

ALLEN & OVERY

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Women in Derivatives: Green Finance

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What is “Green Finance”?

- No commonly accepted definition of “green finance” exists to date—many wide-ranging views on what the term encompasses.
- The German Development Institute has proposed the following definition in an attempt to encompass most views:

Green finance comprises

- the financing of public and private green investments (including preparatory and capital costs) in the following areas
 - environmental goods and services (such as water management or protection of biodiversity and landscapes)
 - prevention, minimization and compensation of damages to the environment and to the climate (such as energy efficiency or dams)
- the financing of public policies (including operational costs) that encourage the implementation of environmental and environmental-damage mitigation or adaptation projects and initiatives (for example feed-in-tariffs for renewable energies)
- components of the financial system that deal specifically with green investments, such as the Green Climate Fund or financial instruments for green investments (e.g. green bonds and structured green funds), including their specific legal, economic and institutional framework conditions

Source: Nannette Lindenberg, German Development Institute, Definition of Green Finance (April 2014).

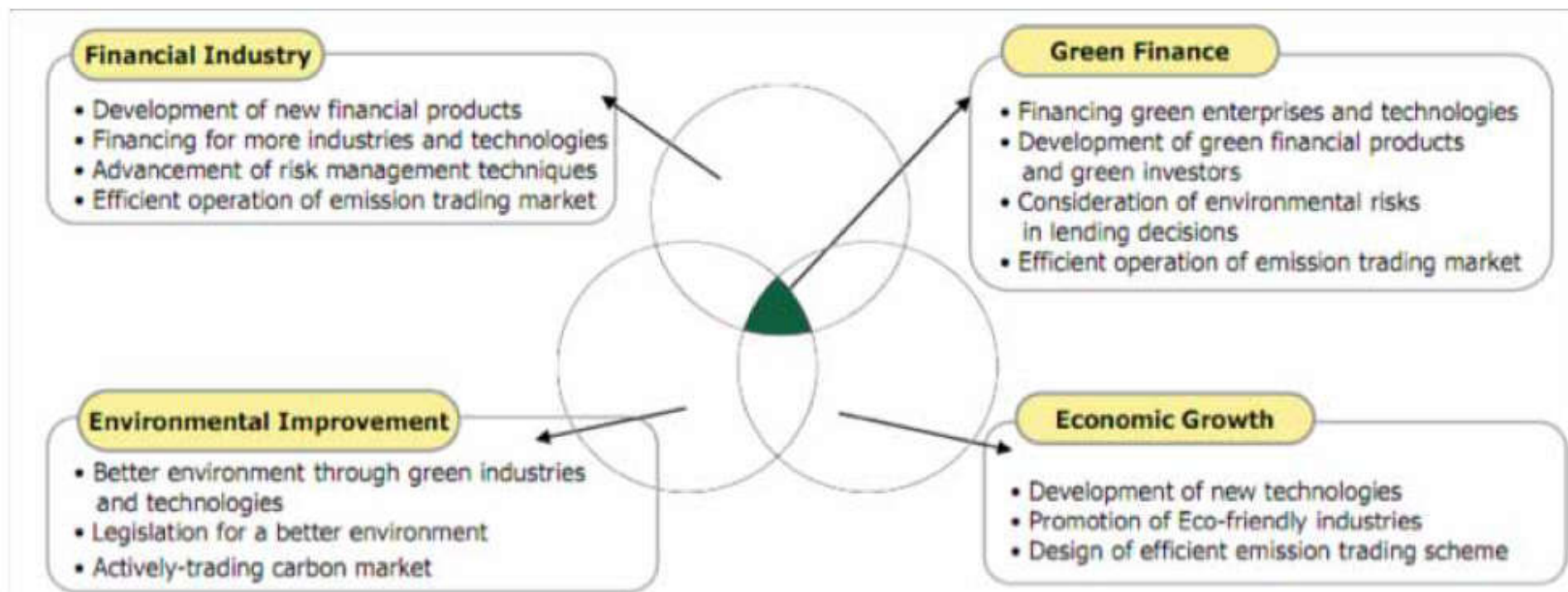
Green Investment Targets



Source: Nannette Lindenberg, German Development Institute, Definition of Green Finance (April 2014).

The Green Finance Interface

- Green finance spans many sectors and products:



Source: United Nations Economic and Social Commission for Asia and the Pacific, *Low Carbon Green Growth Roadmap for Asia and the Pacific: Fact Sheet (January 2012)*.

Green Finance Products

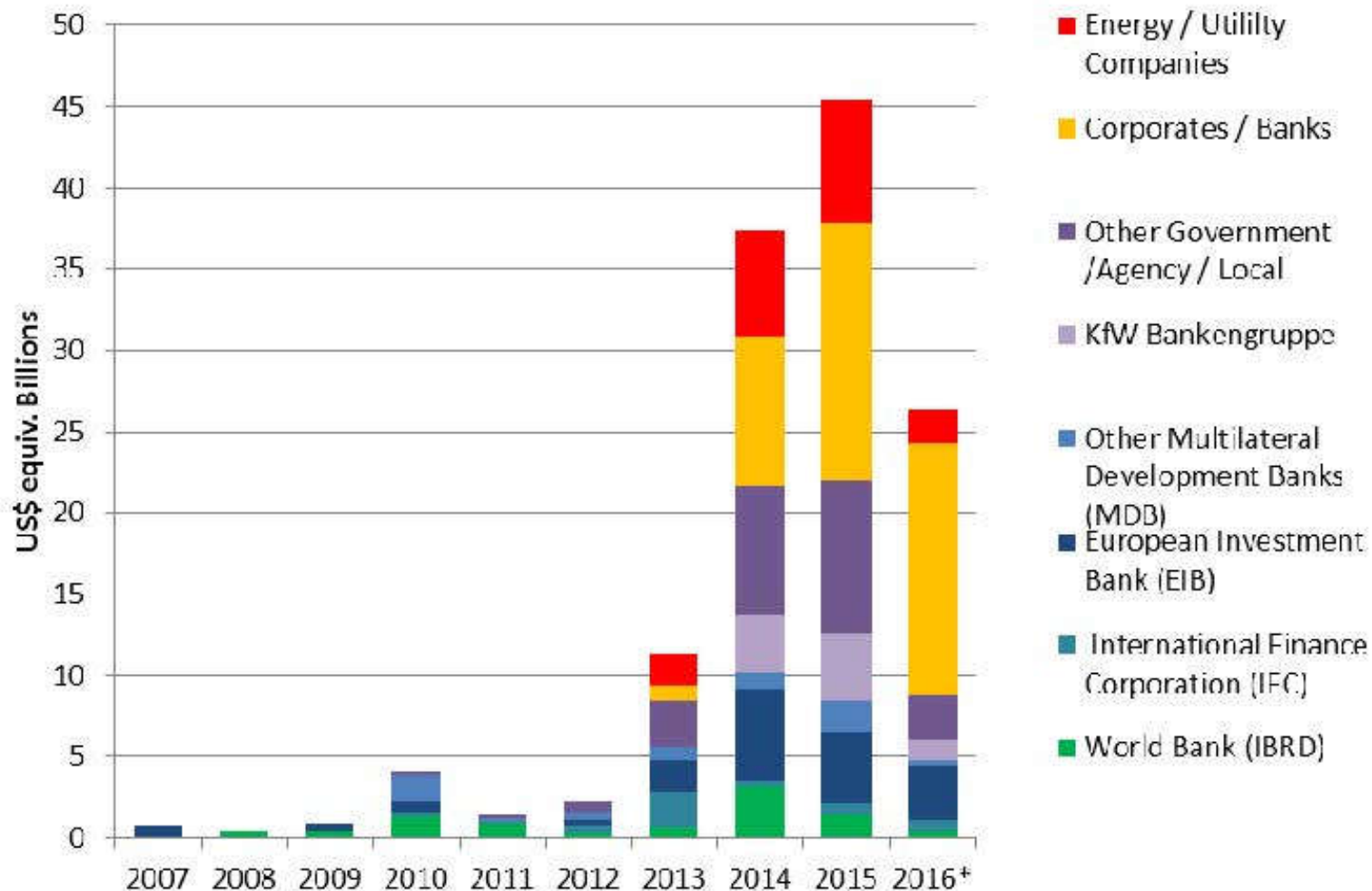


Source: United Nations Economic and Social Commission for Asia and the Pacific, Low Carbon Green Growth Roadmap for Asia and the Pacific: Fact Sheet (January 2012).

Growth of the Green Bond Market

World Bank (IBRD) has issued about USD 9 billion with over 120 green bond transactions in 18 currencies

Annual Green Bond Issuance By Issuer Type



* As of May 30, 2016

Source: Bloomberg, World Bank and other public sources