

## **NEWSLETTER GME – New issue now online**

Rome february 14<sup>th</sup> 2018 – The new issue of the newsletter of Gestore dei Mercati Energetici (Gme) is now online and can be downloaded from the website

[www.mercatoelettrico.org](http://www.mercatoelettrico.org) .

The newsletter opens with a speech by Chiara Proietti Silvestri from RIE on green finance 10 years after the first Green Bond launched on 5 July 2007 by the European Investment Bank. The analyst notes that *"in the last 10 years, the market has experienced an exponential growth: the value of certified green bond emissions has increased from about 800 million dollars to the record figure of 155 billion dollars in 2017 (+78% compared to 2016). An amount which is expected to rise if we also consider uncertified bonds: the estimates indicate an overall value of 895 billion dollars in 2017"*. At the country level, the United States is the largest contributor, followed by China and France. However, 2017 will be especially remembered for the growth that the issues of green government bonds have recorded. Proietti Silvestri admits that *"the first experimenters were Poland and France respectively in December 2016 and January 2017, with the latter that can boast the record of single sovereign green bond ever issued with a value of €9.7 billion"*, recalling that historically, among the investments of green finance, those in renewable energy have always been predominant compared to other sectors, even if with the growth of the market some interesting changes have been detected. The expert underlines that *"in 2017, renewables energies were again the main recipients of green investments (33%), however, they recorded a decrease of 5 % compared to the previous year. On the other hand, the field of energy efficiency and the low-environmental impact construction sector, recorded the fastest growth rates: in this area, funding were more than double compared to 2016, representing 29% of total investments"*. Italy joined the market in 2014 with the first green bond worth €500 million of the Hera Group and to date, another 8 market players joined, of which 5 in 2017. Proietti Silvestri explains that, however, *"the country is still behind the world rankings, being placed twelfth when it comes to the volume of green bonds"* even if *"2018 bodes well for a progressive increase in the exposure of Italian companies"*. Ultimately, the RIE analyst states that *"green finance is increasingly active and future prospects are optimistic. According to the CBI, the expansion of green bonds is expected to continue in 2018 for an estimated value of around 250-300 billion dollars by*



*the end of the year. However, the question that many ask is: will it be enough? The CBI has already warned that the current pace of growth of green bonds will not allow reaching the target defined by the 'Mission 2020 Milestone' ". In addition, despite the undoubted progress, "several aspects still need to be improved in the development of green finance, first and foremost the lack of uniform standards and certification criteria: this is considered one of the main obstacles for investors who need more transparency on destination of funds". Proietti Silvestri concludes by stating that "the game is then played on the credibility and the ability to correctly assess the real impacts of each funding, thus avoiding the risk of greenwashing. In this way, finance will definitively play the role that everyone expects: an irreplaceable ally for achieving the climate goals approved in Paris".*

The new issue also includes the usual technical commentaries on the markets and the national and European electricity and environment exchanges, the section devoted to the analysis of the trends of the Italian gas market and the section with an analysis on European trends, which delves into trends in key European commodities markets.

The GME's new publication also reports, as customary, the summary data of the electricity market for January 2018.

**Gestore dei Mercati Energetici S.p.A.**

Direzione Governance

Tel. +39 06 8012 4549

Fax. +39 06 8012 4519

[governance@mercatoelettrico.org](mailto:governance@mercatoelettrico.org)

[www.mercatoelettrico.org](http://www.mercatoelettrico.org)