

China debuts landmark sovereign green bond on global stage

Finance Ministry takes green bond push to London Stock Exchange

Key Highlights:

1. Deal worth up to USD824m of yuan-denominated sovereign green bonds.
2. First bond of this type issued offshore by Chinese finance ministry.
3. Funds will contribute to mitigation and adaptation, natural resource protection, pollution control and biodiversity preservation.

LONDON 4/4/2024 12:00 GMT: China's Ministry of Finance (MoF) issued its debut sovereign green bond, denominated in Chinese currency to the value of USD824m, on the London Stock Exchange. This is China's first green sovereign bond, and its first sovereign bond issued overseas.

The plan for the green bond was first announced in January after a meeting in Beijing between China and U.K government representatives. In February, the MoF released a sovereign green bond framework, detailing that funds raised will contribute to mitigation and adaptation, natural resource protection, pollution control and biodiversity preservation.

In 2014 Climate Bonds CEO Sean Kidney was part of a Chinese central bank task force that recommended the creation of a green bonds market. Since then, the domestic green bonds and finance market has grown to be one of the world's largest, and a major tool to achieving the country's carbon neutrality goals.

Wenhong Xie, Head of China Programme, Climate Bonds Initiative said: "We are thrilled by China's inaugural green sovereign bond issuance in London, a landmark event that propels the global green finance agenda forward."

"Backed by sovereign credit and aligned with environmental goals, this issuance meets the rising global demand for sustainable assets while enhancing cross-border investment through high transparency and adherence to international standards. It also sets a pricing benchmark for RMB green bonds, encouraging local governments, financial institutions, and corporations to leverage the green bond market."

"This issuance will help attract international investment into critical sectors and climate resilience projects, broadening financing channels for China's green initiatives."

This alignment comes at a seismic point for the markets, with sustainable debt volume aligned with Climate Bonds definitions about to hit the USD6tn milestone.

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About the Climate Bonds Initiative: Climate Bonds is the leading international non-governmental organisation mobilising global capital for climate action. We drive the growth of the green and sustainable debt market through science-aligned frameworks including our taxonomies and standards, our Certification, our data and insights, and our provision of expert policy and technical advice. More information on our website [here](#).

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