

Joint Release**New report: 2018 Canadian green bond issuance reaches CAD5.5bn****Canada sustainable finance milestones, issues first ever green bond from a pension fund globally**

OTTAWA/LONDON, 27/02/19 11:00 GMT: -- Smart Prosperity Institute and Climate Bonds Initiative have released the [Green Finance State of the Market – 2018](#); seventh annual stock-take of green bonds and sustainable finance in Canada.

Canada Green Finance State of the Market results from a longstanding partnership between the two organisations and builds on the global analysis contained in the flagship ‘Bonds and Climate Change: State of the Market’ global reports produced by Climate Bonds.

The Canadian report marks domestic highlights from the past year, details emerging trends, and identifies specific opportunities for green bond market development.

2018 Highlights:

- 2018 annual Canadian green bond issuance reached CAD 5.5 billion, just shy of 2017’s all-time high of CAD 5.6 billion.
- Canada placed 10th globally in 2018 issuance and 9th globally in cumulative issuance with more than CAD 15.2 billion.
- Canada’s largest ever green bond was issued by Canada Pension Plan Investment Board (CPPIB) (CAD 1.5 billion). It is the first ever green bond from a pension fund globally.
- Sub-national governments continued to drive issuance, with the Province of Ontario as Canada’s largest issuer.
- Renewables and transportation dominated the use of proceeds, with cumulative allocations of 32% and 30% respectively.

Key Recommendations:

- Ambitious climate commitments and policy have been put in place to transition to a low-carbon economy. A growing Canadian green bonds market can be instrumental in steering private sector and international capital flows to finance this transition.
- The creation of a Canadian sovereign green bond and implementing recommendations from the ‘Expert Panel on Sustainable Finance’ would send strong market signals and contribute to advancing the country’s climate change agenda.
- Canadian banks, pension funds, and institutional investors must play a more active role in developing green financial instruments and the domestic green bond market to meet investor demand and enhance environmental outcomes.

Mike Moffatt, Senior Director, Policy and Innovation at Smart Prosperity Institute:

"As Canada continues to ramp up its climate policy ambition, green bonds have the potential to harness much-needed private capital flows to finance the transition to a cleaner, low-carbon economy."

"Canada continues to take a leadership position in green bonds, with the Canada Pension Plan Investment Board issuing a \$1.5bn green bond, the world's first ever from a pension fund. We expect 2019 to be another year of firsts for Canada in this growing field."

Sean Kidney, CEO, Climate Bonds Initiative:

"The report reflects a 2018 mix of growing sub-sovereign and sub-national issuance, repeat green issuance from corporate leaders and increased engagement from banks and institutional investors. This is the platform for Canada to progress on green finance. The coming Expert Panel final report will add impetus for wider policy reforms. Taken together, the emerging blend of private and public sector activity provides Canada with an open opportunity to create a national model of sustainable investment that supports climate action and low carbon economic growth."

Links:

Canada Green Finance State of the Market -2018 can be found [here](#).

L'état du marché de la finance verte au Canada – 2018 est disponible [ici](#).

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Notes to Journalists

About Smart Prosperity Institute: [Smart Prosperity Institute](#) (formerly Sustainable Prosperity) is a national research network and policy think tank based at the University of Ottawa. We deliver world-class research and work with public and private partners – all to advance practical policies and market solutions for a stronger, cleaner economy.

About the Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. More information on our website [here](#).

About the State of the Market Report:

Green Finance State of the Market Canada is jointly produced by Climate Bonds Initiative and Smart Prosperity Institute. French translation has been kindly sponsored by [Addenda Capital](#).

Previous Canadian *State of the Market* reports can be found at www.climatebonds.net and at institute.smartprosperity.ca/

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