With the Help of Green Financial Instrument Innovation To Drive the Green Economy to Promote the "Double Carbon" Goal

Nian Luo, Lingjie Lu, Zhongying Wang, Jun Zhang, Wenguang Liang
Nanjing Audit University, Nanjing, Jiangsu 211815, China

Abstract
In 2020, President Xi Jinping proposed "carbon peaking and carbon neutrality" for the first time, and relevant departments quickly completed major decision-making deployments, issued and implemented policies, and carried out specific actions, so as to help achieve "carbon peaking and carbon neutrality", it is indispensable to play the role of green finance. In the context of such a big era, accelerating the construction of the green financial market and using the power of green finance to promote the realization of the "double carbon" goal is a correct and key step for China. Therefore, we explored the current situation of green finance development and how to promote the development of green economy to promote the "double carbon" goal, conducted field research, and put forward exploratory suggestions.

Keywords
Green Finance; Green Economy; "Double Carbon" Goal.

1. The Background and Significance of the "Double Carbon" Goal
In recent years, China's rapid economic development, the level of social productivity continues to improve, people in the pursuit of economic growth, fossil energy has been widely used, but also brought a series of environmental pollution problems, double carbon targets have also received more and more attention. The double-carbon economy has become an important part of China's economy and has also played a leading role in guiding and optimizing the allocation of resources. At present, China's green finance is highly related to the double-carbon economy, especially green credit, but the data show that the degree of coordinated development of green finance and dual-carbon economy in various provinces is low. Achieving a low-carbon economy and the goal of double carbon is a profound and broad economic and social change, and green finance is indispensable to support it. There are two main ways to achieve the double carbon target in China, one is to reduce carbon dioxide emissions, and the other is to absorb carbon dioxide in the air. The double carbon target will bring changes to China's industry, so that China's industry has entered a deeper stage, and the realization of this goal will inevitably promote China’s economic growth. The development of green finance is an important point to achieve the goal of double carbon, the development of green finance, it can not only promote the development of the economy, but also conducive to China's environmental protection, to resolve environmental risks, and to provide great impetus for the realization of the double carbon goal.

In the context of the dual carbon target, finance has entered a new stage of green finance, which is of great benefit to the protection and development of China’s economy and environment? For example, in agriculture, the dissemination of the concept of green development has made the agricultural economy sustainable, and the use of innovative agriculture has innovated the operation management of agriculture, and it is also possible to use the existing environmental resources in the countryside to develop the tourism economy, thereby driving the development of the tertiary industry. The double carbon target also has great leadership for the development
of green finance, the realization of this goal can bring about environmental improvement and drive the development of the industry, promote the green transformation of the economic structure and the formation of green production methods, and this policy highlights the reduction of carbon emissions, is conducive to the traditional garbage pollution and greenhouse gas emissions of the collaborative governance, so that the improvement of environmental quality and greenhouse gas control to achieve balance, this can also promote public life so that everyone forms a green and simple lifestyle, reduce the waste and consumption of materials. The dual carbon target can also accelerate China's energy transition and energy revolution process, the double carbon target can greatly improve the utilization rate of energy and can vigorously promote the development of non-fossil energy, with lower energy consumption and cleaner energy to promote China's social and economic development and residents' living standards. In addition, the double carbon target also has global significance, and China's proposal for the dual carbon policy has greatly developed the world decarbonization process. With the strong support of the government, China’s economy will have a vigorous development.

2. The Current Situation of Green Finance Development

Since China paid attention to economic development and environmental protection, green finance has gradually entered people’s vision to the attention of people from all walks of life, and develop accordingly. With this development and increase in popularity, while green finance has become more comprehensive, its problems and constraints are constantly exposed, and the following are some explanations on the current status of green finance development.

2.1. The Impact of the Government on Green Finance

Government support is very important for the development of green finance, but some polluting enterprises are often large local taxpayers and economic pillars, and some financial institutions face administrative pressure to approve some projects that do not meet environmental protection standards, which has a negative impact, and even the phenomenon of "badcurrency expelling good money".

2.2. The Development is Not Large Enough, the Scope of Development is Not Comprehensive Enough

In recent years, although China's green finance is developing rapidly, there are still many deficiencies in its development level and development scope, and various departments in financial institutions have focused their work on the "two highs and one capital" festival of "high energy consumption, high pollution and resources" about energy conservation and emission reduction, there is no full development of green financial concepts.

2.3. The Lack of Professional Technology and the Asymmetry of Information

At present, China’s economic environment has many unknown areas waiting for everyone to explore, in the implementation process will inevitably have many places of poor policy implementation, environmental protection information is not open and transparent, but also includes due to insufficient professional skills, lack of relevant professionals and problems. Most corporate environmental protection information is not included in the "Enterprise Credit Report" in the People’s Bank of China credit reporting system, which makes the daily business needs of financial institutions unmet, resulting in information asymmetry.

2.4. Laws and Regulations have been Gradually Improved

China started late in green finance, but in recent years, the country’s attention and the improvement of related systems have greatly improved the progress of green finance, and the pace of green financial system construction has been greatly accelerated, and a series of laws and regulations have been formulated. In 1995, the State Environmental Protection
Administration issued the Notice on the Use of Credit Policies to Promote Environmental Protection. In 2012, the China Banking Regulatory Commission issued the Green Credit Guidelines, and in 2015, the China Banking Regulatory Commission and the National Development and Reform Commission jointly issued the Notice on Printing and Distributing Energy Efficiency Credit Guidelines. The release of each regulation means that China's green financial system is becoming more and more refined and perfect.

### 2.5. Financial Institutions Act Quickly

In the past few years since green finance has infiltrated China's economic work, various financial institutions have also carried out green financial activities to varying degrees. In 2005, Industrial Bank began to cooperate with the International Finance Corporation on energy efficiency financing projects, which opened the prelude to the common development of the green finance concept with commercial banks by drawing on the international advanced model. Later, in addition to Industrial Bank, other banks also actively carried out green financial activities.

### 2.6. The Development Prospects are Considerable

On the whole, the green credit business in China's green finance has been widely used and has received a lot of recognition. From energy savings, in terms of emission reduction effect, green credit projects supported by China's major banking institutions are expected to save 186.71 million tons of standard coal per year. It saves 438.07 million tons of water and reduces carbon dioxide emissions by 479.02 million tons. The development results of green finance are really obvious to all, with the development prospects of the environmental protection industry optimistic, green finance will be more incentivized, which in turn will be stimulated. The development of banking business also means that the prospects for the development of green industry and green finance will be more impressive.

### 3. The Problems Encountered by Green Finance in Promoting the Development of Green Economy

At present, China has made certain achievements in promoting the development of the green economy through the green financial market, but there is a lot of room for development by building a systematic and perfect green financial market environment to promote economic development. At present, there are problems such as insufficient vitality, limited innovation and imperfect incentive mechanism in the green financial market; in addition, the policies promulgated by the government also have a far-reaching impact on economic development. Solving these problems will play a key role in the development of China's green financial market in the future.

#### 3.1. The Development Vitality of the Green Financial Market is Insufficient

In recent years, China's green finance has achieved rapid development, the market scale is constantly expanding, but the development vitality is still insufficient, and there is still a lot of room for improvement in the development of China's green financial market. Green product project input costs are high, long continuous cycles. In the short term, the efficiency is low, and the bank considers the safety, liquidity and profitability of the funds, and cannot fully support the development of the green economy, so in the absence of incentive mechanisms, the motivation of the masses to actively support green product projects is obviously insufficient and cannot be sufficient attract the participation of the broad masses.

#### 3.2. Product Innovation in the Green Financial Market is Limited

At present, China's green financial market products and related services are slightly single, green financial products mainly serve the country, but only a few products for residents, the
main reason is that China's early pursuit of rapid economic development and ignored environmental issues. At present, China needs to urgently change the economic development model, and the economy needs to pursue sustainable and high-quality development. There are mainly green trusts, green bonds, green credit and other products in the market, but at present, it seems that they cannot fully mobilize and actively promote the development of the green economy.

3.3. The Incentive Mechanism of the Green Financial Market is Not Perfect

The imperfection of the incentive mechanism will lead to the development of green finance may encounter risks at any time, financial institutions should first consider whether the benefits are greater than the sum of costs and risks before green lending, however, some green product projects have low investment costs and long recovery periods, resulting in the recovery of this part of the economic benefits is more difficult. Up to now, China has introduced a series of incentive measures, such as including green bonds and green loans in the scope of qualified collateral for the central bank's loan facilitation and green refinancing, etc. In addition, some local governments have discounted and guaranteed green product projects. However, through the reflection, the effect and intensity of the implementation of incentive measures need to be further improved.

3.4. The Policy has Low Efficiency in Supporting Green Finance

The low effectiveness of the green finance policies issued by the central government is not in line with the economic development of local governments, resulting in the loss and waste of certain resources and inefficient investment. In addition, it is difficult to agree on the incentive mechanism of financial institutions and the future goals of financial institutions by green financial policies, and it is difficult for financial institutions to transition to green financial institutions. The green finance policy introduced by the government has not played a good guiding role in promoting the masses to carry out green consumption, and the concept of green consumption of people from all walks of life has not been further improved.

4. Suggestions on Green Finance to Boost the Green Economy to Achieve the "Double Carbon" Goal

4.1. Promote the Leading Role of the Government in the Green Economy and Continuously Deepen the Green Financial Policy System

In recent years, with the people's yearning for a better life increasing day by day, the requirements for the ecological environment have also developed in the direction of green and low-carbon, and the global climate has been deteriorating, so it is the general trend for the government to guide green development. In the process of promoting green development, it will involve all levels and aspects of society, and the government will need to act as an "intermediary" to "mediate" in the macro aspect, and the policy with high feasibility and scientific travel feasibility will promote the development of a strong and effective green financial market; At the same time, it provides "big data" technology, actively builds a green financial information sharing platform, makes information transparent, facilitates efficient cooperation between enterprises and financing institutions, and develops a high-quality green economy.

4.2. Financial Institutions Continue to Innovate Green Financial Tools and Improve the Financing Standard System

Although in recent years, our investment in green finance has increased, but our financial instruments are relatively single, mainly green credit and traditional green bonds, which is not enough to support the green economy to be stable and far-reaching, as the saying goes, "the
enterprise that keeps the success is like the sunset, Nippon West Mountain; Innovative enterprises such as the rising sun, infinite light”, financial institutions should continue to innovate financial derivatives, broaden financing tools, introduce a large amount of funds, and provide a solid backing for green enterprises; At present, the development of China’s green financial system is not mature enough, with international integration is less, which is not conducive to the inflow of external funds and the introduction of technology, and we should accelerate the establishment of an international green finance standard system, form a strong mutual trust mechanism between investors and financiers, achieve win-win results for both sides, and orderly promote the "double carbon" goal to develop along the predetermined track in an orderly manner.

4.3. **Continuously Deepen the Reform of the Industrial Structure and Transform Towards an Industry of Energy Conservation and Emission Reduction**

Although China has achieved remarkable results in the new energy industry in recent years, high energy consumption and high emission industries are still common, and the environmental damage is quite large, so the reform and transformation of enterprises is imminent. Enterprises should use existing technology and funds to improve industrial production processes, strengthen re-production capacity, turn waste into treasure, and degrade industrial polluting waste to reduce environmental pollution; Introduce foreign advanced production tools and learn from foreign production processes, and quickly achieve a qualitative leap in the industrial economy; Actively establish a green project database, accurately match the corresponding green financial policies, and effectively promote green industries; Increase efforts to support enterprises to explore and develop new energy, discover more clean energy, and inject new impetus into industrial development.

4.4. **Continue to Improve the Accuracy, Coverage and Inclusiveness of Green Financial Services**

Financial institutions should strengthen information disclosure, establish and improve financial risk prevention and resolution mechanisms, effectively avoid regional financial crises, and orderly promote the long-term and stable growth of the green economy; Increase efforts to publicize green finance to the general public, so that the concept of low-carbon environmental protection is deeply rooted in the hearts of the people, and a large amount of financial support is introduced; Local finance gives great preferential policies to the green industry, exerts two-way efforts on the financial supply side and the demand side, establishes an incentive mechanism, efficiently plays the role of financial leverage, and promotes the vigorous development of the green economy.

5. **Conclusion**

In today's economic globalization and the continuous development of multinational companies, people pay more and more attention to environmental protection while paying attention to economic development. Environmental protection and energy conservation are urgent needs facing mankind, and this urgent need has been transferred to the development of the financial industry and industry and commerce, and the concept of green finance came into being. Green finance requires the financial industry to run the concept of environmental protection through its entire daily operation, in credit, investment and insurance to achieve environmental protection as the principle of work, green finance and sustainable development is interpenetrated, only to achieve green finance, society can obtain the basis of sustainable development, and the sustainable development needs of society require that the financial industry must do green finance. Promoting sustainable development with green finance is of
great practical significance for the benign development of the economy and the healthy progress of society, which plays an important role in improving the economic benefits of enterprises and the influence of products, and enhancing the overall strength of the financial industry, so green finance must be paid attention to by the whole society. In the financial industry, in order to achieve green finance, the concept of green finance should first be implemented, and secondly, a professional green finance team should be established, and a green finance policy should be implemented in the screening of investment projects to ensure the environmental protection of investment projects and loan projects from the source. The future economic development must be sustainable development, the future of the financial industry will be green finance, which enterprises and financial institutions must have a clear understanding, and take appropriate measures and actions.

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