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Reed Smith: Green Bonds - How to Unlock Its Full Potential?

The green bond market is currently one of the fastest-growing fixed-income segments, with issuances tripling between 2013 and 2014. There is a sense of excitement and optimism surrounding the market – initially led and developed by the multilateral development banks (MDBs) and international financial institutions (IFIs), but now actively promoted, sponsored and supported by the private sector.

However, an estimated US\$65.9 billion worth of green bond issuance taking place in 2015 is merely scratching the surface for the potential growth in the green bond markets. If the target to limit the increase of average global temperatures to well below 2 degrees Celsius – as envisaged in the Paris climate change agreement – is to be met, it will only be possible with the use of climate finance, raised predominantly from the private sector, supporting the investments necessary to change the way in which we currently source our energy.

The purpose of this paper is to examine the current state of play for green bonds, and the impediments to unlocking that growth potential.

[Read the full Briefing.](#)

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