



MEDIA RELEASE

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NEW INITIATIVE TO BRING IN TRILLION DOLLAR BOND MARKETS TO FINANCE THE LOW CARBON ECONOMY

BRUSSELS, 15 March 2011 – The Climate Bonds Initiative announced the count down to the world's first Climate Bond issuance - worth a quarter of a billion US dollars - with the release of the draft Compliance Standards today that will assure the environmental integrity of bonds issued to fund low carbon projects. The first version of the Standard will apply to wind energy.

The Climate Bond Initiative's Standards break new ground by providing independently verified assurance to institutional investors that the proceeds of such bonds are being used to build the low carbon economy, and will not be diverted for other purposes.

The Climate Bonds Initiative also announced that the first wind energy Standard-compliant Climate Bond issuance of over a quarter of a billion dollars is being prepared and is expected to be launched in May.

The Climate Bond Standard was announced at the European Wind Energy Association (EWEA) Conference in Brussels today and the Climate Bonds Initiative is now seeking public and industry comment on the draft Standard for bonds used to finance wind energy projects with the objective of finalising the standard by the end of April.

The Climate Bonds Initiative brings together some of the world's largest financial institutions together with experts advising the development of the Standards from climate change and clean technology industries and respected environmental groups.

"The issuance of certified Climate Bonds that meet strict environmental standards will make it simpler to invest in the low carbon economy with confidence," said Climate Bonds Initiative Chair Sean Kidney. "A certifiable Standard that applies across different types of low-carbon investments will increase investor confidence and deepen the pool of capital allocated to investments that address climate change."

Institutional investors like pension funds manage some \$70 trillion of the world's wealth and yet renewable energy industries have largely been unable to tap directly into this source of finance due to their small scale and lack of supportive institutions to accredit their projects.

"The Climate Bonds Standard will give investors assurance about the environmental integrity being stated by bond issuers by verifying that their funds are being used to build the low carbon economy," said the Climate Bond Initiative's Director of Renewable Energy Development, Dr. Karl Mallon. "It will allow investors to buy clearly branded bonds issued to finance different types of low-carbon projects knowing that they really are comparing apples with apples when it comes to climate related environmental integrity."

The Climate Bonds Initiative's Standard will also provide a useful tool for project aggregators, as they will be able to acquire different clean energy investments using compliance with certified Standards as a filter. That will make it easier to hold investments with different underlying technologies, such as wind, solar or biomass, in a single portfolio that could then be securitised to attract large investors.

At the EWEA Conference, Secretary General of the Global Wind Energy Council Steve Sawyer said, "Wind is the fastest growing investment in the grid-connected energy sector and we need Standards like the Climate Bond Initiative's to help secure new sources of large-scale finance to help the industry maintain its growth."

"We look forward to a step-change expansion in the availability of clean energy finance as Climate Bonds hit the market," Mr Kidney said in Brussels.

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