The role of Green Bonds in financing climate aligned projects



Athens, May 2025



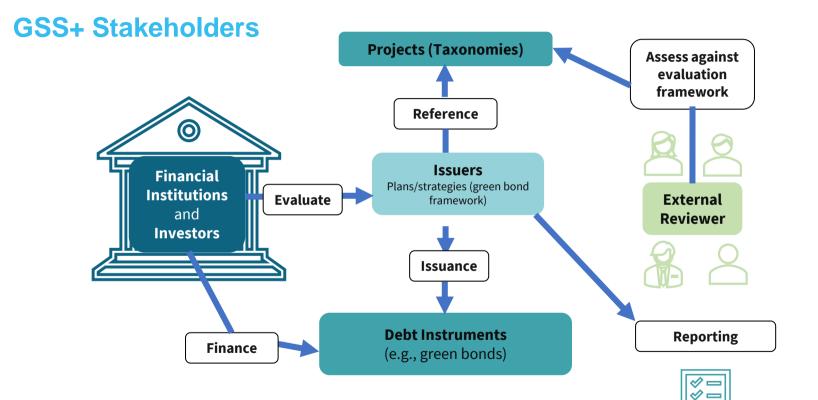
The composition of the labelled market

Aligned GSS+ scorecard 31 December 2024 *provisional figures*

	2024 USD	Cumulative total USD
Green	669.7bn	3.5tn
Social & Sustainability	375.4bn	2.1tn
SLB	7.9bn	56.4bn
Total	1.1tn	5.7tn

- Cumulative of aligned green, social, sustainability, and sustainability linked (GSS+) amounted to USD5.7tn
- Aligned GSS+ volume constituted about 4% of total global debt market, estimated at \$140tn
- Cumulative Certified issuance was USD340bn or 10% of total green bond market volume

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Principles, Taxonomies, Standards and Criteria

Principles e.g. ICMA Green Bond Principles

e.g. MDB Principles, Sustainability Development Goals

TAXONOMIES (eg Climate Bonds Taxonomy, EU Taxonomy)

Technical Screening Criteria E.g. EUTaxo TSC /DNSH, Climate **Bonds Eligibility Criteria**





Climate Bonds Certification

Benefits of thematic issuances

Issuers

- Access to additional capital sources from dedicated sustainable financing and a diversified investor base.
- Greater integration of climate risks into instruments and the project lifecycle assessments.
- Improved reporting processes, investor engagement and **reputational benefits**.
- Attracting strong investor demand, which may lead to high subscription and pricing benefits.

Investors

- Thematic labels ensure issuers **integrate climate risks** into their project planning which **may lead to a reduction in risk**.
- Meeting ESG and sustainable investment mandates with reduced burden of due diligence.
- Increasing transparency and accountability on the use and management of proceeds.
- Increased levels of engagement with management, particularly on sustainability issues.

Systemic

- Stimulate **positive market reaction** and improvements in financial performance.
- Foster green and social innovations.
- Help transition towards low-carbon, resource-efficient and inclusive economies.
- Contribute to **public-private partnerships** development opportunities.

Vanilla and green bond issuance journey

Pre-Issuance:

- Get rated
- Get market intelligence on currency, maturity, size
- Decide on underwriters
- Register with local regulator
- Issue prospectus
- Comfort letter/due diligence
- Outreach through road shows and sales

Issuance:

Build the book of investors who are interested in the bond

Post-Issuance:

Price and alloccate bond to support secondary market performance

- Communication to the capital market
- Monitor secondary market

Pre- Issuance: Develop a Sustainable Finance Framework

- 1. Define how project meets green bond eligibility criteria (Use of Proceeds)
- 2. Put in place project selection process and select eligible projects (Selection of Projects and Assets)
- Set up accounts and processes to earmark and allocate proceeds- ringfence proceeds (Management of Proceeds)
- 4. Establish reporting processes
- 5. Get pre-issuance external review (External review)

Issuance

Include the green attributes in marketing materials and investor documents

Post-Issuance

Allocate proceeds to the projects

- Monitor the projects and track allocation over time
- Publish impact report
- Post issuance Audit if necessary

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Components of Sustainable Finance Frameworks

Reference Standards and principles

Standards (eg CBS, EIGBS), frameworks, principles (eg ICMA GBP) and Issuer's sustainability objectives

Internal processes

Use of Proceeds based on sustainability objectives and processes for the Selection of Projects and Assets, Managing the proceeds

Post Issuance

Management, tracking and allocation of proceeds. Value of eligible assets to cover net bond proceeds.

Accountability

External Review by an independent third party and post issuance reporting against chosen standards, frameworks and sustainability goals

The Climate Bonds Initiative

Innovative finance inspires green investing. Institutional investors, business and civil society advocate for policies that incentivise climate investment.

Policymakers tilt the playing field for 1.5°C and resilient investments.

Capital flows towards zerocarbon and resilient investments. Global warming limited to 1.5°C and people and the planet are more resilient to climate change.





Promoting credibility and accelerating scale

Science-based Definitions and Frameworks

Development of sector criteria and pathways. Support in global taxonomy development. Standards, methodologies and assessment frameworks

Certification

Labelling of Climate Bonds aligned Debt instruments, projects and companies promoting credibility in the market. Global Climate Bonds Standard provides the Certification ruleset

Market consensus and alignment

Provide data tools for the market (asset managers, index providers) Technical assistance to issuers and investors. Influence emerging regulation.

Transparency and Accountability

Regular market analyses, research and opinions on market developments. Showcase best practices.

Climate Bonds contribution to the development of the sustainable finance markets

Climate Bonds Standard & Certification Scheme: Best practice since 2012



Climate Bonds Standard defines the process followed and reporting requirements



Evidence-based **sector criteria** ensures consistency with the Paris agreement



Climate Bonds Standard updates are developed in consultation with market stakeholders.

Fully aligned with ICMA Green Bond Principles and LMA Green Loan Principles.

Requirements for certification:

- **Internal procedures** and controls by the bond issuer.
- **Reporting arrangements** set up by the issuer.
- Eligibility of projects & assets.
- Independent Assurance verification by a Climate Bonds Approved Verifier before and after issuance

- Independent and transparent: sector criteria have been developed by Technical Working Groups (TWGs) and Industry Working Groups (IWGs) made of experts in those fields
- Includes public consultations.
- Goes through regular updates to reflect the arrival of new technologies and the latest science available
- The Climate Bonds Standard Board oversees the Standard and Criteria

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Climate Bonds



Climate Bonds Sector Criteria



Science based and Paris aligned



Developed by expert Technical Working Groups, discussed at wider stakeholder groups and subject to public consultations





The Climate Bonds Resilience Taxonomy: Resilience Themes

Resilient Social Systems

Systems and services for ensuring social wellbeing, safety and the creation/protection of social capital across populations

Resilient Infrastructure

Infrastructure that provides essential services on which populations and wider economic activity depend

Resilient Natural Systems

Terrestrial, freshwater, coastal or marine ecosystems and the biodiversity they support and the natural capital and ecosystem services that they provide



Resilient Agri-Food Systems

Systems for the production and provision of food and other related products

Resilient Cities & Settlements

Human settlements whether large (e.g. cities) or small (e.g. villages), urban or rural

Resilient Health

Systems, facilities, services and capacities for protecting and improving human health and respond to new health challenges and emergencies

Resilient Industry & Commerce

Industrial and commercial operations encompassing extractive industries, manufacturing and servicebased industries