



The role of Green Bonds in financing climate change mitigation

“Cooling the climate debate” conference, Paris, 10/30/2015



Crédit Agricole fully committed to fighting climate change



Founding member of the Equator Principles



CSR policies for key sectors (energy, mining, transport, etc.)



Committed to facilitating the financing of more than USD 20bn of new climate financings by 2015



Decision to stop financing coal-fired power plants in high-income countries

The first private financial institution involved in the initiative for « Mainstreaming climate action within Financial Institutions »



Founding member of the Green Bond Principles



More than USD 30bn of Green & Sustainability Bonds structured by Crédit Agricole since 2010

Rewarded by several prizes



What is a Green Bond?



A standard Bond



A dedicated Use of Proceeds For Green Eligible Projects

MITIGATION



ADAPTATION



BIOVERSITY, ETC.



Clear Selection Process and Management of Proceeds



Reporting on the Use of Proceeds and when feasible on the environmental impact

In total (4 years) **800,000 tons** = CO₂ sink performance of a German commercial woodland the size of Berlin



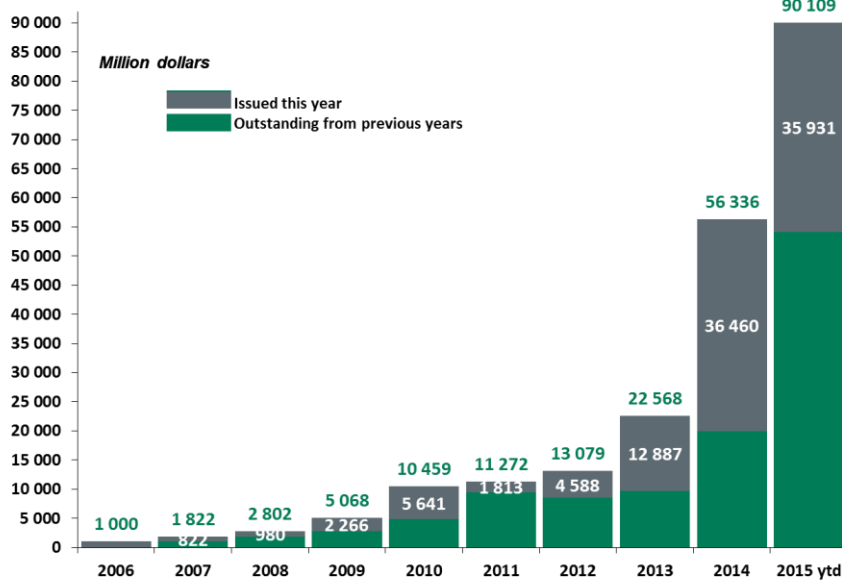
Green Bonds – Made by KfW

Impact of EUR 1 million investment	800 tons of GHG emission reductions (CO ₂ equivalents) per annum
	68.000 EUR of savings on energy imports to Germany and fossil fuel costs per annum
	9 jobs created and/or secured for one year

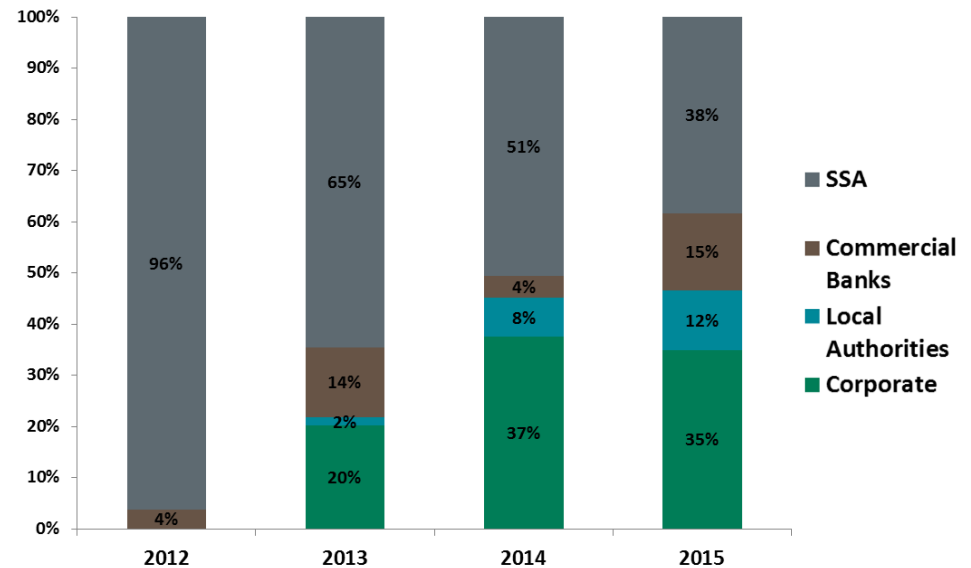
Growth of the Green Bond Market



■ Outstanding Amounts of Green & Sustainability Bond market



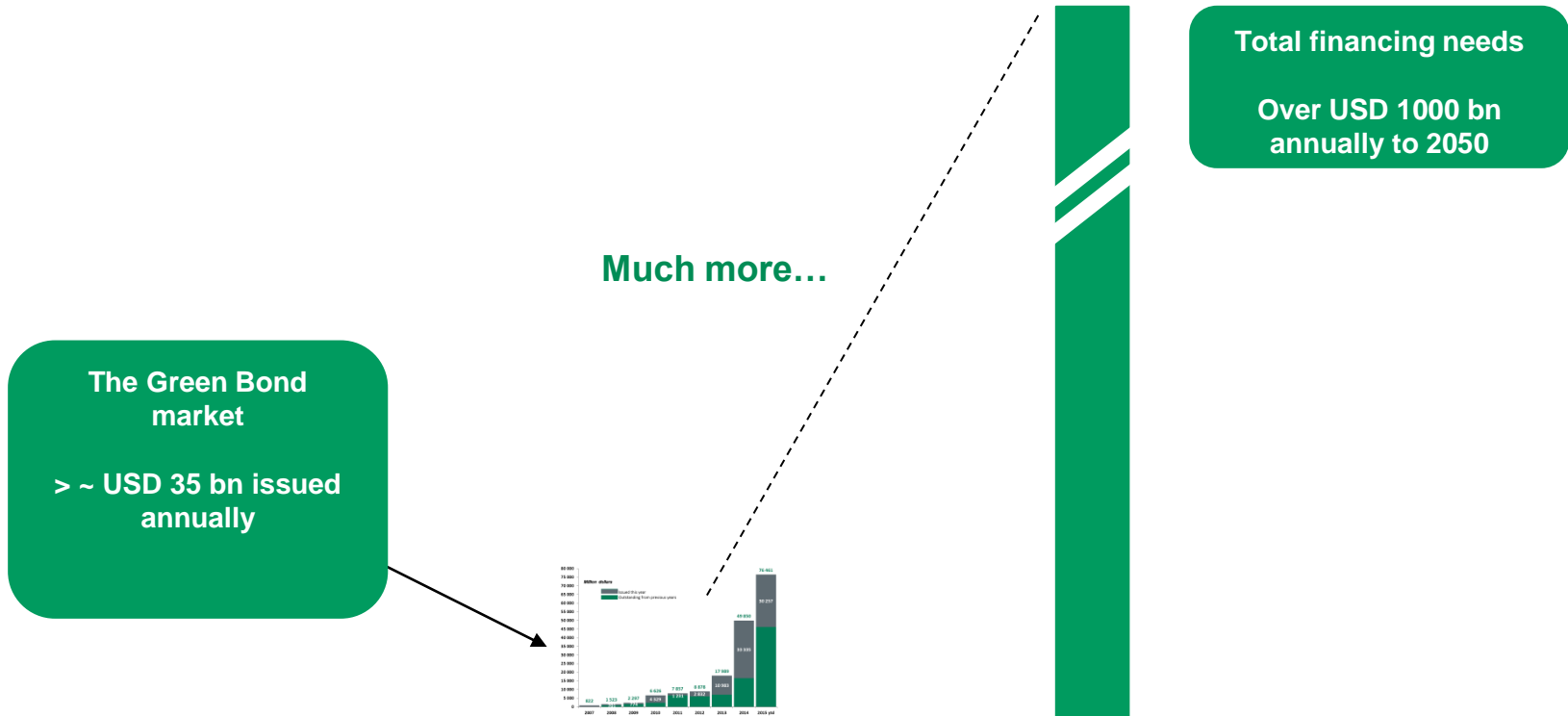
■ Percentage of total outstanding amounts by issuer types



But the market still needs to grow

Financing needs for Climate Change mitigation

- Various initiatives have tried to assess the global financing needs for climate change mitigation resulting in various estimates in an order of magnitude of eq. USD 1 trillion a year by 2050 to finance the low-carbon transition (McKinsey & Co, 2010, IEA, 2012...).

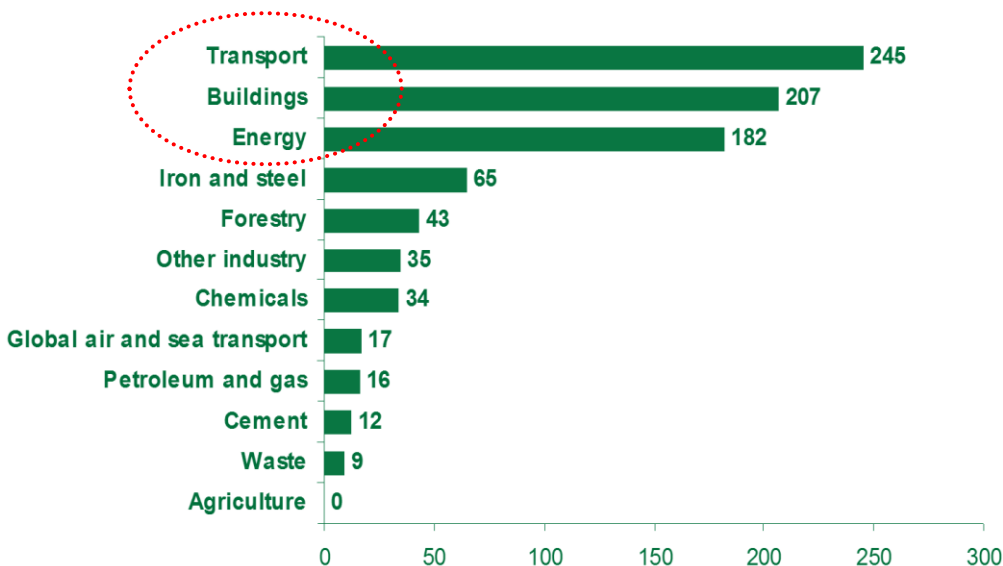


Debt is an important tool to finance climate change mitigation

- According to the investment requirements to reduce CO₂ emissions, the Green Bonds finance a wide range of asset types in key sectors: 3 examples of recent transactions.

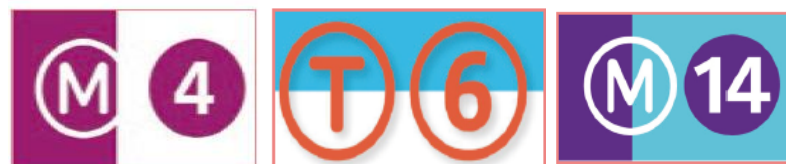
Investment requirements to abate CO₂ emissions of corporate companies

€ billion per year in 2030



Source: McKinsey (2010), *Global GHG abatement cost curve*

Région IdF, Sustainability Bond 2014, EUR 600m



ABN AMRO, Green Bond 2015, EUR 500m



EDF, Green Bond 2015, USD 1.25bn



A growing investor base



The Green Bond market needs many more investors on board to continue its development

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