

Media Release

Climate Bonds to develop transition frameworks for EU heavy industry Focus on credible climate transition plans in line with EU Net Zero targets

LONDON 29/04/2021 11:00 BST: The Climate Bonds Initiative has been awarded a major grant by the Children's Investment Fund Foundation (CIFF) to support and accelerate investments in climate transition in the EU. The three-year grant will see Climate Bonds developing the necessary frameworks to grow the labelled transition bond market and investment that supports the decarbonisation of key industry sectors and corporations.

An objective of the project is to develop climate transition and financing plans underpinned by credible transition pathways that align with 1.5-degree targets. The grant builds upon Climate Bonds recognised role in mobilising capital flows towards climate investment, expanding this to sectors of the economy that need to rapidly transition towards a low carbon future, including steel, cement and basic chemicals.

Activities to be undertaken by Climate Bonds include the development of Transition related Criteria, expansion of the Climate Bonds Certification Scheme to encompass entity level transition plans, market reporting and data analysis.

Fundamental to the project will be building consensus amongst issuers, investors, regulators and other stakeholders around what is needed to achieve a credible climate transition through Climate Bonds transition principles and frameworks to encourage investment in the right direction. The project will also support policy development within the context of the European Green Deal that underpins transition related investment.

Michael Hugman, Director Climate Finance, CIFF:

"Climate transition action plans are a crucial next step for industry and a growing priority for equity shareholders, as we've seen through CIFF's 'Say on Climate' initiative and the recently released Climate Action 100+ net zero company benchmark. Ensuring a transition bond market which enables companies to effectively finance their overall transition plan is vital to achieving the EU's ambitious climate goals – we believe that the Climate Bonds will play a key role in developing this market."

Theo Mitchell, Head of UK and Europe, Climate Change, CIFF:

"Through the European Green Deal, the EU has laid down the gauntlet to industrial sectors such as steel and cement, challenging industry to clean up its act. The private sector will be crucial to unlocking the speed and scale of finance required, including via the bond market, but this will not happen without transparent planning from corporates and the independent validation of long-term transition plans."

Justine Leigh-Bell, Deputy CEO, Climate Bonds Initiative:

"We have reached a historical turning point in our fight against climate change wherein less than a year, commitments by some of the largest corporates and governments in the world to Net Zero have doubled. We need a rapid decarbonisation of our hard to abate sectors if we are to achieve these targets. This will require huge amounts of capital backed by credible transition plans. This project marks a new stage of Climate Bonds expansion, seeking to set the foundation for driving climate transition investments across the major sectors of our global economy."

"Focusing on the EU Industrial sectors under this CIFF supported project is a natural extension of the work we have been doing in Europe to establish credible and robust standards that deliver long term capital flows towards zero carbon."

Michelle Horsfield, Climate Transitions Manager, Climate Bonds Initiative:

“Climate Bonds are uniquely placed to set the standards for the \$126tn bond market and in doing so, mobilise the finance that is needed to deliver transition. Investors are keen to support those with a clear plan for how they will fundamentally transition their business to net zero by 2050, but only if what good looks like is clear. Plans have to be ambitious and the standards that will be defined under this programme will start to bring the clarity that investors are looking for. Climate Bonds has the reputation for rigour and integrity that are essential in mobilising investors.”

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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 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. More information on our website [here](#).

About CIFF: The Children’s Investment Fund Foundation (CIFF) is an independent philanthropic organisation, with offices in Addis Ababa, Beijing, London, Nairobi and New Delhi. Established in 2002, CIFF works with a wide range of partners seeking to transform the lives of children and adolescents in developing countries. Areas of work include adolescent sexual health, maternal and child health, opportunities for girls and young women, tackling child slavery and exploitation, and supporting smart ways to slow down and stop climate change.

More information is available [here](#).

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