

Media Release

New Green Bond Pledge Aimed at Cities, Government & Corporates

Christiana Figueres Announces Green Bonds for Infrastructure Campaign

LONDON: 20/03/2018 00:00 GMT: In opening remarks to a global green bonds conference, international climate leader Christiana Figueres, has called on cities, governments and corporations to commit to the use of green bonds for infrastructure investment programs.

Speaking to participants from over 55 nations at the Climate Bonds Initiative Annual Conference 2018 in London, the former UN Climate Chief & Convenor of [Mission 2020](#) unveiled a new campaign; to have public and corporate capital expenditure programs increasingly aligned with climate and emissions goals.

The [Green Bond Pledge](#) seeks to have cities, public authorities and world's largest corporates commit to increased use of green bond finance to ensure new infrastructure meets the challenges of climate change and contributes to the accelerated transformation of the economy that is necessary and achievable by 2020.

Developed by international climate finance and sustainability groups, the Green Bond Pledge is a declaration that reinforces the goals of the Paris Agreement. It is based on the premise that public and private sector bonds, financing long-term infrastructure and capital projects, need to address and incorporate climate risk and impacts. Green bonds contribute to environmental and climate outcomes, and their use signals that these factors have been deliberately incorporated into the financing, planning and deployment of new projects and developments.

More than a dozen organizations from around the globe have helped to develop the pledge, including the Climate Bonds Initiative, Mission2020, CERES, CDP, C40, Citizens' Climate Lobby, California Governor's Office, California Treasurer's Office, Global Optimism, NRDC and The Climate Group.

Signatories will be widely sought from cities, municipal authorities and corporations. The initial aim is to gather significant momentum, in the run up to September 2018's [Global Climate Action Summit](#) in San Francisco, with the campaign continuing into 2019.

The groups also released today an invitation to institutional investors to be signatories supporting the proposition that climate-related risk will increasingly exert pressure on infrastructure and capital project integrity, that bond issuers and investors must pay attention to when committing public resources and investment capital. The international green bond market, along with other green investments, not only provides a useful mechanism to finance solutions to climate change, but also represents an investment.

Christiana Figueres, UN Climate Chief & Convenor of Mission 2020:

“When green investments move from business plans into budgets and balance sheets, a wealth of opportunity will be unlocked across the value chain. Organizations committing to the Green Bond Pledge will benefit from these opportunities and help the necessary acceleration of capital flows - before 2020 - to deliver a sustainable future for everyone.”

Patricia Espinosa, Executive Secretary of UN Climate Change (UNFCCC) and a Global Climate Action Summit co-chair:

"Financing the transition to a low carbon, resilient economy will be a key to ever more ambitious national climate action plans and realizing the Paris Climate Change Agreement goals."

"Green bonds are among an array of exciting and rapidly growing, new financial instruments that are going to help us get there. I warmly welcome the Pledge as one among many inspiring new initiatives that will launch climate action in 2018 to the next level of ambition."

Sean Kidney, CEO Climate Bonds Initiative:

“Recognition of climate risks must transition to adoption of climate realities for infrastructure design, resilience and adaptation.

The Green Bond Pledge will become the basis for cities and corporates to reorient the long-term investment and capital expenditure decisions on their balance sheets to address the unavoidable environmental and climate conditions of tomorrow.”

Anand Mahindra, Indian business leader and a Co-chair Global Climate Action Summit:

"The Green Bond Pledge is an important, supportive initiative to the Global Climate Action Summit. Greening financial flows now, and over the years and decades to come, can help take climate planning to the next level and in doing so, make a powerful and practical difference to people’s lives."

Mindy Lubber, CEO and President, Ceres:

"Today, we sent a clear message that infrastructure and capital projects of all kinds must address environmental issues and climate risk and that green bonds are an ideal financing vehicle when such projects need to be financed in the debt market. By delivering on this simple ask, we will continue to develop a critical market that

will support investors and other capital market leaders in mitigating the impacts of climate change."

Lance Pierce, President, CDP North America:

"As a rapidly mainstreaming financing vehicle, green bonds are now essential for investors to explore. In 2017 alone, CDP has seen over 500 cities from around the world reporting on 1,000+ infrastructure projects, worth over US\$52 billion. These projects are potential candidates for financing via green bonds and increasingly, we're seeing a renewed appetite for the stability that green bond instruments can provide.

Supply, demand and robust risk management come together under the Green Bond Pledge to further drive the mainstreaming of sustainable finance. This is an important step in reaching a tipping point for climate action and the creation of a sustainable economy."

Doug Sims, Director of NRDC's Centre for Market Innovation:

"Cities, states and regions are directly responsible for delivering low carbon, resilient and equitable growth to their citizens. The Green Bond Pledge brings together climate science, responsive government and engaged investors in a collective commitment to build, finance and maintain the infrastructure we need."

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For more information:

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Notes for Journalists

About the Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy. More information on [our website](#) here.

About the Green Bond Pledge: The Pledge is a joint initiative developed by international climate finance and environmental groups including the **Climate Bonds Initiative, Mission2020, CERES, CDP, C40, Citizens Climate Lobby, California**

Governor's Office, California Treasurer's Office, Global Optimism, NRDC and The Climate Group.

The Green Bond Pledge is on Page 5. The full Green Bond Pledge Overview including the Pledge is on Page 6. More information is available at greenbondpledge.com

ENDS

The Green Bond Pledge - March 2018
Issuer Pledge: Agencies, Government and Companies

We agree that all infrastructure and capital projects will need to be climate resilient and where relevant, support the reduction of greenhouse gas emissions.

We welcome the role that green bonds can play in helping to achieve the financing of that infrastructure.

As a signatory to this pledge, we support the rapid growth of a green bonds market, consistent with global best practices that can meet the financing needs we face and issue, whenever applicable, bonds for infrastructure as green bonds.

We pledge to support this goal by establishing a green bonds strategy that will finance infrastructure and capital projects that meets the challenges of climate change while transforming our community into a competitive, prosperous and productive economy.

<Ends>

March 2018

greenbondpledge.com

The Green Bond Pledge - 20th March 2018

Background

Climate change threatens our quality of life and poses material risk to our communities. As we build and finance new infrastructure and renovate and maintain our existing infrastructure, we must address the challenges posed by climate change.

The Green Bond Pledge is a simple declaration with broad and far-reaching impact. All bonds that finance long-term infrastructure and capital projects need to address environmental impact and climate risk. Green bonds contribute to beneficial environmental and climate outcomes and signal that these imperatives have been deliberately incorporated into the planning and deployment of infrastructure projects.

Long-term infrastructure and capital projects, which are typically financed with bonds, are increasingly scrutinized by investors for sustainability. Such traditional infrastructure as transportation, water, wastewater, buildings, energy and other projects need to be adaptive and resilient to climate related risks – and not create unintended climate problems. In addition, natural infrastructure, including forest and wetlands restoration, wildland preservation, and levees to address sea level rise, will require new attention.

Because green bonds have similar yields, ratings and return profiles to other fixed income investments, they provide investors with a clear way to get both economic and environmental returns without additional risk. For issuers, green bonds signal that the projects being financed have accounted for climate and other environmental risk factors.

The green bond market started in 2007 with initial bonds from the European Investment Bank and the World Bank. The market has grown steadily since then, with over \$160 billion in green bonds issued in 2017, doubling the amount issued during the prior year. In 2017 California and New York each issued over \$4 billion in 2017 to finance green projects for mass transit, green schools, clean water, land preservation and green housing; and companies as diverse as Apple, Kaiser Permanente and Southern Power Company have issued green bonds. This market is growing in size and breadth.

Several resources exist to address what constitutes a green bond, including those under the certification protocols of the Climate Bonds Initiative [Climate Bonds Standard](#) and International Capital Markets Association [Green Bond Principles](#). Other financial market participants have green bond definitional products, including Moody's, S&P Global Markets, and Bloomberg/MSCI/Barclays.

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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.

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