



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## **Treasurer's Office Releases "Green Bonds" Funding Report** *Treasurer John Chiang Is Exploring Possible Program Expansion*

**SACRAMENTO** –State Treasurer John Chiang on Monday released an initial report on the state's spending of nearly \$300 million in proceeds for environmental purposes, financed by a first-ever sale of "green bonds."

The 2014 general obligation bonds, tax-exempt securities backed by the full faith and credit of the state of California, completely or partially pay for a series of beneficial projects. The bulk of the \$291 million of disbursed funds has gone to mass transit projects in Los Angeles County and San Francisco. Other money is paying for the reduction of harmful emissions from heavy trucks throughout the state.

Smaller amounts are earmarked for clean water, protection of rivers, lakes and streams and forest and wildlife conservation. About \$8.4 million from last year's bond sale remains to be disbursed.

According to EconoTimes, an economics and business website, green bonds represented US \$37 billion in new issuance volume in 2014 – a ten-fold increase since 2010. Despite this recent jump in usage, green bonds have not yet reached a critical mass of the bond market. They currently constitute only 4.6% of US \$80 trillion in outstanding global fixed income securities, EconoTimes reported.

More analysis, fine-tuning and market research needs to be done before a green bond market can really take off, said Chiang.

"Greater use of green bonds could provide a secure and growing funding stream for governments and private industries to meet the challenge of curbing climate pollution," he said.

Those critical goals, he said, were underscored earlier this month in a landmark agreement signed in Paris by nearly 200 nations, including the world's two biggest emitters: China and the United States.

To that end, Chiang early next year plans to hold a cross-country, listening tour with meetings in San Francisco, New York City, Boston and Chicago with municipal bond retailers, environmental-friendly investors and large investment funds.

“We want to see what we can do at the California State Treasurer’s Office to unlock the potential of the green bond market and create a bigger market for these investment tools.”

Here is the link for the Treasurer’s [Green Bonds Report](#)

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