

## Media Release

### **Bonds and Climate Change: State of the Market in Canada 2017**

#### **Launch by Climate Bonds and Smart Prosperity Institute**

**OTTAWA/LONDON: 20:30 GMT 16/11/17:** The Climate Bonds Initiative and Smart Prosperity Institute have released the 2017 [Bonds and Climate Change State of the Market Canada](#), the sixth annual stocktake of green bonds and green finance in Canada.

*State of the Market Canada* edition results from a longstanding joint partnership between the two organisations and is a special supplement to the flagship Bonds and Climate Change: The State of the Market [global report](#) produced by Climate Bonds.

The Canada edition marks specific highlights from the current year, emerging trends, and identifies specific opportunities for green bond market development. This year, we report on domestic market activity up to November 10th, 2017.

For the first time, we welcome a collaboration with Quebec-based [AlphaFixe Capital](#) who have provided the French translation – a key step for increasing engagement with the entire Canadian asset owner, investment manager, and policy-making audience.

#### **Key highlights from the report:**

- Green bond issuance in 2017 has exceeded that of all other years combined (C\$3.8bn), but an opportunity for growth remains as demand continues to outstrip supply.
- Canada ranks 10<sup>th</sup> in the world as a source of labelled green bond issuance to date, and 5<sup>th</sup> in unlabelled climate-aligned bond issuance.
- Provincial entities have spurred issuance, with Ontario and Quebec leading the way in 2017.
- Other major Canadian issuers include Export Development Canada (EDC), Toronto Dominion (TD) Bank, CoPower, and more recently the City of Ottawa, which issued the first municipal green bond out of Canada.
- 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.
- As a G7, G20 & OECD nation there is an opportunity in Canada for the federal government to demonstrate leadership in green finance by issuing a sovereign green bond, paving the way for others to follow, particularly corporate issuers.
- Other actions include supporting market standards, exploring the use of tax incentives and facilitating the formation of a broad-based expert group to examine green finance directions.
- Canadian banks, pension funds, and institutional investors need to play a more active role in developing green financial instruments and the domestic green bond market.

**Mike Wilson, Executive Director, 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."

"In 2017, we've seen the Canadian green bond market gaining momentum, with issuance exceeding that of all previous years' combined and new players coming into the market, including the first municipal issuance by the city of Ottawa. With increased leadership by the federal government, 2018 could be an even bigger year for the Canadian green bond market."

**Sean Kidney, CEO, Climate Bonds:**

"Canada has all the structural financial components and policy attributes to move decisively on green finance, to build a robust domestic green bond market supporting its climate goals and to add further strength to global emission reduction efforts. Provinces, corporates and institutional investors all have a significant role to play."

"The global size and expertise of Canada's major pension funds and asset managers sees them well positioned to manage larger capital allocations towards low carbon and green infrastructure investment opportunities in both developed and emerging economies."

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## Notes for Journalists

**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 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 State of the Market in 2017 Report:** The report is commissioned and supported by the HSBC Climate Change Centre of Excellence. The global 2017 report can be [found here](#).

The [State of the Market Canada](#) 2017 Report is jointly produced by Climate Bonds Initiative and Smart Prosperity Institute. French translation has been undertaken by [AlphaFixe Capital](#). The 2016 report can [be found here](#).

Previous Canada State of the Market Reports can be found on the Climate Bonds website [www.climatebonds.net](http://www.climatebonds.net).

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