GREEN FINANCE: A GROWING IMPERATIVE

Green investments were created to fund projects that have positive environmental benefits. The financing of green investments through a variety of asset classes including equities, bonds and alternative investments is widely and collectively referred to as green finance.

In 2014, the global total of green investment – in both the public and private sector combined – increased by 18% from $331 billion to $391 billion, according to a Climate Policy Initiative (CPI) report. Private investment on its own has moved at an even faster rate, growing by 26% in 2014. It now represents two-thirds of the global market for green finance at $243 billion worldwide.

According to the Climate Bonds Initiative, $41.8 billion green bonds were issued in 2015, the largest amount in a year to date (up from $37 billion in 2014 and $11.5 billion in 2013), and 45.8% of 2015 issuance was toward renewable energy. Europe is the largest issuer region at $18.4 billion issued, followed by the United States with $10.5 billion issued. The U.S. is the largest issuer country of green bonds, driven mainly by municipal green bonds.

#greenfinance