



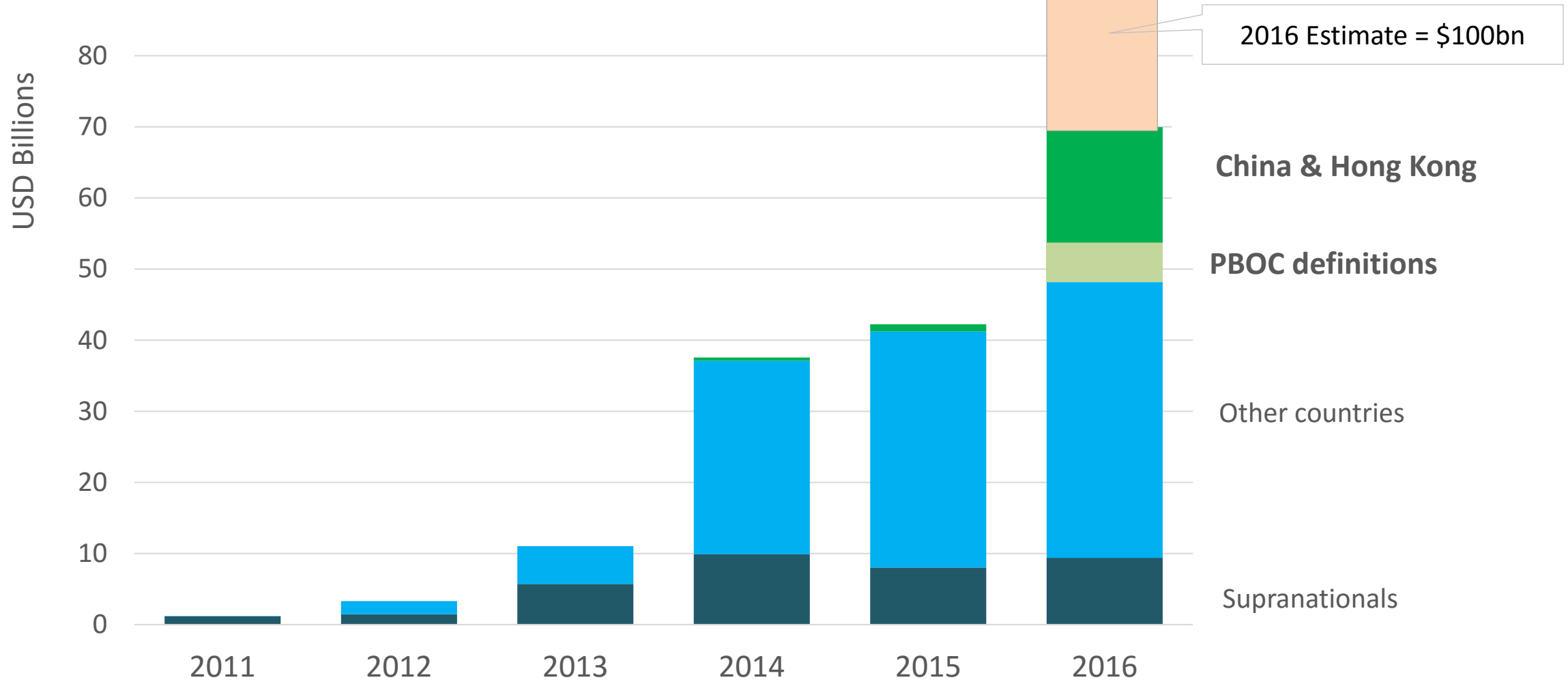
Green Bonds

For city infrastructure

Sean Kidney, CEO, Climate Bonds Initiative
Beijing, November 2016



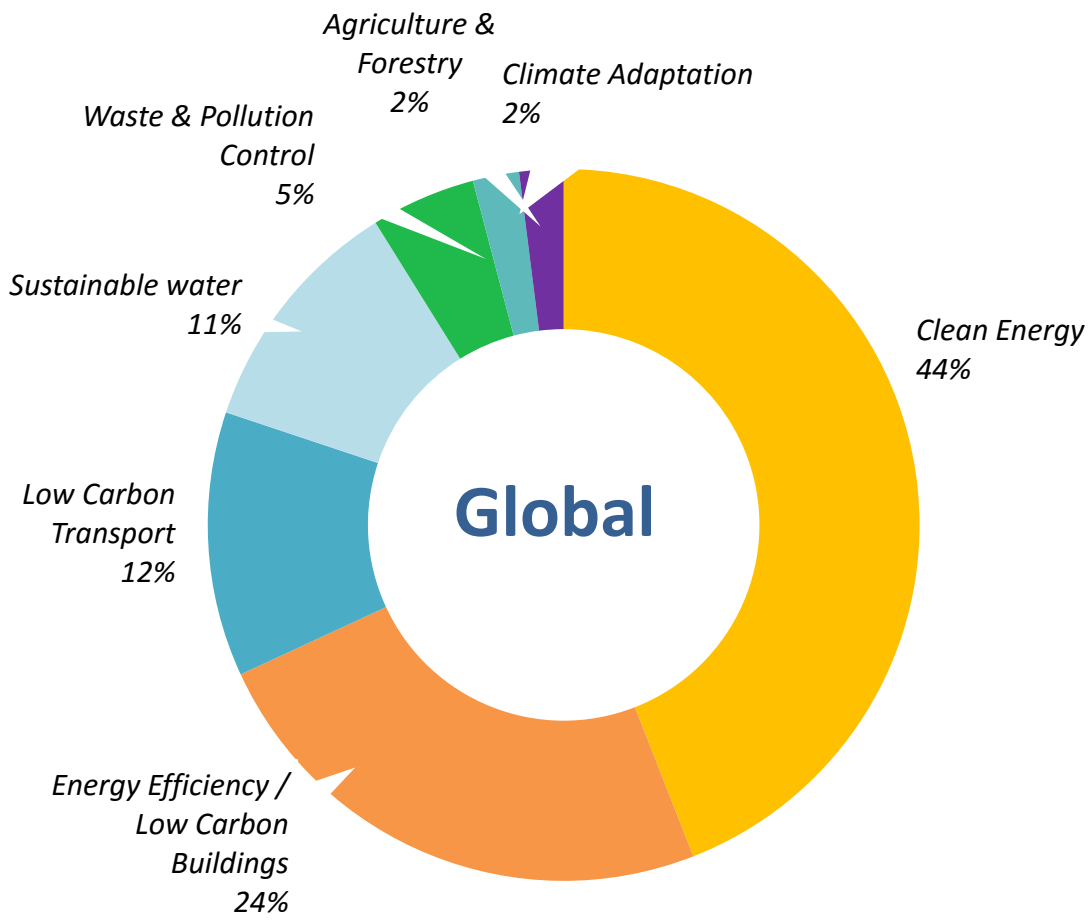
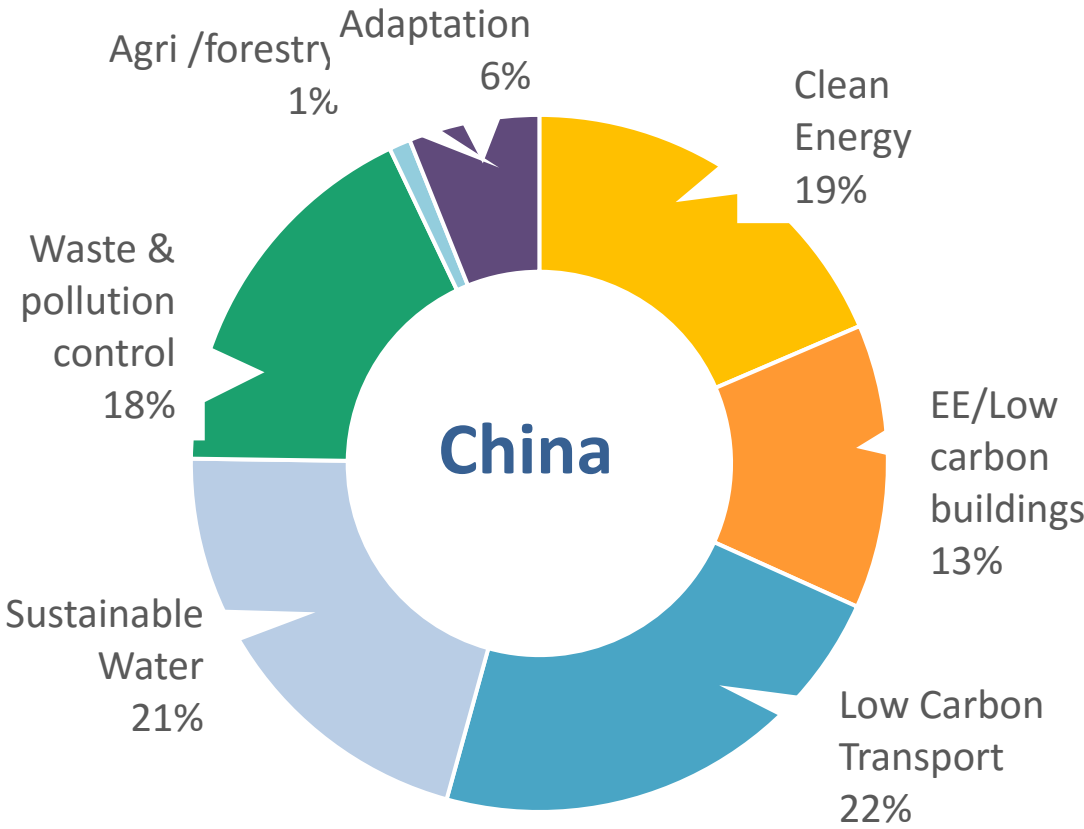
Green bonds – China a core part of growth market



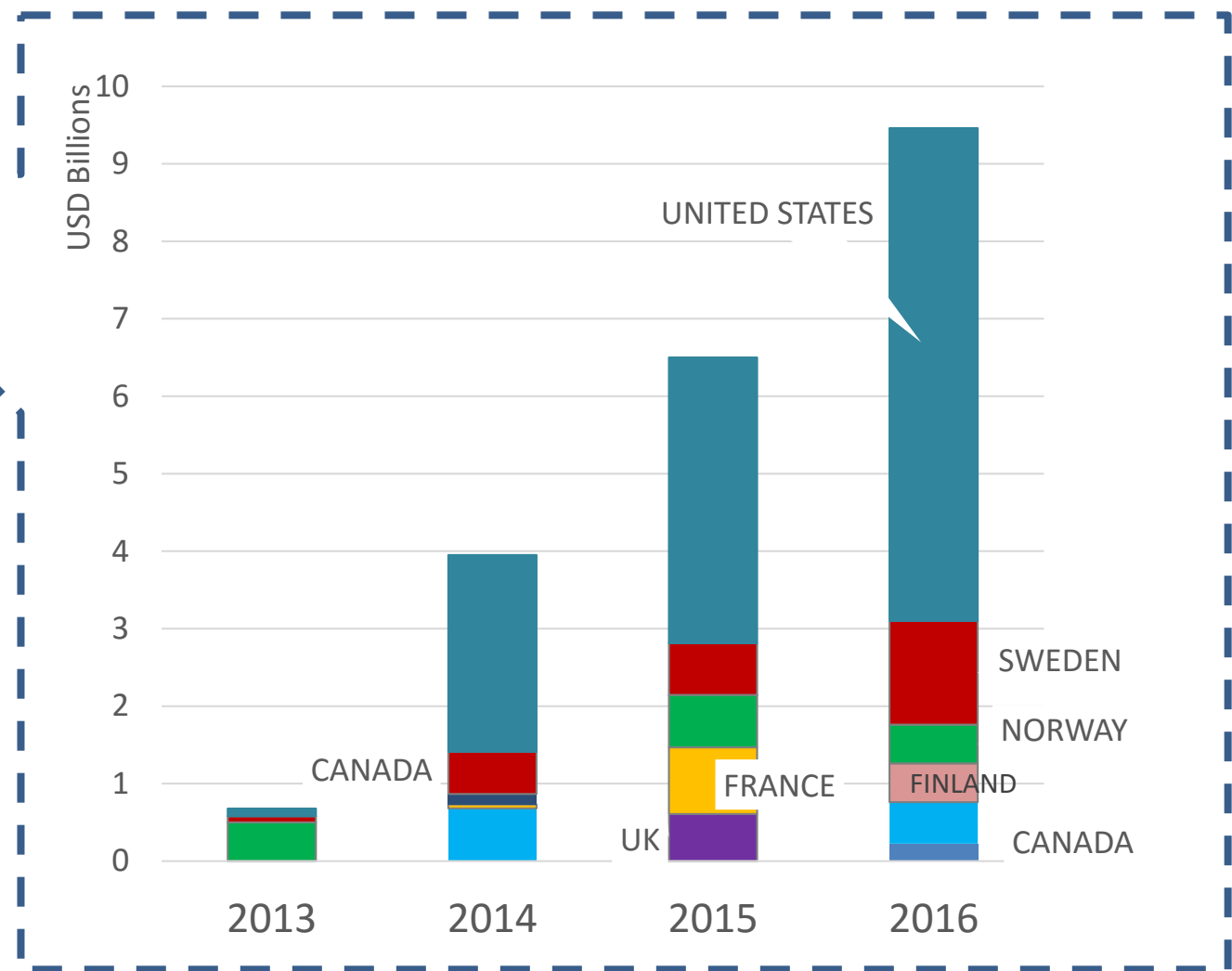
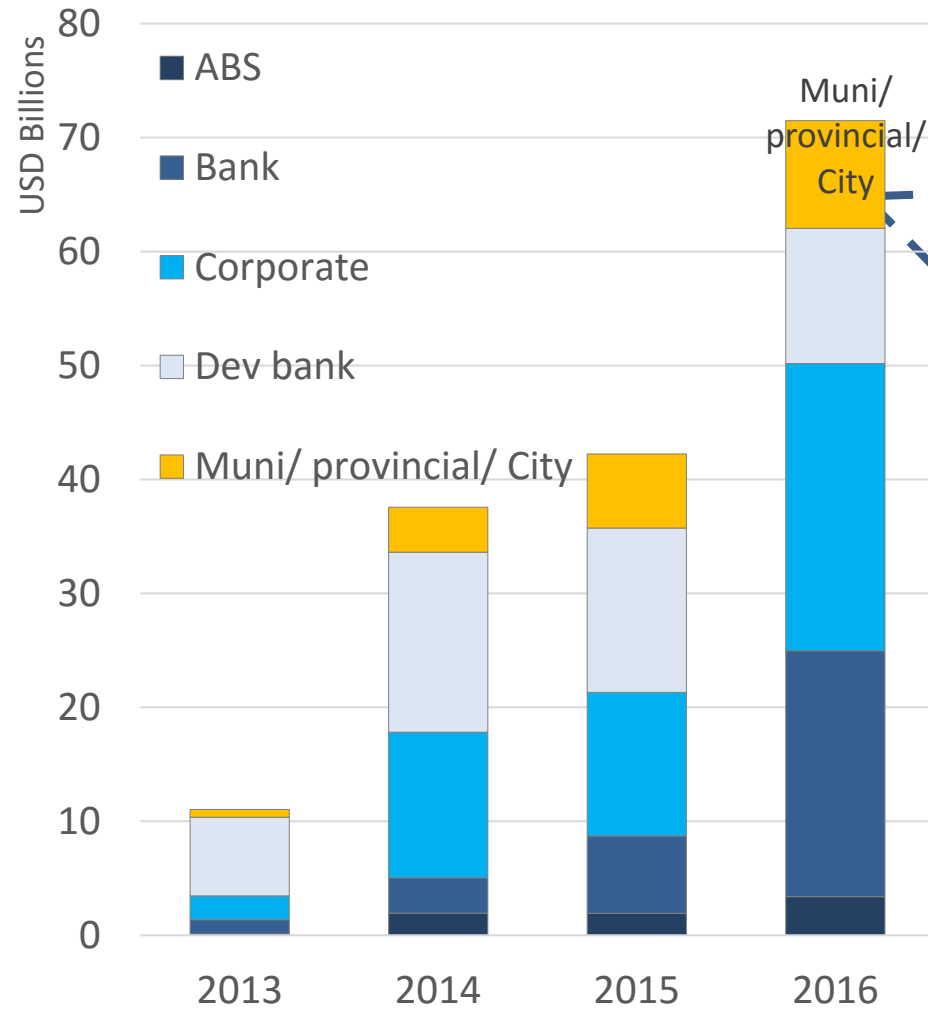
Source : Climate Bonds Initiative



Use of proceeds

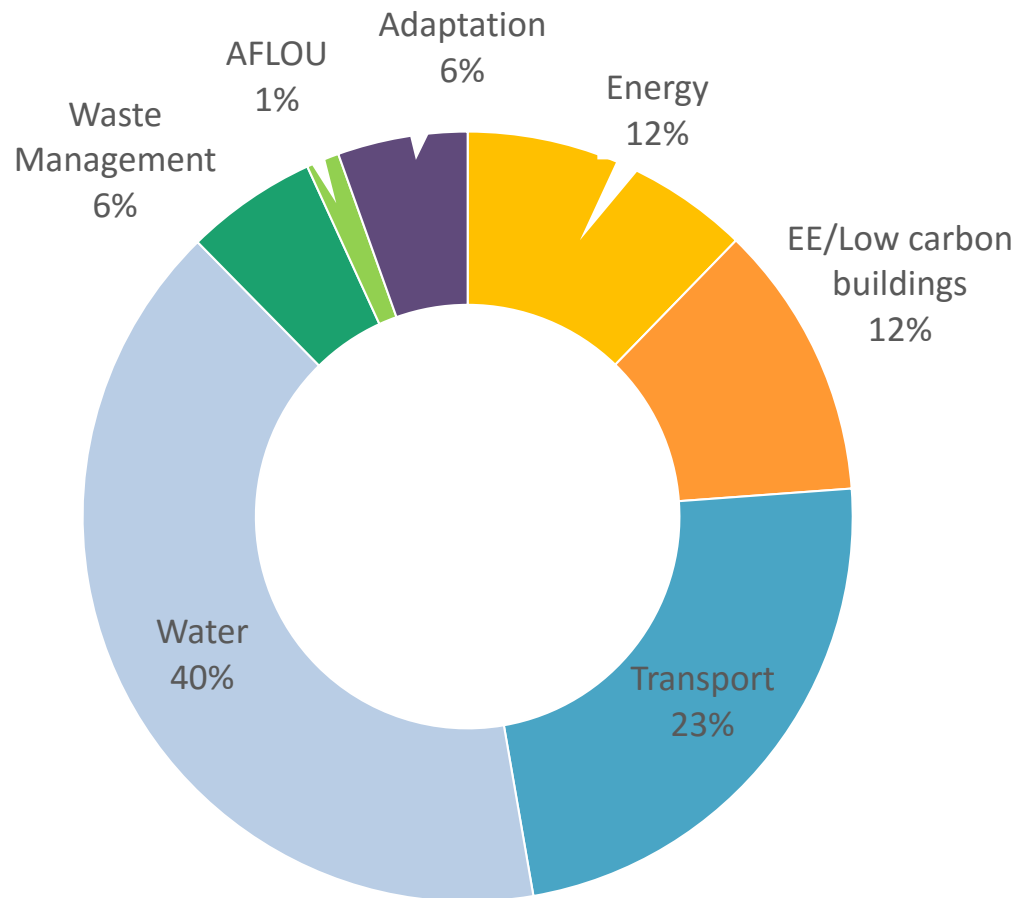


Issuance from Municipalities is growing



Municipality/ City green bonds: Water and Transport

Global municipalities: Green bonds Use of proceeds



Funding models

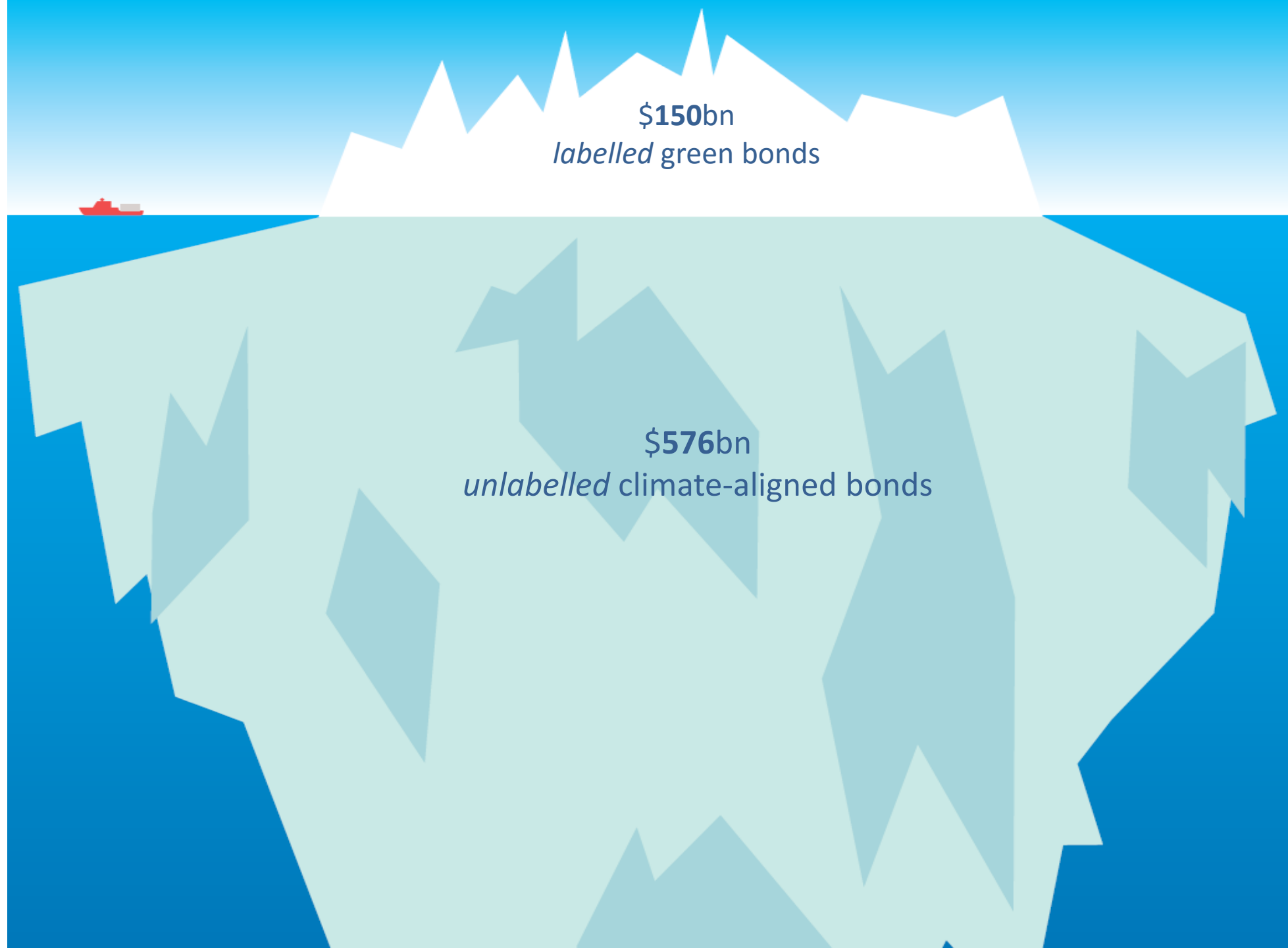
- **Tax credits:** USA
- **Municipality debt aggregators:** Sweden, Norway, Finland

Large municipality green bond issuers

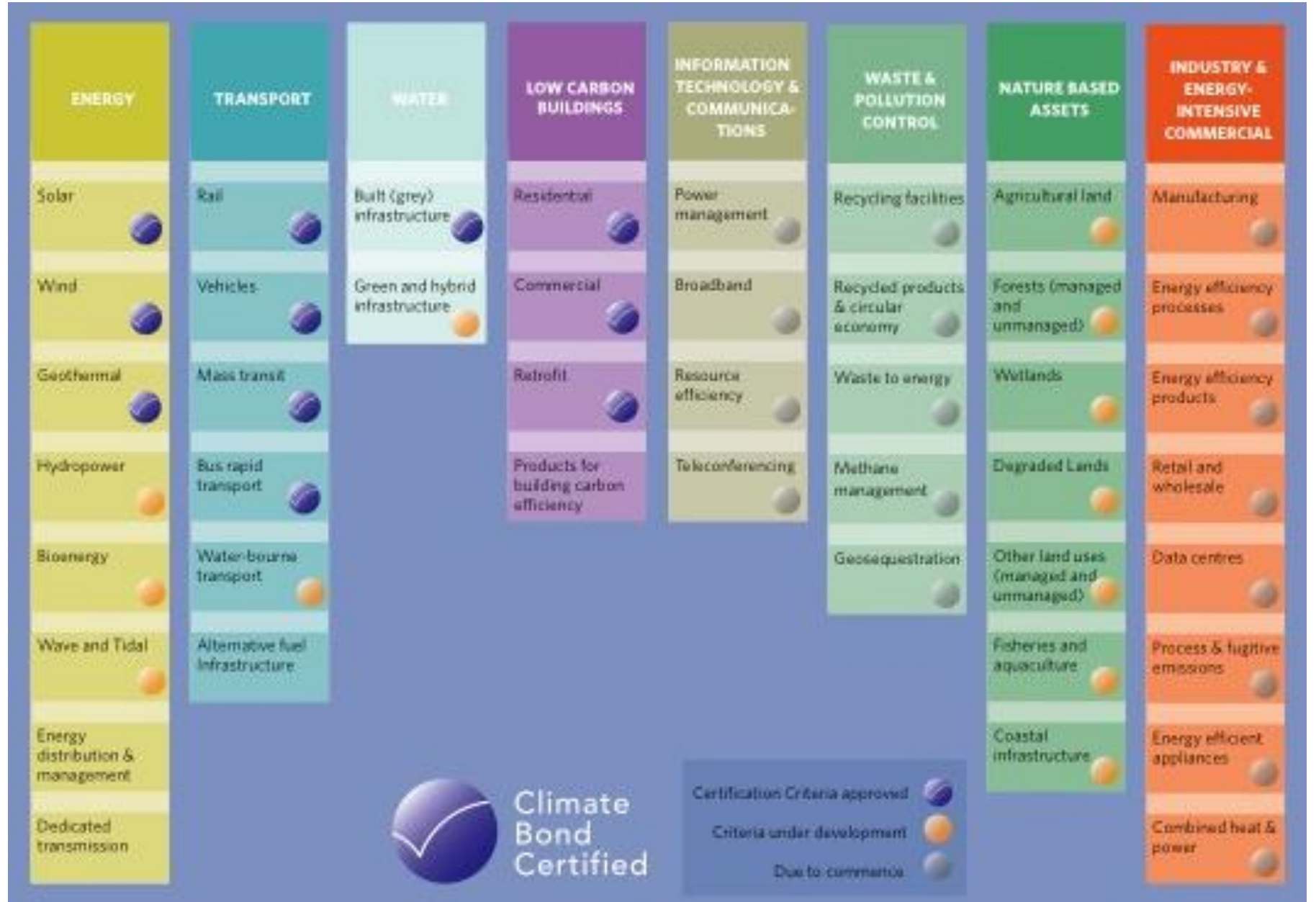
- New York Metropolitan Transport Authority (USA)
- Kommunalbanken
- Ile-de-France
- Kommuninvest
- Province of Ontario

China next?

A **\$700bn**
climate-
aligned bond
universe



Assets that Qualify: Climate Bonds Taxonomy



Roadmap for Green City Bonds

1. Pilot issuance
2. Market education
3. Develop incentives
4. Grow green projects pipeline



Fundamental Actions

- Establish green project pipeline
- Strengthen local bond markets
- Strategic public green bond issuance
- Develop green standards

Proven Support Tools

- Instruments to aggregate assets and structure risks
- Strategic public green bond investment
- Credit enhancement
- Tax incentives

Innovative Additions

- Adjust risk weightings for green investments
- Preference green investments in central bank operations

www.climatebonds.net
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