

Climate Bonds Launches New China Report

Facilitating Cross-Border Capital Flows to Grow the China Green Bond Market

LONDON/SHANGHAI: DECEMBER 01/12/17: 00:00 GMT: Climate Bonds Initiative & the Lujiazui Green Finance Development Committee will today launch *Facilitating Cross-Border Capital Flows to Grow the China Green Bond Market*. This ground breaking [new report](#) explores the challenges of increasing inter-country capital flows into China's green bond market and puts forward potential measures and solutions to facilitate capital investment that supports the expansion of green finance and the green bond market.

Produced in partnership with China Chengxin Credit Rating Group (CCX) and with the support of the Foreign and Commonwealth Office (FCO) and assistance of UK and Chinese organisations including the International Green Finance Institute (CUFE) and the London Stock Exchange Group (LSEG) the report is a detailed examination of the steps required to green the third largest bond market in the world and support the transition towards a low carbon growth path and green economy.

Written in both [Chinese](#) and [English](#), *Facilitating CrossBorder Capital Flows to Grow the China Green Bond Market* identifies a range of challenges and barriers to offshore green bond issuance and international investors considering onshore green bonds, ranging from lack of market knowledge to definitional differences and disclosure.

The report's recommendations are divided into three key areas-

Market Education and Information Sharing:

- Raising Chinese issuers' awareness of green bond opportunities through market education activities and demonstration issuance
- Improving international investors' understanding of China's green bond market through investor roadshows and engagement platforms
- Developing green bond database, indices and ETFs

Guidance and Incentives:

- Establishing and using internationally accepted green bond standards and Certification schemes
- Simplifying approval process for green bond issuers
- Providing guidance on reporting and disclosure
- Providing clearer policy guidance on market entering schemes
- Providing clear policy signals and guidance on capital flow to manage investors' perceptions

Market Infrastructure:

- Developing RMB hedging instruments
- Improving domestic credit rating practice
- Opening the market to international credit rating agencies

Sean Kidney, CEO Climate Bonds Initiative:

“China leads global green bond issuance in 2017 but the need to accelerate global capital flows and green investment remains. Investment levels at the hundred billion need to move towards the trillion as we approach the 2020 and the new decade.”

“This report provides a series of policy recommendations that can harness increased global investment towards the environmental improvements, clean energy and green infrastructure that China needs to reach its climate, emissions and sustainable development targets.”

“Facilitating cross-border capital flows is critically important for China's green finance development and growth. We need to deepen international investors' understanding of the green bond market in China.”

“Lujiazui Financial City in Shanghai is a significant Chinese gateway connecting domestic financial markets with international capital. It can play a positive role in attracting overseas investment that supports China's transition to a low-carbon and climate-adaptive economy.”

SHEN Shuangbo, Vice President of China Chengxin Credit Management Co., Ltd (CCX):

“With China's bond market being more internationalised, it is increasingly important to further scale up its green bond market and connect international green investors to the growing green assets in China.”

“As an independent and professional green finance consulting organisation, CCX maintains a deep collaboration with CBI. We will further strengthen our partnership and work together to conduct research on green finance in China, and align green bond verification practices with international standards.”

“Based on our efforts in China and in the international market, we both hope to further grow China's green bond market and facilitate international cooperation and investment.”

Mr ZHOU Haidong, Secretariat of Lujiazui Financial City Committee:

“The launch of this report reflects China's huge progress and global leadership in green finance and green economic development. With our highly concentrated financial institutions, resources and experts based in Lujiazui Financial City we are a pilot for China green finance reform and innovation.”

“We are developing the ‘Lujiazui Green Finance Development Platform’, and making every effort to transform green finance momentum into actions. Our goal is to build Lujiazui Financial City as a centre of green projects, green capital flows and green financial product innovations.”

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Notes for Journalists

About Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy.

It undertakes advocacy and outreach to inform and stimulate green bond markets, provides policy models and government advice, international development programs, market data and analysis and administers the Standards & Certification Scheme. For more information, please visit www.climatebonds.net.

About the Report: *Facilitating CrossBorder Capital Flows to Grow the China Green Bond Market* has been produced by the Climate Bonds Initiative with Partner organisation China Chengxin Credit Rating Group (CCX) with the support of the Foreign and Commonwealth Office (FCO).

Assistance was also provided by London Stock Exchange Group, International Institute of Green Finance (CUFE), CCDC, IFC, Qianhai Financial Holdings (QFH) Affirmative Investment Management (AIM), China Green Finance Committee and Lujiazui Green Finance Development Committee.

Facilitating CrossBorder Capital Flows to Grow the China Green Bond Market is written in both English and Chinese, [download here](#).

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