



Programmatic Certification

Streamlining Green Issuance for Multiple Bond Issuers March 2019

Frequently Asked Questions

What is Programmatic Certification?

Climate Bonds Programmatic Certification is a **streamlined** process for obtaining Climate Bonds Certification. It involves the Verification of a large pool of **eligible** assets in anticipation of a multiple green bond issuance programme.

The designated asset pool is verified and repeat Certified issuance can be made at the Issuer's discretion. The independent Verifier provides annual Verification to ensure that the bonds and the overall programme continue to meet the requirements of the Climate Bonds Standard.

Who should adopt Programmatic Certification?

Large or **repeat** bond issuers with established debt capital raising programmes and capability. These may be banks, insurers, public or private utilities, listed corporates or listed or unlisted infrastructure debt managers.

It is particularly useful for issuers with a large portfolio of assets who are looking to follow international best practice in green debt issuance and demonstrate to investors their commitment to low carbon investment in line with the goals of the Paris Climate Agreement.

Is Programmatic Certification different from basic Certification?

The basic Certification process involves both pre-issuance and post-issuance Verification on each individual issuance to receive Certification.

Programmatic Certification requires pre-issuance and post-issuance Verification for the first bond issued under the programme and subsequently requires annual Verification for the duration of the programme.

Programmatic removes the pre-issuance step on individual bonds ensuring a smoother internal process whilst maintaining the integrity of the Certification process.

Does the Issuer have to have a minimum number of future planned issuances to be part of Programmatic Certification?

As a guideline, though this is not a requirement, it is expected that the Issuer will plan to issue bonds at least **once a year**. If the Issuer plans to issue less frequently, it is more suited for the Issuer to use the basic Certification route for individual bond issuances.

Can the Issuer change the asset pool after it received the initial Certification?

Yes, the asset pool may change over time.

The Issuer can add or subtract projects and assets from the portfolio. Whether the portfolio changes or not, each bond and the pool of projects and assets will be reviewed by the Verifier annually, to see if it complies with the Climate Bonds Standard.

What are the Costs of Programmatic Certification?

Climate Bonds Programmatic Certification costs are less than basic Certification costs, as the eligible asset pool from which bonds may be issued is identified and assessed at the beginning of the programme. This results in a cost reduction when compared to the verification costs associated with a series of individual or one-off certifications by issuers with large asset pools or ongoing plans for green issuance.

The Certification Fee is invoiced for each individual bond issuance under the programme, which is 1/10th of a basis point of the size of the bond. For example, the Certification Fee for each issuance of a \$100 million bond under Programmatic Certification is \$1000.

Does the Issuer have to have a minimum size of bond issue to be part of Programmatic Certification?

There is no minimum. An example is New York State Housing Finance Agency (HFA) that has issued 11 bonds of multiple denominations; all lower than benchmark size.

High-Profile Large Issuers



Westpac Australia

One of Australia's 'Big 4 Banks', Westpac has issued multiple Certified bonds to date. They have been using Programmatic Certification since 2017, also including the newly launched Green Tailored Deposit.



Société du Grand Paris

A EUR 5 billion Green EMTN bond programme, multiple bonds already Certified under Programmatic Certification; One of the largest sustainable development projects in Europe worth EUR 35 billion, aimed for 2030s.



San Francisco Public Utilities Commission













A government authority, SFPUC provides retail drinking water & wastewater services to the City of San Francisco. Multiple bonds under Programmatic Certification since 2016, using the Climate Bonds Water Infrastructure Criteria.



New York State Housing Finance Agency

Financing energy efficient buildings across New York State to provide affordable housing for families; Programmatic Certification is awarded under Climate Bonds Low Carbon Buildings Criteria since 2016.

Green Issuers using Programmatic Certification March 2019

Issuer	Sector	Country	Total USD million
1. New York State Housing Finance Agency's (HFA)	Buildings 	US	998.5
2. Société du Grand Paris (SGP)	Transport 	France	2090
3. Contact Energy	Geothermal energy 	New Zealand	1330
4. New York Metropolitan Transport Authority (MTA)	Transport 	US	6182
5. Westpac	Multiple Sectors 	Australia	1090
6. San Francisco Public Utilities Commission (SFPUC)	Water 	US	1412
7. Bay Area Rapid Transit (BART)	Transport 	US	570
8. National Australia Bank (NAB)	Multiple Sectors 	Australia	2010
9. Tcorp New South Wales	Water & Transport 	Australia	1300
10. City & County of San Francisco	Transport 	US	171
11. SNCF Réseau	Transport 	France	3513
12. Queensland Treasury Corp	Multiple Sectors 	Australia	577

Billions under Programmatic Certification, and the list keeps growing



How can you find out more?

Call us for a chat...

We are happy to connect you with other issuers who can share their experiences with Programmatic Certification.



Matteo Bigoni

Certification Manager Climate Bonds Initiative
matteo.bigoni@climatebonds.net
certification@climatebonds.net

© Climate Bonds Initiative, March 2019

Disclaimer: The information contained in this communication does not constitute investment advice in any form and the Climate Bonds Initiative is not an investment adviser. Any reference to a financial organisation or debt instrument or investment product is for information purposes only. Links to external websites are for information purposes only. The Climate Bonds Initiative accepts no responsibility for content on external websites. The Climate Bonds Initiative is not endorsing, recommending or advising on the financial merits or otherwise of any debt instrument or investment product and no information within this communication should be taken as such, nor should any information in this communication be relied upon in making any investment decision. Certification under the Climate Bond Standard only reflects the climate attributes of the use of proceeds of a designated debt instrument. It does not reflect the credit worthiness of the designated debt instrument, nor its compliance with national or international laws. A decision to invest in anything is solely yours. The Climate Bonds Initiative accepts no liability of any kind, for any investment an individual or organisation makes, nor for any investment made by third parties on behalf of an individual or organisation, based in whole or in part on any information contained within this, or any other Climate Bonds Initiative public communication.