

Ontario Green Bond Framework

Vision Statement

Ontario green bonds are used to finance projects that promote environmentally friendly projects (mainly infrastructure) across the Province and mitigate or adapt to the effects of climate change.

Eligible Projects

“Eligible Projects” means projects (mainly infrastructure) funded by the Province that have environmental benefits, exclusive of fossil fuel and nuclear energy projects.

Eligible Projects are located throughout Ontario communities and align with the Province’s environmental and climate change policies.

Without limitation, projects in the following sectors will generally be considered eligible:

1. Clean Transportation

Like funding of public transit initiatives

2. Energy Efficiency and Conservation

Like public sector building efficiency improvements including health and education related projects, and buildings which meet regional, national or internationally recognised building codes

3. Clean Energy and Technology

Like smart grid infrastructure and energy storage, and renewable investments including production, transmission, appliances and products

4. Forestry, Agriculture and Land Management

Like sustainable forest management, farming practices such as environmentally sustainable agriculture, climate smart farm inputs such as biological crop protection or drip-irrigation, and the preservation and restoration of natural landscapes

5. Climate Adaptation and Resilience

Like flood protection and stormwater management, extreme weather resistant infrastructure and municipal infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and other forms of flooding mitigation

Selection of Eligible Projects

The selection of Eligible Projects is done on behalf of the Province by staff of the Ontario Financing Authority (OFA) on the advice of the Province’s Green Bond Advisory Panel (GBAP). GBAP will screen and evaluate projects. It is comprised of staff from various ministries and agencies, including the Ministry of the Environment, Conservation Parks and the OFA.

Transparency

An amount equal to the net proceeds of each green bond issue will be recorded in a designated account in the Province's financial records which tracks the use of and allocation of funds for Eligible Projects.

So long as the account has a positive balance, amounts are deducted from the balance of the designated account as funds are allocated to Eligible Projects which have obtained approval.

The OFA will provide an annual newsletter to investors on its website including:

- Eligible Projects connected with green bond issues and deductions of amounts from the designated account balance;
- project updates and status reports for Eligible Projects;
- performance indicators; and
- a summary of the Province's green bond developments including existing and future projects.