

Media Release

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Sustainable Agriculture in the Spotlight: New Report Reveals Brazil's Potential for Green Financing

With USD11.3bn issued in Green Bonds, sustainable agriculture should be priority for future green investment new report says.

SÃO PAULO 05/11/2018: An in-depth study of Brazil's current financing practices in the agriculture sector to be launched on Thursday November 8th in São Paulo identifies Brazil's future opportunities for green bonds and green finance to support new investment and sustainable growth.

Produced in partnership between the Climate Bonds Initiative and SITAWI, *Can Green Bonds Finance Brazil's Agriculture* reveals that by 2025 Brazil will have the largest food surplus in the world, and South America will lead the world in regional food surplus.

At the same time, however, agriculture, forestry and land use account for a significant portion of Brazil's GHG emissions and decarbonising these sectors will be key for the country to meet its Nationally Determined Contributions (NDCs) and National Adaptation Plans (NAPs) as part of its commitments to the Paris Agreement.

"The study shows significant opportunities to scale up bonds linked to sustainable agriculture, especially from institutional lenders, who provide financing to the agriculture and agribusiness sectors", **says Climate Bonds Director of Market Development, Justine Leigh-Bell.** "Increasing investment flows into the sustainable agriculture sector should be a priority to help limit the country's future emissions while cementing its role as a major global exporter of agricultural products," she adds.

"Brazil needs international capital to help meet national climate and development goals, increasing domestic green bond issuance is an obvious way to diversify the investor base and attract increased off shore capital into sustainable agriculture."

Brazil Launch – Climate Bonds Global “State of the Market” 2018 report

The Portuguese version of the Climate Bonds annual flagship analysis of green finance and green investment '[Bonds and Climate Change State of the Market 2018' report](#) will also be available for download as from November 8th.

The report calculates that the climate aligned bonds universe (labelled green bonds and unlabelled bonds adhering broadly to climate solutions) comprises USD 1.45 trillion globally of which USD 389 bn are labelled green bonds whose proceeds exclusively and explicitly finance or refinance green projects.

State of the Market 2018 was launched at Climate Week in New York City followed by a European launch in London in late September.

Key points relating to Brazil include:

- Brazil's climate-aligned outstanding bonds total USD11.3bn, and green bonds account for USD4.1bn, or 37%.
- Brazil ranks first in CA outstanding volumes within the Latin American region, followed by Colombia, Chile, Argentina, Costa Rica and Peru.
- The energy sector accounts for 43% of the outstanding amount, followed by land use at 23% and water at 19%.
- Sustainable land use is represented overwhelmingly by forestry, with 80% of the sector's outstanding bond volume.
- The largest Brazilian climate-aligned issuer is Klabin with USD1.6bn – 68% coming from fully-aligned deals and 32% from green bonds.

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Service:

November 8th, from 8:30am to 12:30pm
Mattos Filho Advogados
Alameda Joaquim Eugênio de Lima, 447, São Paulo – SP

Videoconference also available in the following cities:

Mattos Filho – Rio de Janeiro
Praia do Flamengo, 200, 11^º andar
Rio de Janeiro – RJ

Mattos Filho – Brasília
SHS Q. 6 Conjunto A, Bl. C S. 1901
Brasília – DF

Register now: <http://bit.ly/GreenBondsSeminar2018>

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Notes to Journalists:

About the Global State of the Market Report: [The State of the Market \(SOTM\)](#) report provides an analysis of the labelled green bond climate-aligned and universe, highlighting investment opportunities to finance climate-aligned assets within the following climate themes: clean energy, low carbon transport, water management, low carbon buildings, waste management and sustainable land use.

This year's report also provides an in-depth analysis of the diverse bond structures that have been used in the green bond market, as well as an update on the latest policy developments.

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.

Climate Bonds Brazil Program: The Climate Bonds Initiative undertakes extensive green bonds market development programs in Brazil. More information is [available here](#).

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