

# *Green Bonds*

*- mobilising the \$100 trillion  
bond market for climate change  
solutions*

*Damian Regan,  
30 April 2018*

***01 What are Green Bonds ?***

***02 How popular are they ?***

***03 Gaining investors' confidence***

***04 Levels of comfort***

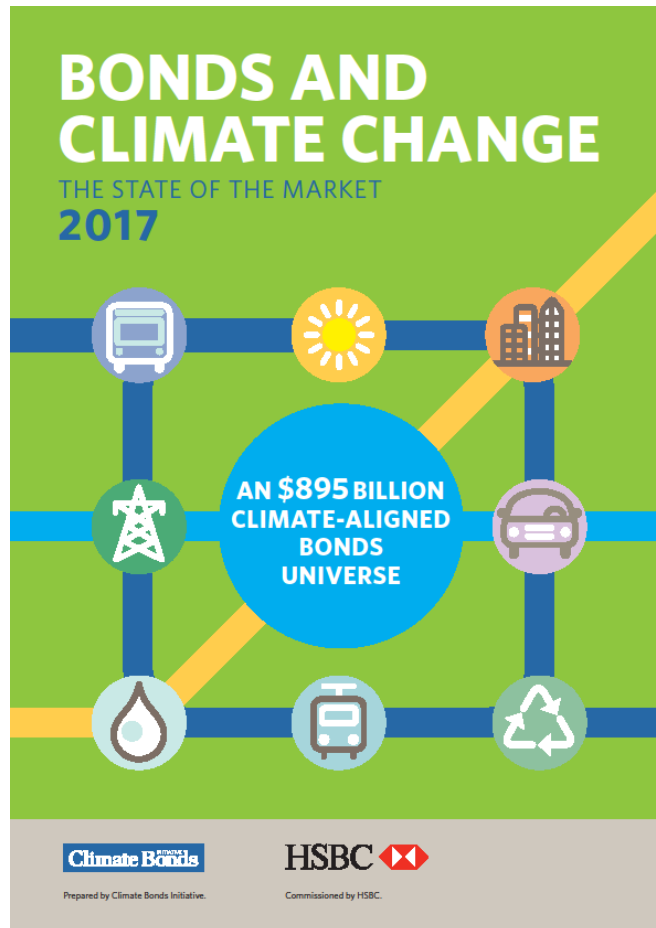
***05 Bonds with promises***

## ***1. What are Green Bonds***

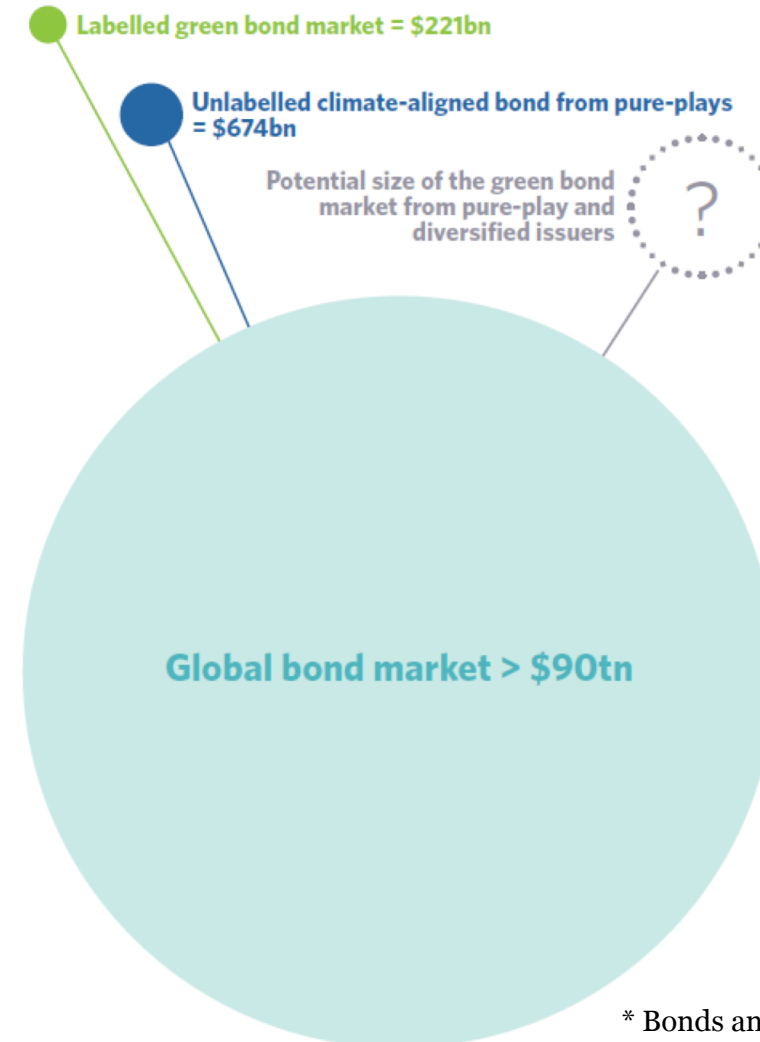
*Green Bonds are fixed income securities that raise capital for a company or project with specific environmental benefits. They bear a 'Green Promise'.*

In 2007, the EIB issued the world's first Green Bond, labelled a Climate Awareness Bond (CAB). Funds are earmarked to match disbursements to EIB lending projects contributing to climate action in the fields of renewable energy and energy efficiency sector:

## 2. How popular are they ? \*



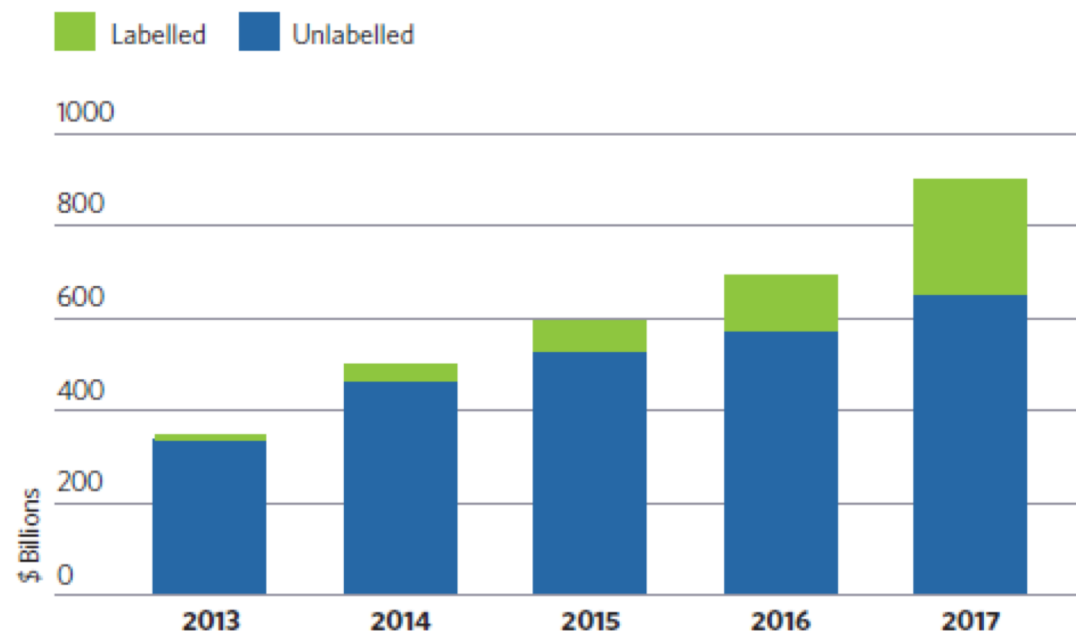
The potential for growth is much larger than the \$895bn universe



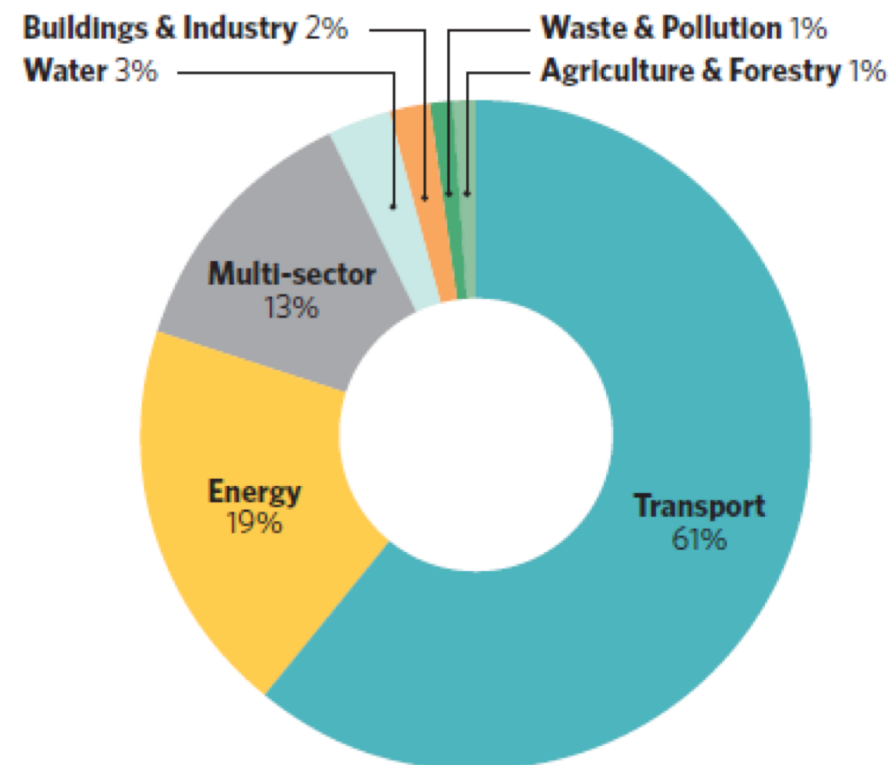
\* Bonds and Climate Change, The State of the Market 2017, Climate Bonds Initiative

## 2. How popular are they ? (cont.)\*

Labelled green bonds account for a growing proportion of the climate-aligned universe

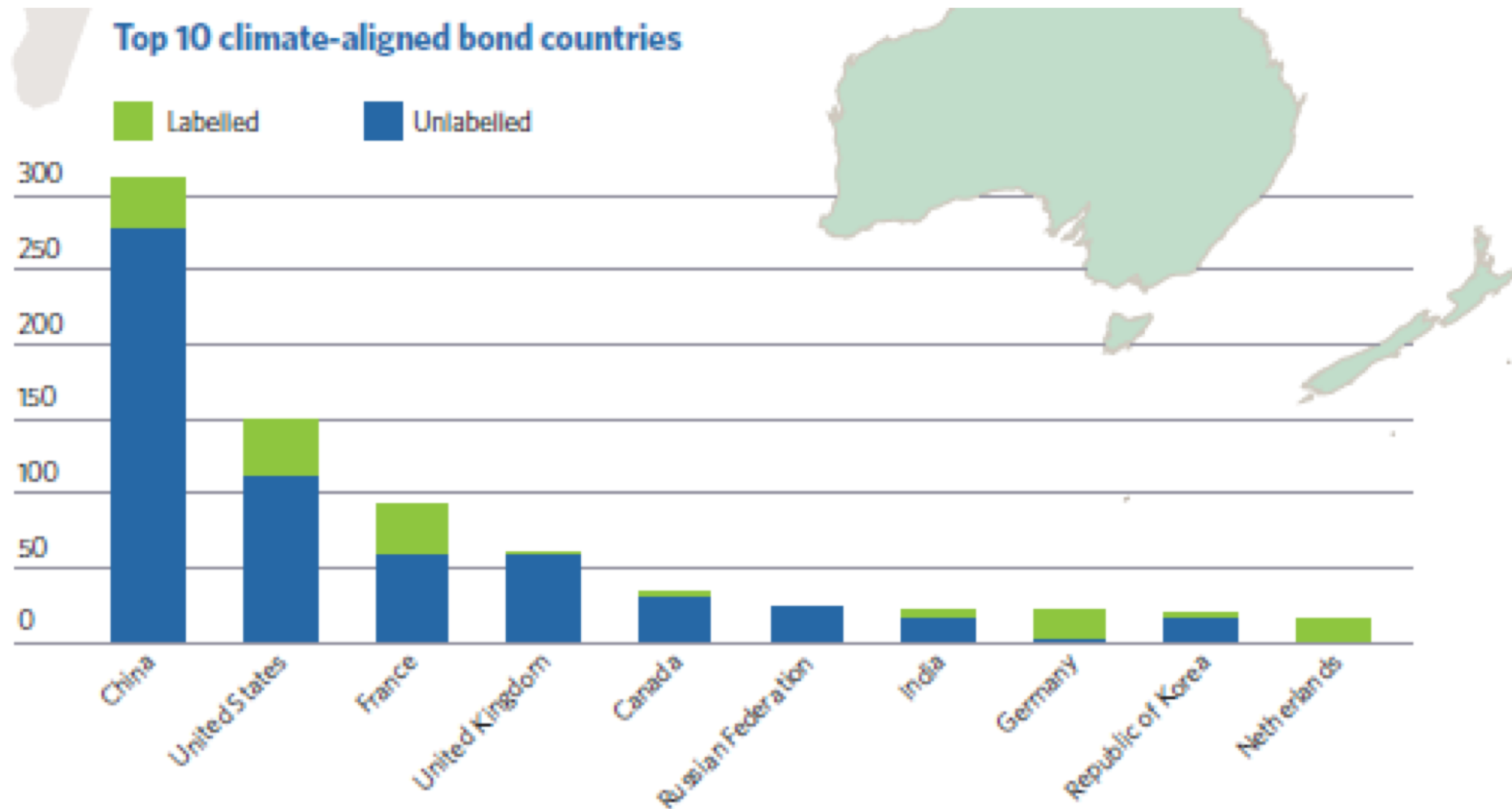


Transport and Energy account for 80% of the universe



\* Bonds and Climate Change, The State of the Market 2017, Climate Bonds Initiative

## 2. How popular are they ? (cont.)\*



\* Bonds and Climate Change, The State of the Market 2017, Climate Bonds Initiative

### *3. Gaining investors' confidence*

*To help apprise investors*

*that the bond they are investing in is 'Green'*  
*and that over the course of its life it will remain*  
*'Green'*

### ***3. Gaining investors' confidence (cont.)***



Launched 2014, updated 2017

Overseen by ICMA

The GBP have four core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

High level categories for eligible Green Projects

Does not hold itself out as a Standard



### 3. Gaining investors' confidence (cont.)



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Version 2.1 launched

Climate Bonds Initiative is an investor-focused not-for-profit organization

3 steps

1. Identify qualifying projects and assets
2. Arrange independent review
3. Track and Report

Detailed taxonomies for projects and assets

Certification

#### ***4. Levels of Comfort***



## ***5. Bonds with promises***

*Green Sukuk  
Bonds*

*Green Bonds*

*Sukuk Bonds*

*Sustainability  
Bonds*

*Social Impact  
Bonds*

## 4. *Contacts*



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