

# Bond Case Briefs

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## Seeing Green: Investing in Municipal Green Bonds to Support Local Climate Projects.

New York – Responsible investment vehicles seek to align investments with investors' values through programs and projects that contribute to local communities in a positive way. Green municipal bonds offer investors the opportunity to support climate-aligned projects in such sectors as transportation, water and waste infrastructure, pollution control and renewable energy, which includes wind and solar power.

### **Green bond issuance**

Green bonds are standard municipal bonds whose proceeds are used specifically to fund environmentally beneficial projects, as well as social and governance improvements.<sup>1</sup> These bonds can encompass not only climate-related issuers in public power, water and sewer, but also issuers in the education, health care and affordable housing sectors of the market.

Green-labeled issuance remains small. In 2017, there was \$12 billion of green bond issuance in the US municipal market, an increase of 85% over the \$6.5 billion of municipal green bond issuance in 2016.<sup>2</sup> Total par declined to \$4.9 billion in 2018 — a drop of 50% from 2017 and 33% less than was issued in 2016 — reflective of lower municipal issuance overall.

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### **Eaton Vance**

by Lauren Kashmanian

*Municipal Portfolio Manager  
Eaton Vance Management*

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