

Media release

For immediate release

New report reveals a \$502.6 billion climate-themed bond universe

LONDON, 17 July 2014 – The Climate Bonds Initiative today launches its 2014 market sizing report "[Bonds and Climate Change: the state of the market in 2014](#)". The report was commissioned by the HSBC Climate Change Centre of Excellence.

The report finds that:

- The total universe of bonds linked to key climate changes solutions stands at USD502.6bn, compared to last year's estimate of USD346bn
- \$35.8bn of the universe is made up of labelled Green Bonds issued by corporations and development banks
- \$236.8bn (47% of total) meets index filters around size, rating and currencies
- Low carbon transport, notably rail accounts for 71% of the total, followed by clean energy (15%) and climate finance (10%).

The report is the only one that attempts to estimate of global flows of bond finance towards climate solutions. This includes the much-publicized labelled Green Bonds market (\$35.8bn) as well as a broader market of bonds whose proceeds are used to finance climate solutions but are not labelled as such.

The labelled Green Bonds market has grown rapidly since the 2013 iteration of this report from approximately \$7bn to \$35bn outstanding. Growth started in the latter half of 2013 and was driven by the first Green Bond issuance from corporations. This growth has continued in 2014 with approximately \$20bn issued in 2014 to date. The report explores key trends and areas for future growth in this market.

The broader climate-themed universe is an indicator of where future bonds might be labelled. In this universe, the transport theme is dominant; partly due to the fact that rail (which makes up the majority) is a mature technology and therefore well suited to bond finance. Rail is seen as a low-carbon transport, essentially to reducing use of short haul aviation and fuel-based vehicles

Sean Kidney, CEO of the Climate Bonds Initiative says "Investors are concerned about climate change. This report shows how they can invest in climate bonds without risk. The investment opportunities we find are safe and secure investment grade bonds. This is a Dull Green Market – just how pension funds and insurance funds like it."

Report co-author, Bridget Boule adds "In the coming year we will see growth in labelled Green Bonds from municipalities, cities and corporate issuers. We expect increasing demand from investors signed up to the Principles for Responsible Investment and the Global Investor Coalition on Climate Change."

The report also explores emerging trends and opportunities for investors within this rapidly-changing space and identifies where new innovative issuance may originate over the next year.

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The report is attached with this email and can also be [downloaded here](#).

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About Climate Bonds Initiative:

The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in a rapid transition to a low-carbon and climate resilient economy. www.climatebonds.net @ClimateBonds