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Harvard Issues First-Ever Green Bonds to Finance Campus Construction Projects.

Harvard issued its first-ever green bonds — debt instruments that align with international sustainability standards — earlier this month.

The \$250 million bonds will finance and refinance projects including Harvard's newly-constructed Science and Engineering Complex, estimated to cost around \$1 billion, along with the ongoing renewal of Adams House and renovation of Soldiers Field Park, which will cost at least \$600 million combined.

The borrowing marks the first time an outside firm has verified the University's compliance with the 2021 Green Bond Principles, a global framework that encourages environmental sustainability and development in debt capital markets.

The principles, set by the International Capital Market Association, "outline best practices when issuing bonds serving social and/or environmental purposes through global guidelines and recommendations that promote transparency and disclosure, thereby underpinning the integrity of the market," according to ICMA's website.

Sustainable measures for capital projects could include renewable energy, green equipment, energy-efficient transportation systems, and the usage of environmentally-friendly building materials.

The 544,000-square-foot SEC, which opened in fall 2021, received two environmental distinctions: the Leadership in Energy and Environmental Design platinum status — the highest distinction offered by LEED — and the Living Building Challenge Petal certification. To attain Petal certification, the SEC was monitored for a year and had to pass three sustainability performance areas, or "petals."

University spokesperson Jason A. Newton wrote that the borrowing is in line with Harvard's own sustainability goals.

"The purpose of the bond offering includes support for maintenance and investment in Harvard's physical campus, including creating capacity for initiatives related to Harvard's Climate Action Plan" he wrote.

Harvard's climate action plan includes targets for campus operations to be fossil-fuel neutral by 2026 and fossil-fuel free by 2050. The University, however, has yet to release updated environmental targets after its first sustainability plan — announced in 2014 — lapsed last year.

The tax-exempt, 10-year bonds were verified by Kestrel Verifiers — a company that conducts external reviews for public finance projects — on April 6 and subsequently issued on April 20.

The bonds will close on May 17, 2022.

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