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Green Bond Best Practice Guide Released for Public Sector.

New guide from the Climate Bonds Initiative and UNEP to help governments boost private sector climate finance

A [best-practice guide on green bond policy](#) has been launched in a bid to inform the public sector about how best to scale up funding for green markets.

The report, launched by the Climate Bonds Initiative and the United Nations Environment Programme (UNEP) Inquiry into the Design of a Sustainable Financial System, includes action plans and best-practice examples from around the world.

An annex from the World Bank Group is also provided to help policy makers in emerging economies develop foundational bond markets.

“This guide can help the public sector in translating aspects of their national INDC [climate action] objectives into climate finance outcomes,” said Sean Kidney, chief executive of the Climate Bonds Initiative, in a statement. “Adding green bonds into the climate finance mix can help the shift of capital to low-carbon projects, infrastructure and climate-resilient development.”

The scale of finance needed to meet various national climate pledges made at the Paris Summit – which are already set to raise the global temperature well above the 2°C UN benchmark to 2.7°C by the end of the century – is enormous, with India’s INDC alone needing \$2.5tr in investment before 2030. Green bonds are seen by some as one of the best ways to finance low-carbon and climate-resilient infrastructure projects while also allowing countries to develop their capital markets.

Nick Robins, co-director of the UNEP Inquiry, said the green bond market has caught the attention of policy makers at the climate summit in Paris.

“At COP21 many discussions have centred around climate finance and the level of investment needed to bring about low-carbon outcomes,” he said in a statement. “Green bond market development is seen as a real option.”

The report sets out a three-point action plan where governments are advised to establish a green infrastructure planning agency, develop a three to five-year green investment pipeline to excite investors, and kick-start domestic markets using demonstration green bonds and investment.

“There are increasingly examples of governments moving from interest to action,” said Robins, pointing to the range of policy proposals for green bonds published by China’s central bank and the recent issuing of green bond guidelines by India’s capital markets regulator SEBI.

Around \$40bn of green bonds have been issued so far in 2015, making it the largest ever year of issuance.

By Jocelyn Timperley | 10 Dec 2015

