

Press Release**Vadodara Municipal Corporation Initiates India and Asia's First Certified Green Muni Bond for Sustainable Water Infrastructure**

Innovative Green Finance for Liquid Wastewater Management in Vadodara, Gujarat, India

Vadodara/London, [29/02/2024] – Vadodara Municipal Corporation (VMC) sets a regional precedent with the launch of its Rs. 100 crores (USD 12 million eqv.) Certified Green Muni Bond, a first for India and Asia region as a whole. Aimed at fostering sustainable urban development aligned with the Paris Agreement, this bond is dedicated to enhancing liquid wastewater management infrastructure across Vadodara.

D. Thara, Additional Secretary, Ministry of Housing and Urban Affairs, Govt. of India:

"Vadodara is issuing its second Municipal Bond, wherein it would raise Rs. 100 crore for developing 2 STPS of 121 MLD and 1 APS with drainage networks. In line with the vision of MoHUA, these projects would contribute towards improvement in air and water quality in the city. It is a 'Green' infrastructure as the sewage water would be collected and treated. Further, the treated water would be reused by industries which will help save fresh drinking water. I express my best wishes to them."

Kunal Kumar, Joint Secretary, Ministry of Housing and Urban Affairs, Govt. of India:

"Vadodara Municipal Corporation has proposed its second issue of Green Municipal Bond for Rs. 100 Cr. It is unique as it will be first certified green municipal bond in India. This is the second issue of bonds by Vadodara, after its first issue was oversubscribed by 10 times. It is heartening to see that Vadodara is raising funds from capital markets to develop essential infrastructure for its city."

Neha Kumar, Head of South Asia Programme, Climate Bonds Initiative:

"The Vadodara Municipal Corporation's ground breaking bond issuance is an example of innovation and leadership in sustainable finance within South Asia. It showcases the powerful role that municipal governments can play in spearheading environmental progress and climate resilience. This initiative underscores the importance of local action in achieving global climate goals and reinforces the potential for green finance to transform urban infrastructure for the better."

Sean Kidney, CEO of Climate Bonds Initiative, commented:

"This issuance by Vadodara Municipal Corporation marks a watershed moment for sustainable municipal finance, not just in India but across Asia. It exemplifies how local governments can harness green finance to catalyse critical investments in environmental infrastructure, aligning with urgent global climate objectives. Vadodara's proactive step demonstrates a scalable model for cities and countries aiming to integrate green projects within their broader sustainability and climate action plans. This bond is a testament to the evolving landscape of transition finance, highlighting the pivotal role municipalities play in the collective journey towards a resilient, low-carbon future."

Dilip Rana (IAS), Municipal Commissioner, Vadodara Municipal Corporation:

"VMC's proposed Green Municipal Bond of Rs. 100 Cr is unique itself as it is first globally certified green municipal bond in India for funding of sustainable infrastructure by any ULB. Green certification by Climate Bond Initiative. Bond has been rated AA+ STABLE by India Ratings. Proceed from Green Municipal Bond would be utilised for 2 STPS of 121 MLD and 1 APS with drainage networks. These projects would ultimately contribute towards improvement in air and water quality as the sewage water would be collected, treated, and discharged, further also in extension it would be tertiary treated, and water would be reused for industry purpose will help to save fresh water."

Santosh Tiwari, Chief Accountant, Vadodara Municipal Corporation:

"Marking a milestone in sustainable municipal finance, VMC's Green Bonds catalyse investments in liquid wastewater management projects. This strategic move towards climate change mitigation highlights VMC's commitment to reduce emissions, natural ecosystem conservation and bolstering the city's plan towards Net Zero. The bond, Certified under the Climate Bonds Standard's Water Criteria, are pivotal in realising VMC's mission to improve citizens' quality of life

by ensuring access to clean sustainable infrastructure, aiming to make Vadodara a model for green cities.”

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About Vadodara Municipal Corporation: Established under the Bombay Provincial Municipal Corporations Act, 1949, VMC is a key entity in developing Vadodara, aiming to transform it into a futuristic global city. Its operations focus on leveraging state-of-the-art technology to ensure equitable access to high-quality infrastructure, preserving the city's ecological balance and cultural identity. <https://vmc.gov.in>

About Climate Bonds Initiative: The Climate Bonds Initiative is a global not-for-profit organisation working to mobilise global capital for climate action. [Climate Bonds Standard and Certification](#) is a science-based, multi-sector certification scheme for investments – and now companies/entities – that address the challenge of climate change. www.climatebonds.net.

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