

Climate Bonds Guide to Certification

USE OF PROCEEDS DEBT INSTRUMENTS



Climate Bonds ^{INITIATIVE}



SHOW YOUR CREDIBILITY WITH **CLIMATE BONDS CERTIFICATION**

The [Climate Bonds Standard and Certification Scheme](#) is a voluntary labelling scheme for investments that address the challenge of climate change, and are consistent with the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

Launched in 2012, the Standard was initially designed as a mechanism to support confidence in the climate change action credentials of green bonds and other debt instruments and to provide a tool to allow quick investment decision making. Climate Bonds have Certified over USD270bn of Use of Proceeds Green Bonds since the launch of the Certification Scheme.

The latest [Standard](#) expands Certification coverage to general purpose instruments, such as Sustainability-linked debt instruments, Assets and Entities. [Certification](#) under this Standard confirms that debt instruments, assets, or entities meet [Criteria](#) published under the Climate Bonds Standard. Transparently developed scientific criteria underpin the Scheme and independent assessment is provided by a network of Climate Bonds Approved Verifiers.

An international independent Climate Bonds Standard Board, comprised of institutional investor representatives and reporting to the Trustees of the Climate Bonds Initiative, provides oversight and a strong governance framework for the Scheme.

Benefits of Certification



The Certification label is an endorsement of the green credentials of the Use of Proceeds.



The science-based eligibility criteria are developed through a rigorous process, demonstrating credibility and robustness.



Certification increases visibility to investors.



A globally recognised symbol of best practice in green finance.



Clearly demonstrates to the market that the Certified green assets meet the highest standards for climate integrity.



Enhanced reputation benefits for Issuers, Companies or Asset owners.



Certification confirms alignment with the ICMA Green Bond Principles.

USE OF PROCEEDS CERTIFICATION



The proceeds of these debt instruments are allocated to specific assets, activities, or expenditures which align with the Climate Bonds [Sector Specific Criteria](#).



Issuers of Certified Use of Proceeds debt instruments need to comply with specific requirements at both the Pre-Issuance stage prior to issuance of the instrument, and at the Post-Issuance stage to confirm the validity of the Certification label.



Issuers can also apply for Retroactive Certification at any time while the debt instrument is outstanding. Programmatic Certification is available for frequent issuers of Certified Debt Instruments.



Assets that are already aligned with 1.5 degree pathways qualify for aligned Certification. This category includes both those already near net-zero and those above net-zero but within sectoral 1.5 degree pathways and transition plans that predict alignment with those pathways going forward.

Certification is available for Single Use of Proceeds debt instruments, as well as for a Series of issuances (Programmatic UoP):

	Use of Proceeds (UoP)	Programmatic UoP
Certification attaches to	Single UoP debt instrument.	Each debt instrument in a series of regular UoP debt instrument issuances under a single Certification Agreement.
Suitability	Issuers of Bonds the proceeds of which will be used to fund specific green or transition assets or projects eligible under the Climate Bonds Eligibility Criteria.	Issuers of Bonds the proceeds of which will be used to fund specific green or transition assets or projects eligible under the Climate Bonds Eligibility Criteria.
Eligibility rules	Proceeds to finance Capex and Opex for assets or projects fully eligible under Sector Specific criteria. Process aligned with ICMA Green Bond Principles.	Proceeds to finance Capex and Opex for assets or projects fully eligible under Sector Specific criteria. Process aligned with ICMA Green Bond Principles.
Validity of certification	Term of bond.	Term of each bond in the program.
Types of instruments that can be certified	Any type of debt instrument irrespective of tenor.	Any type of debt instrument irrespective of tenor.
Regularity of verification	At Pre-issuance and post-issuance at full allocation.	At Pre-issuance of the first instrument in the program and then annually for the duration of the program.
Examples	Certification of a bond raised to develop a solar farm or to build a cement manufacturing facility eligible under the Sector Eligibility Criteria.	Programmatic certification may apply to a bank which regularly issues different types of instruments (bonds, Commercial paper, green deposits) against a pool of green loans or to a company constructing electric passenger train infrastructure over several years.
Safeguards on wider entity	No.	No.

CERTIFICATION **PROCESS**

Use of Proceeds (UoP) debt instruments

Pre-issuance application for certification:

1. Green Bond Framework
2. Certification Agreement
3. Certification Information Form (CIF)
4. Verification Report

Submitted to CBI

**Certification
Awarded by
Climate Bonds**



Bond is Issued

24 months to 5 years

Post Issuance
Verification Report

**Certification
confirmed by
Climate Bonds**



New Issuances
in the year?

YES

Issuer submits
new CIF

**Certification
of new bonds
Awarded by
Climate Bonds**



Annual post-issuance
verification for
new bonds

Annual Report
by Issuer

Have all the
Bonds in the
Program matured?

NO

YES

**End of
process**

Certification is confirmed or awarded

Decision

Documents



Contact us

Contact email for Certification Team: certification@climatebonds.net

Detailed requirements information on Certification can be found on the Climate Bonds website: <https://www.climatebonds.net/certification>

Climate Bonds INITIATIVE



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Certification under the Climate Bond Standard relates exclusively to the conformity of one or more designated debt instruments, designated assets and/or designated entities with the applicable Climate Bonds Standard at the time of certification. Certification under the Climate Bond Standard carries no implication (and should not be understood as carrying any implication) as to any other aspect of any debt instrument or investment product or any collection of debt instruments or investment products or any asset or entity or group of assets or entities or as to continuing conformity at any time after the time of certification. In particular, such certification carries no implication (and should not be understood as carrying any implication) that any stated target has been or will at any time be met or that any particular legal or regulatory requirement has been or will be satisfied.

The Climate Bonds Initiative is not endorsing, recommending or advising on the financial merits or (subject to the previous paragraph) any other aspect of any debt instrument or investment product or any collection of debt instruments or investment products or any asset or entity or group of assets or entities and no information within this document should be taken as such, nor should any information in this document be relied upon in making any investment decision.

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