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# European Individual Investors Struggle to Access Climate Solutions in the Global South, New BETTER FINANCE Study Finds

BETTER FINANCE today [published its pioneering assessment](#) of whether individual investors in Europe can meaningfully invest in publicly listed climate-solution companies based in low- and middle-income (LMI) countries. The study highlights a striking gap between European investors' willingness to support climate action abroad and the actual investment channels available to them.

LMI countries are responsible for around 75% of global emissions, yet receive less than 15% of global climate finance. In this context, BETTER FINANCE examined whether the market provides European savers with effective opportunities to invest in climate-positive solutions, particularly those targeting the Global South, and whether such capital can be channelled to where it is most urgently needed.

The report examines the real-world accessibility of listed equity, theoretically the most accessible asset class for individual investors, across France and Germany. It maps publicly listed companies delivering climate solutions in Global South economies, cross-checks their availability via European UCITS products, and reviews the indices that form the core of most European investment offerings.

## Limited access despite growing investor demand

The study finds that European retail investors have very limited practical access to publicly listed climate-solution companies in low- and middle-income countries. In both France and Germany, actively managed funds with emerging or global mandates tend to closely follow standard benchmarks, resulting in heavy concentration in a small number of large emerging economies, particularly China and South Africa. Even where fund managers have discretion, this is rarely used to expand exposure to the wider Global South, and none of the analysed funds held companies identified as climate-solution leaders in the Carbon Collective universe.

Direct equity access remains minimal, with retail platforms focused mainly on domestic, European and US stocks. Only a handful of Global South companies are available through secondary or cross-listings on European exchanges, and just one of these meets recognised climate-solution criteria. ETFs offer broader coverage but remain dominated by index exposures to a narrow set of markets, with Latin

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America largely limited to Brazil and virtually no pan-African exposure beyond South Africa. Overall, fewer than 200 distinct climate-solution companies from the Global South are accessible through the products available to European individual investors today.

### **A missing pathway for willing investors**

Despite the significant pool of individual and institutional capital in high-income countries, the study suggests that the pathway connecting European investors to climate-solution firms in emerging and frontier markets remains limited, fragmented, and often opaque. The findings underline a clear disconnect while the investment universe in these countries is large and diverse, European individual investors frequently cannot access it through the products available to them today.

### **Policy and industry action needed**

BETTER FINANCE calls on policymakers, market participants, and index providers to work together to expand and clarify access. Doing so would not only unlock new funding for climate solutions where they matter most, but would also enable European savers who wish to see their investments contribute to the green transition beyond Europe's borders to do so more effectively.

*"Many European savers are interested in putting their money to work for the global climate transition, but our findings show that the market simply does not offer them clear or effective ways to do so," said Aleksandra Mączyńska, Managing Director of BETTER FINANCE. "If policymakers, index providers and asset managers are serious about mobilising private capital for climate action in the Global South, they must ensure that accessible, transparent and genuinely diversified investment products are available to individual investors across Europe."*

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*[See the summary of the key report findings below.]*



# Assessing the investment landscape for Global South climate solution equities: a study of retail accessibility in France & Germany

<b>Direct equity access</b>	<p>Mainly domestic, other European and US stocks available directly. Only one of the two French broker platforms, at least presents the availability of African companies listed on the Deutsche Boerse/Xetra Frankfurt. A small number of African companies appear on European exchanges through secondary or cross-listings, but limited, and do not constitute systematic access to the region.</p> <ul style="list-style-type: none"><li>□ The only African company listed on Euronext Paris, is based in Senegal in the financial services sector and does not match with the Carbon Collective list.</li><li>□ The African companies listed on the Deutsche Boerse are 15, with only 4 of those also being primarily listed in South Africa, while the rest are primarily listed in Canada, Australia, and UK. From the South African companies, only 1 match with the Carbon Collective (African Rainbow Minerals Limited).</li></ul>
<b>ETFs access</b>	<p>Based on all ETFs listed on Euronext Paris (844 as of 12<sup>th</sup> December), in comparison, the number of ETFs offered by Deutsche Boerse/Xetra Frankfurt (2,296 as of 12<sup>th</sup> December). Once filtered by equity and regions for Global South, the French get 33 ETFs, while Germans 87. The final 41 ETFs in our scope are filtered further and listed on both markets with Deutsche Boerse capturing over 80% of products.</p> <ul style="list-style-type: none"><li>□ The dominance of the Deutsche Boerse is shown in our final list of 41 ETFs, whereby 22 are only listed there, while Euronext Paris has only 1 ETF that is solely not on its German counterpart. 17 ETFs are listed on both platforms, which shows that cross-listing is frequent, but not the norm.</li><li>□ Filtering ETFs to match regions of the Global South shows the largest providers in France are Amundi, iShares(BlackRock), Franklin, BNP Paribas and HSBC.</li><li>□ ETFs offered to French retail investors are dominated by exposure to China, India, Korea, Taiwan and the different issuers follow same exposure (index, countries etc.) Latin America ETFs are mostly focused on Brazil, while no ETFs on Pan-Africa, apart from South Africa being included in EM ETFs.</li><li>□ The matches between the companies from Carbon Collective and the ETFs in our scope are just over 1,000 i.e instances where companies from CC appear within the holding list of the 41 ETFs. Once the duplicates (same company across other ETFs) are removed, matches do not go beyond 200.</li></ul>
<b>Mutual funds &amp; indices</b>	<p>The French actively managed mutual fund and the German actively managed equity fund rely on manager to select securities rather than tracking an index, yet their actual allocations closely mirror their respective benchmarks. The French fund heavily weights South Africa despite an EMEA remit, and the German fund concentrates in China with limited exposure beyond a few higher-income Asian markets.</p> <ul style="list-style-type: none"><li>□ Euronext Paris does not show listed funds, instead it redirects to funds listed on Amsterdam and/or Dublin. Deutsche Boerse Xetra Frankfurt shows a total of 1,503 equity funds and 368 mutual funds. From the listed funds on BaFin and AMF, there are thousands of entities, but lack filtering user-friendly options.</li><li>□ Even when active discretion is available, managers do not expand exposures beyond the major emerging economies represented in the index universe, which limits the exposure to the Global South. None of the holding for both mutual and equity fund from France and Germany respectively, include any companies from the Carbon Collective list. Most of the indices follow MSCI country lists, which excludes a large portion of the entire Global South country landscape.</li></ul>