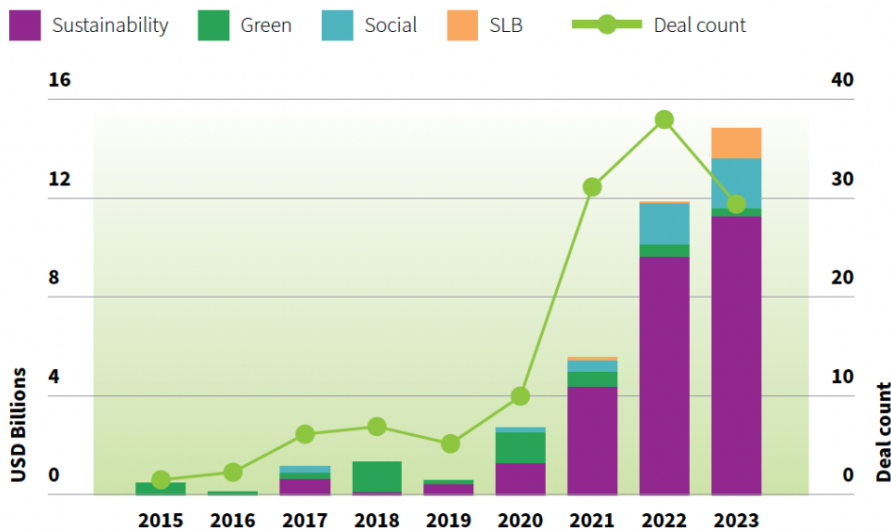


Mexico accumulates USD38.3 billion in thematic bonds until 2023

Public and Private Sector Issuances have grown consistently since 2019

28/08/2024, Mexico City, Mexico – Climate Bonds Initiative, in collaboration with the LAGreen Fund, with the financial assistance of the European Union, announces the "[Mexico Sustainable Debt State of the Market 2023](#)" report. The launch of this report was made possible thanks to the collaboration and continued support of BIVA, which hosted the launch event. The study details an impressive USD38.3bn of cumulative issuance of Green, Social, Sustainability, and Sustainability-Linked Bonds (GSS+) aligned with Climate Bonds' screening methodologies issued in the country by the end of 2023. This represents a 25% year-over-year (YoY) increase, underlining Mexico's position as the second largest market for labelled bonds within Latin America and the Caribbean (LAC).

Chart 1: Aligned GSS+ volume from Mexico GSS+ has grown consistently since 2019¹⁴








Source: Climate Bonds Initiative

Key Findings:

- **Market Leadership:** In 2023, Mexico's GSS+ bonds issuance reached USD14.7bn in alignment with Climate Bonds' screening methodologies, which represents 25% increase in aligned volume. This solidifies Mexico's leading position in the LAC sustainable finance market, representing 21% of the region's total cumulative volume by the end of 2023.
- **Sovereign and Development Bank Contributions:** Significant contributions came from sovereign issuers and development banks, with the public sector accounting for 75% of the total volume. The Mexican government issued 14 sustainability deals worth

USD13.3bn, while the local development bank Banobras issued 17 deals totaling USD4.5bn of cumulative issuance.

- **Sectoral Opportunities:** The report highlights substantial investment opportunities in the circular economy, sustainable infrastructure, low-carbon buildings, transportation, and nature-based solutions such as reforestation and sustainable land management which could be aligned with the Mexican Sustainable Taxonomy.

| Aligned Mexican GSS+ scorecard (USD) | | | | | |
|--------------------------------------|--|---|---|--|---|
| |  Green |  Social |  Sustainability |  SLB |  GSS+ total |
| 2015–2019 | 2.2bn | 229m | 1.3bn | N.A. | 3.7bn |
| 2020 | 1.3bn | 148m | 1.3bn | N.A. | 2.7bn |
| 2021 | 600m | 479m | 4.3bn | 72m | 5.5bn |
| 2022 | 511m | 1.6bn | 9.5bn | 51m | 11.7bn |
| 2023 | 304m | 2bn | 11.2bn | 1.2bn | 14.7bn |
| Cumulative | 4.9bn | 4.5bn | 27.6bn | 1.3bn | 38.3bn |

Market Trends:

- **Enhanced Alignment Rates:** In 2023, 83% of Mexico's GSS+ debt volumes issued adhered to Climate Bonds' methodologies, reflecting improved disclosure practices and alignment with technical screening criteria. This percentage is higher than the global rate (80%) and the LAC rate (75%).
- **Dominance of Sustainability Bonds:** Sustainability bonds dominated Mexico's GSS+ market, accounting for 72% of the cumulative aligned volume issued in Mexico and 43% in LAC, where green bonds dominate.
- **Infrastructure and Manufacturing Focus:** Increased demand for sustainable infrastructure projects, driven by nearshoring and federal initiatives, and the manufacturing sector's role as a significant GDP contributor highlight the market's diverse investment potential.

Andrés Felipe Sánchez, Head of Latin America and the Caribbean, Climate Bonds Initiative:
"Mexico's leadership in the sustainable finance market is a testament to the collaborative



efforts between the public and private sectors. The progress we've seen is impressive, especially considering that between 2019 and 2023, the GSS+ market in Mexico accounted for around 8% of the overall debt issued in the country, which is double the global figure of 4%. This demonstrates the country's strong commitment to implementing sustainability strategies that align with international ESG standards."

Kurt Vogt, Board Member – LAGreen: "At LAGreen, we are thrilled to see the significant strides Mexico has made in sustainable finance, particularly in the thematic bond market. As the report shows, it is not only about the impressive growth of this segment of the fixed income market, but also the impact credentials of the bonds placed, the number of new issuers and the diversity of sectors represented. This outcome results from the good work conducted over the years by key market players such as local and international development banks, financial institutions, institutional investors, market associations and issuers. We are therefore proud to support initiatives that drive the development of this vibrant and innovative market and to contribute to a sustainable future for all."

[Download the report now!](#)

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Notes for journalists:

About Climate Bonds Initiative: Climate Bonds Initiative is an international not-for-profit working to mobilise global capital for climate action. Climate Bonds undertakes advocacy and outreach to inform and stimulate the market, provides policy models and government advice, market data and analysis, and administers an international Standard & Certification Scheme for best practice in green bonds issuance. For more information, please visit www.climatebonds.net



About LAGreen Fund: The LAGreen Fund, advised by Finance in Motion, is the first impact investment fund dedicated to promoting the issuance of green bonds in Latin America. The objective of the LAGreen Fund is to consolidate green bonds as instruments for mobilizing resources towards more sustainable and green economic models in the region. With the purpose of financing sustainable investments, the fund provides technical assistance and invests in green bonds issued in the region.

The German Development Bank (KfW) established the LAGreen Fund, with seed capital provided by the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ) and Finance in Motion as an investment advisor. The fund seeks to support the issuance of high-impact green bonds in the region, attract a greater volume of long-term funding for sustainable projects, as well as support issuers through technical assistance during the different phases of bond preparation, issuance, and post-issuance and through the commitment to purchase a significant portion of the issue.

For more information on the LAGreen Fund, please visit: www.lagreen.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com