Climate Finance 2022** provides a global overview and an essential analysis of all financial flows that enable the implementation of actions that have a positive impact on mitigation (reducing GHG emissions) or adaptation to climate change.

Created in partnership with [Finance for Tomorrow](#), a branch of Paris EUROPLACE, this new report provides a detailed overview and follow-up of climate action carried out by banks, insurers, and investors. It also presents the trends in the market regarding the evolution and offer of green financial products.

[Climate Chance](#) will publish the 4th edition of the Global Synthesis Report on Climate Finance on October 25th, during the [Paris for Tomorrow Week](#) (October 24th to 28th) organized by Finance for Tomorrow in conjunction with [Climate Finance Day](#) (October 27th). This international event brings together the financial community, local and public authorities, and civil society to highlight issues and solutions related to financing and achieving climate and the Sustainable Development Goals (SDGs).

The 2022 edition highlights the 6 Key Takeaways.

THE KEY TAKEAWAYS IDENTIFIED IN THE GLOBAL SYNTHESIS REPORT ON CLIMATE FINANCE 20222

- Despite a wave of support for carbon neutrality goals, banks, insurers, asset managers and owners are still struggling to make concrete commitments to transition away from fossil fuels. However, financing for fossil fuels has declined for the second year in a row ([Fossil Fuel Finance Report](#), 2022).
- \$632bn in climate finance flows were mobilized in 2019-20, 10% more than the previous two years. Despite a 53% increase from 2017-2018, financial flows for adaptation in 2019-2020 remain far from the desired targets specified under the Paris Agreement. Mitigation therefore still accounts for 90% of this funding. ([Climate Policy Initiative](#), 2021).
- From the green bond market (\$522.7 billion, +75% in one year, [Climate Bond Initiative](#), 2022) to the voluntary carbon credit market (\$2 billion, x4 in one year, [Ecosystem Marketplace](#), 2022), financial tools for the transition are booming.
- With the adoption of European regulation SDFR which focuses on the impact of financial products on the environment and green taxonomy, Europe is a world leader in climate finance transparency. The increase in the number of taxonomies, both recent (ASEAN) and older (China), and the rules on climate transparency for financial actors (United States) strengthen the regulation of green investments, but also call for harmonization between players.
- In France, the Netherlands, the United Kingdom, and the European Central Bank, the first climate stress tests conducted by regulators reveal the particular vulnerability of European financial actors to transition risks. However, due to their experimental nature, none of these initial stress tests should lead to climate-related capital requirements.
- The rapidly growing ESG market is seeking to standardize transparency standards. A record number of funds were invested in ESG products in 2021: but the market remains plagued by shortcomings in ESG data transparency, reliability, and standardization.

Ronan Dantec
President of Climate Chance

“ One year before the Global Stocktake, which will mark the first assessment of States’ progress in implementing the Paris Agreement, this fourth edition of Global Synthesis Report on Climate Finance by Climate Chance and Finance for Tomorrow is a major contribution to observing how far we have come in mobilising financial actors and instruments for the climate”.

Thierry Déau
President of Finance For Tomorrow

“ The challenge for finance now lies in its capacity to support the ecological transition in order to make it an economic reality. I am delighted with this unique partnership between Finance for Tomorrow and Climate Chance, which allows us to establish a comprehensive and detailed analysis of the main trends in climate finance in order to inform all stakeholders.”



The Global Synthesis Report on Climate Finance is available in French and English on the website www.climate-chance.org. It is part of a set of publications of the [Global Observatory of Non-State Climate Action](#) created in 2018 and comprised to date of 4 Annual Global Reports: finance, sectoral, local climate action, adaptation as well as several case studies. Climate Chance, therefore, continues its mission **to show the evolution of mobilization efforts, give credibility to actors' strategies in relation to international climate objectives, and thus to monitor the reality of announced actions.**

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PRESENTATION DES ORGANISATIONS

CLIMATE CHANCE - Created in 2015, Climate Chance is the only international association that participates in the mobilisation against climate change, seeking to federate all the non-state actors recognised by the United Nations Framework Convention on Climate Change - the UNFCCC. The objective? Strengthen the climate action of local authorities, businesses, and civil society by creating a network of actors and sharing practices, defend and disseminate priorities and common proposals, and thus contribute to achieving the objectives of the Paris Agreement.

www.climate-chance.org

FINANCE FOR TOMORROW - Finance for Tomorrow, launched in June 2017, is the branch of Paris EUROPLACE to make green and sustainable finance a key driving force in the development of the Paris Financial Center and to position it as a hub of reference on these issues. Our +110 members are signatories of a common charter to contribute to the transformation of practices in the Paris Financial Center and to a global shift of financial flows towards a low carbon and inclusive economy, in line with the Paris Agreement and the UN Sustainable Development Goals (SDG).

www.financefortomorrow.com