

# ESG Flows and Markets: Risk-on sentiment supports market expansion

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# **ESG Flows and Market**

## **A risk-on environment should support market expansion**

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## Highlights: ESG Flows and Markets (1/4)

- **ESG fund flows** started 2024 on a strong note, buoyed by the rally in technology shares as big tech companies are heavily weighted in ESG funds given their high ESG scores.
  - In 2023, both ESG equity and fixed-income funds outperformed traditional counterparts
  - However, momentum was concentrated in the EU and UK—amid ongoing ESG backlash, ESG fund flows turned negative in the U.S. during much of 2023.
  - Moreover, lack of clarity on evolving ESG fund labeling regulations acted as a deterrent on the launch of new ESG funds throughout 2023.
  - Looking ahead, the expected coordinated interest rate reductions by key central banks could give a lift to ESG fund flows in the second half of 2024.
- **Global climate flows surpassed \$2 trillion in 2023**—up from \$1.4 trillion in 2022. While still well short of the estimated \$8.1 trillion annual pace needed to achieve net-zero emissions by 2050, the pickup reflects the strong growth in climate finance commitments in recent years.
  - **Blended finance flows** for climate action in emerging markets (ex-China) remain subdued despite intensified efforts by Multilateral Development Banks (MDBs) to catalyze.

## Highlights: ESG Flows and Markets (2/4)

- Less than 1% of total climate finance flows between 2021 and 2022 were directed to **methane abatement** projects.
- Despite a sharp reduction in the number of deals, the share of **climate tech investment** continues to increase in total **private equity and venture capital investment**.
- **ESG stocks have continued to gain ground**, in tandem with U.S. high-tech stocks that have traditionally high ESG scores due to their low carbon footprint. Given the generally risk-on sentiment, **returns on ESG bonds** have been more concentrated in the high-yield segment.
- While the “**greenium**” (or yield discount) on most ESG bonds in mature markets has largely disappeared due to softening “relative” demand, most EM issuers continue to enjoy the greenium—highlighting potential for further integration of ESG factors in emerging markets.
- **Secondary market liquidity** in ESG bond markets increased slightly in 2023, with the average daily trading volumes of ESG bonds picking up from \$5.4 billion in 2022 to \$6.5 billion in 2023.

## Highlights: ESG Flows and Markets (3/4)

- Total **ESG debt issuance**, mostly from the U.S., China, France and Italy, amounted to some \$1.2 trillion in 2023—the slowest pace since 2020. Broader bond market volatility was a key factor in this weakness. However, issuance in emerging markets (EMs) excluding China reached an all-time high of \$150 billion.
  - The overall slowdown last year was most evident in corporate **sustainability-linked loans**.
  - **Growing scrutiny of sustainability-linked debt instruments** and higher interest rates could keep issuance subdued in 2024.
  - In Jan./Feb. 2024, ESG bond issuance hit \$195 billion vs. \$198 billion a year ago. At the same time, ESG loan issuance remains subdued at \$18 billion vs. \$35 billion a year ago.
  - Despite tighter funding conditions and slower economic growth, the **ESG debt universe** grew by 25% in 2023, nearing \$6 trillion—less than 2% of the global debt universe.

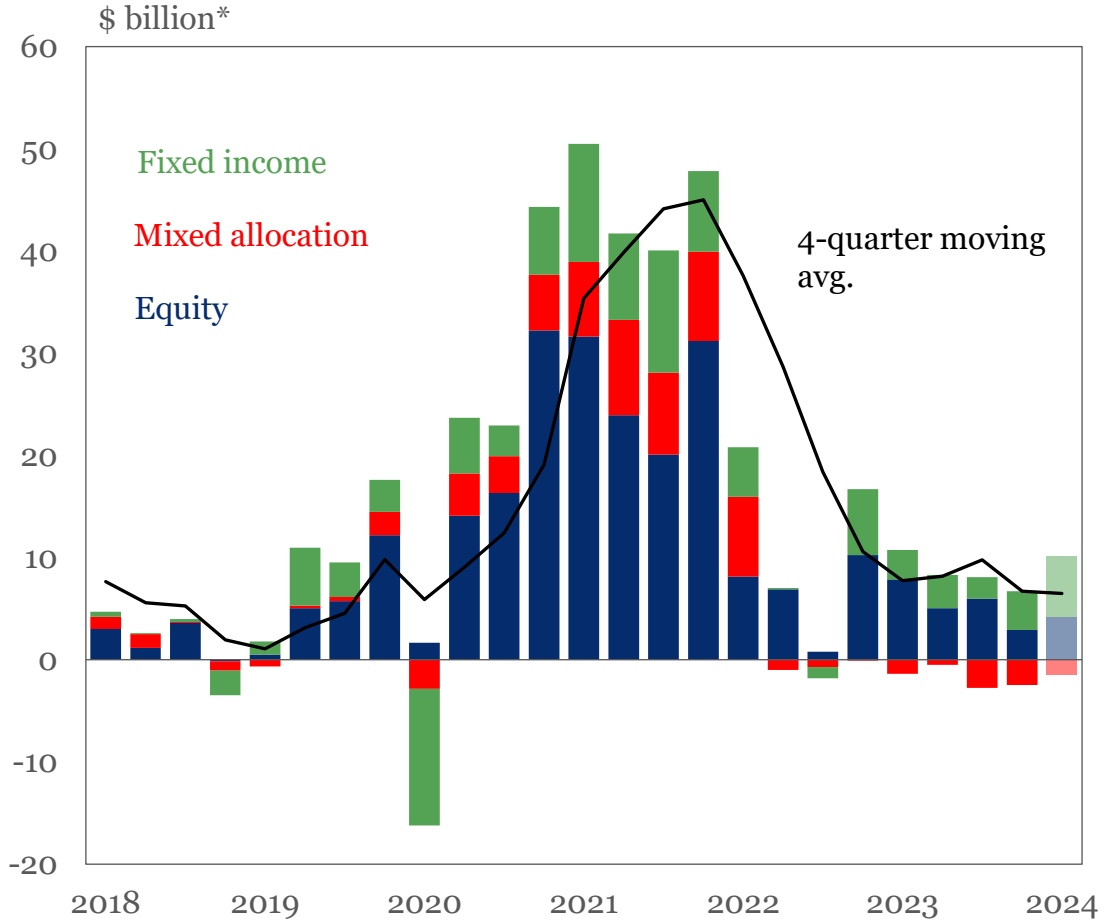
# Highlights: ESG Flows and Markets (4/4)

- While the demand for [voluntary carbon credits \(VCC\)](#) reached an all-time high in December 2023, reflecting the exponential increase in corporate climate commitments, market activity for Jan./Feb. 2024 remains largely unchanged from the same period a year ago.
  - In 2023, a majority of VCC issuance originated from Colombia, India, the U.S., China and Brazil.
  - Under favorable market conditions and supportive policies, the annual demand for retiring VCCs is projected to surpass \$3 trillion by 2030, up from \$0.8 billion in 2023.
- The growth in the [sales of electric vehicle \(EV\)](#) has significantly showed down in recent quarters, largely driven by China. Europe and the U.S. have also seen a slight slowdown. In sharp contrast, India and Brazil are witnessing strong market expansion, but from a very low base. Looking forward, the sharp drop in battery costs, coupled with the decline in lithium prices, is expected to spur the adoption of EVs.

# 1. Sustainable Finance Flows

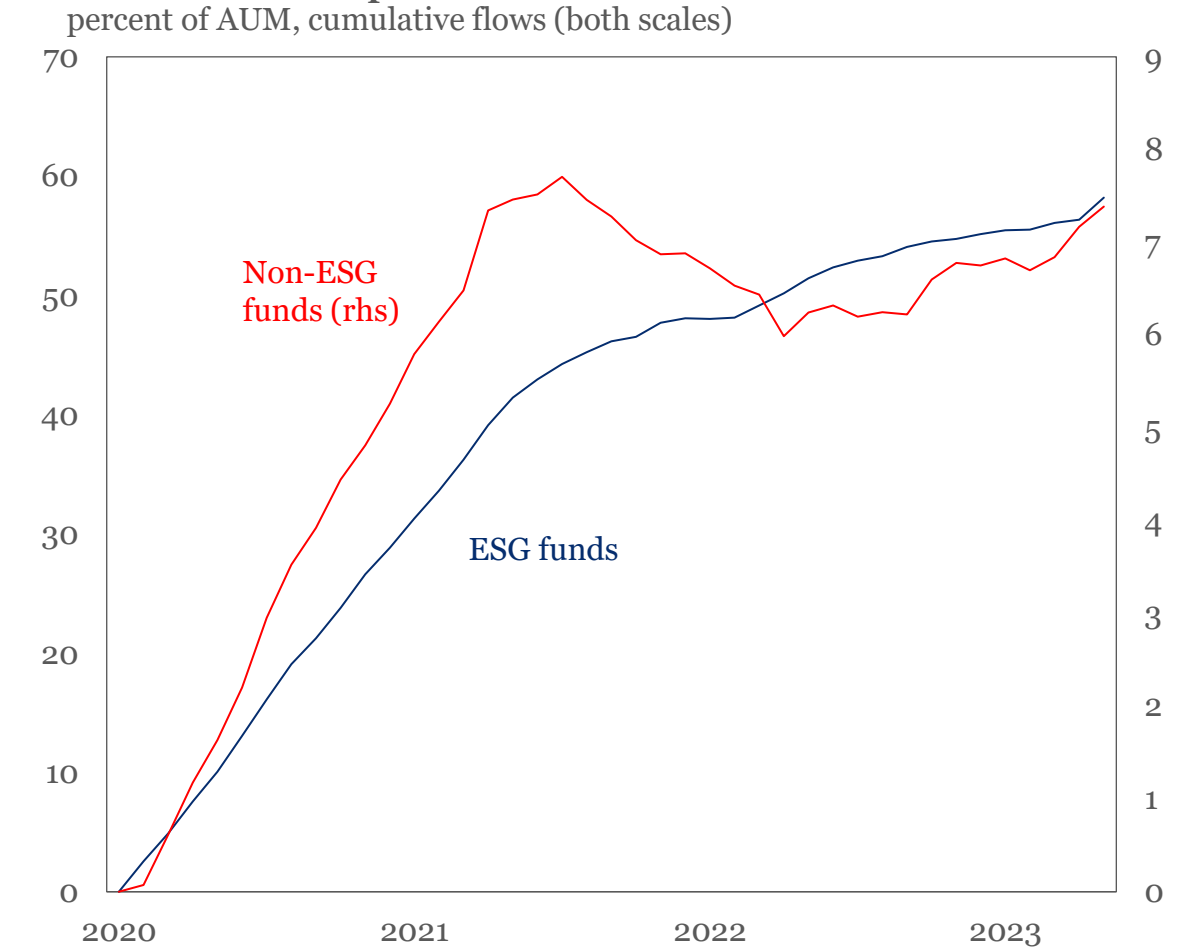
# Early 2024 saw a pickup in investor appetite for ESG funds

AI rally has supported ESG fund flows in early 2024



Source: Morningstar, IIF ; \*The figures for Q1 2024 have been projected by extending the patterns observed in Jan/Feb 2024

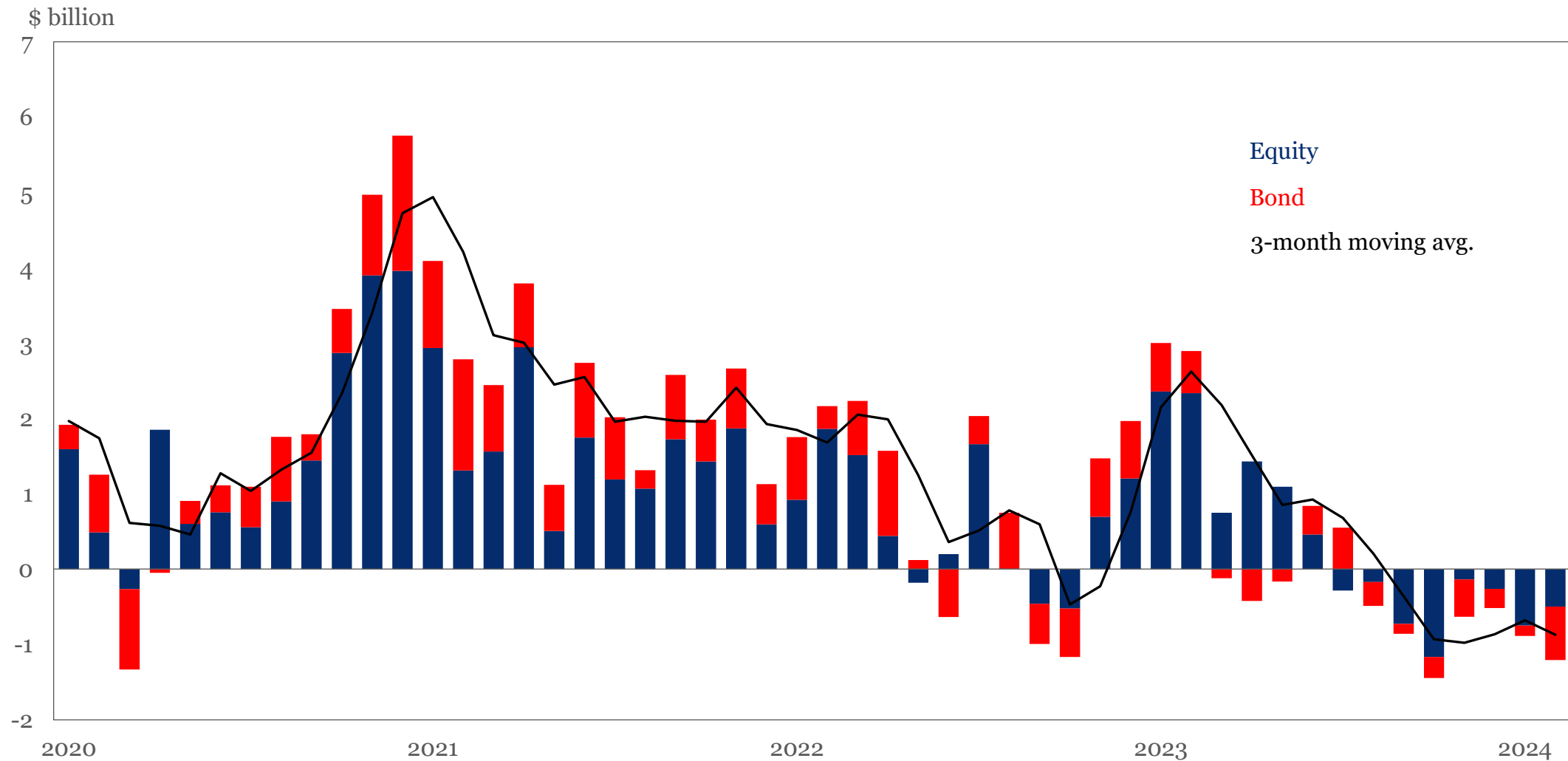
ESG fund flows exhibit greater resilience and less volatility than their conventional counterparts



Source: Morningstar, IIF



# The challenging macroeconomic and geopolitical landscape continue to put downward pressure on EM ESG fund flows

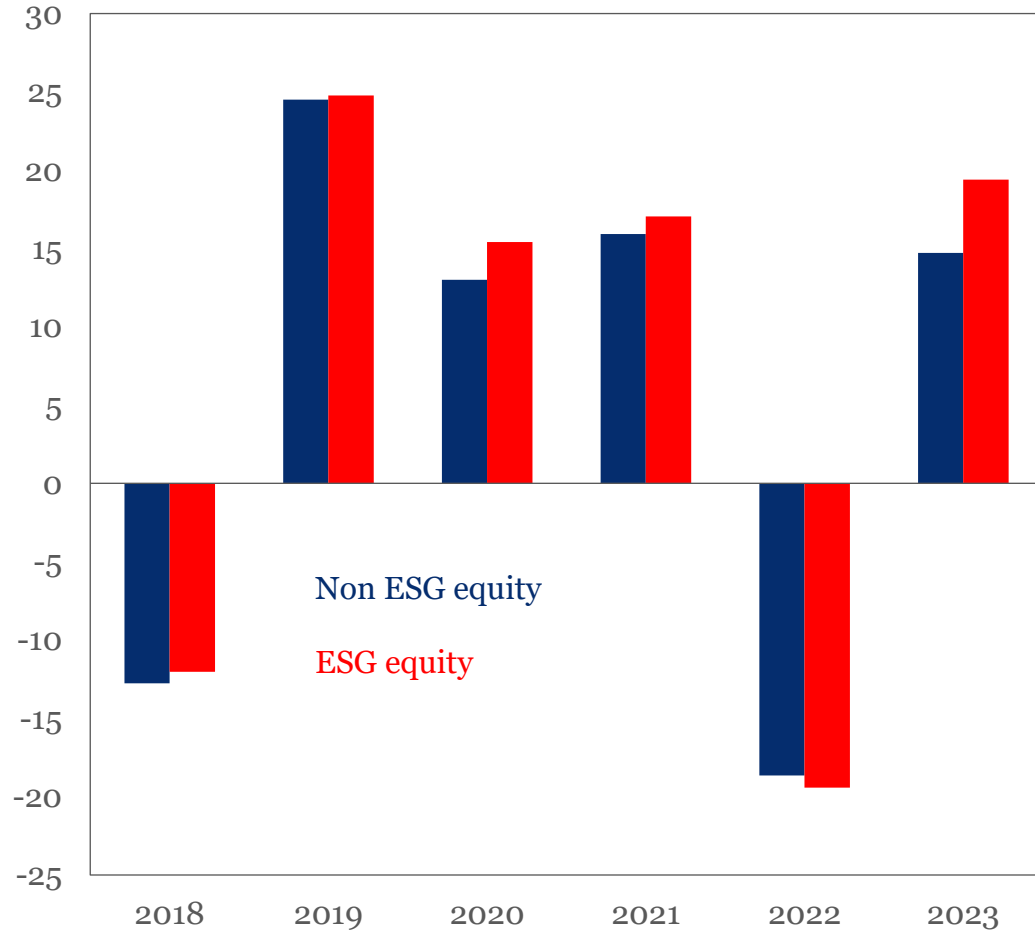


Source: Morningstar, IIF

# ESG ETFs outperformed conventional counterparts in 2023

With an exception for 2022, ESG equity ETFs have consistently outperformed their conventional peers

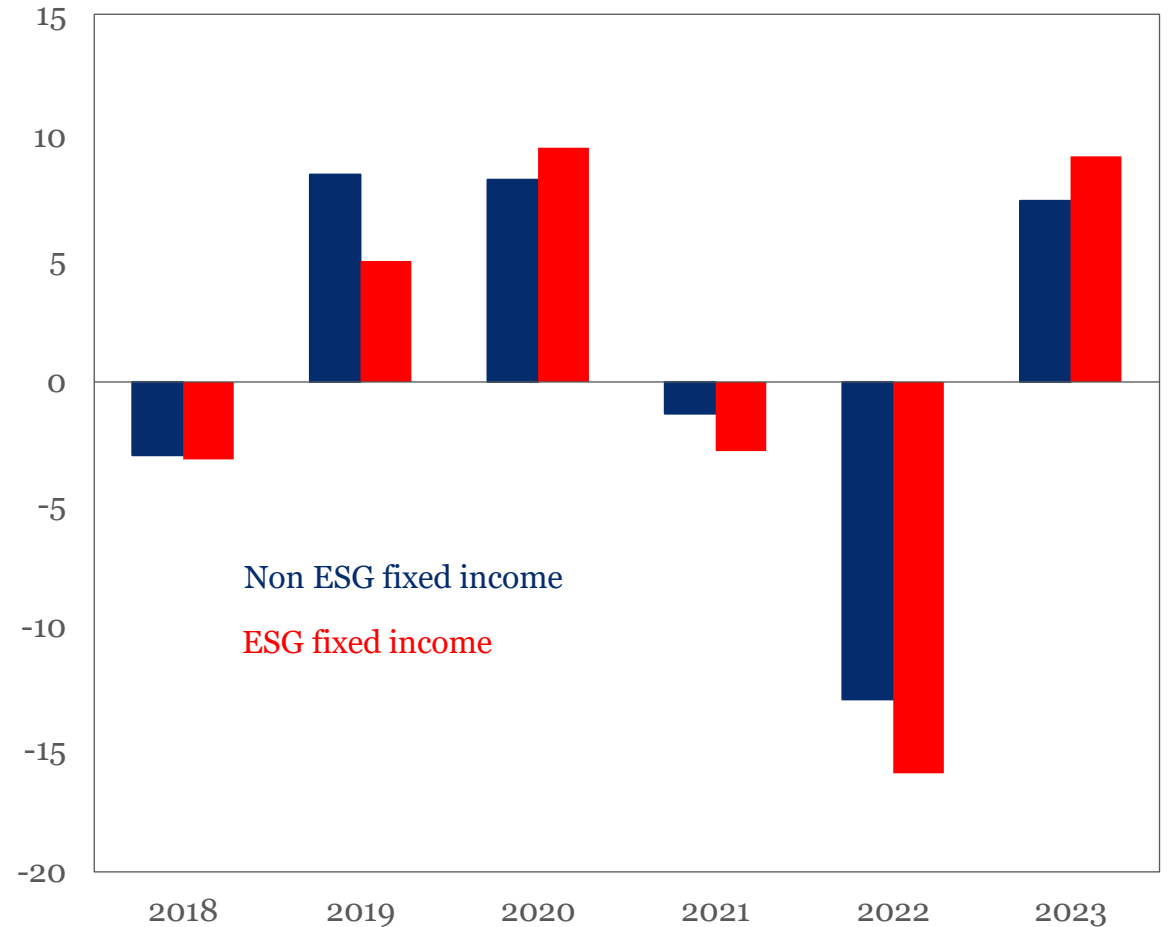
percent, median return of equity ETFs



Source: Morningstar, IIF

2023 saw ESG fixed income ETFs outperform non-ESG fixed income ETFs for the first time since 2020

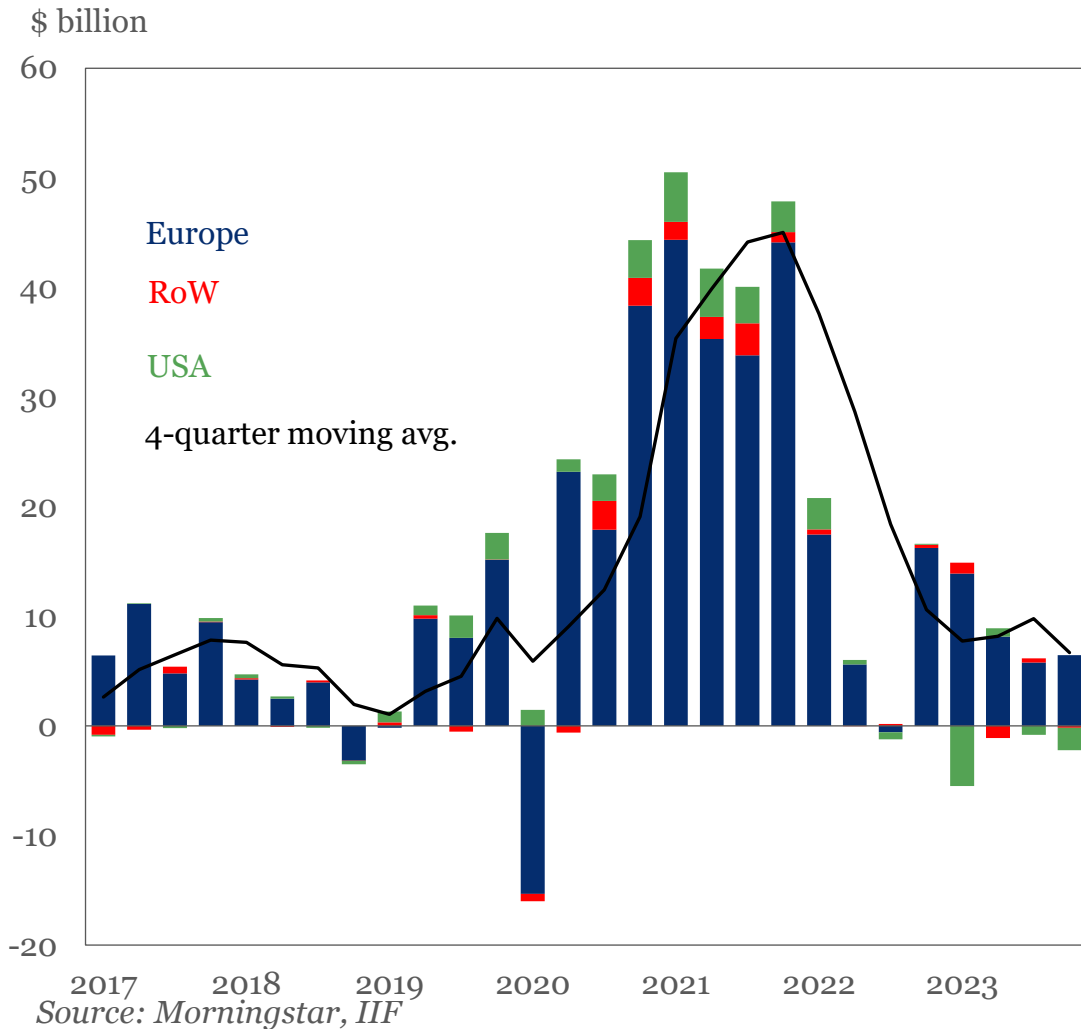
percent, median return of fixed income ETFs



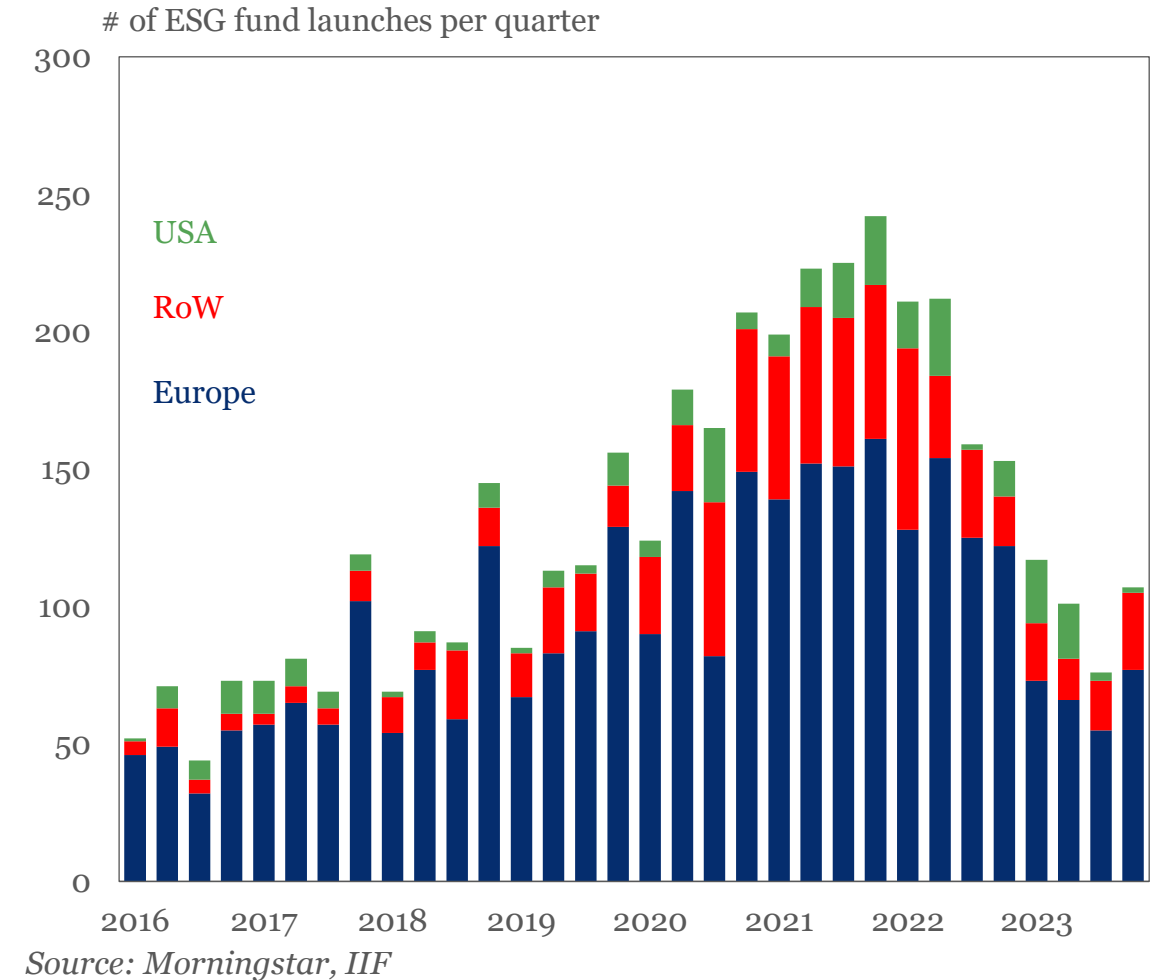
Source: Morningstar, IIF

# Lack of clarity on ESG fund labeling rules, concerns over greenwashing, and anti-ESG sentiment hurt ESG fund flows through most of 2023

In the U.S., ESG fund flows turned negative in 2023

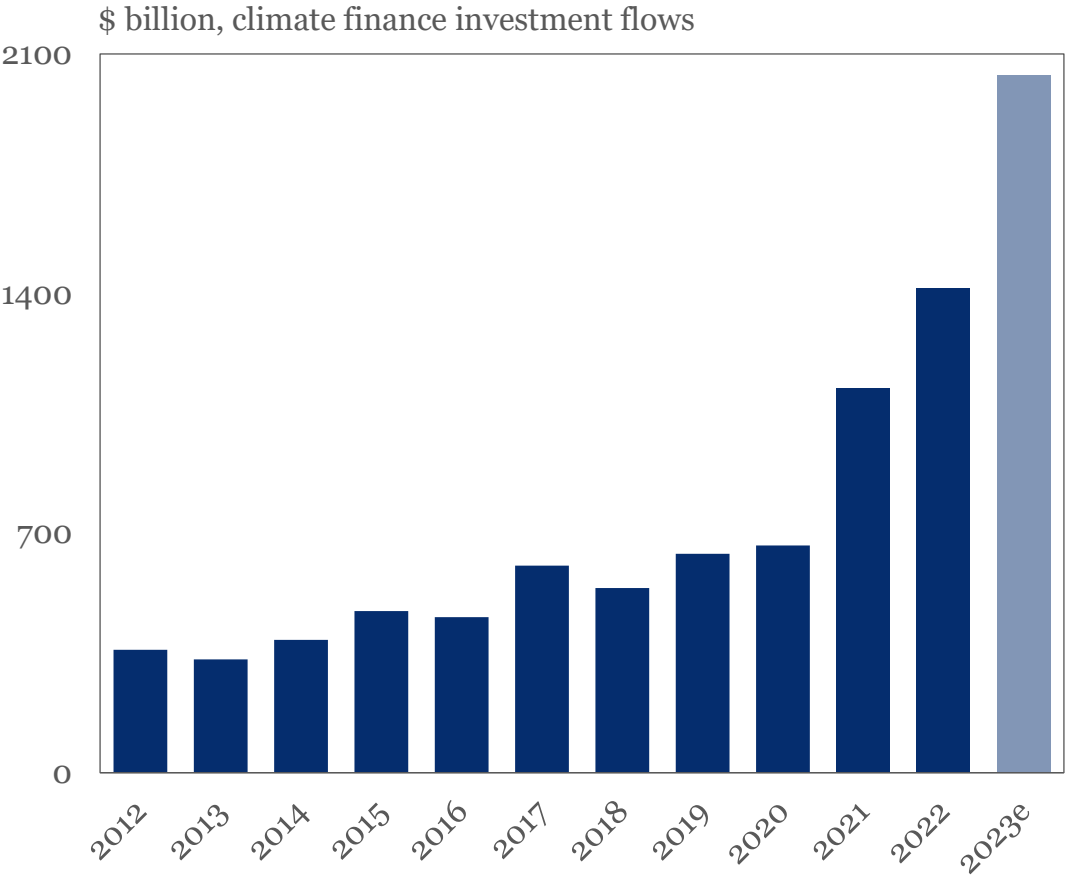


2023 saw a nearly 50% decline in the number of new ESG fund launches compared to the previous year



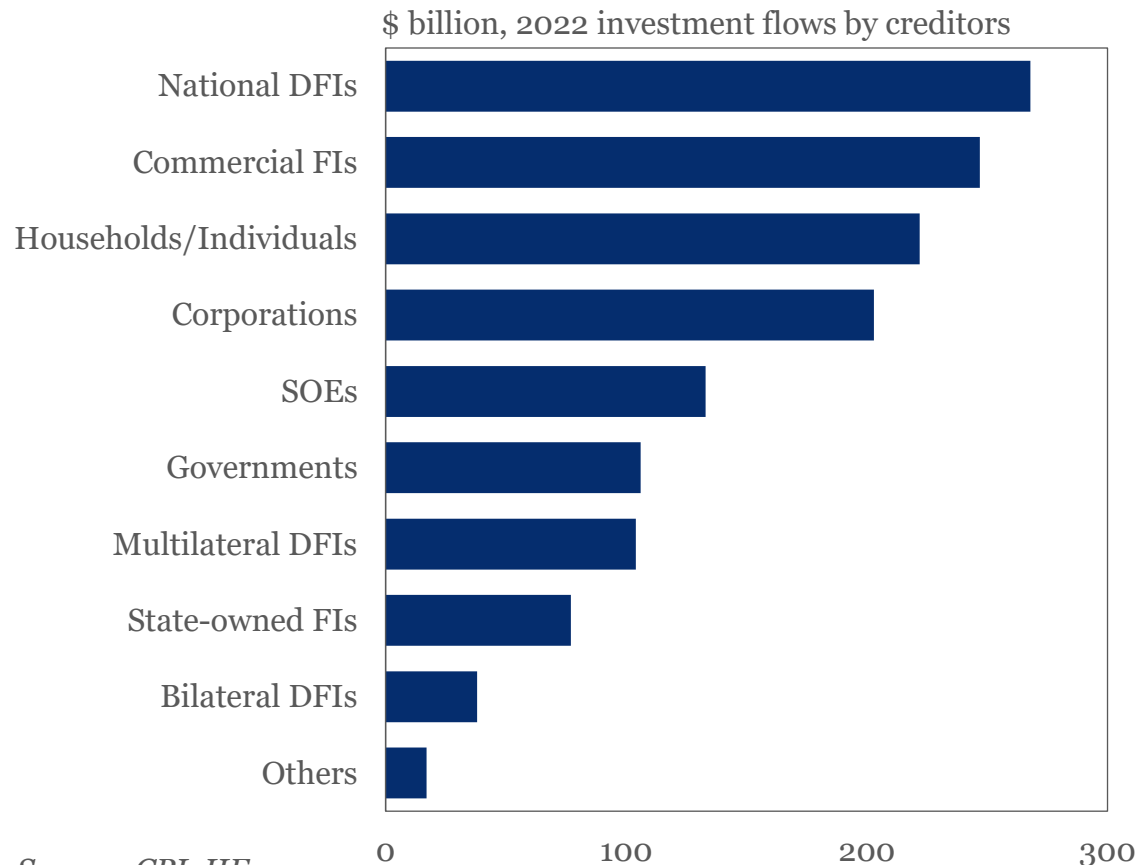
# Global climate finance flows surpassed an estimated \$2 trillion in 2023, still remaining well short of what is needed (over \$8 trillion per year) to achieve net-zero emissions

Global climate finance flows have surged in recent years despite challenging macroeconomic backdrop



Source: CPI, IIF estimates

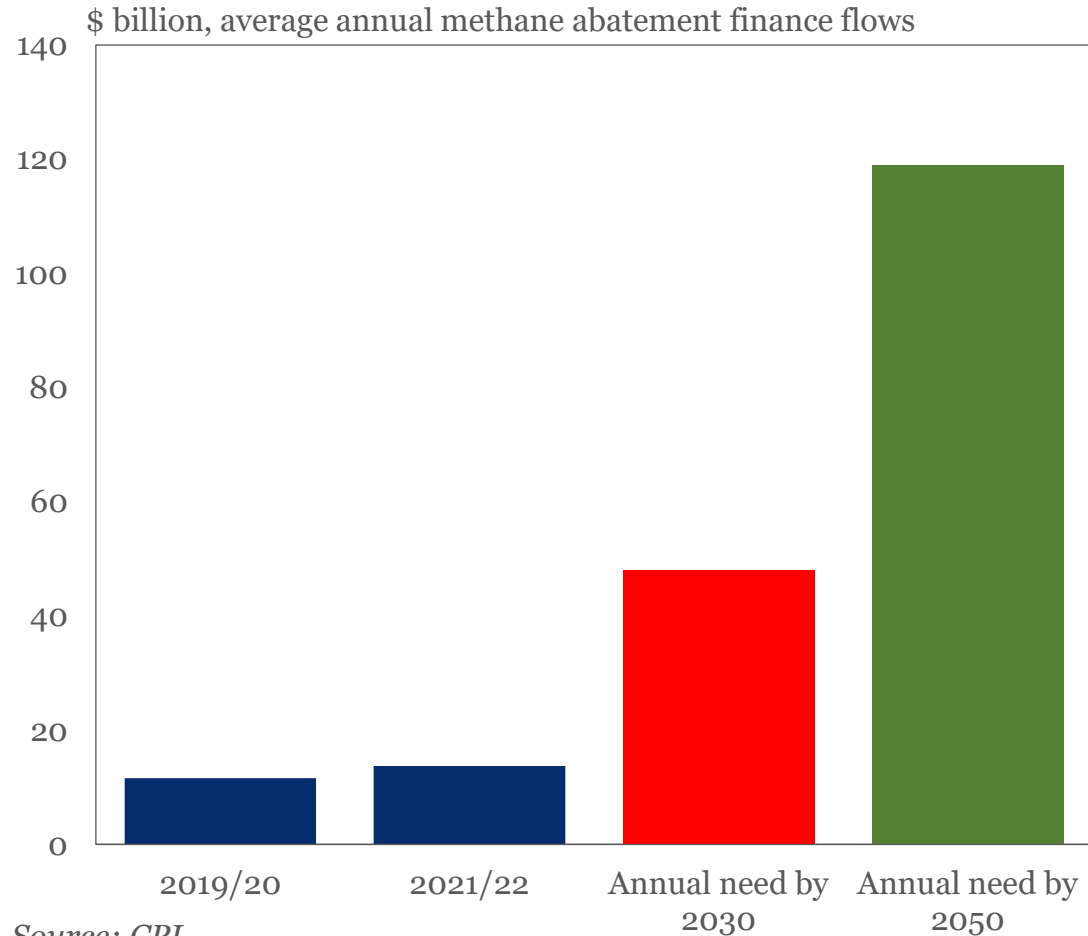
National DFIs and commercial financial institutions are the largest creditor providers of climate projects, with over 85% of the investment financed by domestic creditors in 2022



Source: CPI, IIF

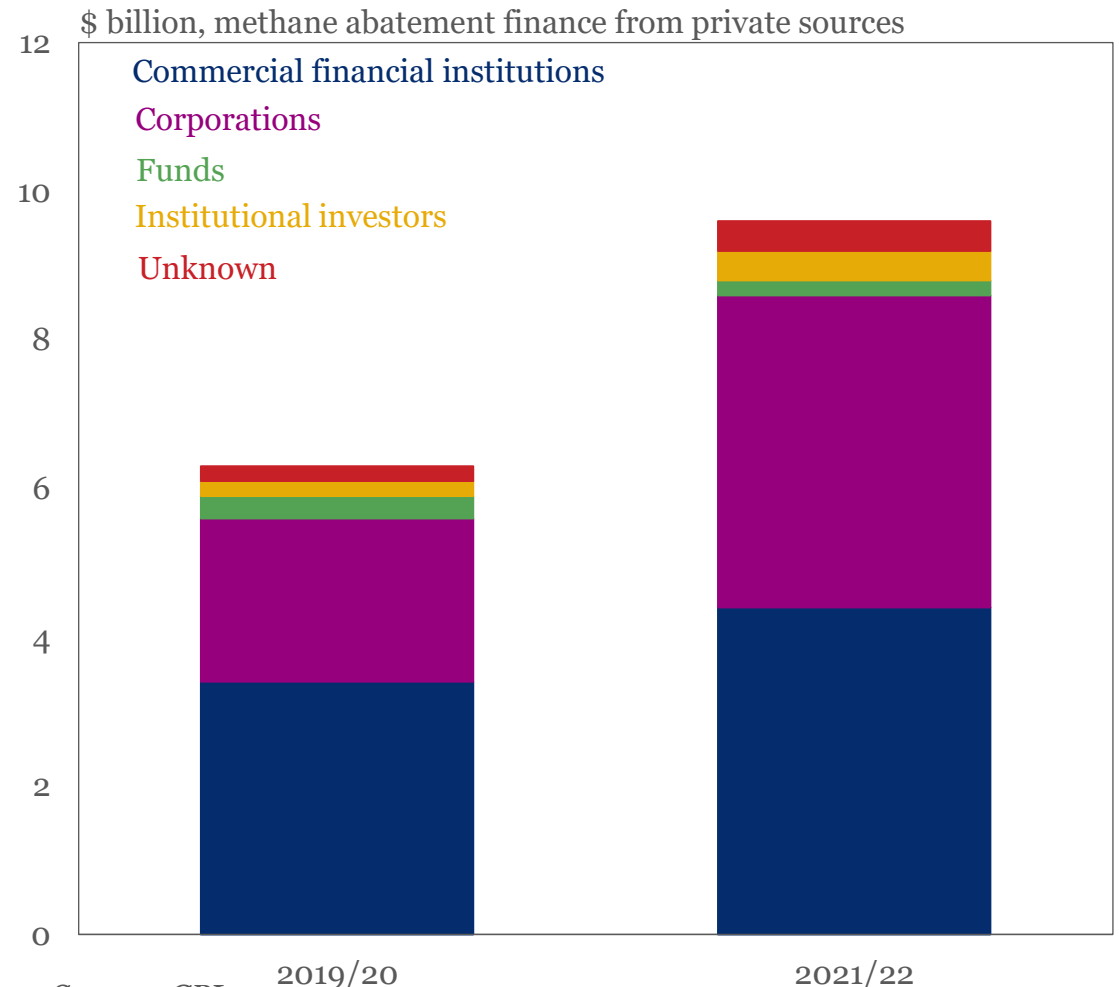
# Global methane abatement finance flows remain significantly below the global estimated needs of \$48 billion annually by 2030—flows must increase by 3.5 times

Global methane abatement finance flows reached \$13.7 billion in 2021/22, up 18% from 2019/20, and is well below the annual needs



Source: CPI

Around 70% of methane abatement finance came from private sources in 2021/22

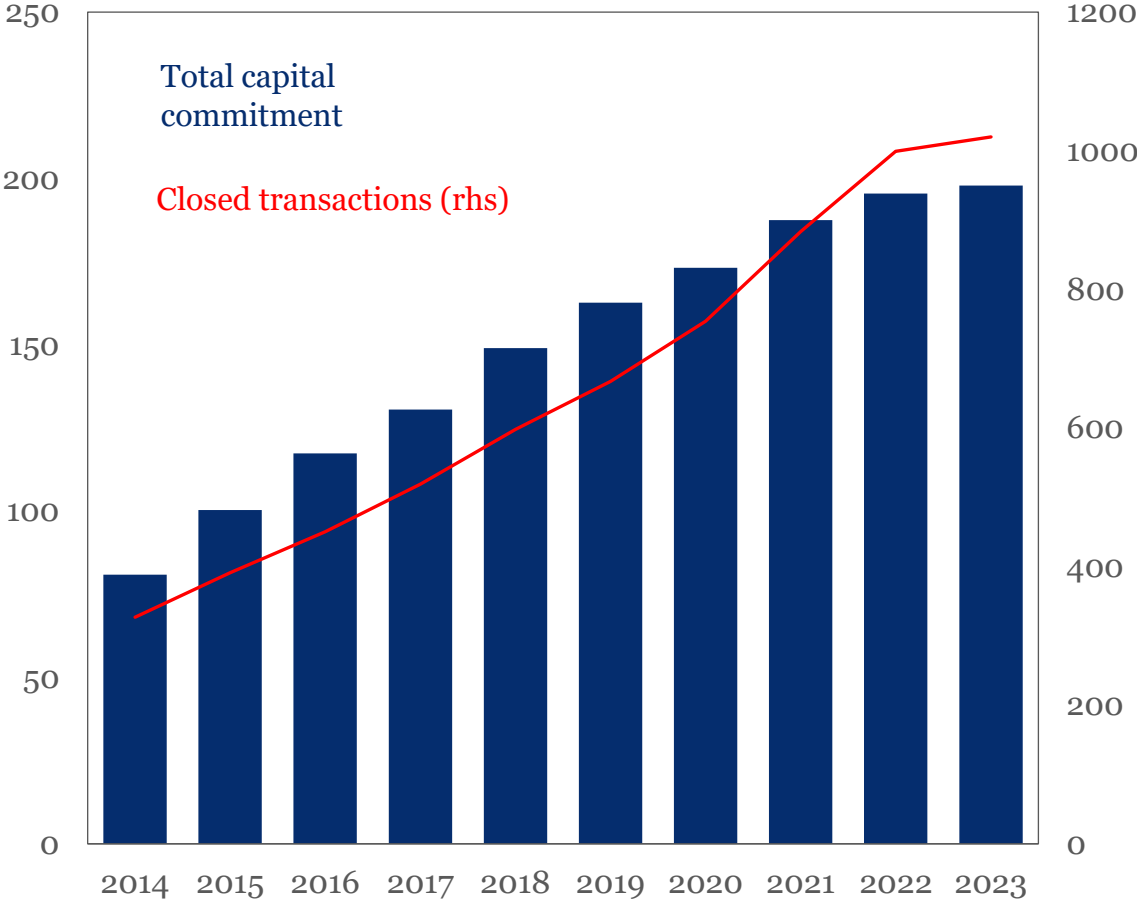


Source: CPI

# Blended finance flows for climate action remains very subdued, despite increased efforts by multilateral development banks

Annual overall blended finance activities have steadily increased over the last 10 years

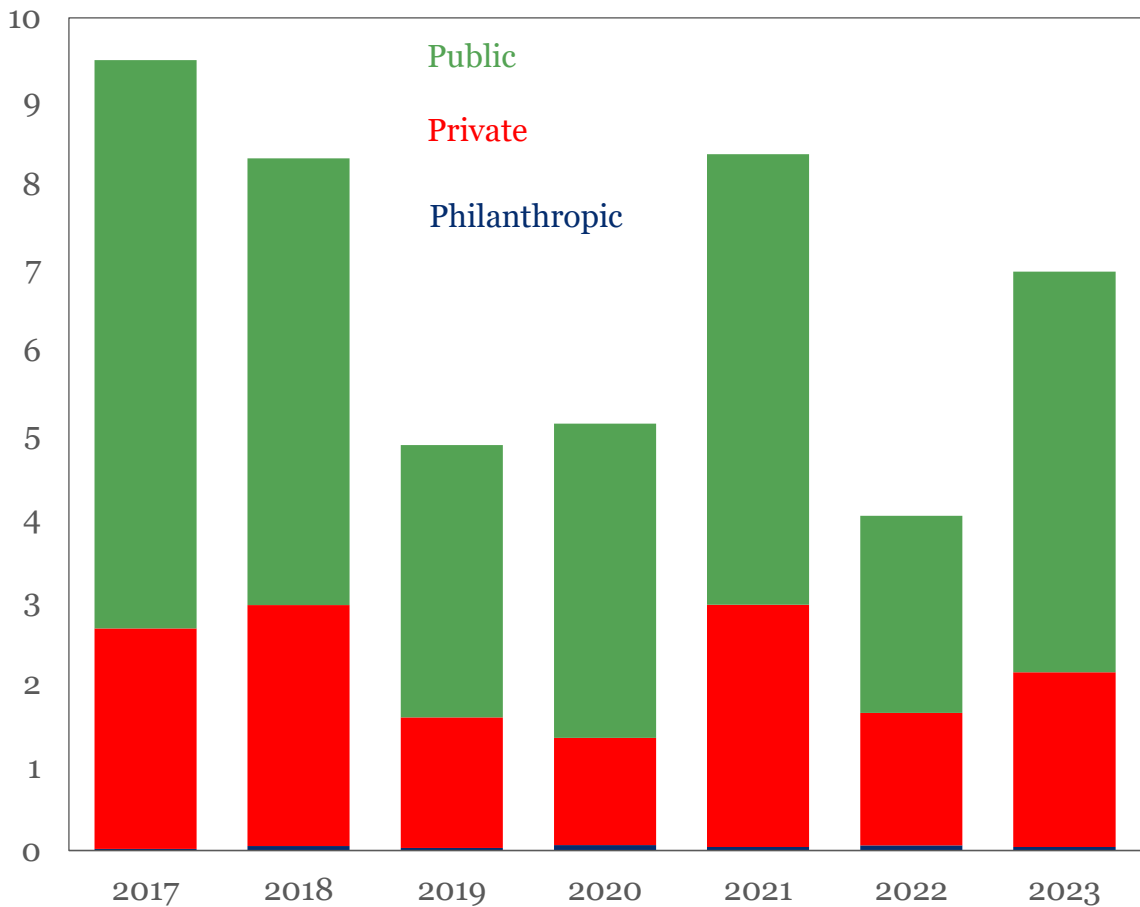
\$ billion, as of Q4 2023



Source: Convergence, IIF

Over half annual blended finance for climate action commitments come from the public sector

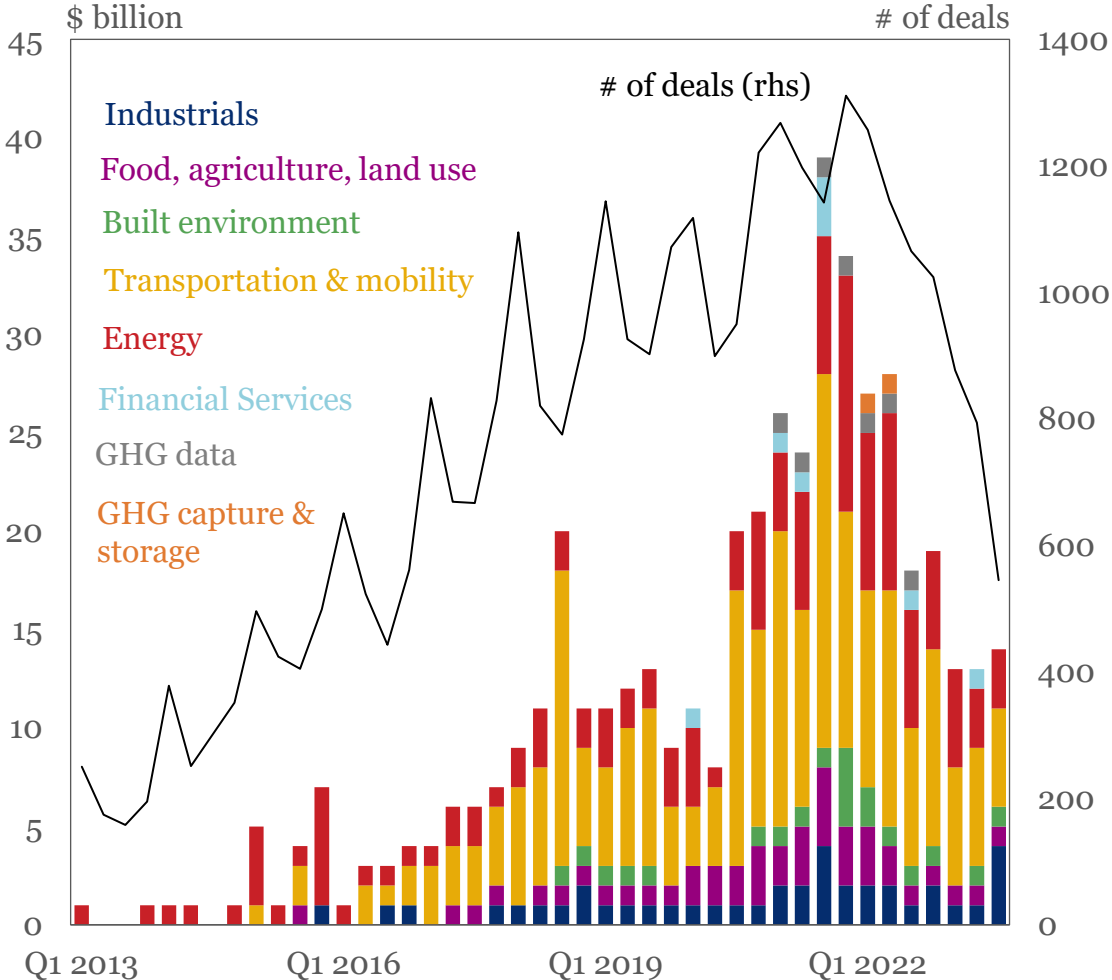
\$ billion, aggregate annual financing by investor sector, as of Q3 2023



Source: Convergence, IIF

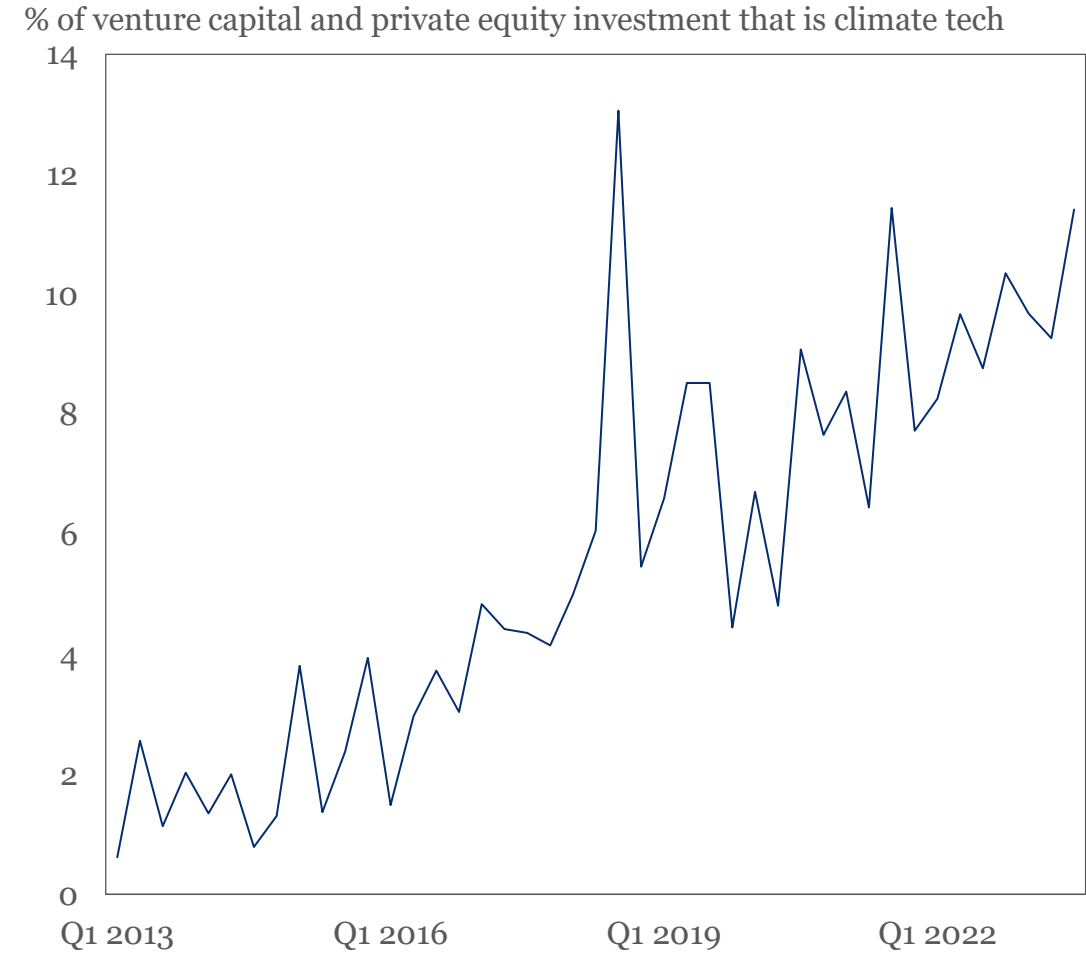
# The number of climate tech deals declined throughout 2023, but their share in total private equity and venture capital investment increased

Overall number of climate tech deals declined in 2023



Source: PwC, IIF; 2023 data through Q3

The proportion of climate tech investment within the total deals has significantly risen over the past decade

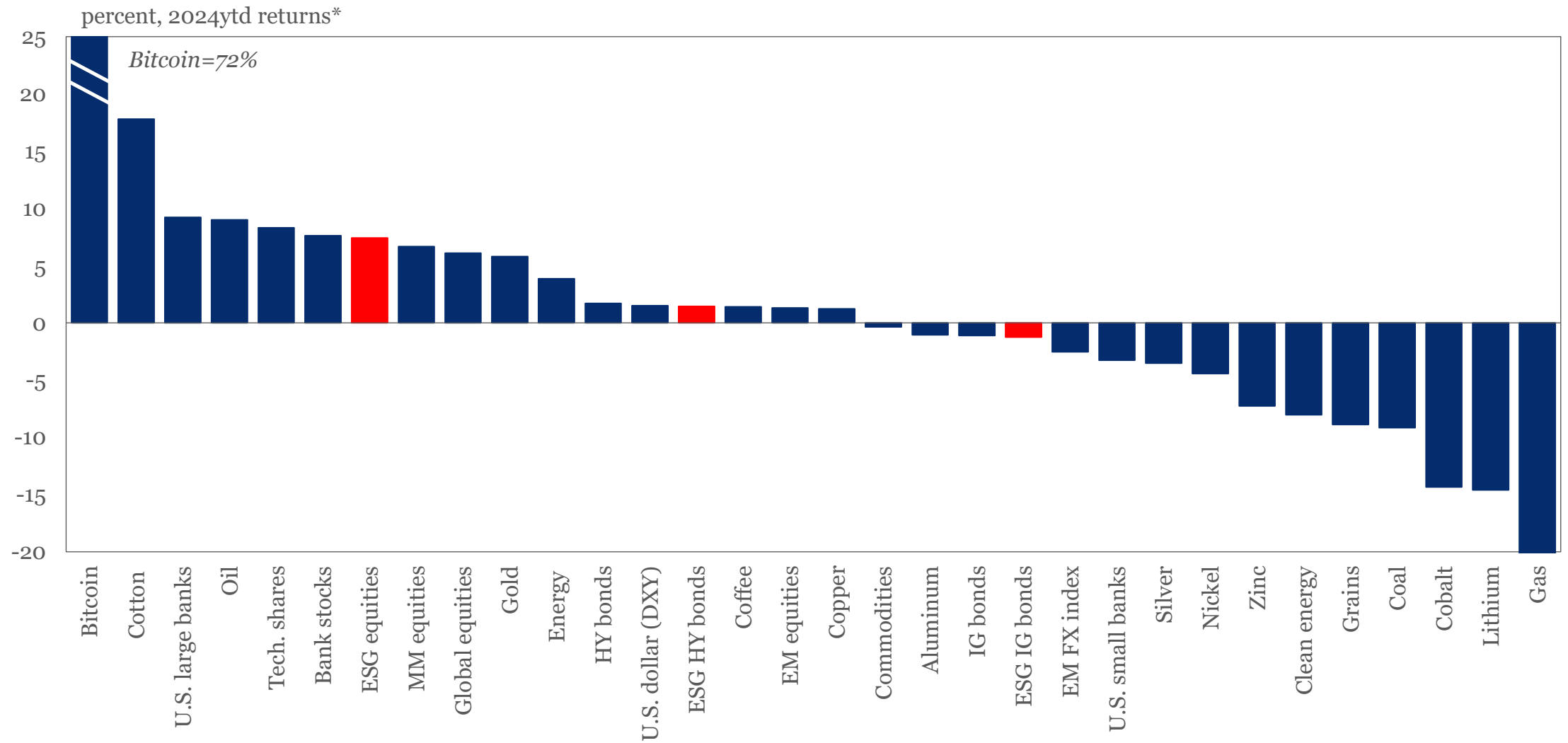


Source: PwC, IIF; 2023 data through Q3

## **2. ESG Market Performance**



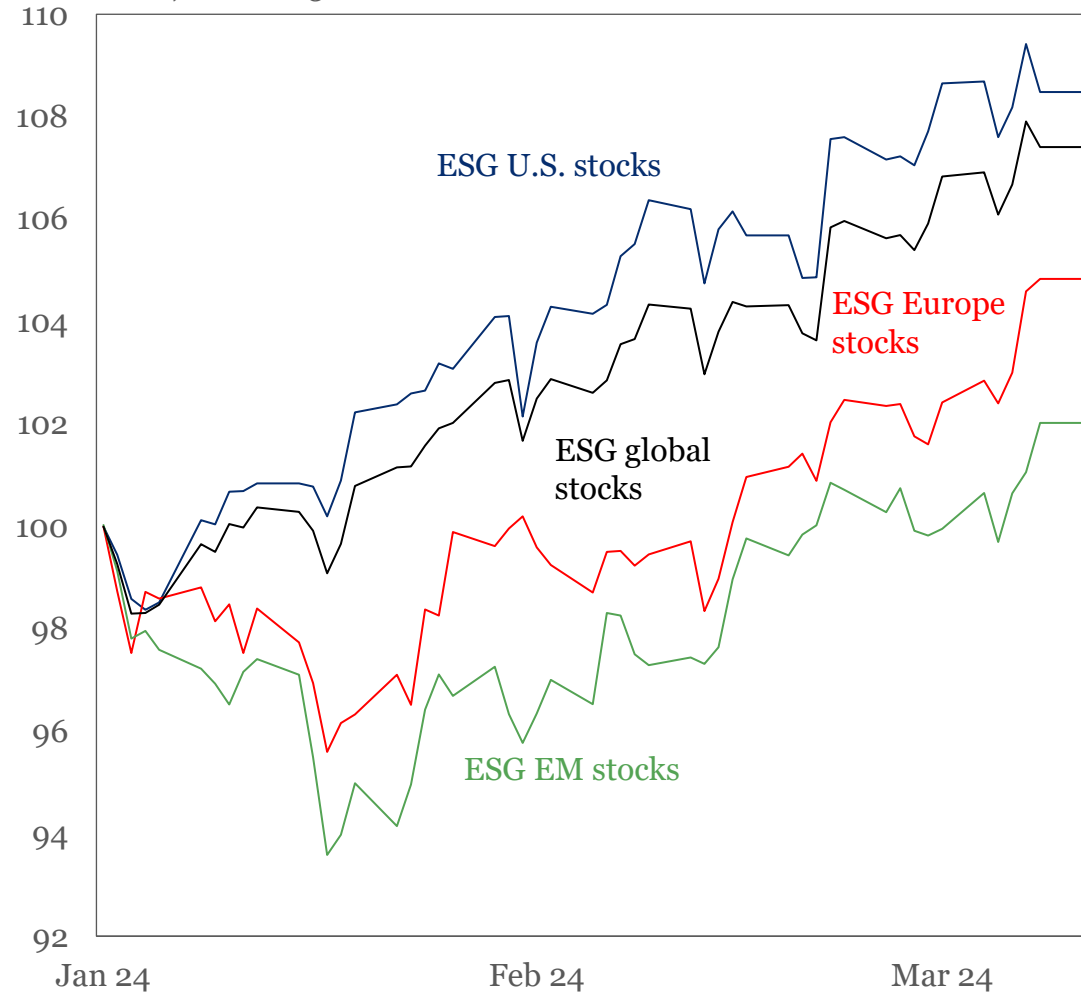
# ESG stocks sustained by AI rally even as the clean energy sector weakened



Source: Bloomberg, IIF; \*Data as of March 12

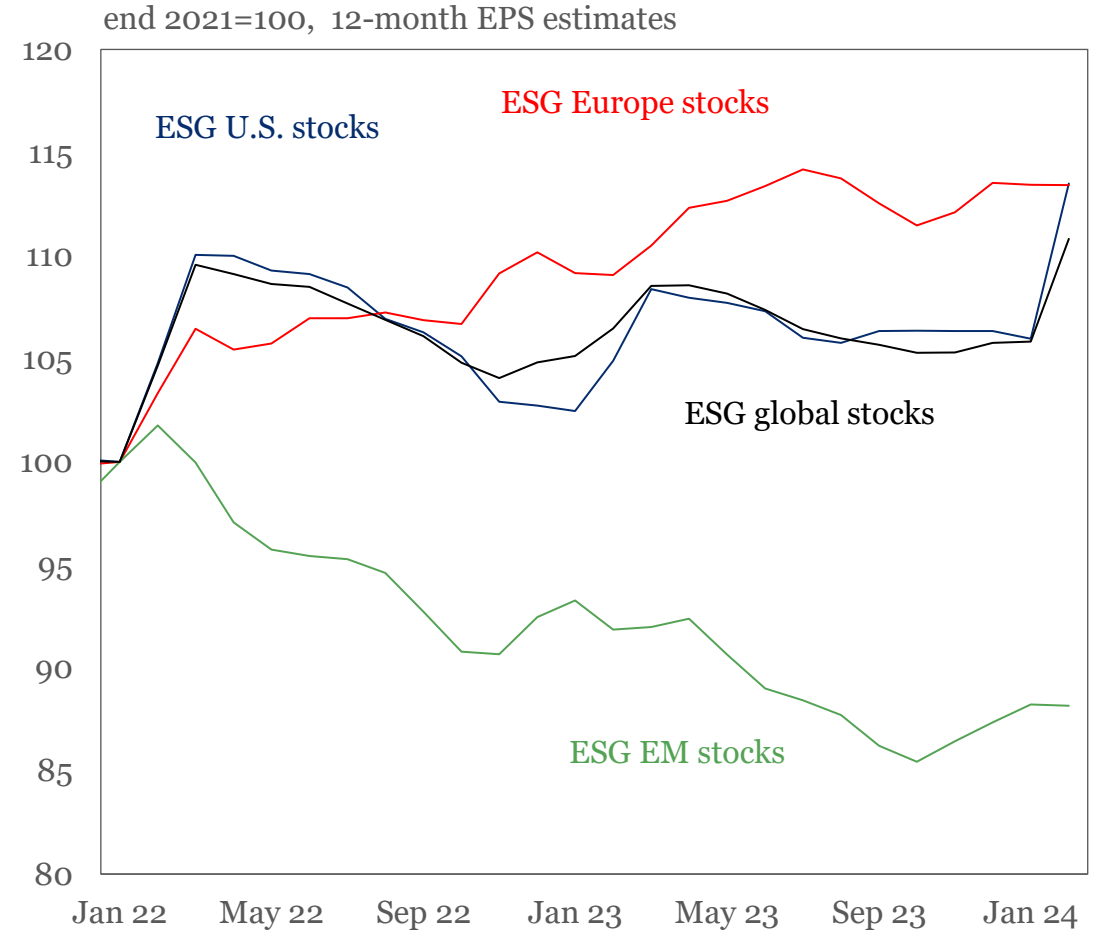
# U.S. ESG shares started the year on a strong note, outperforming their European and emerging market peers

ESG stocks keep marching higher, largely driven by US ESG shares index, end-2023=100



Source: Bloomberg, IIF

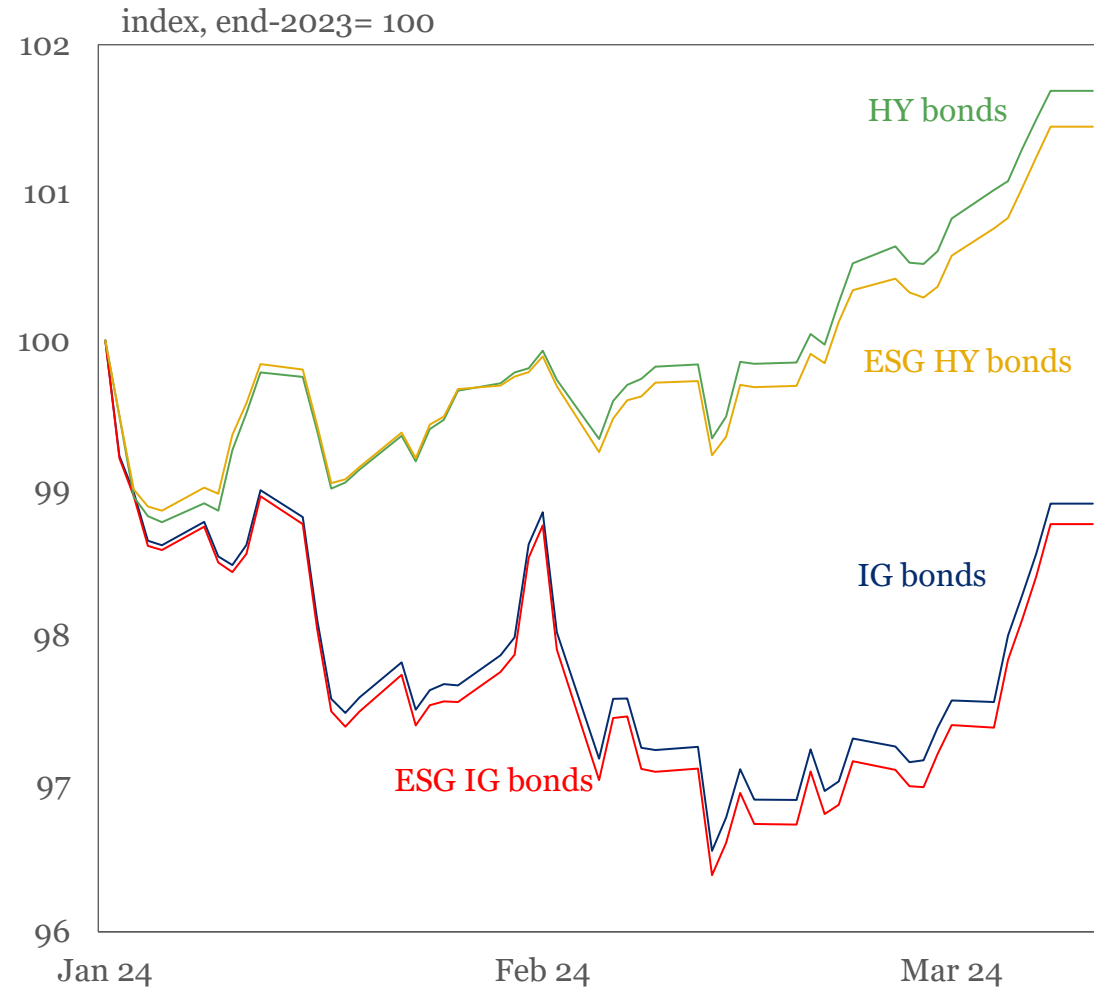
Strong earnings expectations boost ESG shares in the U.S. and Europe



Source: Bloomberg, IIF

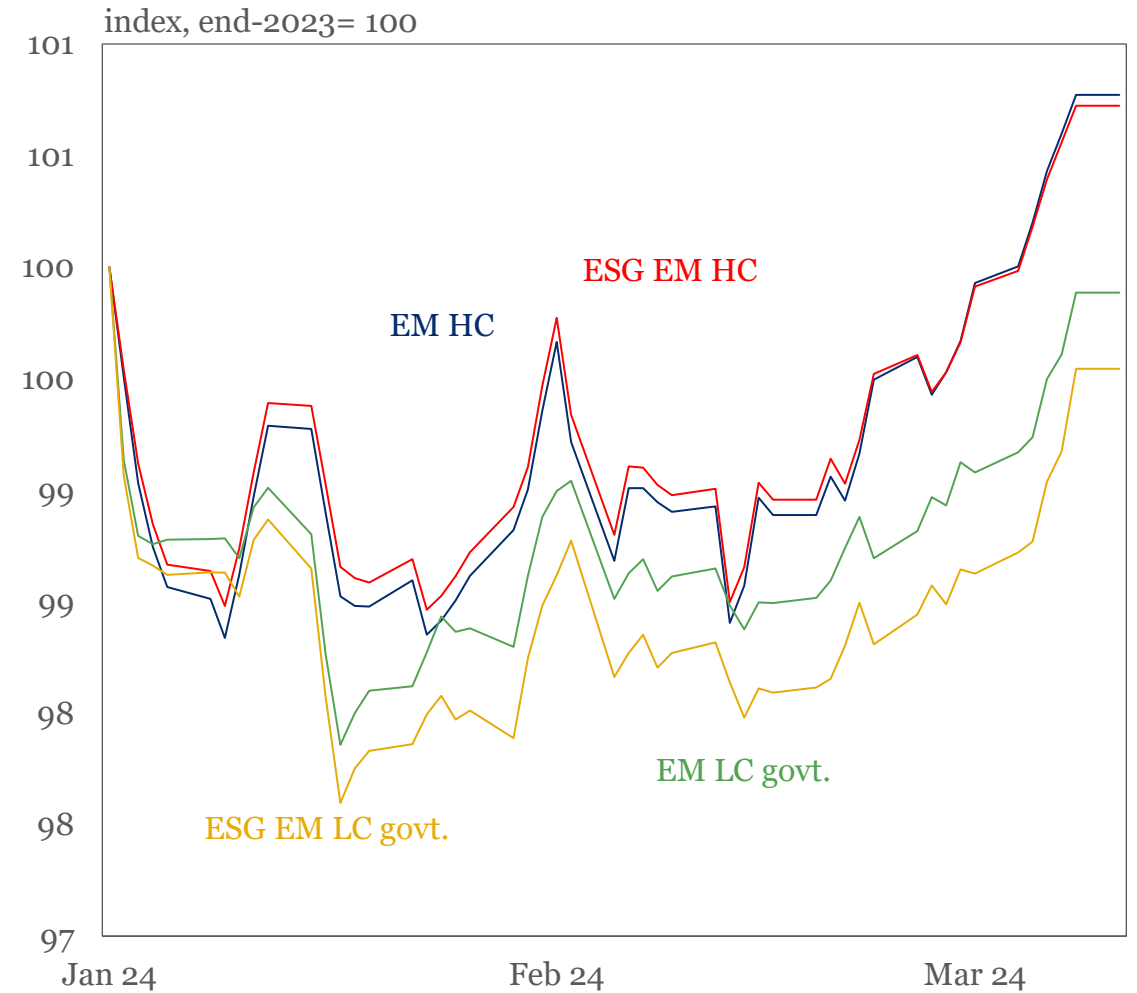
# Returns on ESG bonds were largely realized in the high-yield segment, in part reflecting their higher coupon payments

On average, both ESG and conventional bonds are up less than 0.5% this year, and the divergence between IG and HY bond increases



Source: Bloomberg, IIF; HY = High Yield and IG = Investment Grade

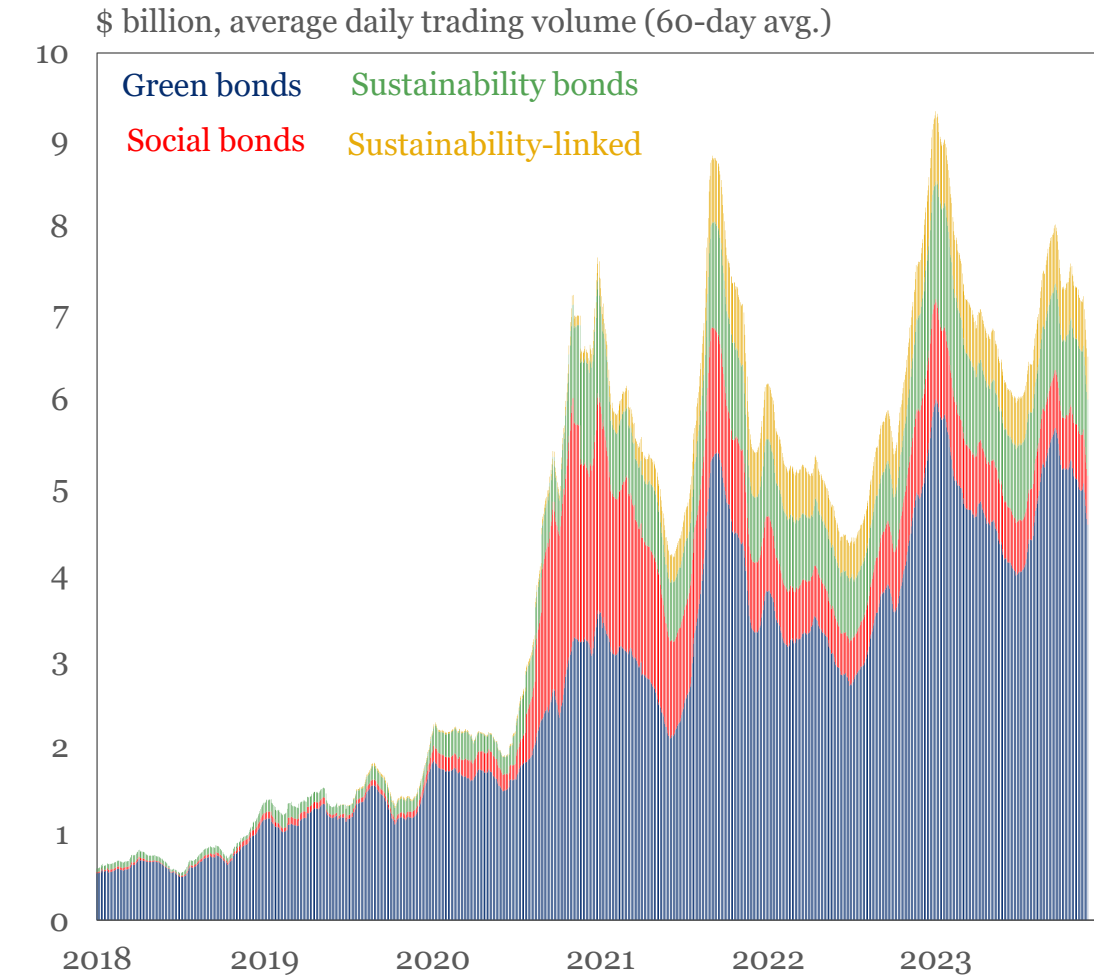
ESG-labelled EM bonds started the year on a subdued note, partly mirroring the performance of their conventional counterparts



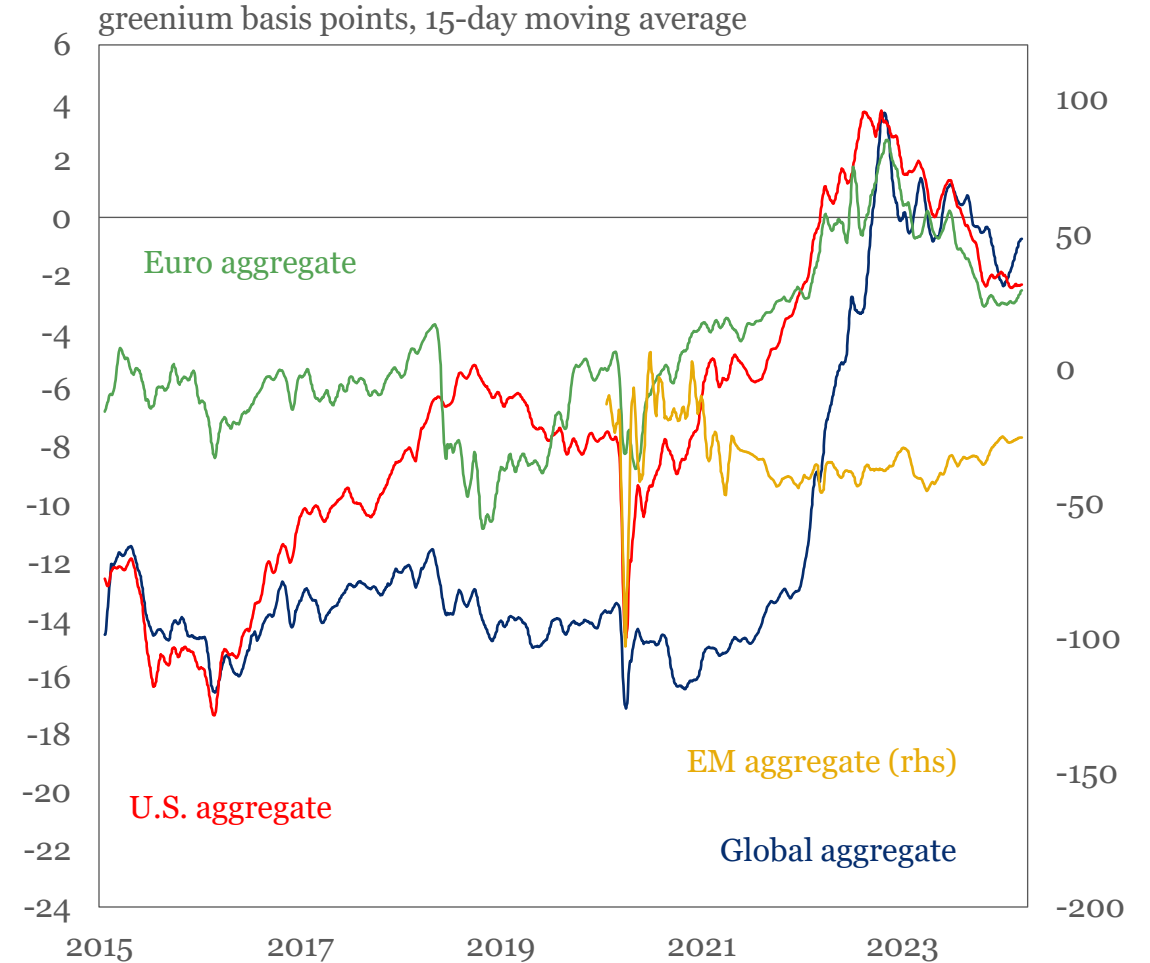
Source: Bloomberg, IIF; HC = High Currency and LC = Local Currency

# Secondary market liquidity for ESG bonds surged by 40%; the “greenium” persists for EM ESG bonds

The avg. daily trading volumes of ESG-labelled bonds totaled \$7.4 billion in 2023, up from \$5.4 billion in 2022

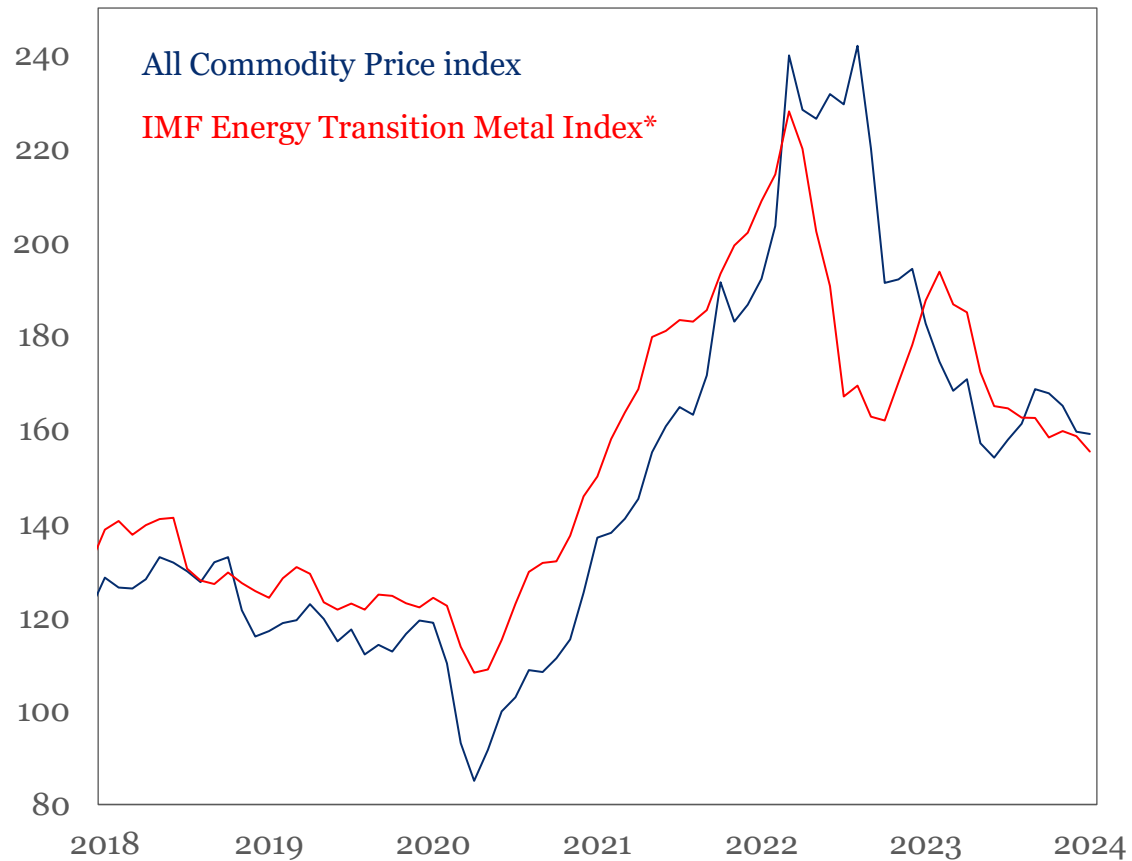


While the greenium\* on most ESG bonds has largely disappeared due to softening demand, it is still present for EM ESG bonds



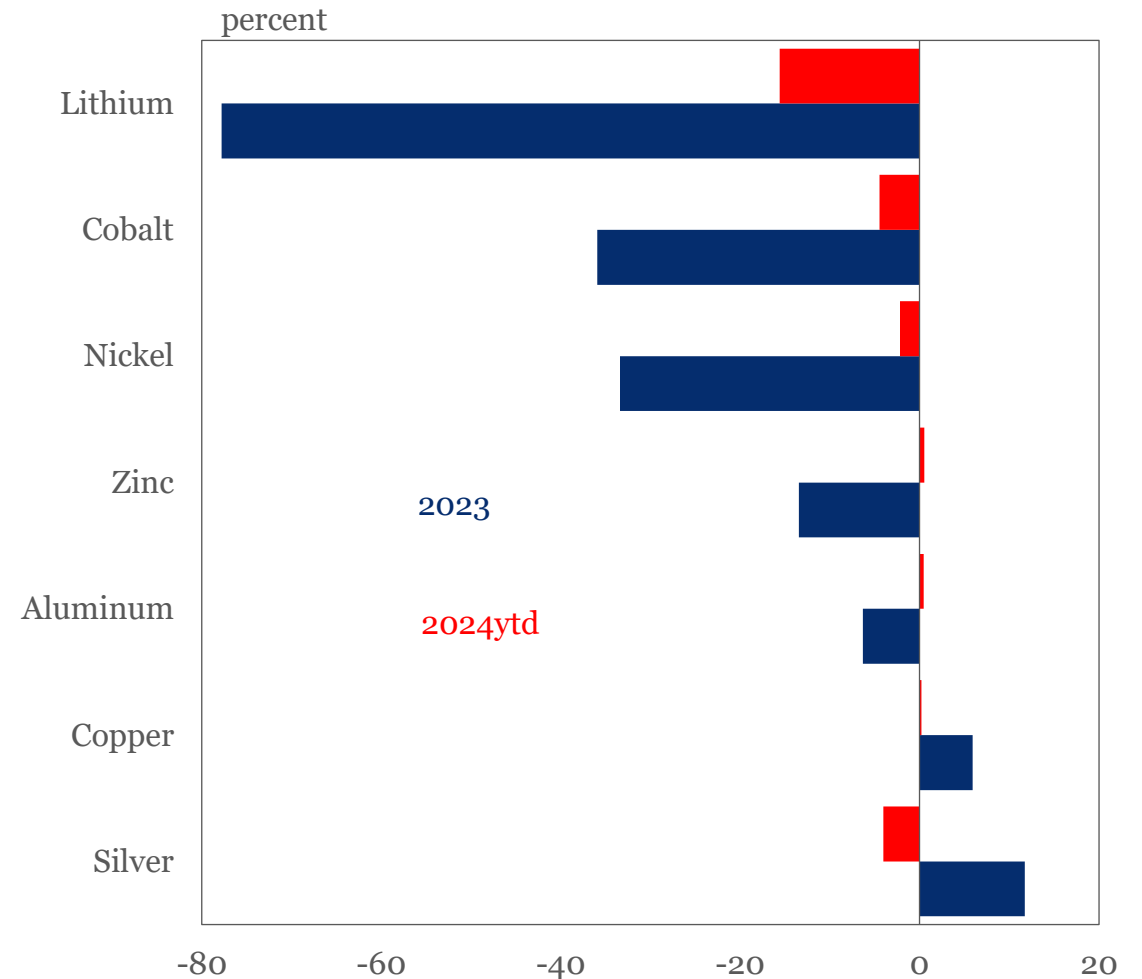
# Despite a sharp rise in clean energy investment in recent years, transition metal prices remain subdued amidst excess supply

Energy transition metal prices have fallen compared to the all-time high levels seen in 2022  
index, January 2024 is latest datapoint



Source: IMF; \*includes 16 metals: aluminum, chromium, cobalt, copper, lead, lithium, manganese, molybdenum, nickel, palladium, platinum, rare earth elements, silicon, silver, vanadium, and zinc

Lithium prices dropped around 80% yoy in 2023 and could fall further in 2024 amidst excess supply

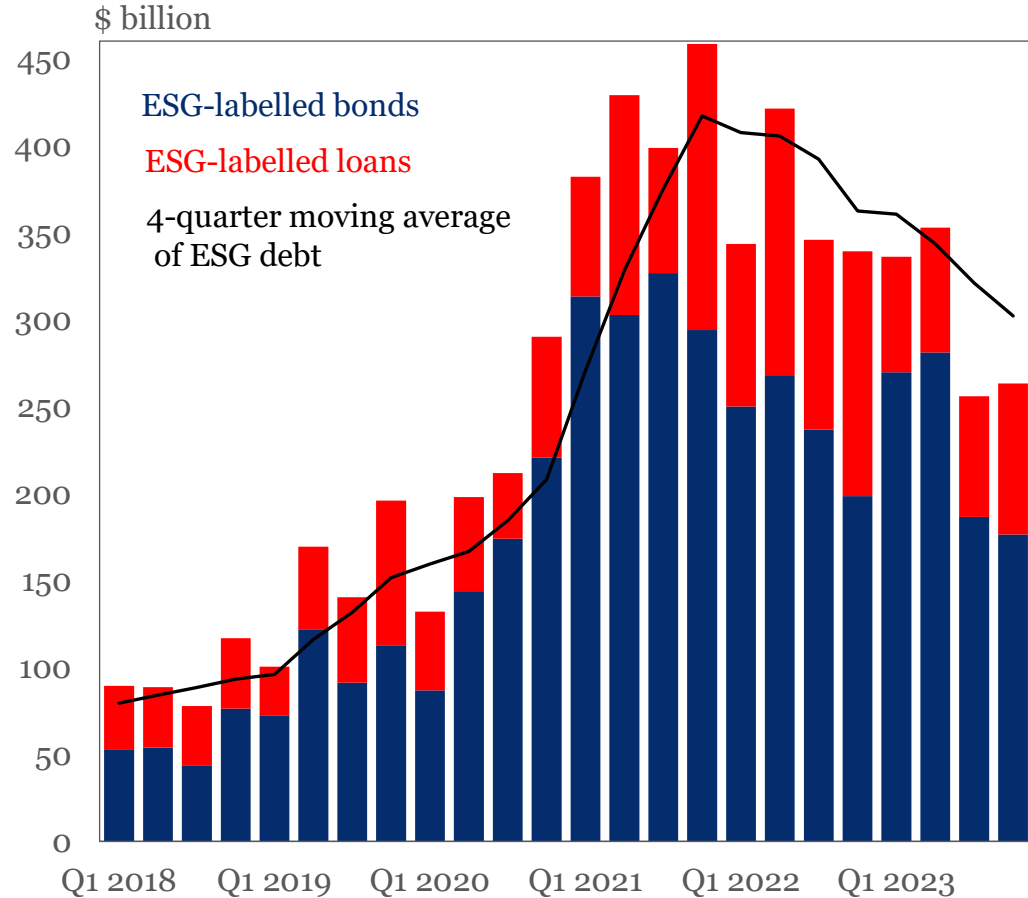


Source: Bloomberg, IIF

# 3. ESG Debt Markets

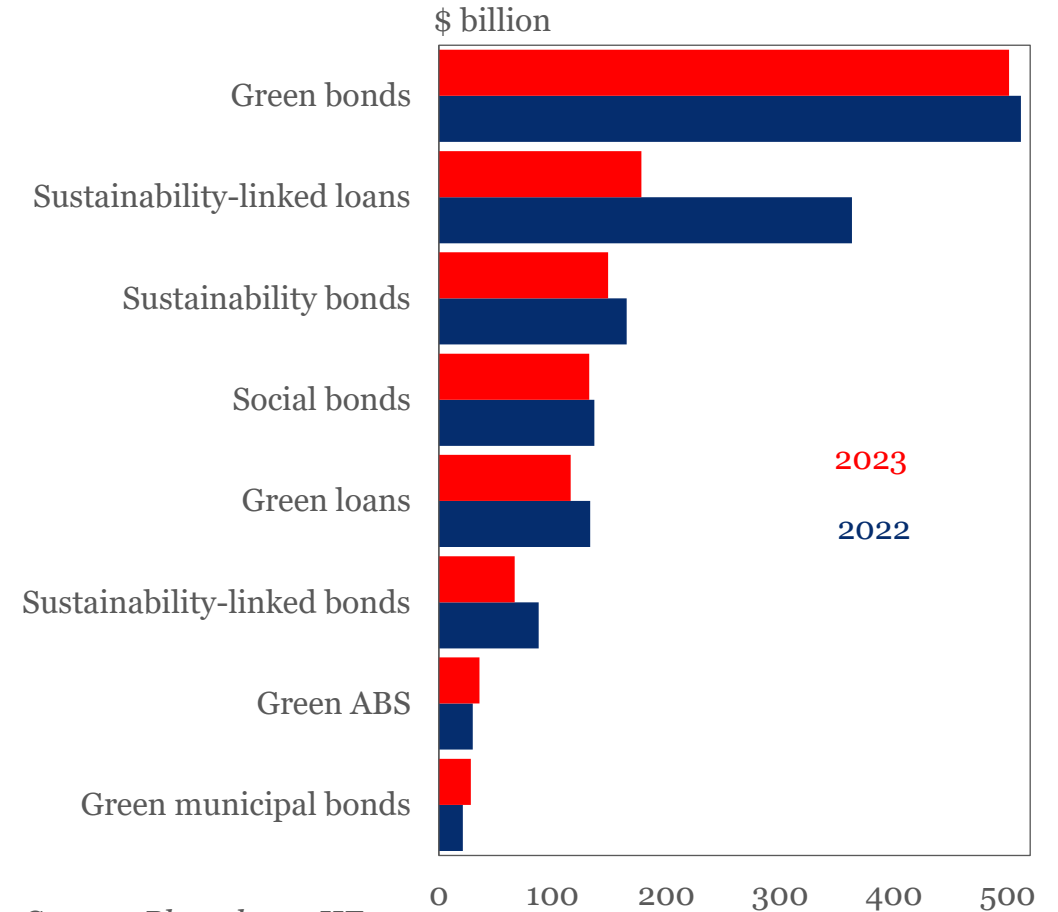
# Global ESG debt issuance amounted to \$1.2 trillion in 2023—the slowest pace since 2020—with the downturn most evident in corporate sustainability-linked loans

In line with weakness in traditional loan markets, 2023 saw a slump in sustainability-linked loan issuance



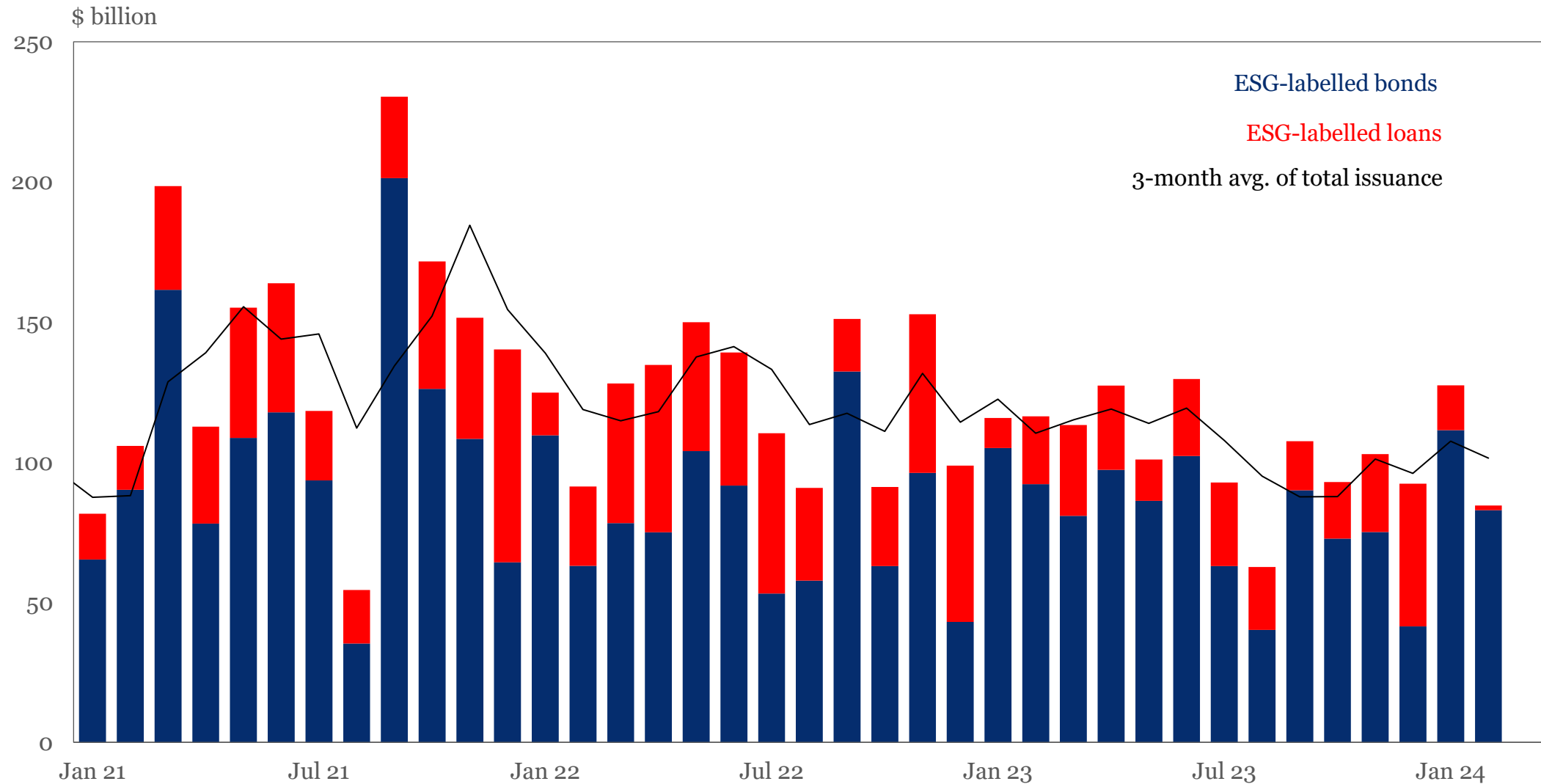
Source: Bloomberg, IIF

In line with weakness in traditional loan markets, 2023 saw a slump in sustainability-linked loan issuance



Source: Bloomberg, IIF

# In the first two months of 2024, ESG bond sales reached \$195 billion while ESG loan issuance remained subdued at \$18 billion

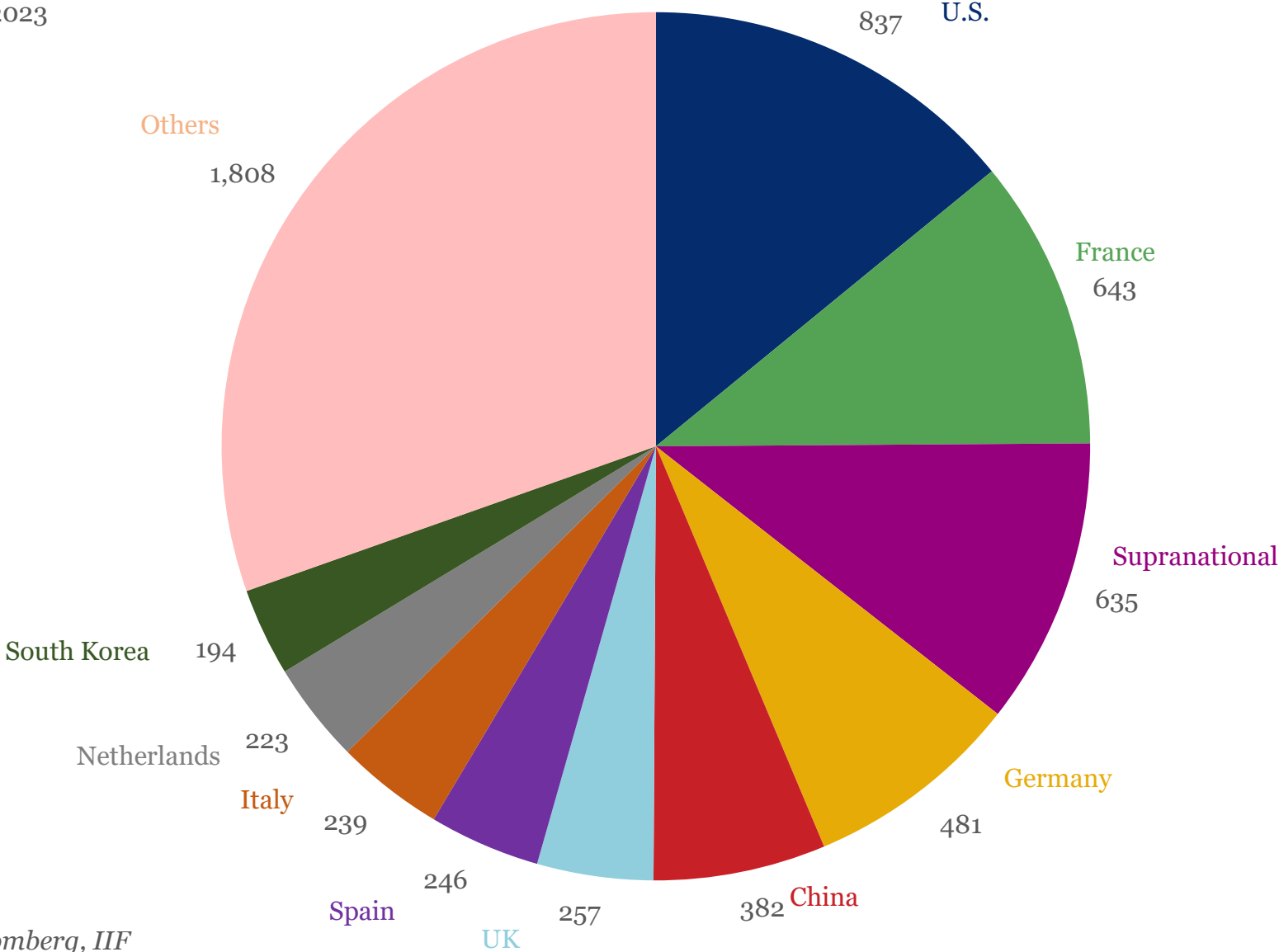


Source: Bloomberg, IIF



# The U.S. is home to the world's largest ESG debt market

\$ billion, Q4 2023



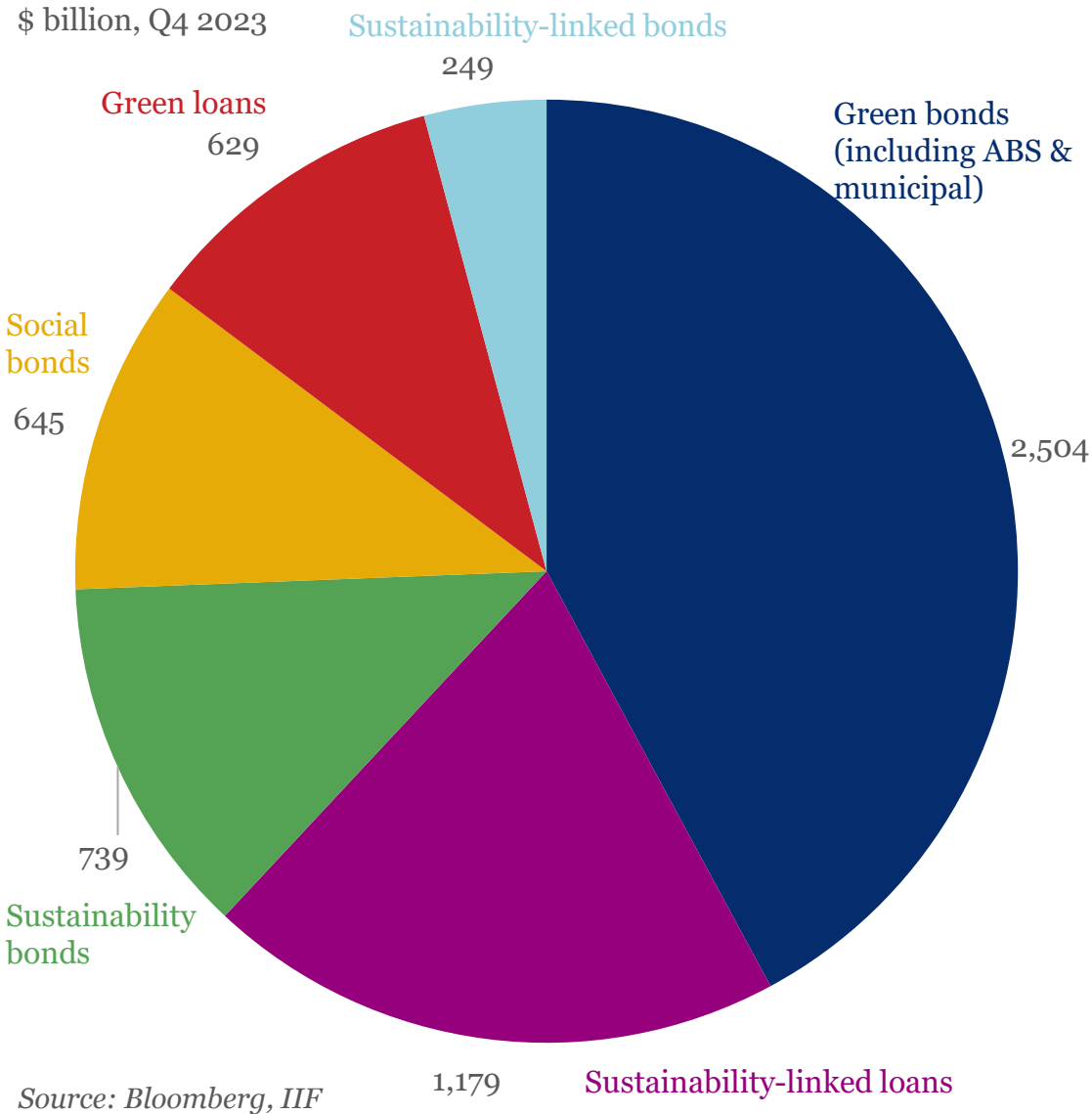
Source: Bloomberg, IIF

# IN DEPTH: EM ESG Debt Markets

EM ESG debt markets by country and instrument											
As of Q4 2023	ESG-labelled bonds	Green bonds	Green ABS	Sustainability bonds	Social bonds	Green municipal bonds	Sustainability-linked bonds	ESG-labelled loans	Green loans	Sustainability-linked loans	Total
China	329.4	271.9	23.7	13.3	0.5	0.0	20.0	52.2	17.3	34.9	381.6
Chile	54.4	13.2	0.0	8.4	21.5	0.0	11.3	6.6	5.6	1.0	61.0
India	27.1	17.9	0.0	1.9	5.7	0.0	1.6	27.3	23.0	4.3	54.4
Mexico	39.3	3.3	0.0	22.9	3.5	0.0	9.5	14.0	4.0	10.0	53.3
Brazil	28.6	13.5	0.0	6.6	0.5	0.0	8.0	13.5	6.9	6.6	42.1
UAE	17.2	13.8	0.0	2.8	0.0	0.0	0.6	20.9	10.5	10.4	38.1
Türkiye	11.1	4.7	0.0	5.4	0.0	0.0	0.9	22.5	12.5	10.1	33.6
Saudi Arabia	13.6	11.1	0.0	2.5	0.1	0.0	0.0	16.5	15.3	1.2	30.2
Thailand	19.3	3.9	0.0	13.1	0.8	0.0	1.5	5.4	2.3	3.1	24.7
Indonesia	11.9	9.3	0.0	2.2	0.1	0.0	0.4	10.4	7.1	3.3	22.3
Poland	10.9	8.9	0.0	0.4	0.0	0.0	1.6	8.3	3.5	4.8	19.2
South Africa	3.7	2.1	0.0	0.2	0.2	0.0	1.1	13.4	7.5	5.9	17.1
Malaysia	13.6	2.5	0.0	10.2	0.4	0.0	0.5	2.3	0.7	1.6	15.9
Peru	10.6	0.8	0.0	8.3	1.1	0.0	0.4	0.8	0.8	0.0	11.4
Philippines	8.1	1.9	0.0	5.7	0.4	0.0	0.0	2.1	1.6	0.5	10.1
Hungary	8.2	8.2	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	8.7
Colombia	4.6	1.0	0.0	0.7	2.9	0.0	0.0	2.9	2.2	0.7	7.5
Russia	2.9	2.3	0.0	0.0	0.6	0.0	0.0	4.5	0.8	3.7	7.4
Qatar	0.6	0.6	0.0	0.0	0.0	0.0	0.0	5.5	5.0	0.5	6.1
Romania	4.1	3.0	0.0	1.1	0.0	0.0	0.0	0.9	0.5	0.4	5.0
Egypt	1.2	0.8	0.0	0.5	0.0	0.0	0.0	3.6	3.5	0.2	4.8
Vietnam	0.5	0.1	0.0	0.4	0.0	0.0	0.0	3.8	3.8	0.0	4.4
Guatemala	2.5	0.7	0.0	0.2	0.5	0.0	1.1	0.6	0.0	0.6	3.1
Ukraine	2.0	1.2	0.0	0.0	0.0	0.0	0.8	0.6	0.6	0.0	2.6
Serbia	1.2	1.2	0.0	0.0	0.0	0.0	0.0	1.2	1.2	0.0	2.4
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	2.4	0.0	2.4
Uruguay	2.2	0.0	0.0	0.0	0.0	0.0	2.2	0.2	0.2	0.0	2.4
Pakistan	0.5	0.5	0.0	0.0	0.0	0.0	0.0	1.4	1.4	0.0	1.9
Lao P.D.R.	0.3	0.3	0.0	0.0	0.0	0.0	0.0	1.4	1.4	0.0	1.7
Argentina	1.4	1.2	0.0	0.1	0.0	0.0	0.1	0.3	0.3	0.0	1.7
Angola	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.7	0.0	1.7
Kenya	0.1	0.1	0.0	0.0	0.0	0.0	0.0	1.4	1.3	0.1	1.5

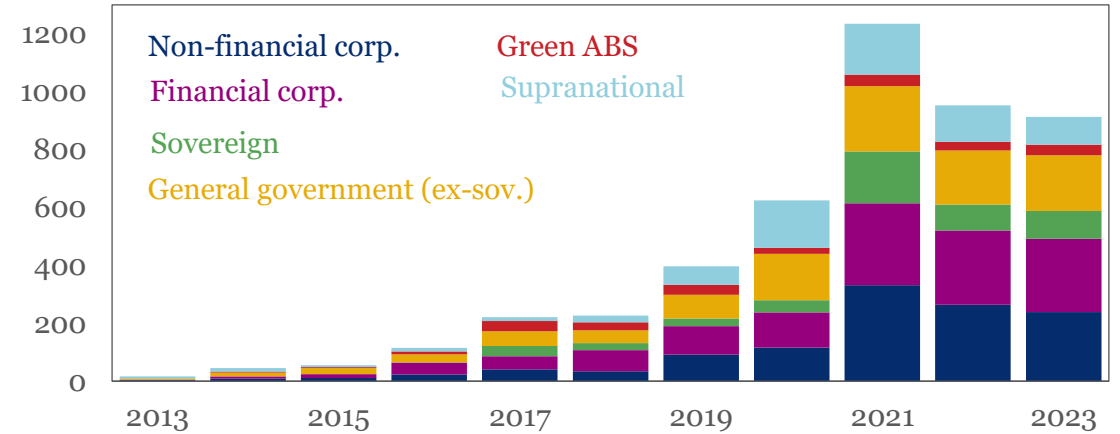
Source: Bloomberg, IIF

# ESG-labelled bonds make up nearly 70% of the ESG debt universe



## ESG-labelled bond issuance, by sector

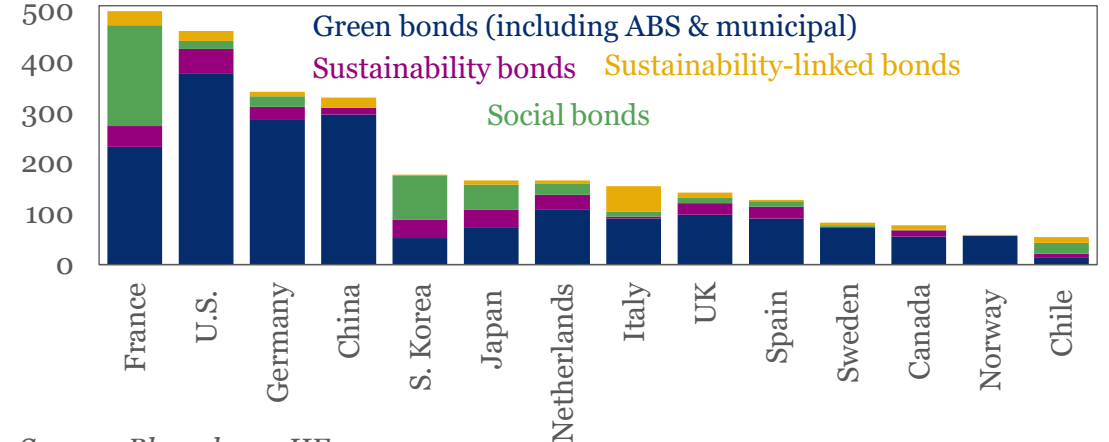
\$ billion, ESG-labelled bonds, 2023 is through December



Source: Bloomberg, IIF

## ESG-labelled bond market size, by country

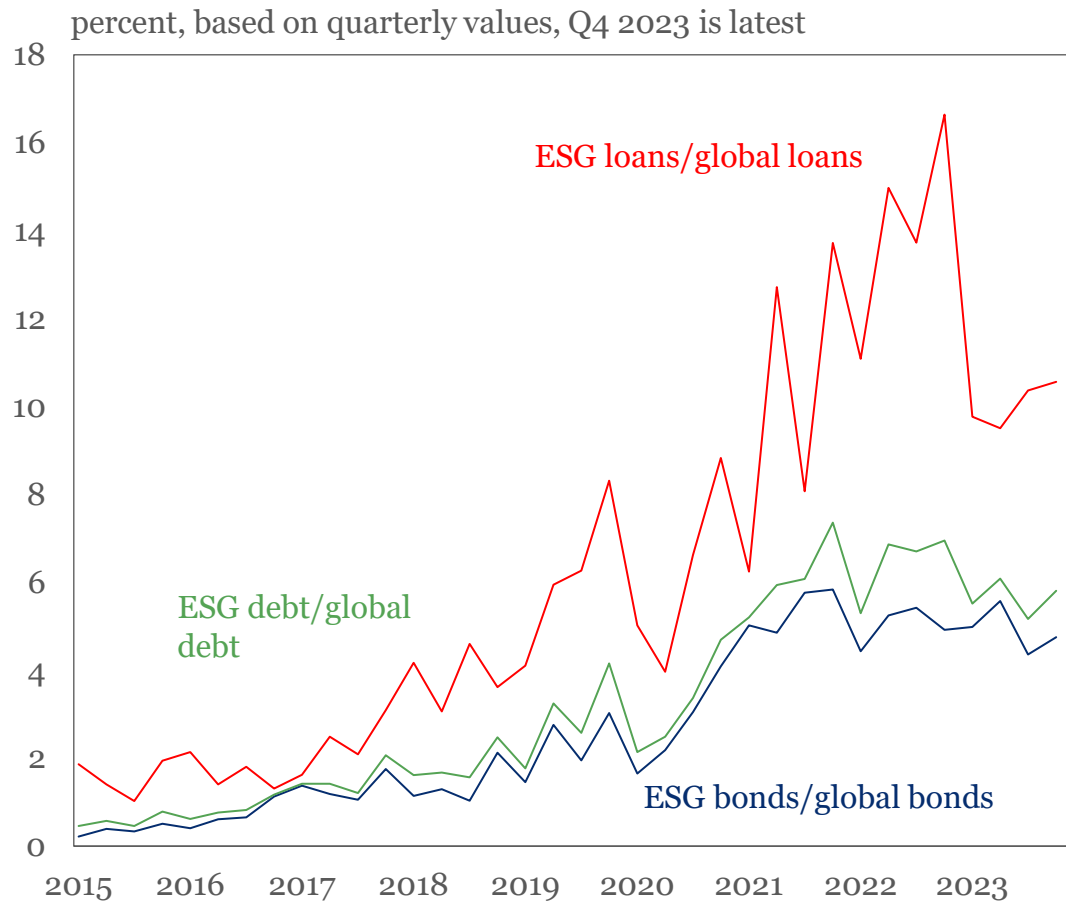
\$ billion, Q4 2023



Source: Bloomberg, IIF

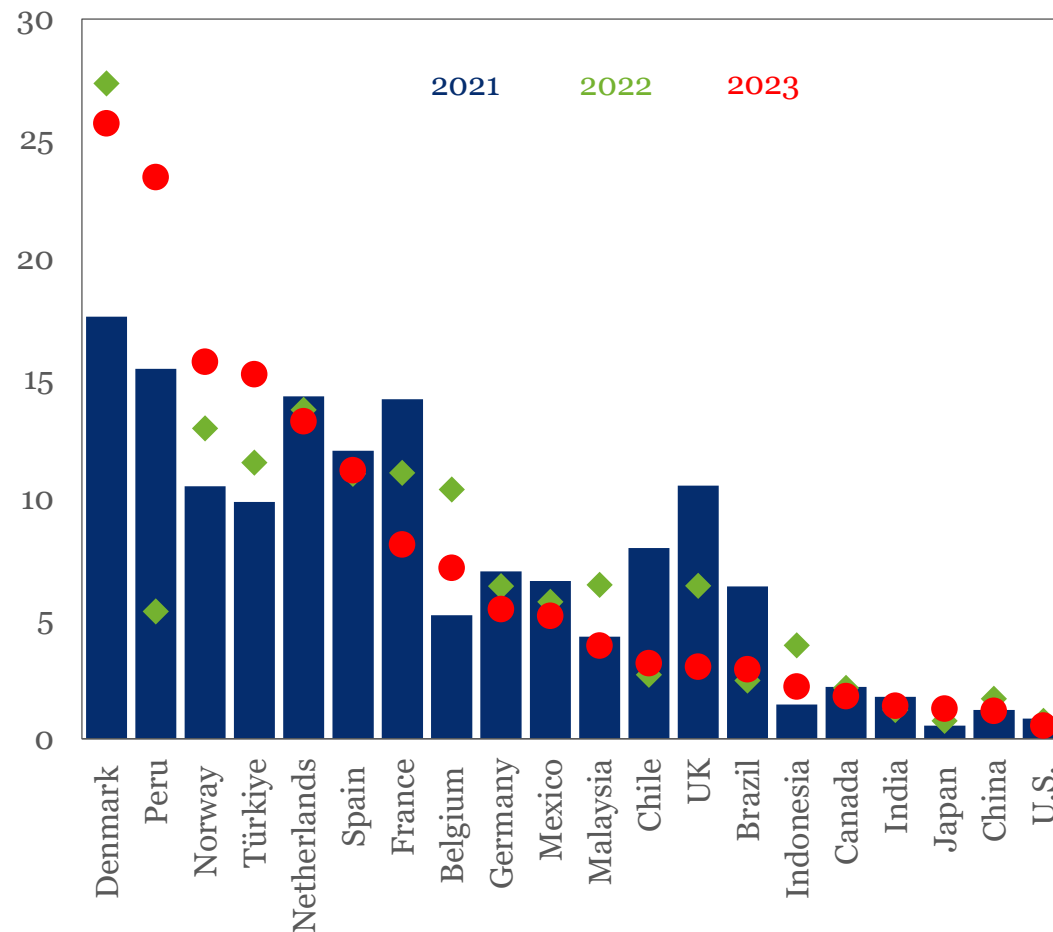
# With just 6% of issuance ESG-linked, ESG integration in global debt markets lost momentum last year

Against a challenging macroeconomic and geopolitical backdrop, the pace of overall ESG integration in global debt markets remains subdued



Source: Bloomberg, IIF; includes tenor > 1

The pace of ESG integration in debt markets remains limited  
percent, share of ESG debt issuance/total debt issuance

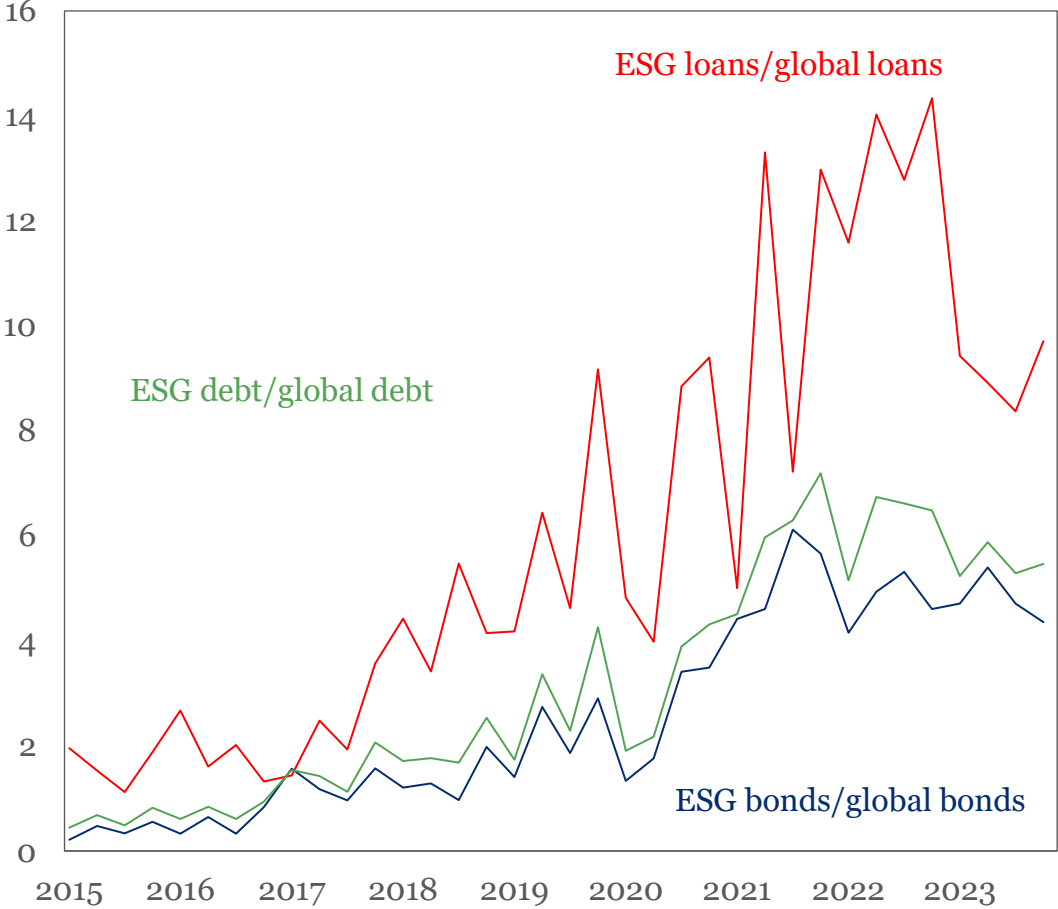


Source: Bloomberg, IIF; includes short-term and long-term securities

# ESG integration varies significantly across mature and emerging markets and asset classes

In mature markets, the share of ESG debt in total debt issuance was 5.5% in Q4 2023

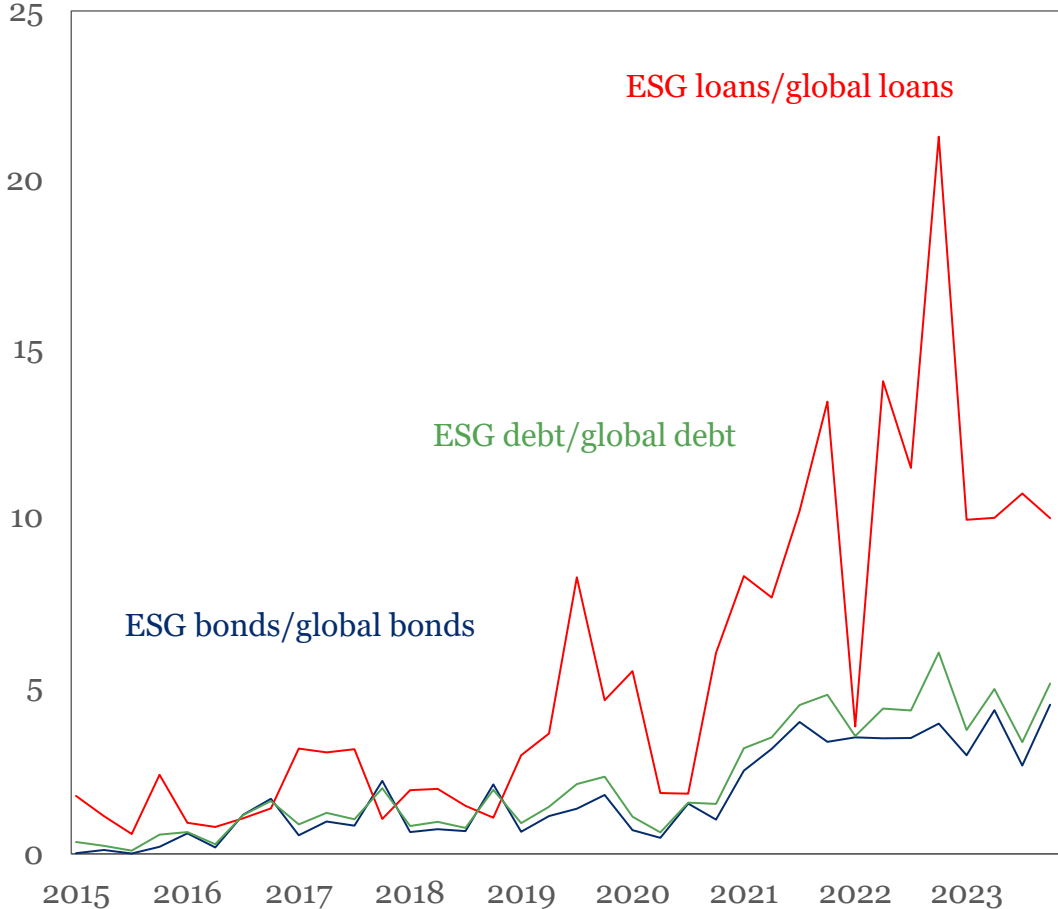
percent, based on quarterly values, Q4 2023 is latest



Source: Bloomberg, IIF; includes tenor > 1

Meanwhile, ESG integration in emerging and frontier markets has picked up—5% of total debt issuance is linked to ESG

percent, based on quarterly values, Q4 2023 is latest



Source: Bloomberg, IIF; includes tenor > 1

# IN DEPTH: ESG integration in global debt markets, by country

ESG debt issuance by country\*

	ESG 2021	2021 share	ESG 2022	2022 share	ESG 2023	2023 share
	\$ billion	% of total debt issuance	\$ billion	% of total debt issuance	\$ billion	% of total debt issuance
U.S.	244.9	0.8	207.5	0.7	134.9	0.6
China	120.0	1.2	162.6	1.7	120.7	1.2
France	180.9	14.2	128.4	11.1	100.3	8.1
Germany	125.7	7.0	102.0	6.4	93.2	5.4
Japan	39.5	0.5	45.2	0.7	65.8	1.3
South Korea	71.5	9.5	56.4	8.3	52.7	7.5
Italy	58.4	7.1	71.4	11.0	49.3	8.0
Spain	62.9	12.0	46.2	11.0	42.6	11.2
Netherlands	49.0	14.3	46.6	13.7	39.1	13.2
UK	110.5	10.6	43.4	6.4	27.3	3.0
Sweden	38.8	13.9	30.0	13.9	22.4	11.7
Canada	27.9	2.2	26.4	2.1	19.2	1.8
Australia	39.8	10.2	28.0	7.0	19.0	5.6
Norway	19.2	10.5	16.9	12.9	18.6	15.7
Denmark	17.9	17.6	15.2	27.3	18.0	25.7
Austria	7.8	4.6	12.7	11.3	16.8	12.2
Türkiye	12.2	9.9	14.5	11.5	16.1	15.2
Saudi Arabia	6.1	4.3	5.8	5.0	16.1	15.8
UAE	6.5	3.3	6.1	3.6	14.8	3.1
Chile	24.5	8.0	8.4	2.7	14.4	3.1
Finland	12.0	10.7	8.4	6.0	13.2	11.4
Mexico	17.7	6.6	17.4	5.7	12.6	5.1
India	14.5	1.8	9.5	1.2	10.9	1.4
Belgium	6.9	5.2	16.6	10.4	10.8	7.1
Ireland	7.2	4.7	5.0	11.4	9.2	16.3
Switzerland	14.0	5.2	12.4	5.1	8.6	1.7
Portugal	5.1	13.0	7.8	19.3	8.5	32.6
Brazil	13.0	6.4	9.0	2.4	6.8	2.9
Poland	3.3	5.6	2.3	3.8	6.2	11.5
Israel	6.0	6.0	1.8	1.6	5.0	4.2
Peru	4.8	15.4	1.1	5.3	4.6	23.4
South Africa	2.9	3.3	4.1	5.3	4.5	5.2
Malaysia	3.8	4.3	6.4	6.4	4.4	3.9

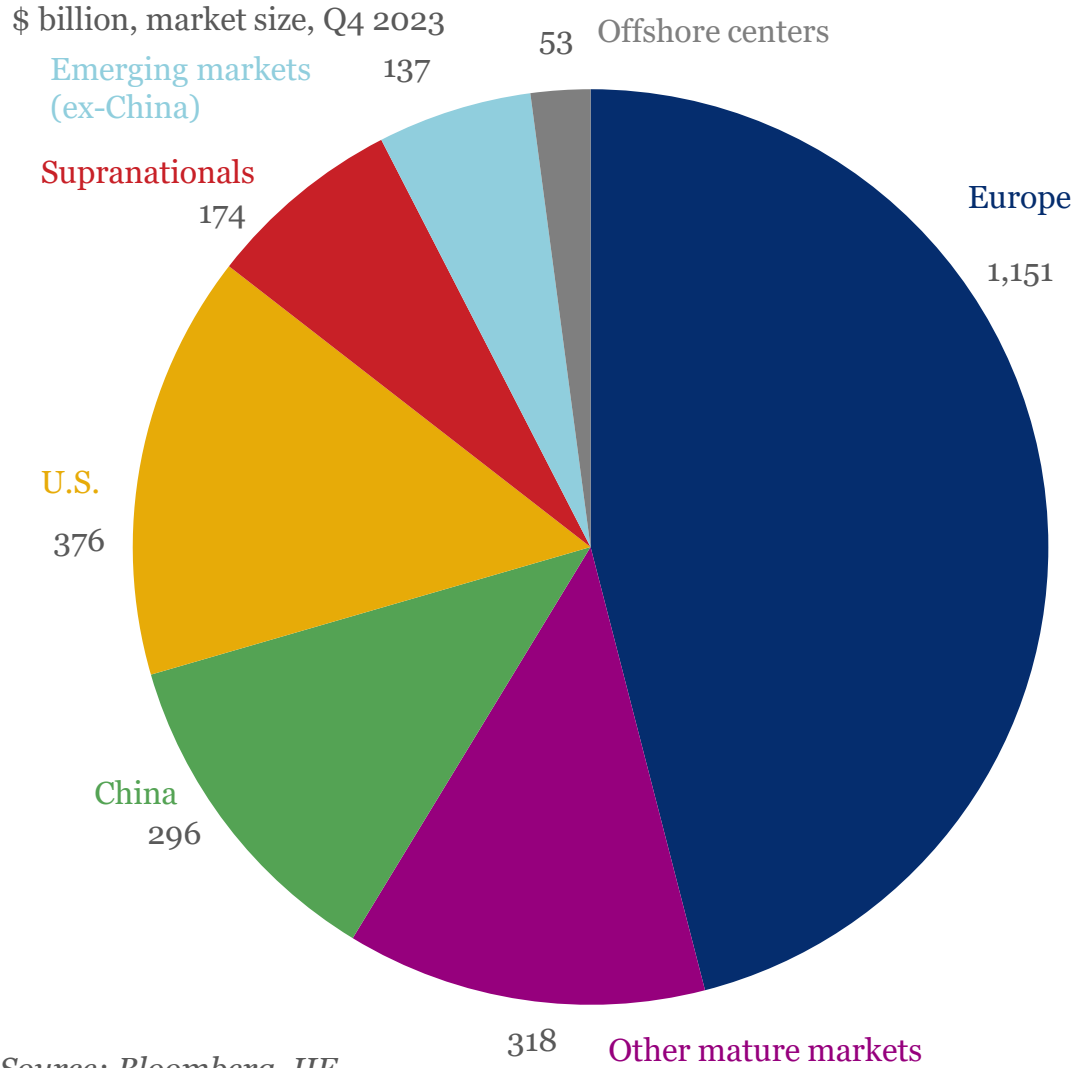
*Source: Bloomberg, IIF; ordered by the largest ESG debt issuers in 2023*

# IN DEPTH: ESG integration in global debt markets, by sector

ESG integration in debt markets, by sector*		
% of total debt issuance	2022	2023
<b>Mature markets</b>	6.2	5.5
Communications	10.8	9.0
Consumer Discretionary	10.5	8.2
Consumer Staples	12.2	9.0
Energy	17.7	17.9
Financials	7.6	5.9
Government	2.5	2.8
Health Care	3.5	1.8
Industrials	16.4	11.7
Materials	16.2	9.5
Technology	5.7	2.8
Utilities	30.8	24.9
<b>Emerging markets</b>	4.4	4.2
Communications	6.7	6.1
Consumer Discretionary	6.1	3.3
Consumer Staples	16.3	16.1
Energy	9.3	13.2
Financials	10.4	9.9
Government	1.2	1.3
Health Care	15.1	2.8
Industrials	3.7	2.8
Materials	11.8	9.6
Technology	13.5	9.0
Utilities	27.4	19.3
<b>Supranationals</b>	31.0	31.0

*Source: Bloomberg, IIF; \*using Bloomberg Industry Classification System*

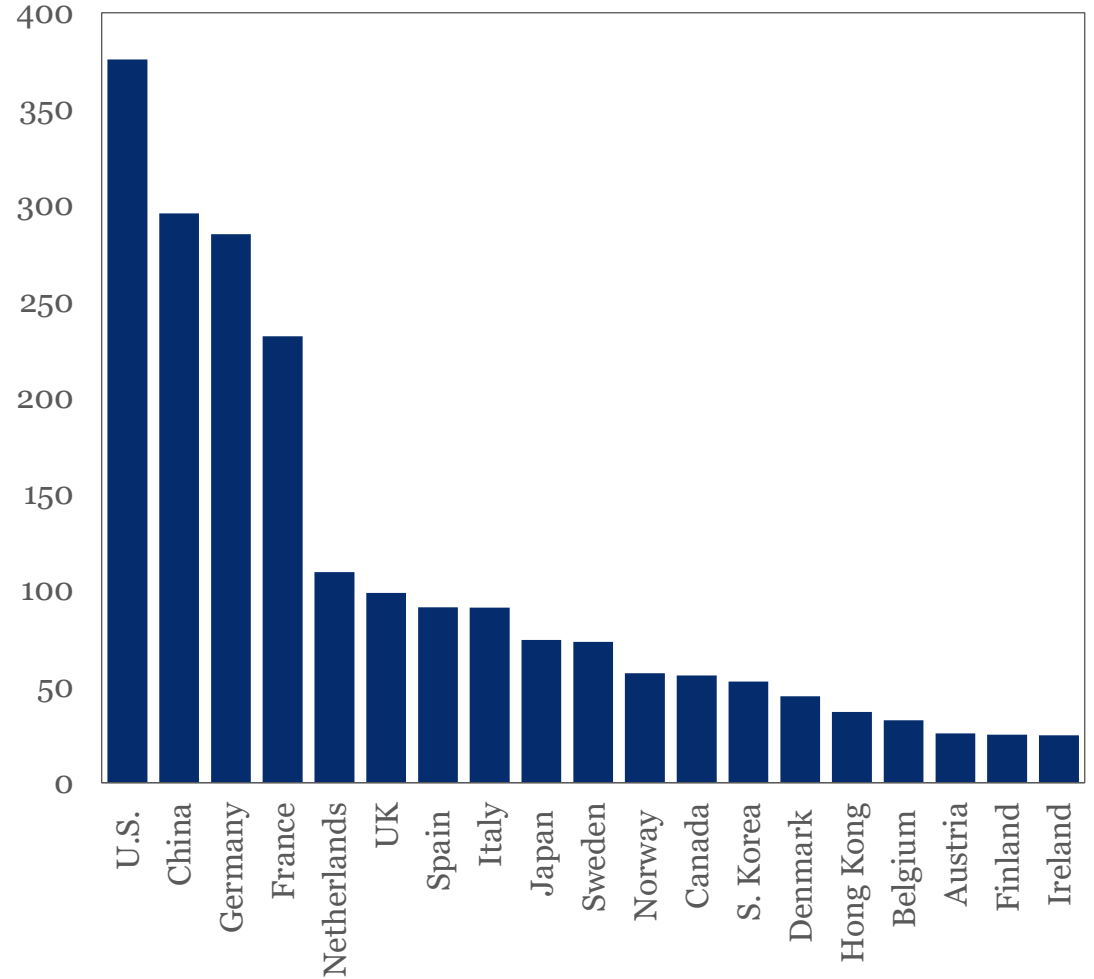
# Green bond markets—by sector/region and by country



Source: Bloomberg, IIF

\*See [IIF Sustainable Debt Monitor Database](#) for more granular information

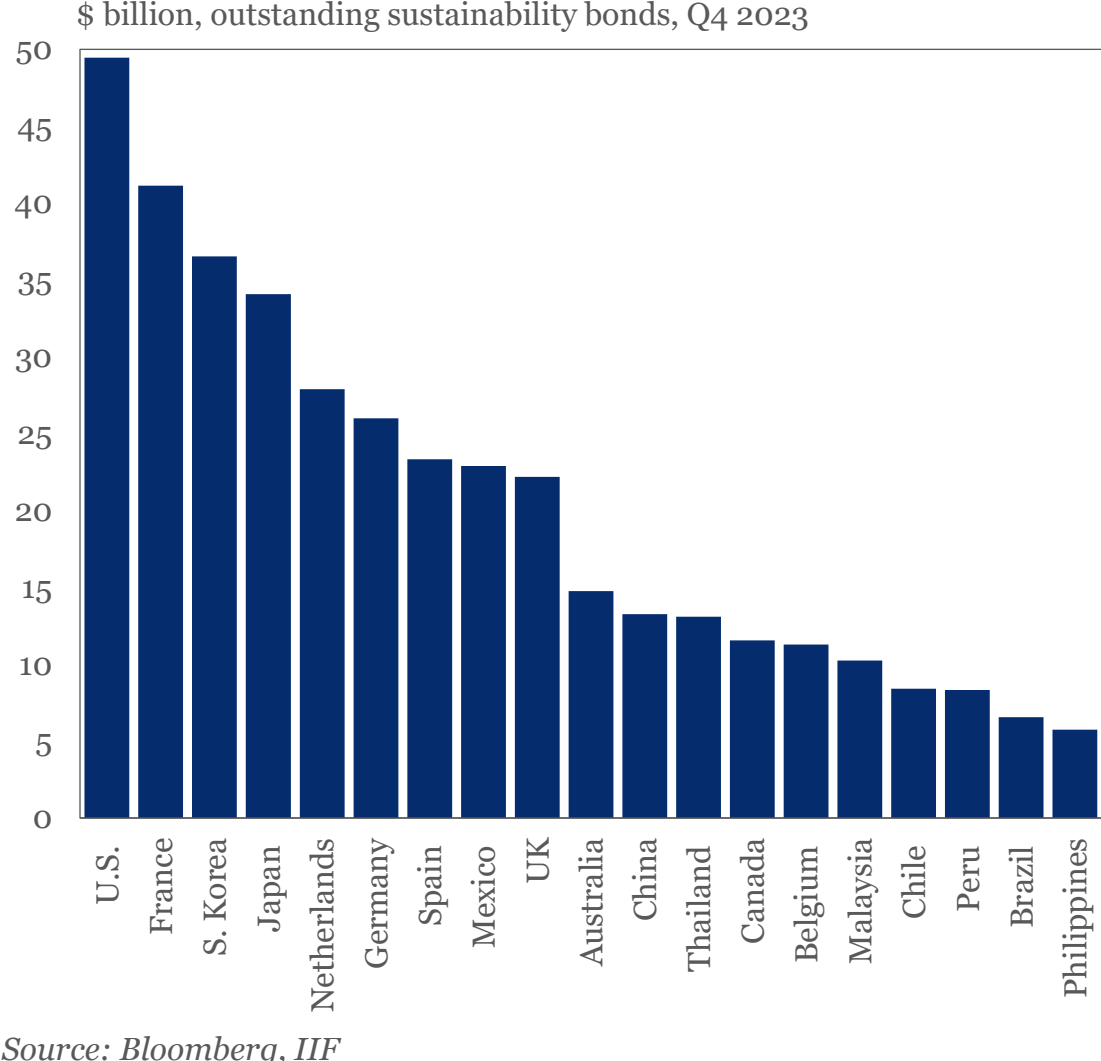
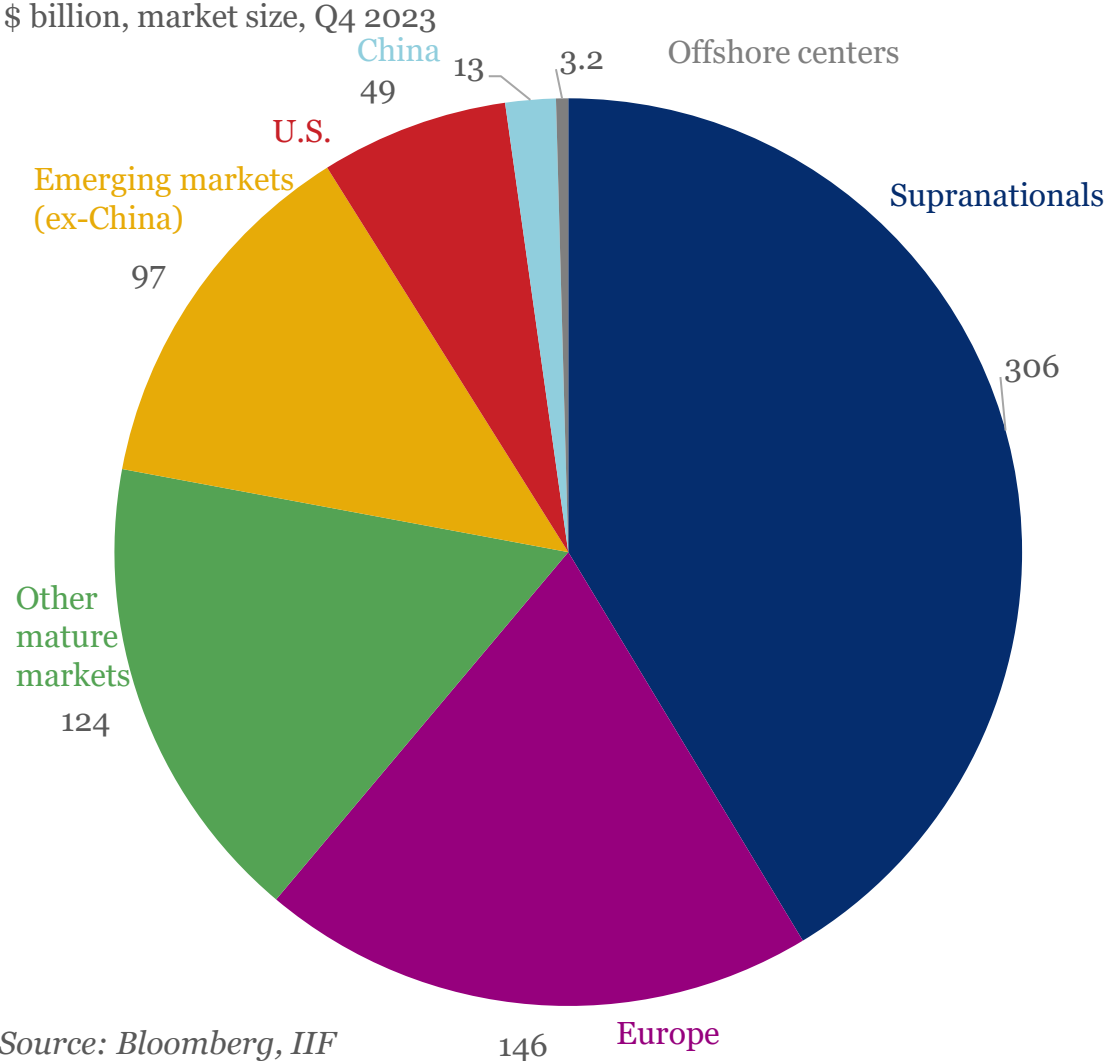
\$ billion, outstanding green bonds (includes ABS and municipals), Q4 2023



Source: Bloomberg, IIF

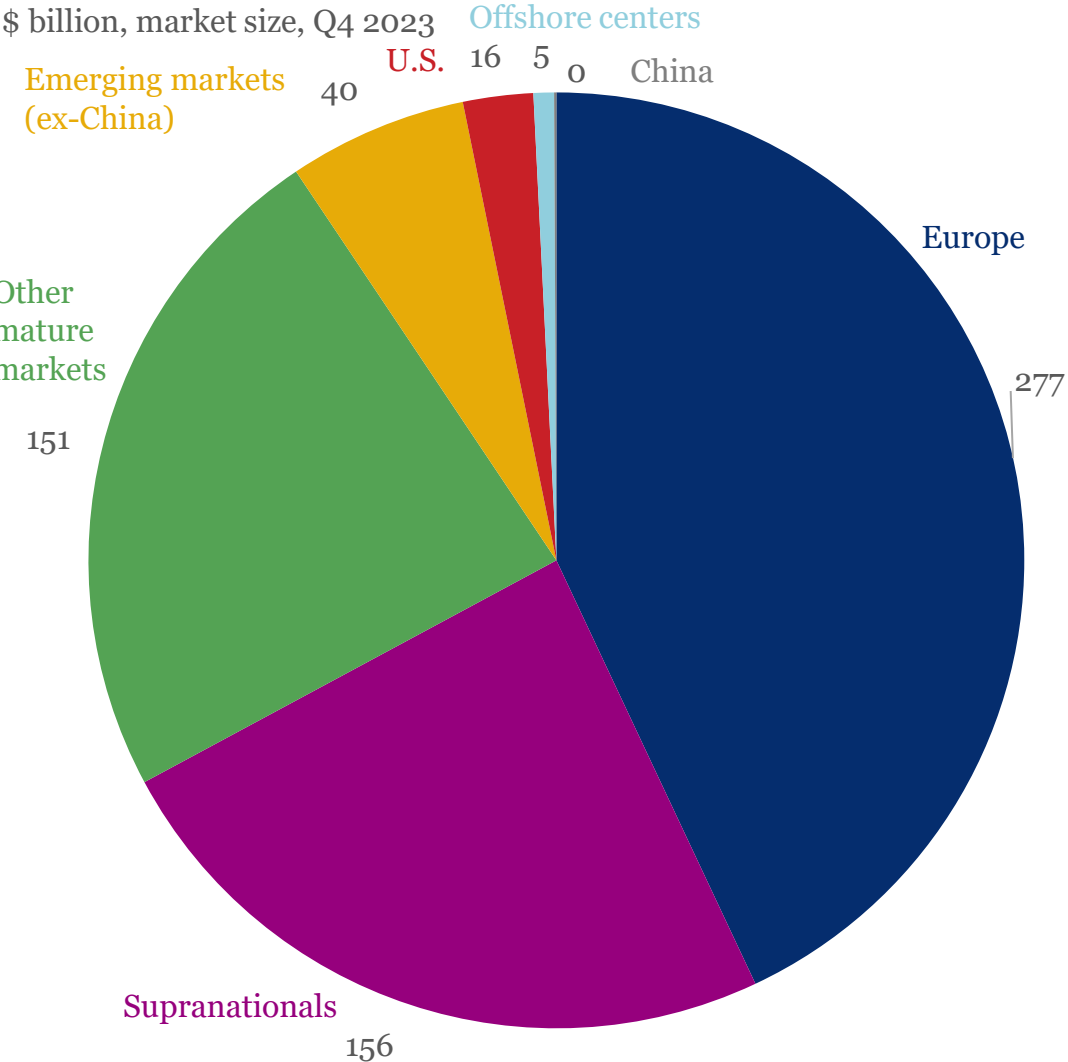


# Sustainability bond markets—by sector/region and by country

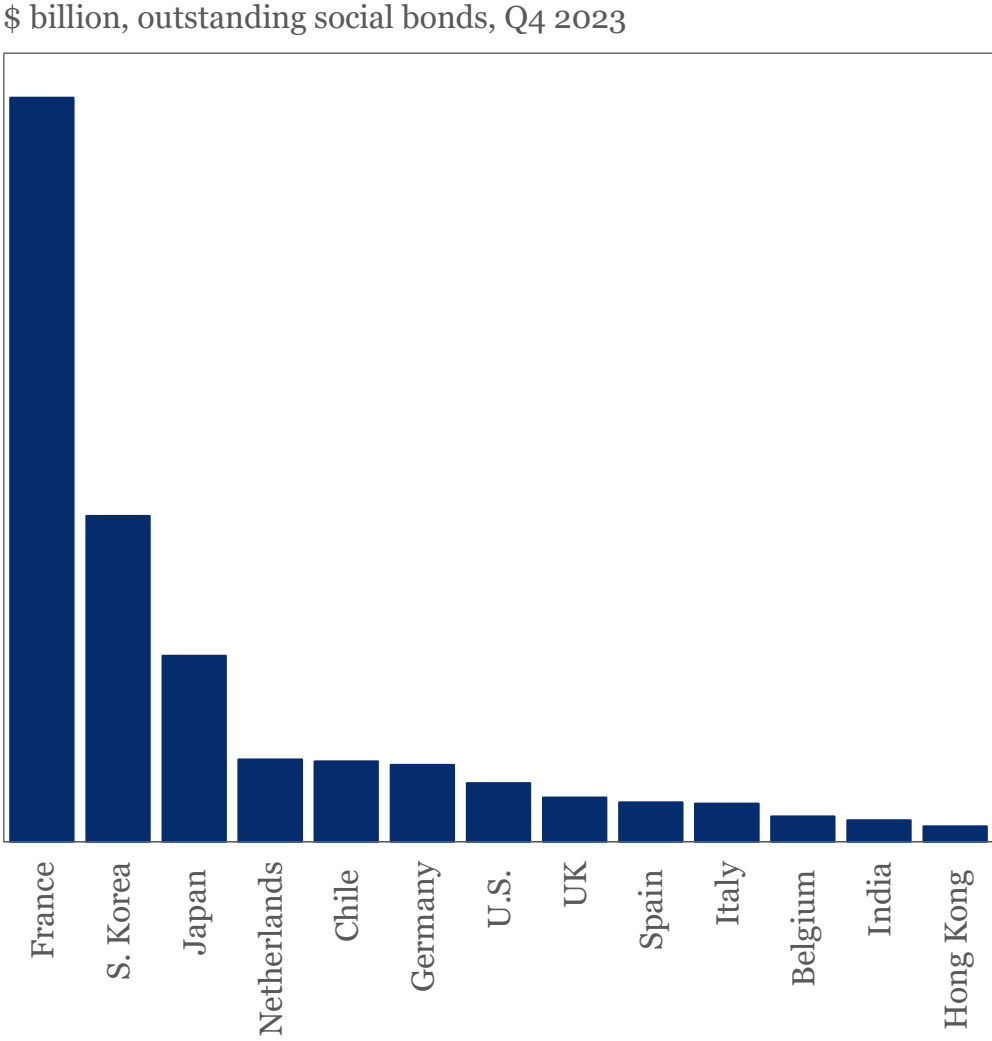


\*See [IIF Sustainable Debt Monitor Database](#) for more granular information

# Social bond markets—by sector/region and country



Source: Bloomberg, IIF

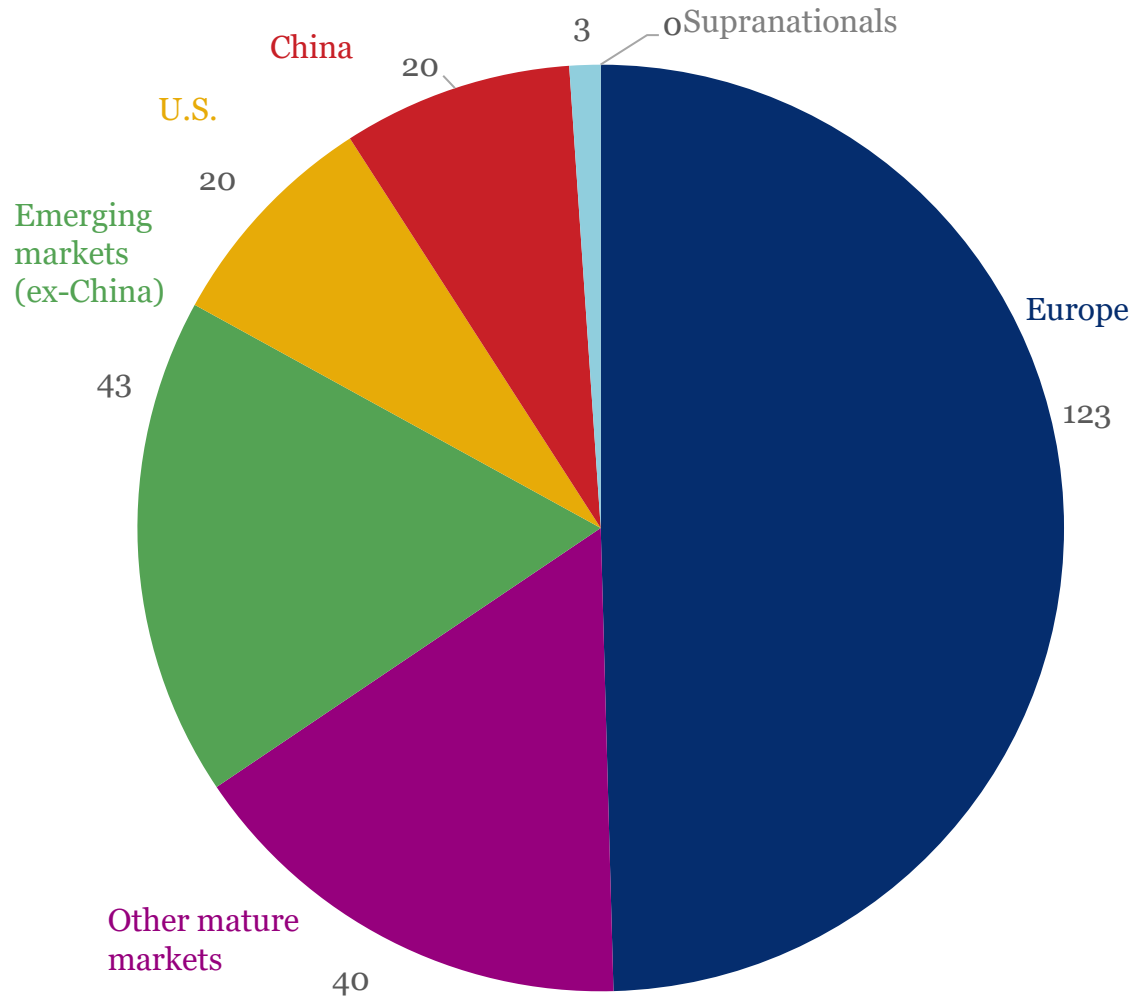


Source: Bloomberg, IIF

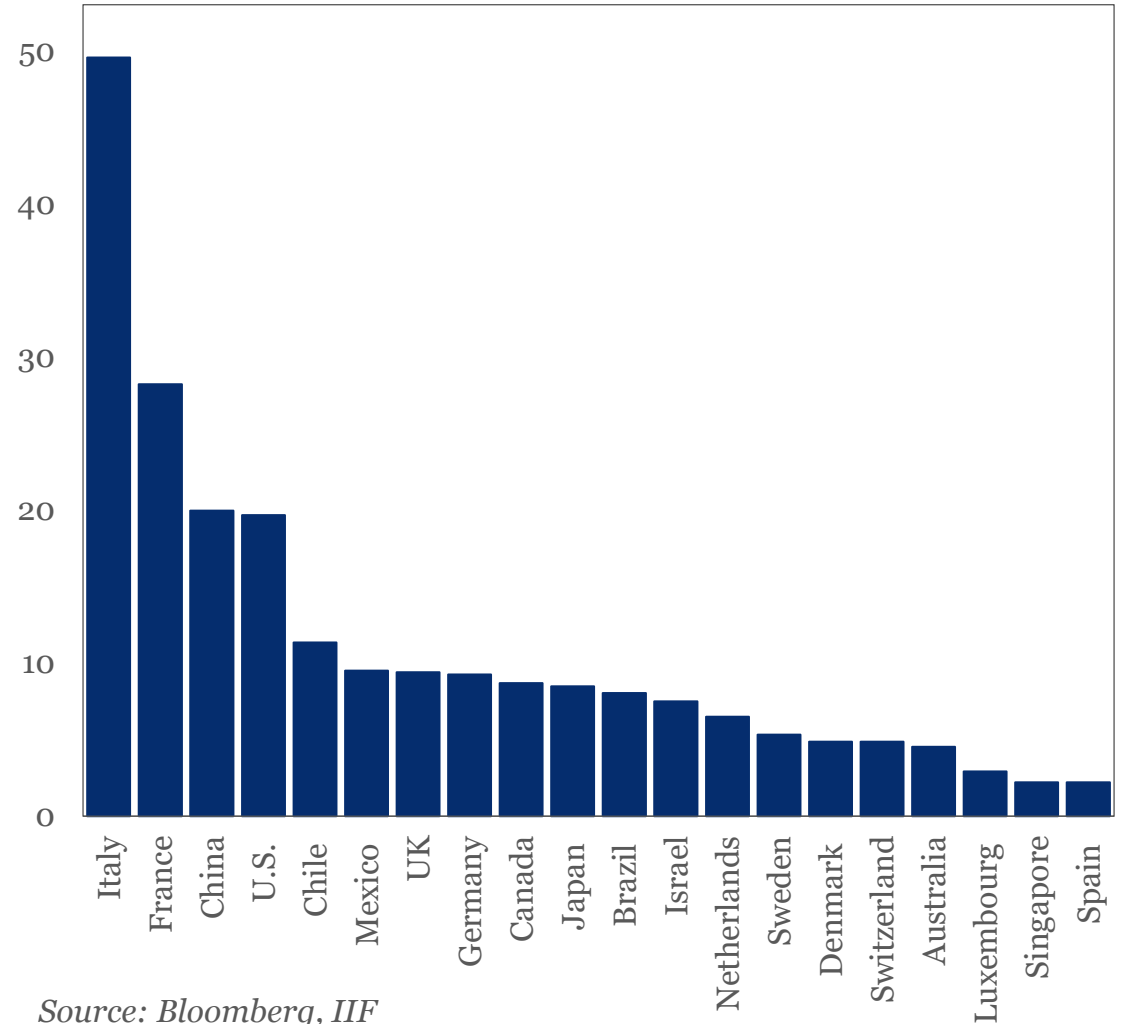
\*See [IIF Sustainable Debt Monitor Database](#) for more granular information

# Sustainability-linked bond markets—by sector/region and by country

\$ billion, market size, Q4 2023



\$ billion, outstanding sustainability-linked bonds, Q4 2023

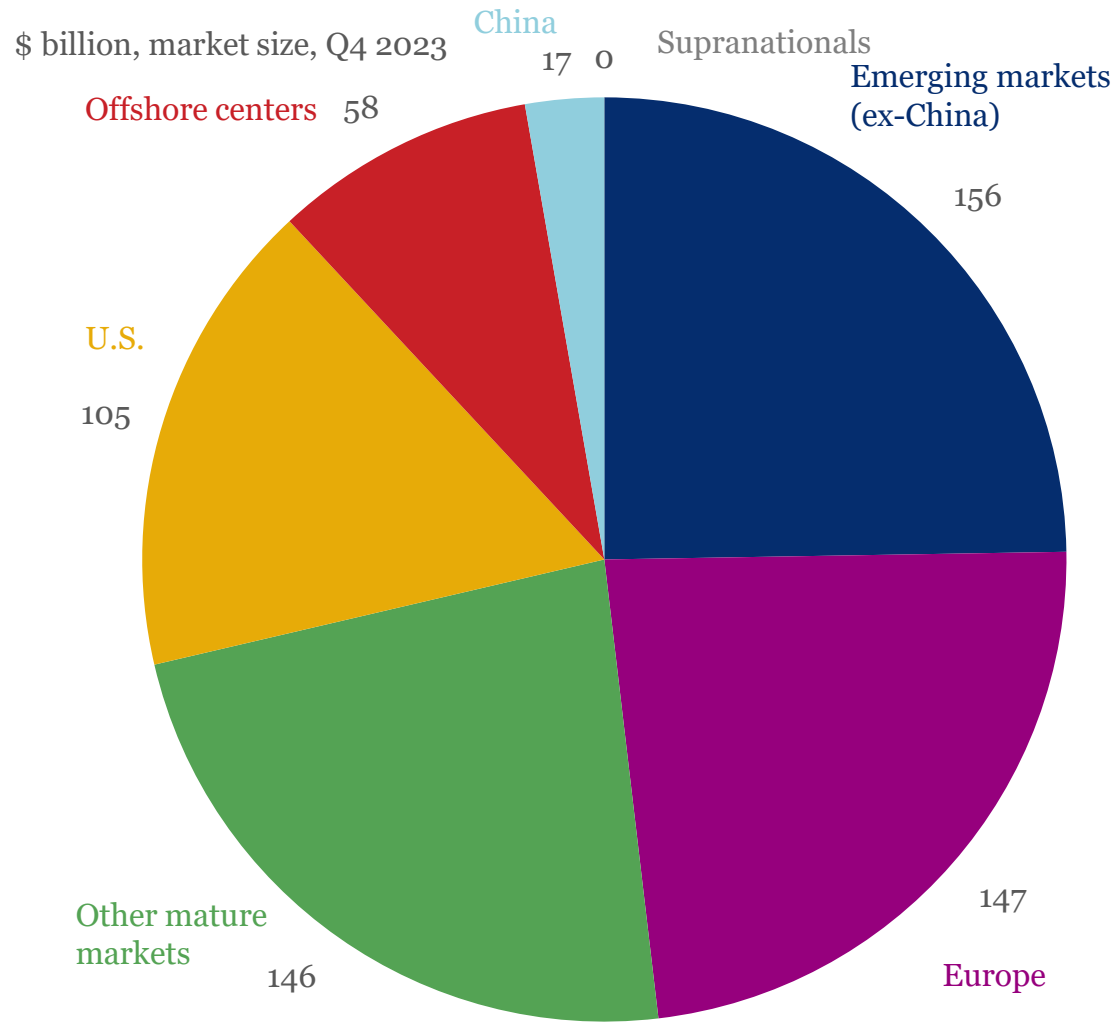


Source: Bloomberg, IIF

Source: Bloomberg, IIF

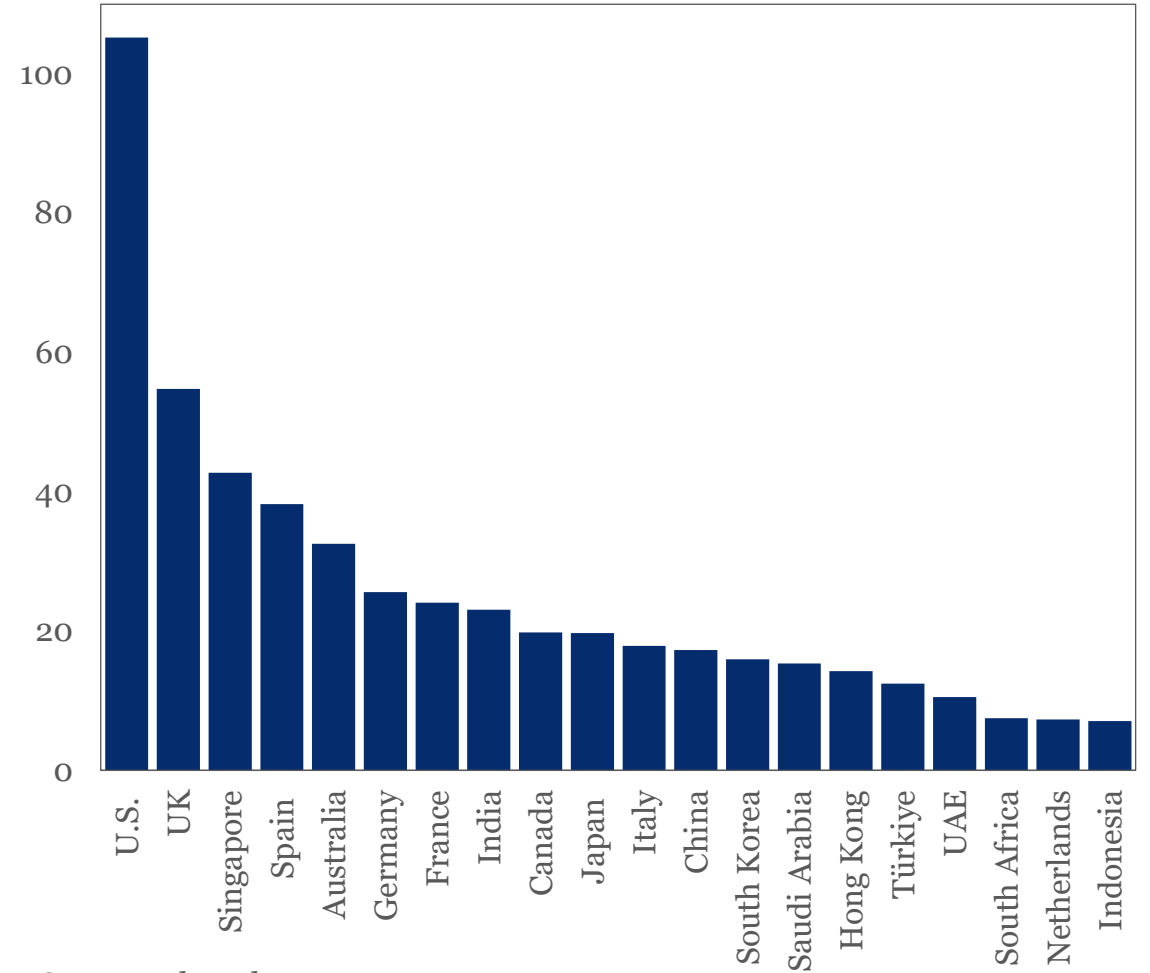
\*See [IIF Sustainable Debt Monitor Database](#) for more granular information

# Green loan markets—by sector/region and by country



Source: Bloomberg, IIF

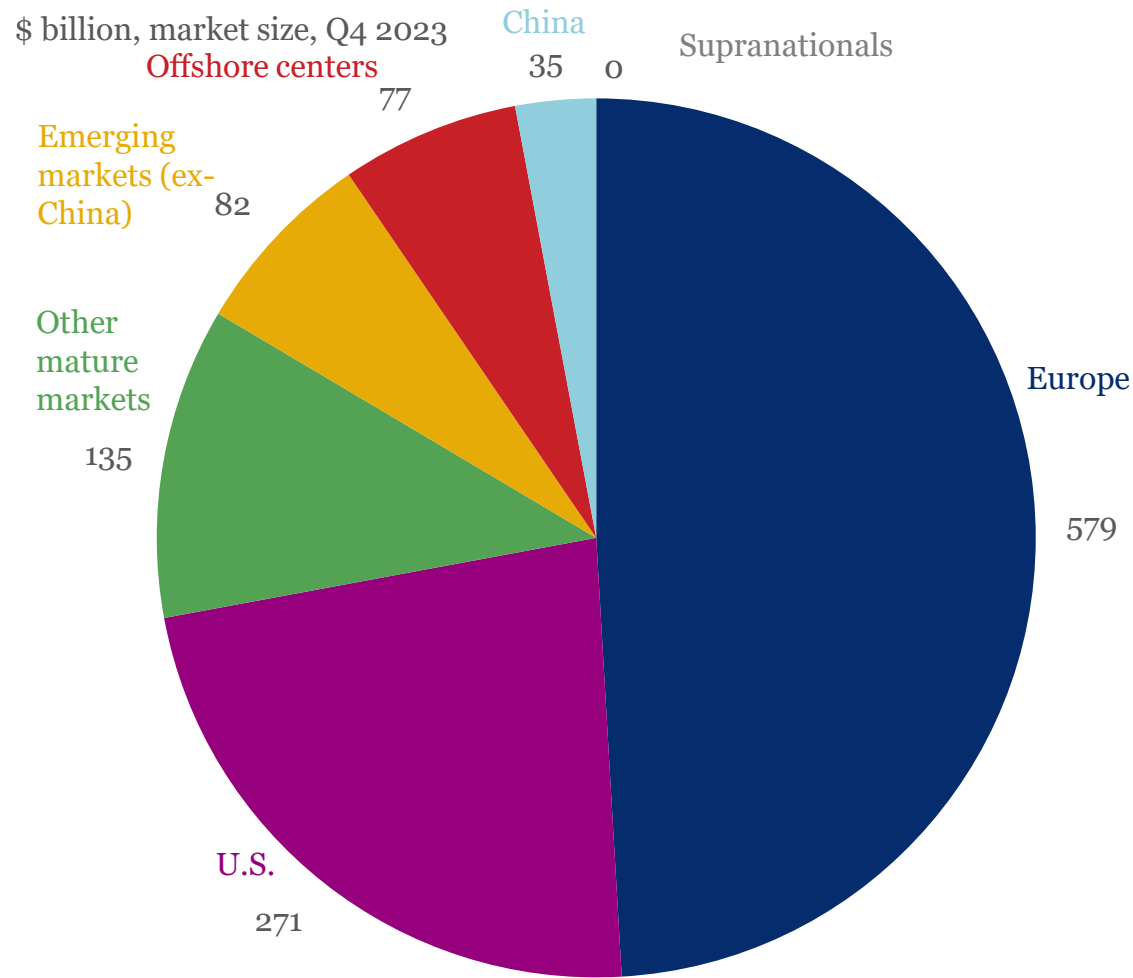
\$ billion, outstanding green loans, Q4 2023



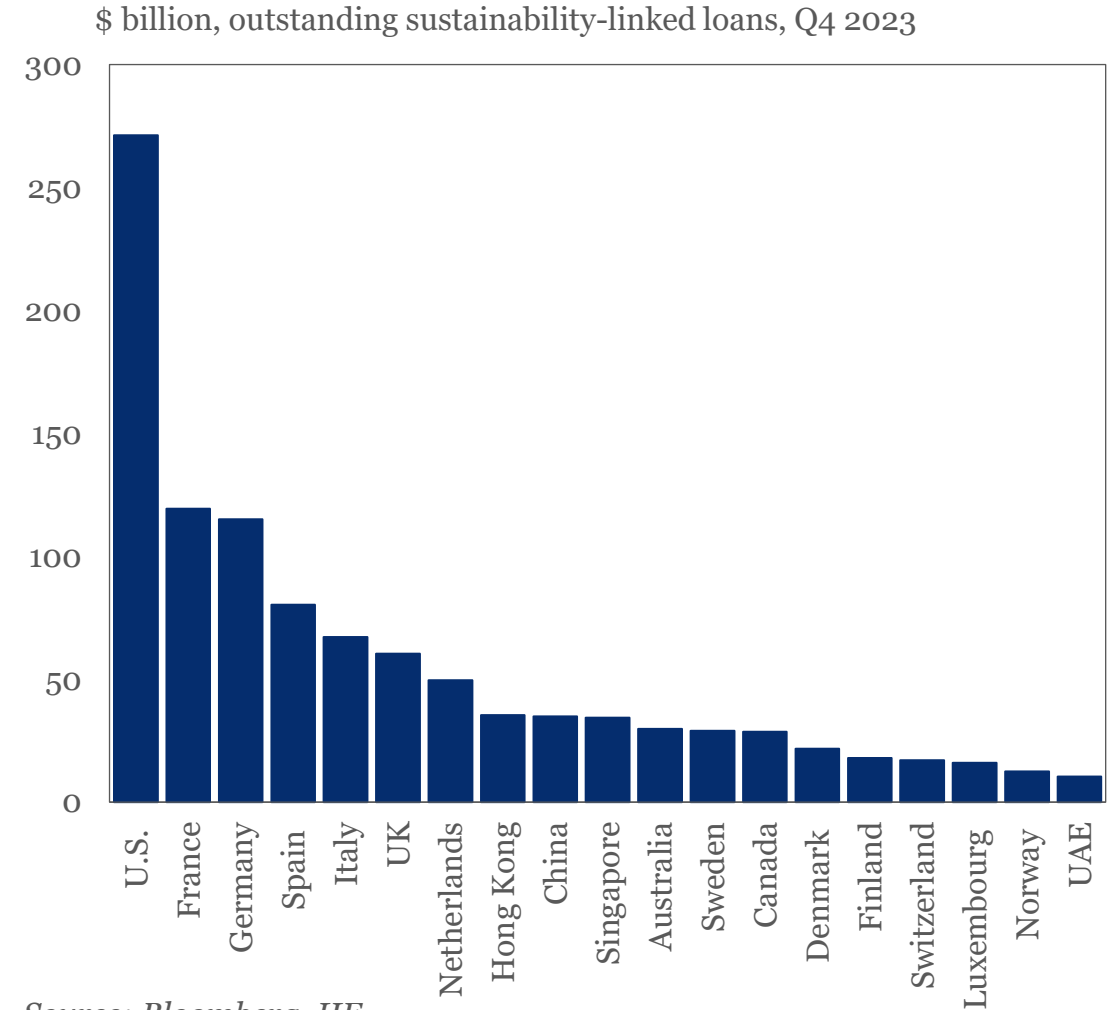
Source: Bloomberg, IIF

\*See [IIF Sustainable Debt Monitor Database](#) for more granular information

# Sustainability-linked loan markets—by sector/region and by country



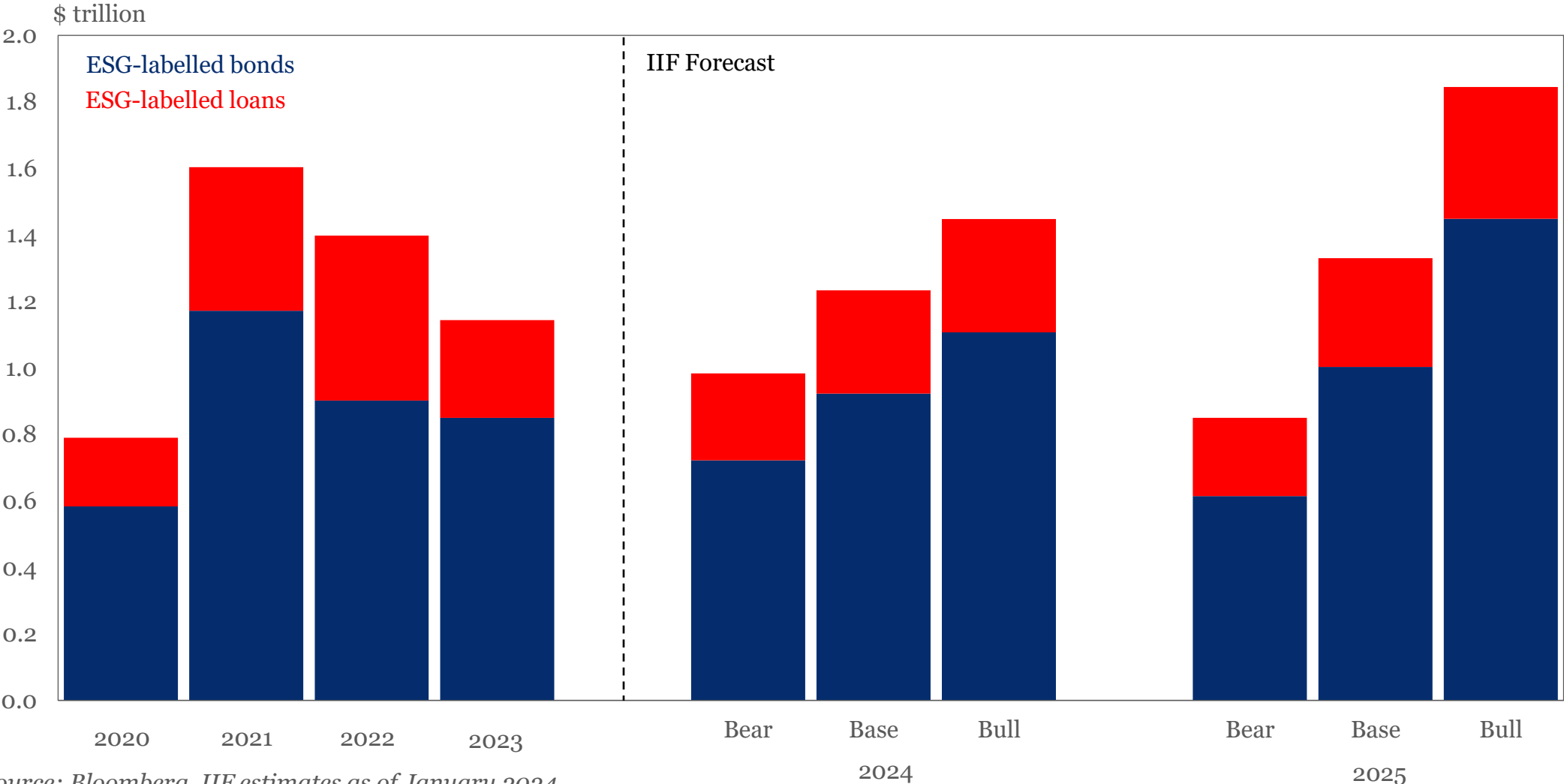
Source: Bloomberg, IIF



Source: Bloomberg, IIF

\*See [IIF Sustainable Debt Monitor Database](#) for more granular information

# Against a challenging backdrop, we expect a broadly stable ESG debt issuance of \$1.2 trillion for 2024, with a slight rise to \$1.3 trillion in 2025

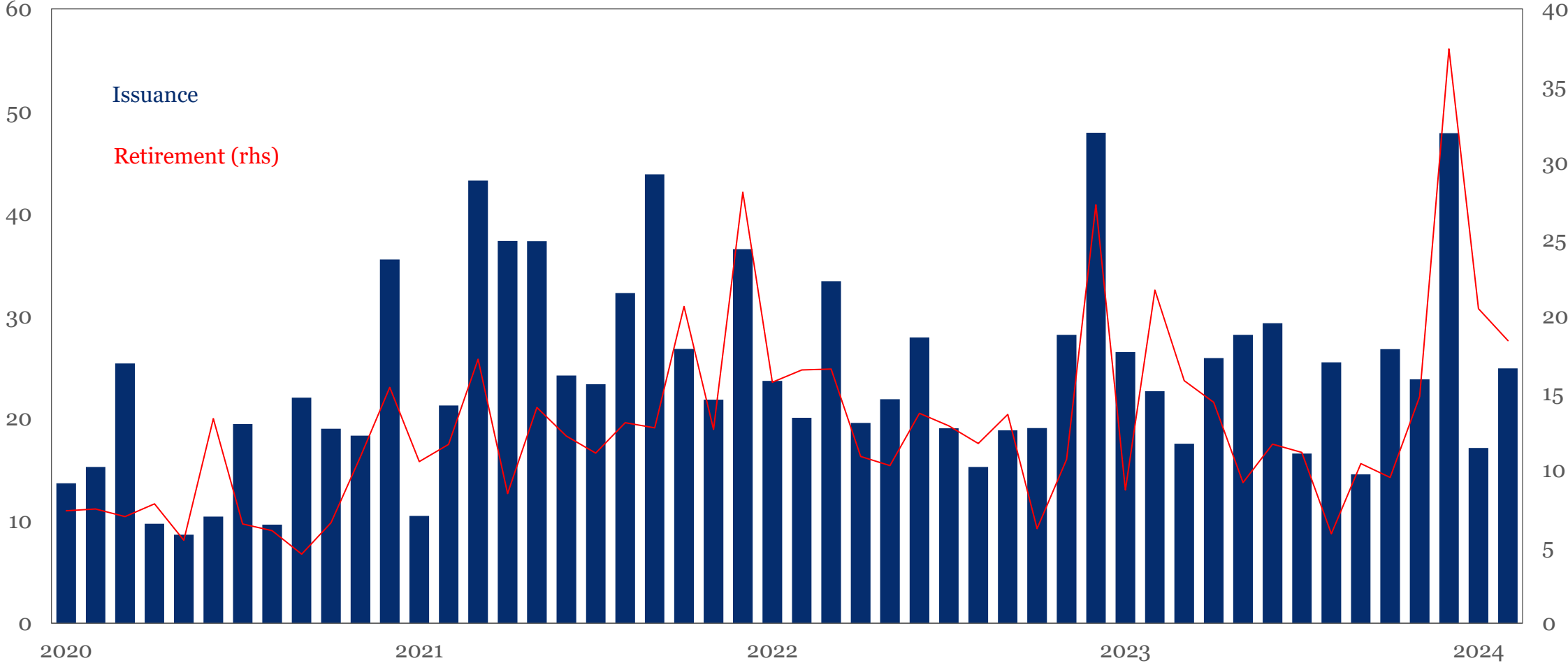


Source: Bloomberg, IIF estimates as of January 2024

# 4. Voluntary Carbon Markets

# The use of voluntary carbon credits hit an all-time high in December 2023 as retirements surged; however, overall market activity for January/February of this year remains largely unchanged from the same period last year

MtCO<sub>2</sub>e, both scales, through February 2024



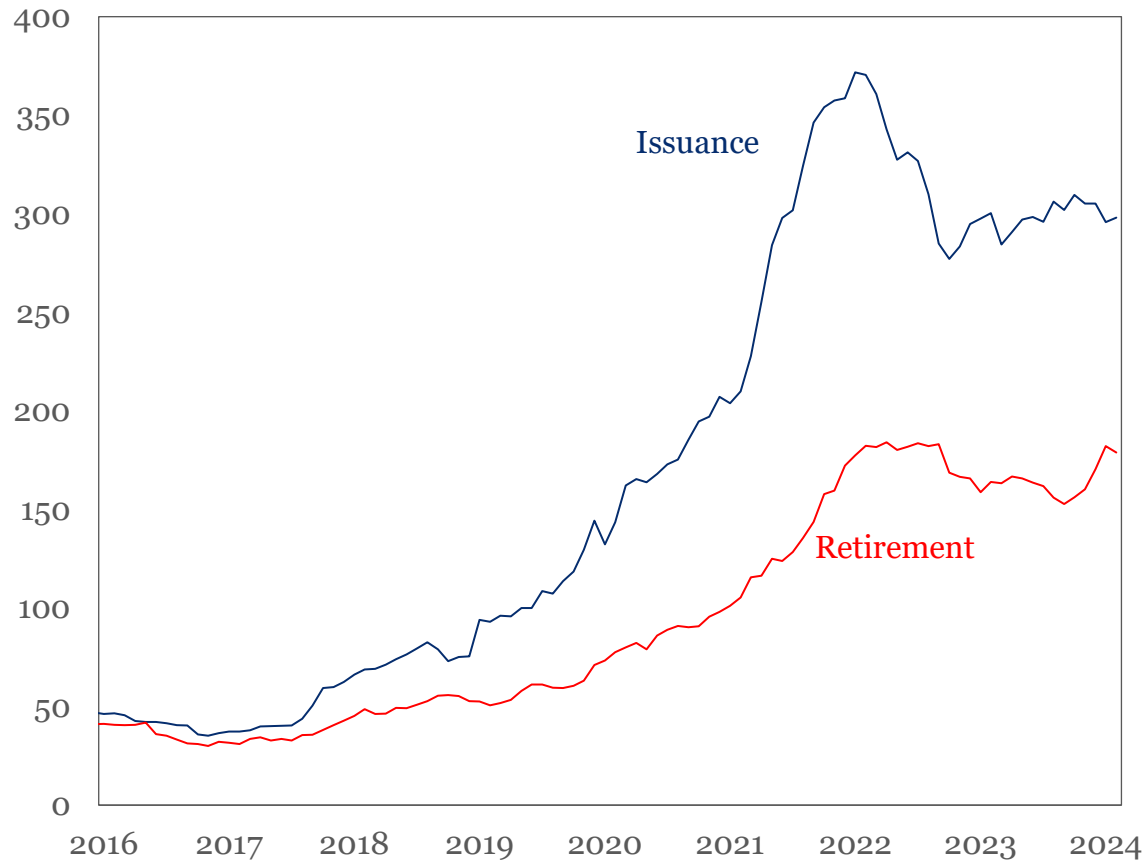
Source: IIF, ACR, CAR, GSF, Verra, Cercarbono; excludes ARB eligible issuance



# More use (retirement) of carbon credits is needed—and demand is expected to increase sharply on the path to a net-zero economy

The persistent gap between issuance and retirement activity continues to weigh on carbon prices - more use of carbon credits (retirement) needed

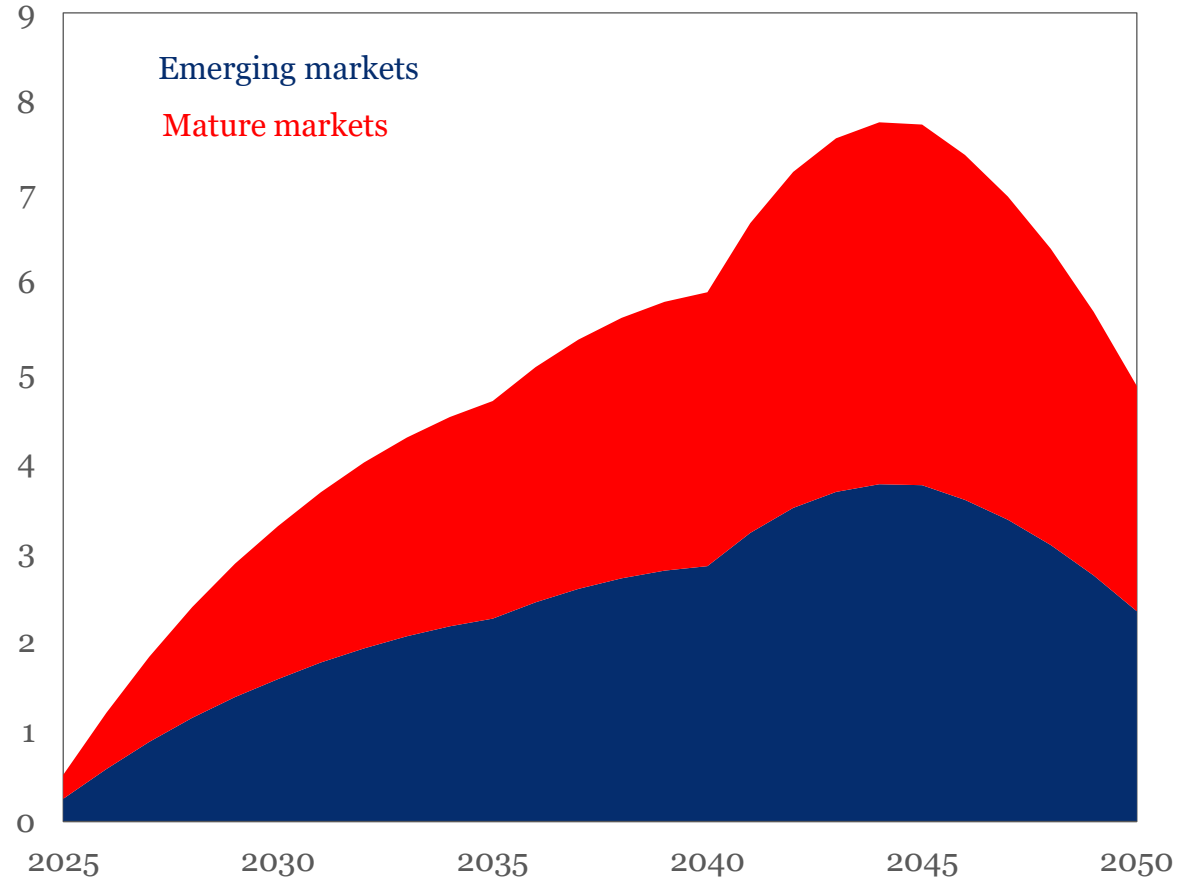
MtCO<sub>2</sub>e, through February 2024, 12-month sum



Source: IIF, Verra, GS, CAR, ACR, CB; MtCO<sub>2</sub>e = million metric tons of carbon dioxide equivalent, excludes ARB eligible

Demand for voluntary carbon credits is anticipated to peak in the mid-2040s on the path to a net-zero economy

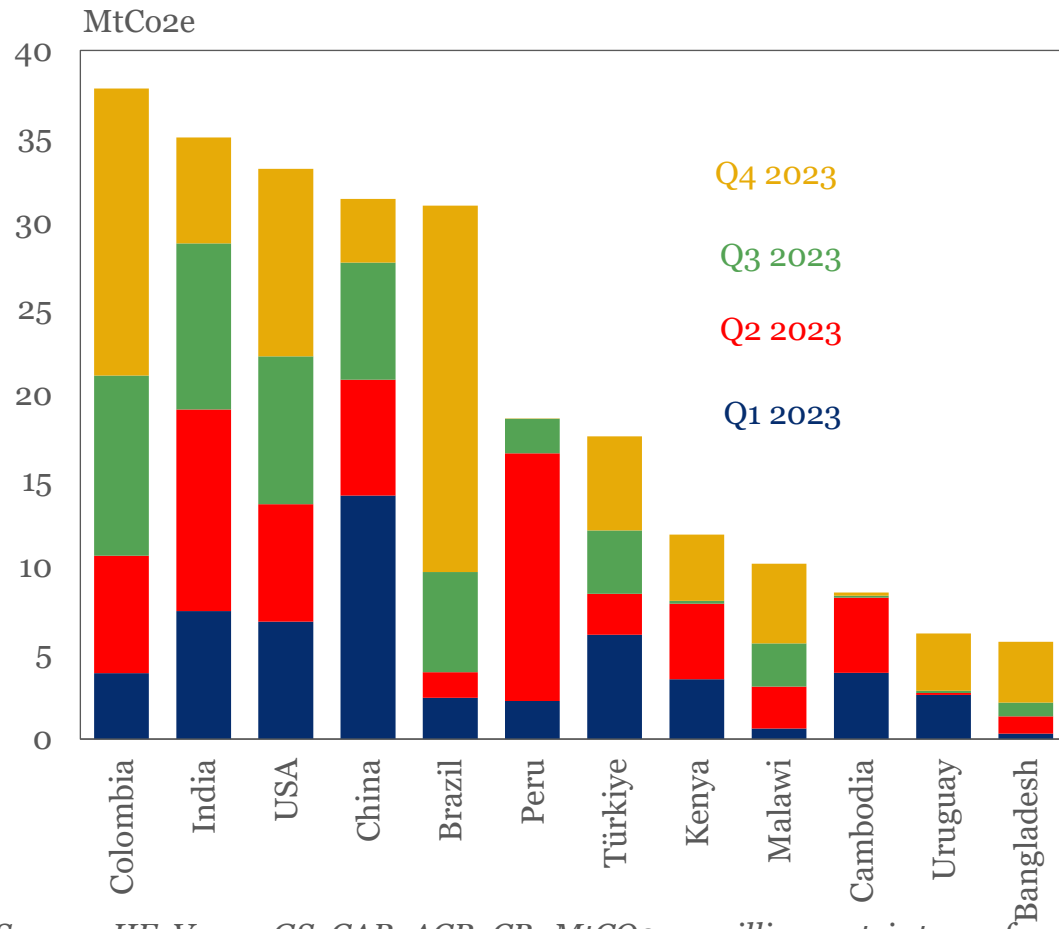
\$ trillion, projected annual demand for retiring voluntary carbon credits on path to net-zero by large and mid-cap listed firms



Source: IIF staff estimates

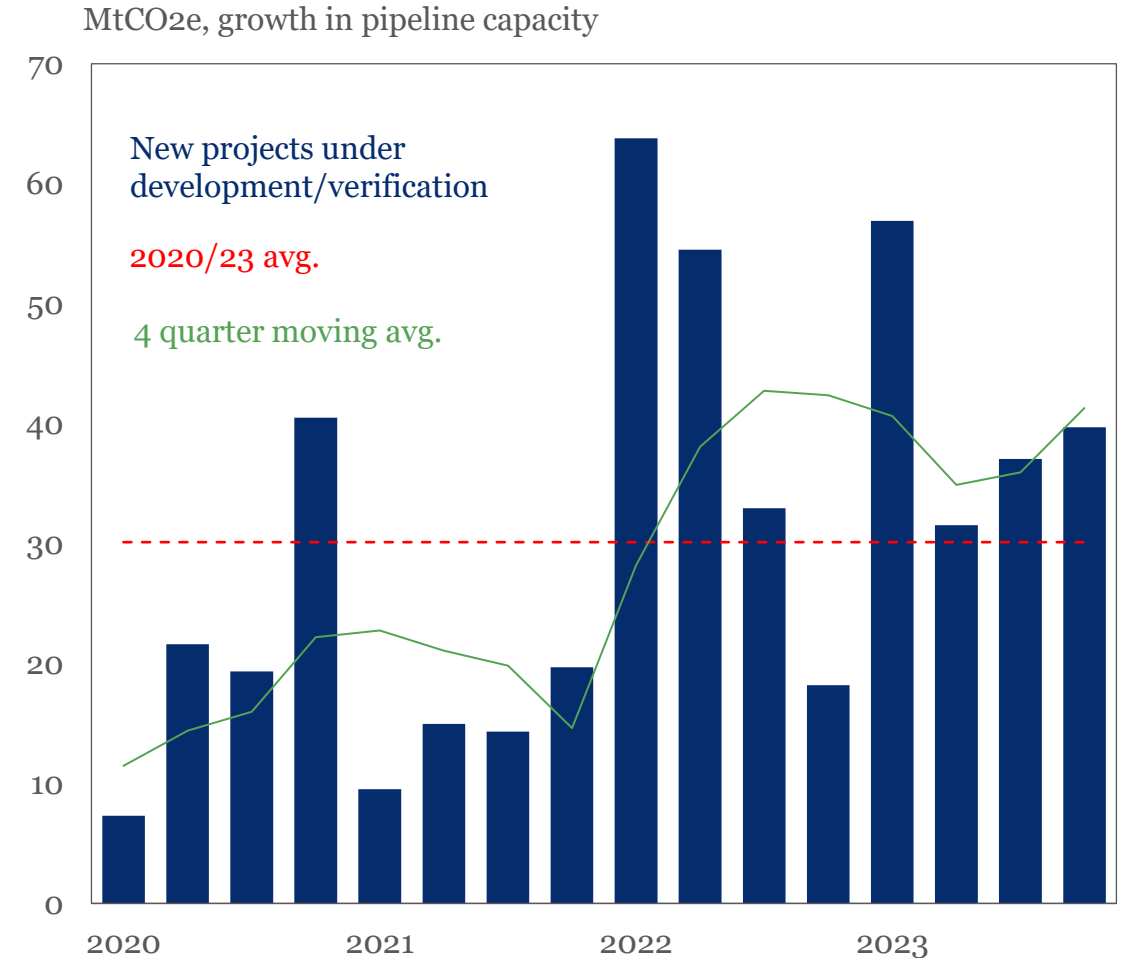
# While Latin America drove issuance activity in 2023, Asia has been driving the substantial growth in the VCC project pipeline over the past two years

Latin America saw the largest expansion in issuance activity in 2023, driven by Colombia, Brazil, Peru



Source: IIF, Verra, GS, CAR, ACR, CB; MtCO<sub>2</sub>e = million metric tons of carbon dioxide equivalent, excludes ARB eligible

Recent quarters saw steady expansion in project pipelines, with most of them originating from Asia

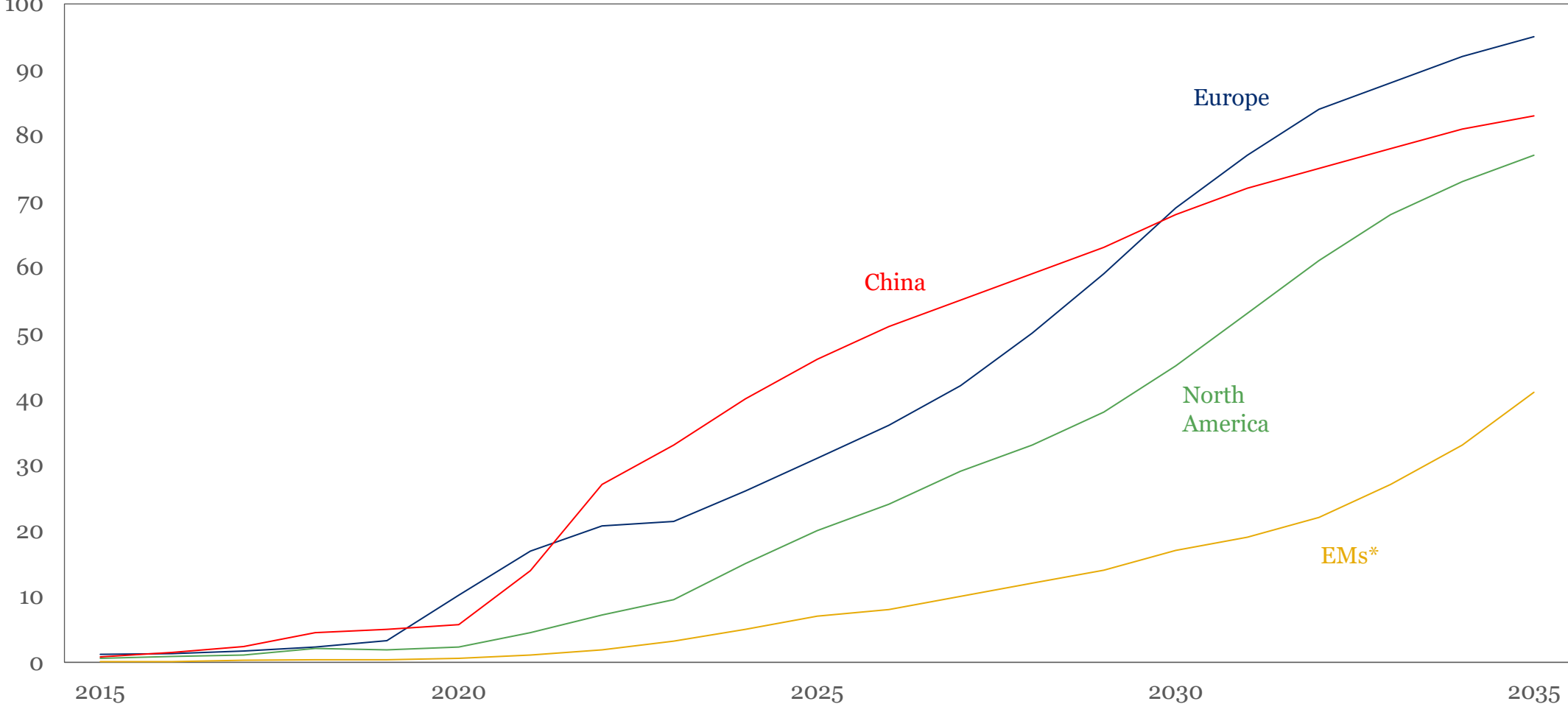


Source: IIF, Verra

# 5. Electric Vehicle Markets

# Annual sales of passenger EVs are expected to continue to rise, but at a slower rate of growth—impacting national goals for EV adoption

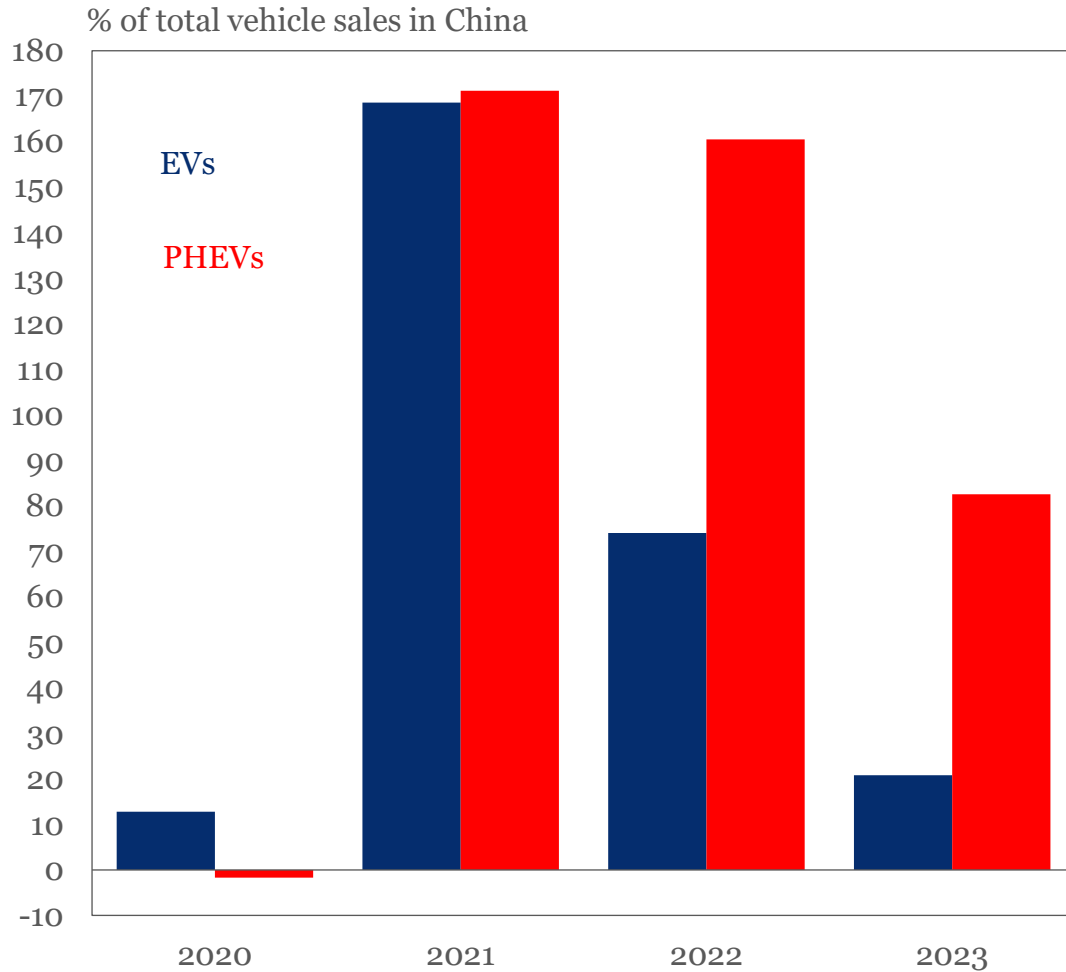
% of total car sales that are plug-in electric vehicles



Source: EV-Volumes, IIF; EMs = Asia (ex-China), Eastern Europe, MENA, Central and South America

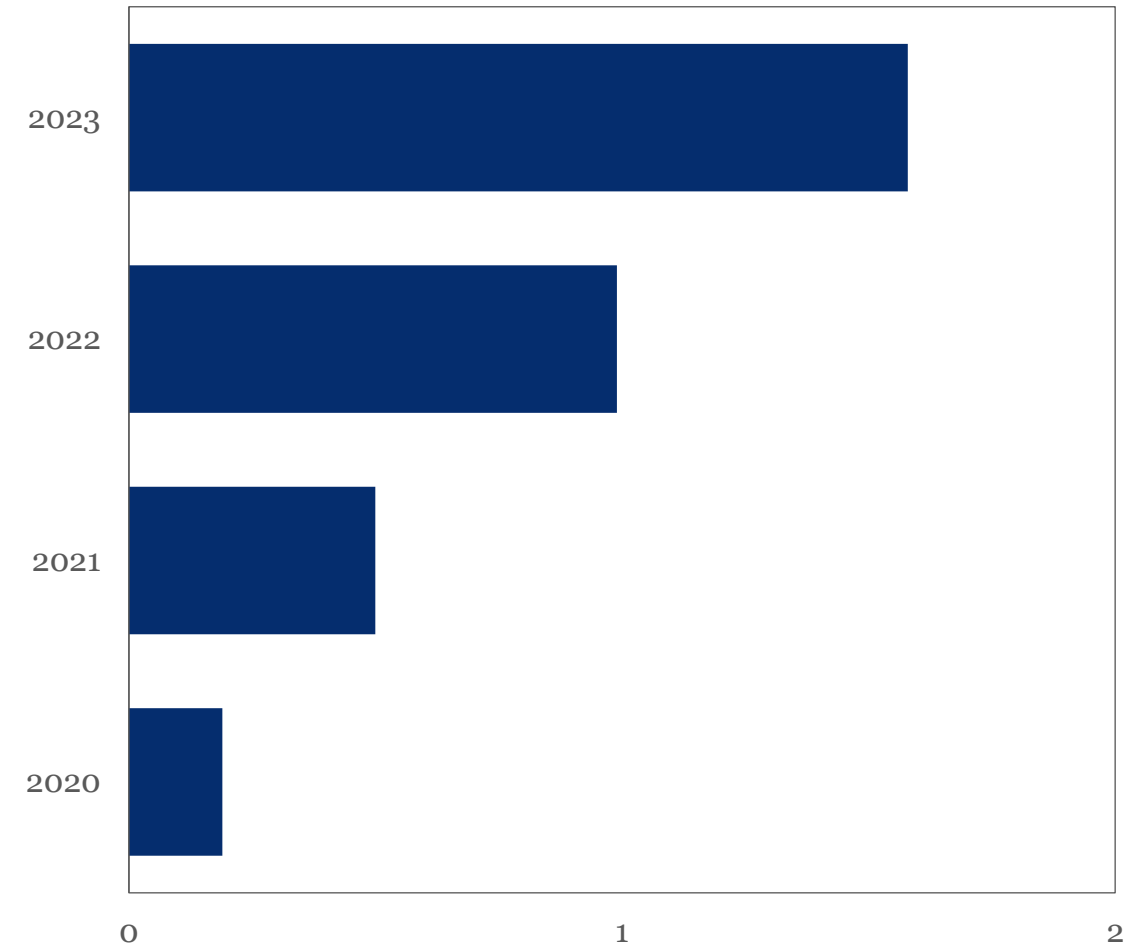
# Weaker domestic demand for EVs in China is impacting other global automakers—especially in the U.S. and Europe—in their plans for EV production and longer-term corporate outlook

Domestic EV demand in China sharply declined in 2023...



Source: China Passenger Car Association (CPCA)

...while EV exports from China have steadily increased millions, number of EV exports from China annually

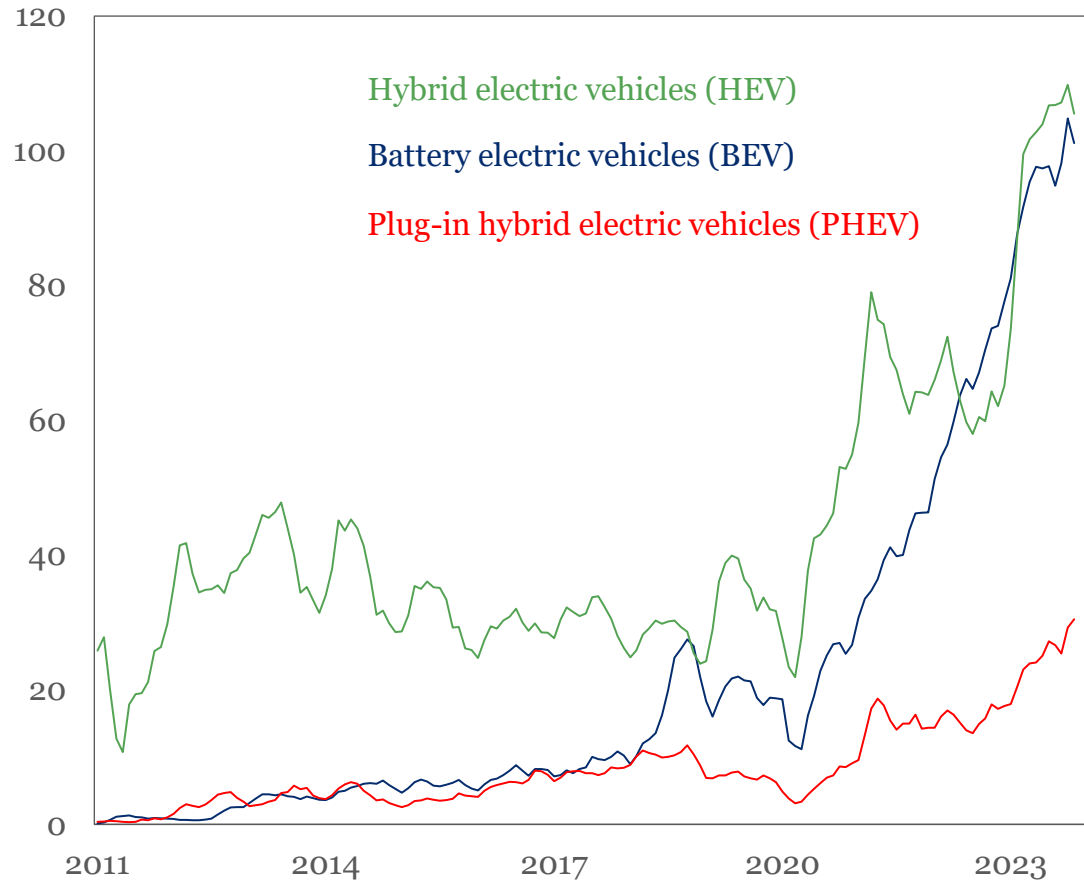


Source: China Passenger Car Association (CPCA)

# EV sales in the U.S. have steadily increased since the pandemic—and in Europe accounted for roughly half of all vehicle sales for all last year

Hybrid EV sales in the U.S. rose sharply to overtake Battery EV sales last year

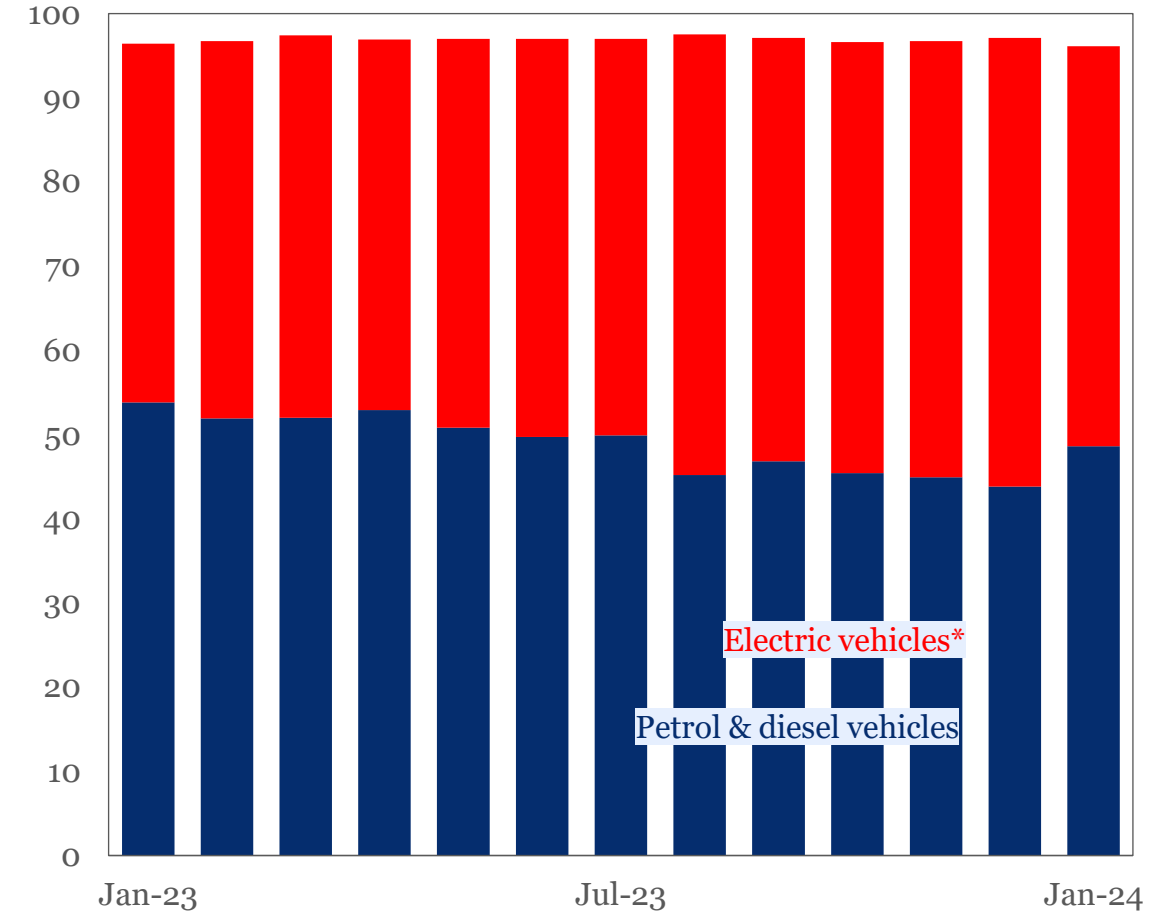
Thousands, monthly EV sales in the US, 3-month moving avg., through 1/24



Source: Argonne National Laboratory, IIF

EVs constituted a marginally higher percentage of total car sales in Europe for H2 2023

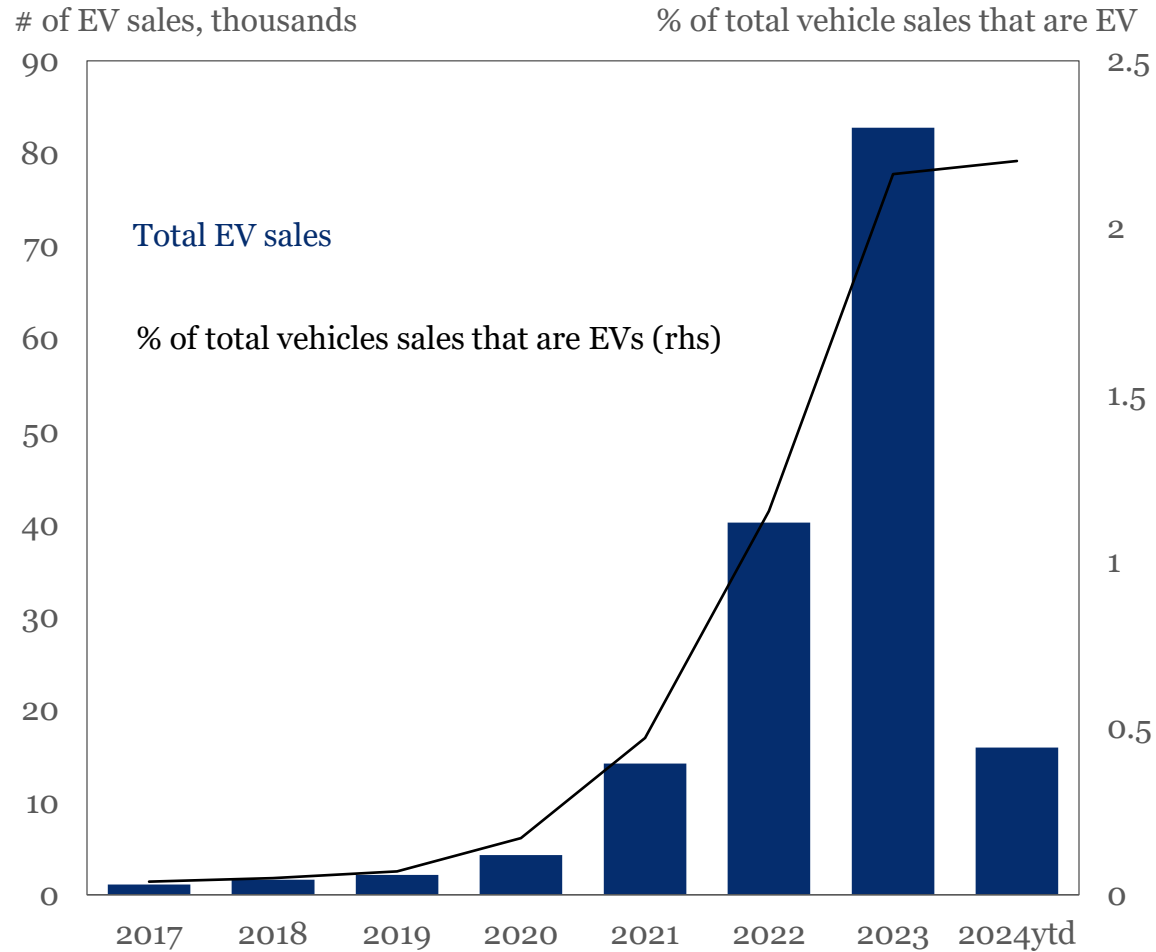
% of total vehicle sales



Source: ACEA, IIF; \*includes hybrid electric

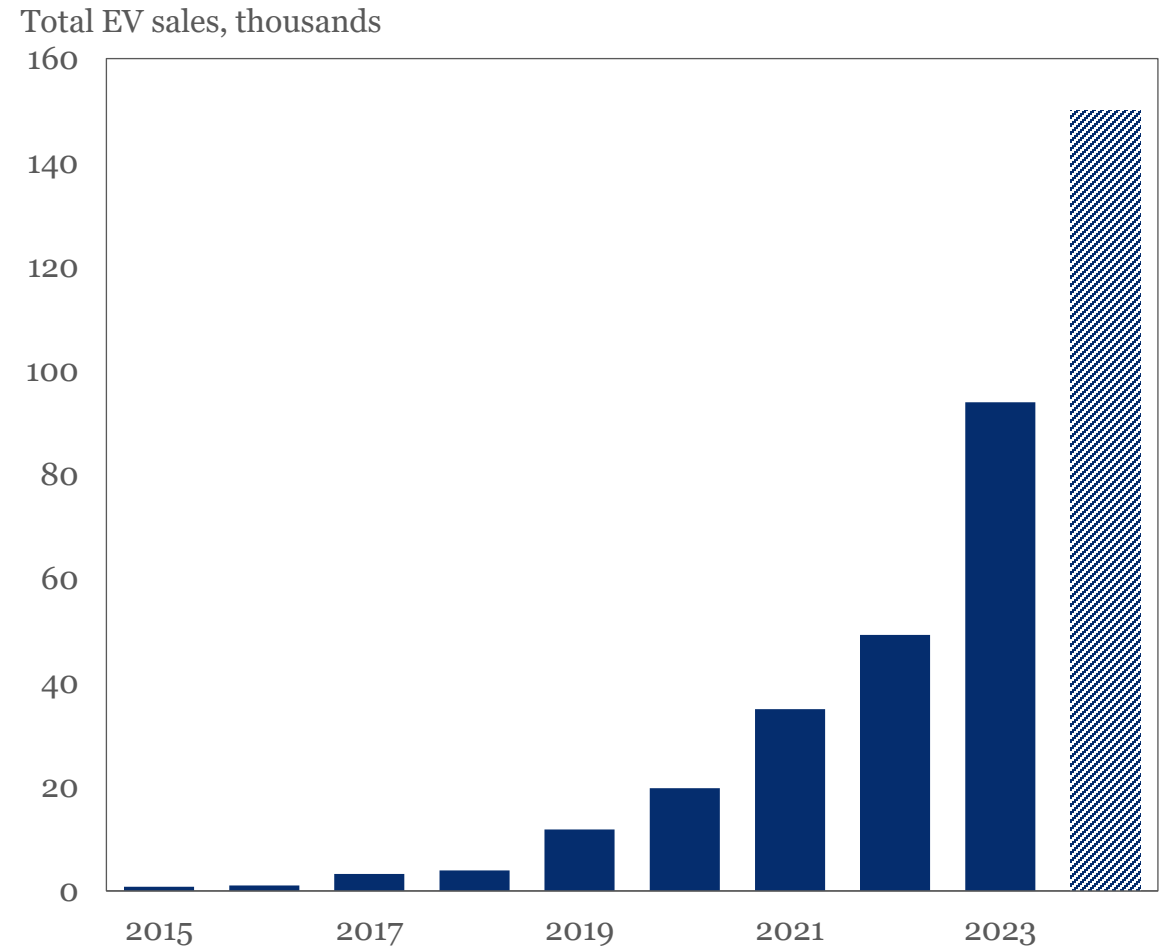
# India and Brazil are expected to be a major source of EV demand over the near- and medium- term

EV sales have steadily risen in India over the past two years, but still make up only a small percentage of total vehicle sales



Source: Clean Mobility Shift, IIF; excludes 2 and 3 wheelers

EV sales in Brazil expected to grow 60% this year from last year's record high



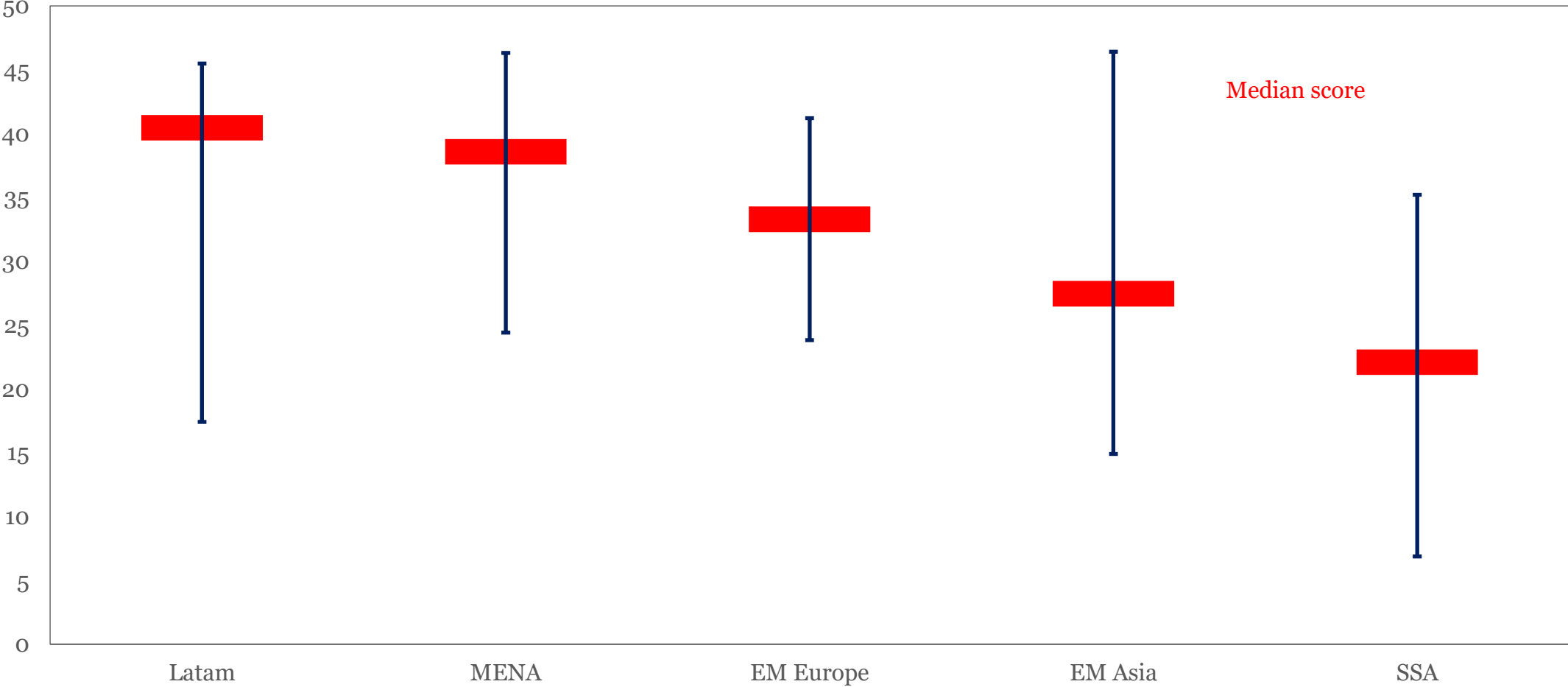
Source: ABVE, IIF

# **6. Investor Relations and ESG Debt Transparency**



# Mobilizing international capital to EMs for climate action at scale would be facilitated by enhancing sovereign investor relations...

Investor Relations Country Scores, by region\*  
index, maximum = 50

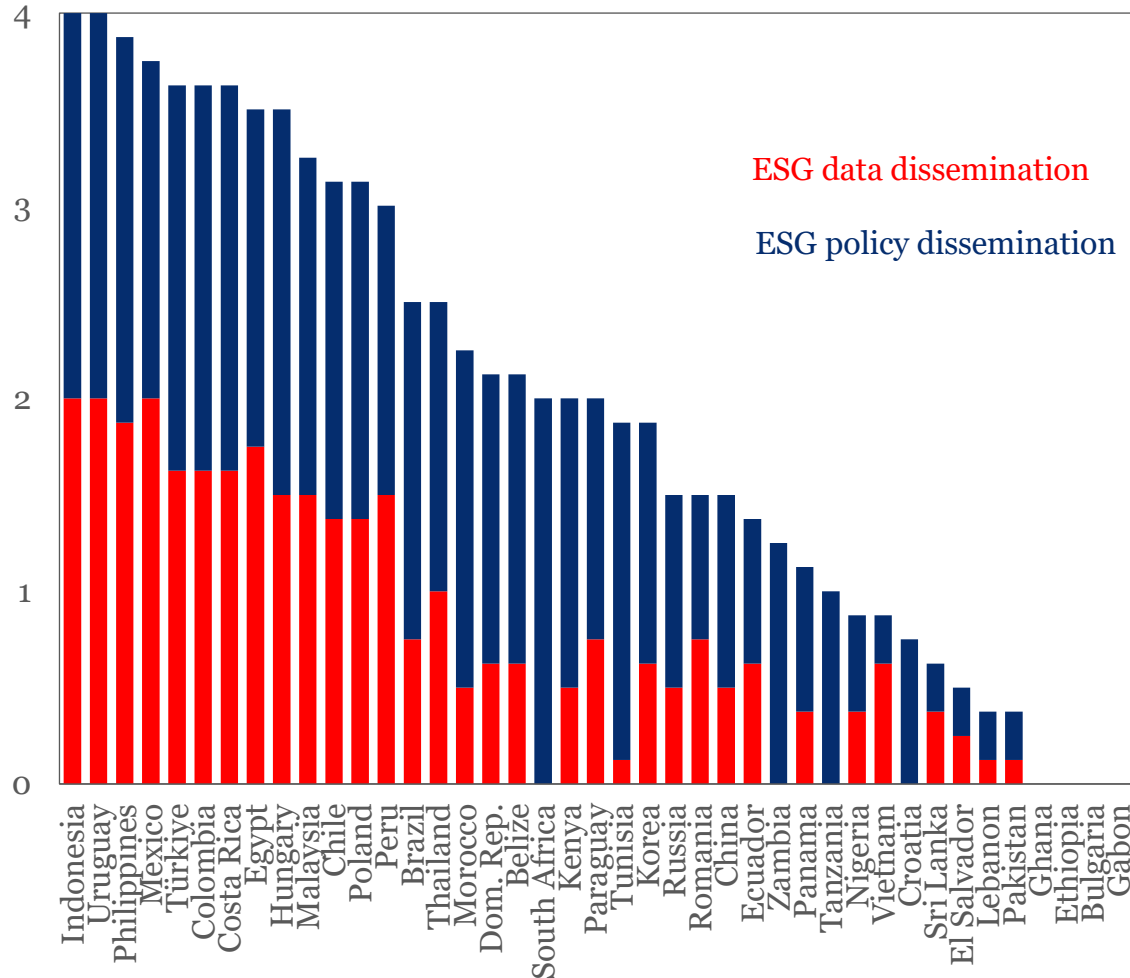


\*The short horizontal lines at the top and bottom of each vertical line represent the maximum and minimum scores. The red bars represent the median scores

# ...and improving ESG data and policy dissemination practices

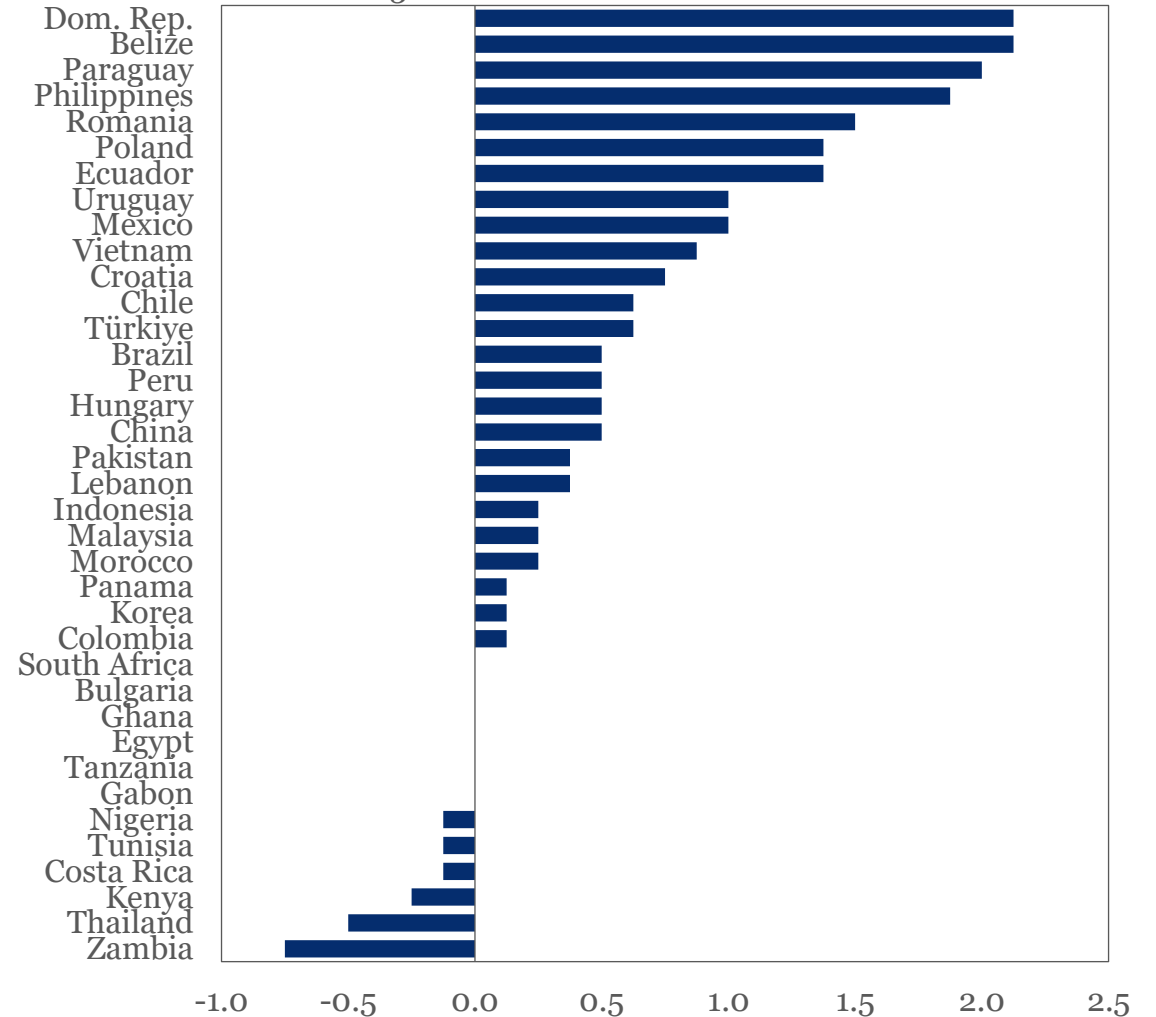
## ESG Data and Policy Dissemination Scores

index, 2023. ESG Data and Policy Dissemination score, maximum = 4



## Change in ESG Data and Policy Dissemination Scores

point difference between 2023 and 2022 scores



# Appendix

## Related research notes and links:

- [The Integrity Council for the Voluntary Carbon Markets \(IC-VCM\)](#)
- [2022 PCG Report on the Implementation of the Principles](#) (October 2022)
- [The Road to Net-Zero: How Financial Firms are Approaching—and Accelerating—the Transition to a Low-Carbon Future](#) (January 2023)
- [Financing the Net-Zero Transition: From Planning to Practice](#) (January 2023)
- [IIF Sustainable Finance Monitor](#) (March 2023)
- [Investor Relations and Debt Transparency Report – 2023](#) (June 2023)
- [Scaling Blended Finance for Climate Action – Perspectives from Private Creditors](#) (July 2023)
- [Voluntary Carbon Markets Monitor: Will COP28 bring progress?](#) (November 2023)
- [Voluntary Carbon Markets Monitor: Record demand for carbon credits](#) (January 2024)

## Sustainable Debt Monitor series

- [Progress, challenges on the road to COP28](#) (November 2023)
- [Looking for Traction—Can the G20 Help?](#) (February 2024)

## Green Weekly Insight series

- [Views from DC: transition finance in focus](#) (April 2023)
- [Front-loading Net Zero](#) (May 2023)
- [Getting to Net Zero Government Debt](#) (June 2023)
- [Are financial markets “climate-aligned?”](#) (June 2023)
- [Scaling carbon capture to drive net-zero goals](#) (July 2023)
- [Surging demand for energy transition metals](#) (July 2023)
- [Takeaways from New York Climate Week](#) (September 2023)
- [Funding Progress on Methane Abatement](#) (January 2024)
- [Surge in ESG fund flows amid tech stock rally](#) (February 2024)