

Climate Bonds Initiative

Finance in Focus

UR+ British Columbia

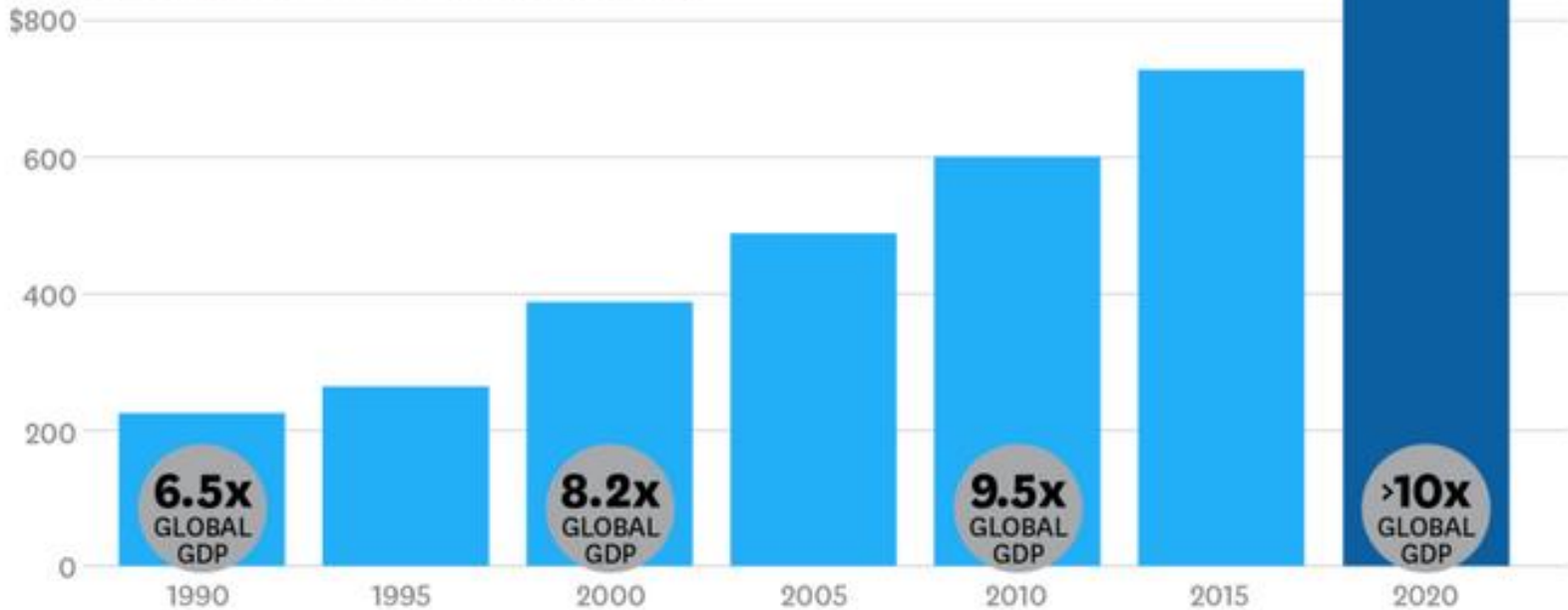
Ujala Qadir, Head of Programme Design, Climate Bonds Initiative

November 2, 2020

Growth in the Global Balance Sheet

Worldwide financial assets keep building up—faster than global GDP.

GLOBAL FINANCIAL ASSETS (US\$ TRILLIONS)



NOTE ASSETS AND MULTIPLES OF GLOBAL GDP WERE CALCULATED USING 2010 PRICES AND EXCHANGE RATES. DATA IS ESTIMATED FOR 2015 AND PROJECTED FOR 2020.

SOURCE BAIN MACRO TRENDS GROUP

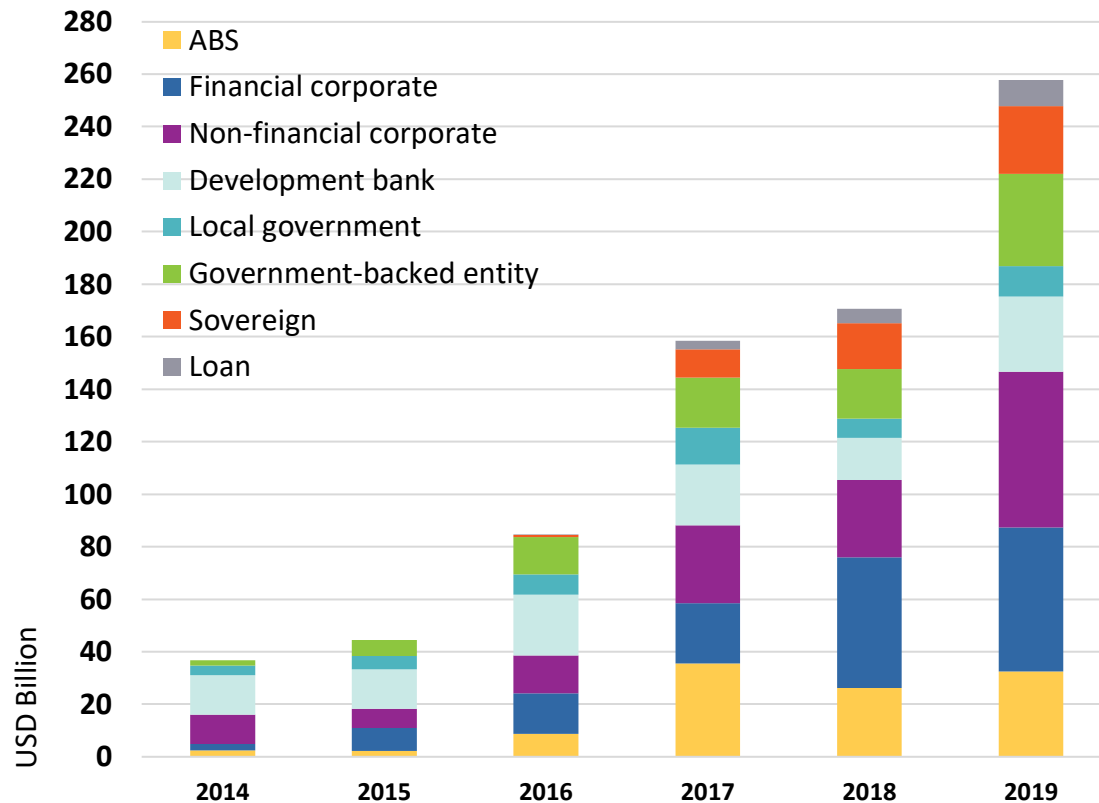
FROM "STRATEGY IN THE AGE OF SUPERABUNDANT CAPITAL,"

BY MICHAEL MANKINS, KAREN HARRIS, AND DAVID HARDING, MARCH-APRIL 2017

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Momentum in the Green Bond Market

Green Bonds and Green Loans Issuance



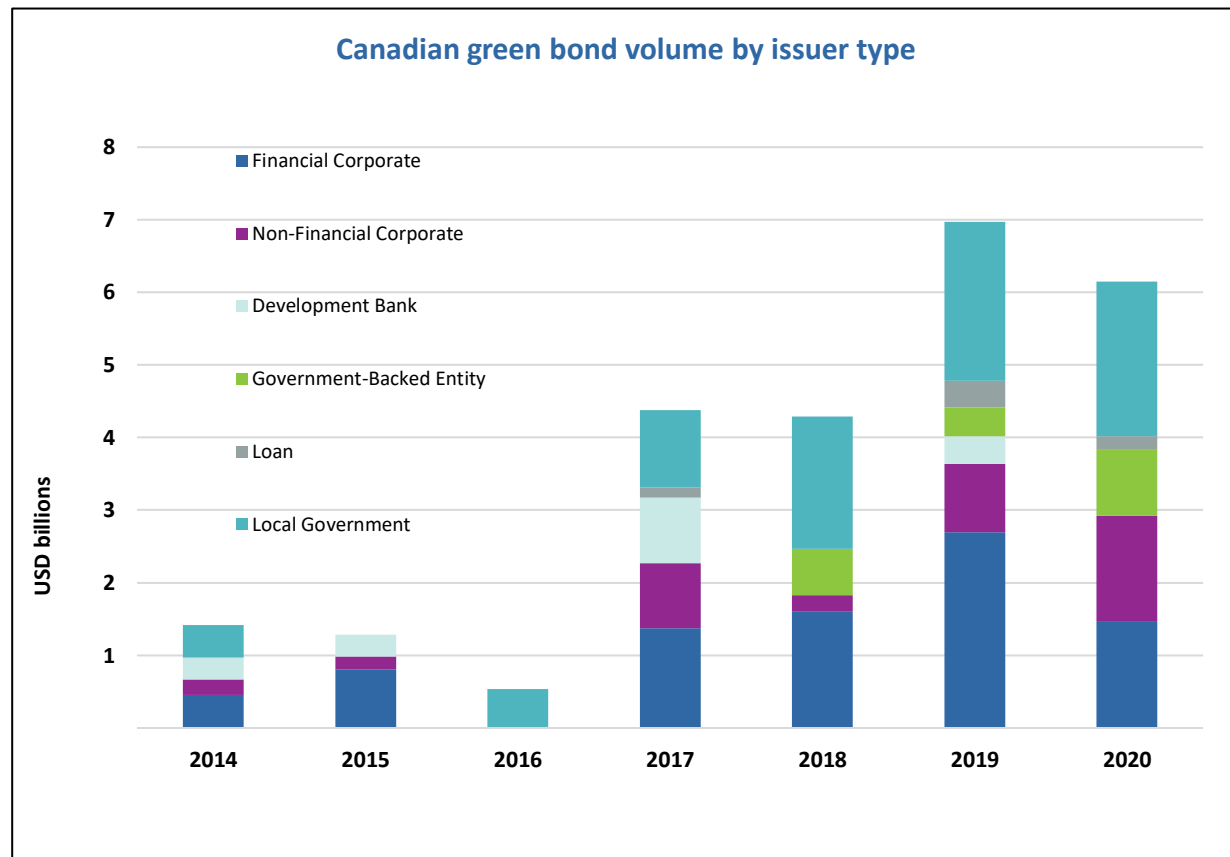
2019 saw a new global record:
USD 258 billion of issuance

- 1,788 green bonds issued from 496 entities
- 51% growth on 2018
- 250 new issuers, issuing a total of USD 68 billion
- 51 jurisdictions, including 8 new entrants
- EUR 6 billion (USD 6.7 billion) was the largest single green bond (Certified), issued by the Dutch State Treasury Agency
- New sovereign bonds from Indonesia, France (2 taps), Poland, Netherlands, Hong Kong, Nigeria and Chile.

Source: Climate Bonds Initiative. Data as of 31st Dec 2019.

Green Bond Market in Canada

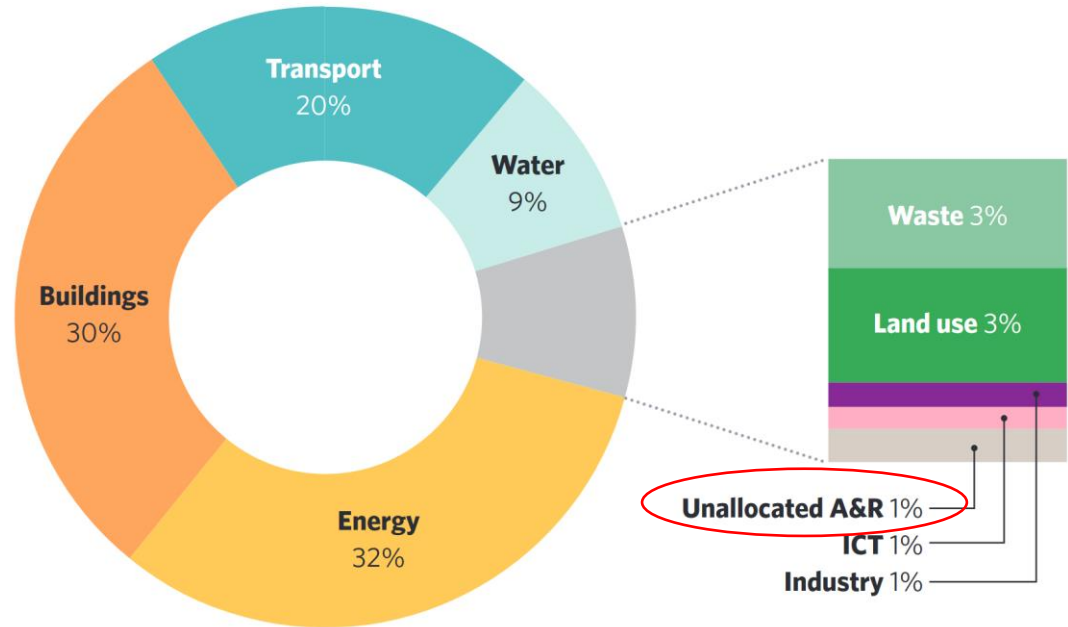
- \$25 bn cumulative issuance to date
- Preliminary results of our recent screening for adaptation bonds indicate 1 bonds focused on adaptation
- **Province of Ontario:** \$ 1.25 bn for Port Lands Flood Protection



Bond-Financing for Adaptation and Resilience

Barriers

- Knowledge and capacity
- Return on Investment
- Mismatched time horizons
- Policy and regulatory barriers



Use of Proceeds in 2019

Scaling Resilience Bonds

- Define: Global Taxonomies and Standards
 - EU Sustainable Taxonomy
 - CBI Adaptation and Resilience Principles
- Act: Issue resilience-focused bonds
 - Municipalities and sub-sovereigns
 - Sovereigns
 - Financial institutions
- Scale
 - Tools, guidance, capacity building
 - Regulatory measures (e.g. risk disclosure)
 - Policy