

Teaming up for low-carbon finance: WBCSD and the Climate Bonds Initiative (CBI) join forces on green bonds

Geneva/London, February 29, 2016: 10:00 UCT. The Climate Bonds Initiative (CBI) and the World Business Council for Sustainable Development (WBCSD) today announced a new partnership designed to drive the development of low-carbon finance that can help address sustainability and climate challenges.

The organizations have signed a Memorandum of Understanding (MoU) agreeing to work together on the development of the corporate green bond market. Green bonds are used to fund projects with a positive environmental or climate benefit, however the corporate green bond market is still relatively small. In 2015, corporates issued USD 13.6 billion compared to overall green bond issuance during the year of approximately USD 41.8 billion.

The participation of the finance sector is a critical element of accelerating the transition to a low-carbon economy. New financial instruments are needed in order to mobilize the capital that will implement low-carbon and climate-resilient solutions at scale, and within the timeframe set by the Paris Agreement.

Since 2007 the overall green bond market has demonstrated a compound annual growth rate of 50%, proving that it is an efficient capital intermediary between green/climate projects and investors. WBCSD and CBI believe that the corporate market will gain further scale once the benefits of green bonds are better understood and the lower financing costs outweigh verification and reporting efforts.

In addition, developing robust, liquid and transparent green bond markets will help to drive down the cost of capital for low-carbon projects across both established and emerging economies.

Peter Bakker, President and CEO of WBCSD said “Green finance is a critical part of the transition to a low-carbon economy, and we have an exciting opportunity to support the development of that market through this partnership. With CBI we aim to uncover new avenues for collaborating with the finance sector on sustainable development. The post-Paris world shows that the momentum for a low-carbon economy is undeniable, and coupled with worldwide initiatives such as the [Low Carbon Technology Partnerships Initiative](#) (LCTPi) that will require low-carbon investment, this agreement has the potential to be transformational.”

Sean Kidney, CEO Climate Bonds Initiative said “We are the largest independent green bond organisation, and partnering with a sustainability leader like the WBCSD is exactly the right way to move the post-COP21 business environment forward. This partnership presents a significant opportunity to drive the development of corporate green bonds to help address worldwide sustainability and climate challenges. The MoU provides a substantive foundation for cooperative projects to mobilise the finance sector in the development of green finance solutions that support the low-carbon business and economic transition.”

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Notes to Editors

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's the only organisation in the world focusing exclusively on mobilizing the \$100 trillion bond market for climate change solutions. Climate Bonds operates in partnership with a wide variety of organizational partners. Partners assist in developing initiatives to grow investment in climate solutions, participate in different market development committees & help define policy agendas for sector, country & sub-national programs.

About the World Business Council for Sustainable Development (WBCSD)

The World Business Council for Sustainable Development (WBCSD), a CEO-led organization of some 200 forward-thinking global companies, is committed to galvanizing the global business community to create a sustainable future for business, society and the environment. Together with its members, the Council applies its respected thought leadership and effective advocacy to generate constructive solutions and take shared action. Leveraging its strong relationships with stakeholders as the leading advocate for business, the Council helps drive debate and policy change in favour of sustainable development solutions.

About LCTPi

The [Low Carbon Technology Partnerships Initiative](#), a joint initiative with the IEA, SDSN and led by WBCSD, recognizes that the transition to a low-carbon economy is business's biggest opportunity for the foreseeable future. Over 150 companies and 70 partners are using LCTPi as a collaborative platform to develop implementation plans that scale low-carbon solutions across nine areas including climate smart agriculture, renewable energy, energy-efficient buildings, low-carbon freight, low-carbon transport fuels, forests and forest products as carbon sinks, carbon capture and storage, chemicals, and cement.
