



ClimateMundial

Update on the Paris Climate Bond concept
UZH Side Event, COP22 Marrakech – Friday 18 November 2016

Email: info@climatemundial.com

Website: www.climatemundial.com

About the Paris Climate Bond

Climate finance action building on CDM:

2016 Investor Summit on Climate Risk (UN Headquarters, New York)

Deploying mechanisms of the UNFCCC in climate finance (EB91)

Funding the CDM through international financial institutions (SB-44)

PCB is a concept, not a commercial product

Template legal agreements & best practice guide to be published

The case for the Paris Climate Bond

A concept that addresses a number of areas of need, simultaneously:

Creating an asset class: alignment of institutional investors to Paris climate goals

Leverage: making maximum use of scarce public resources

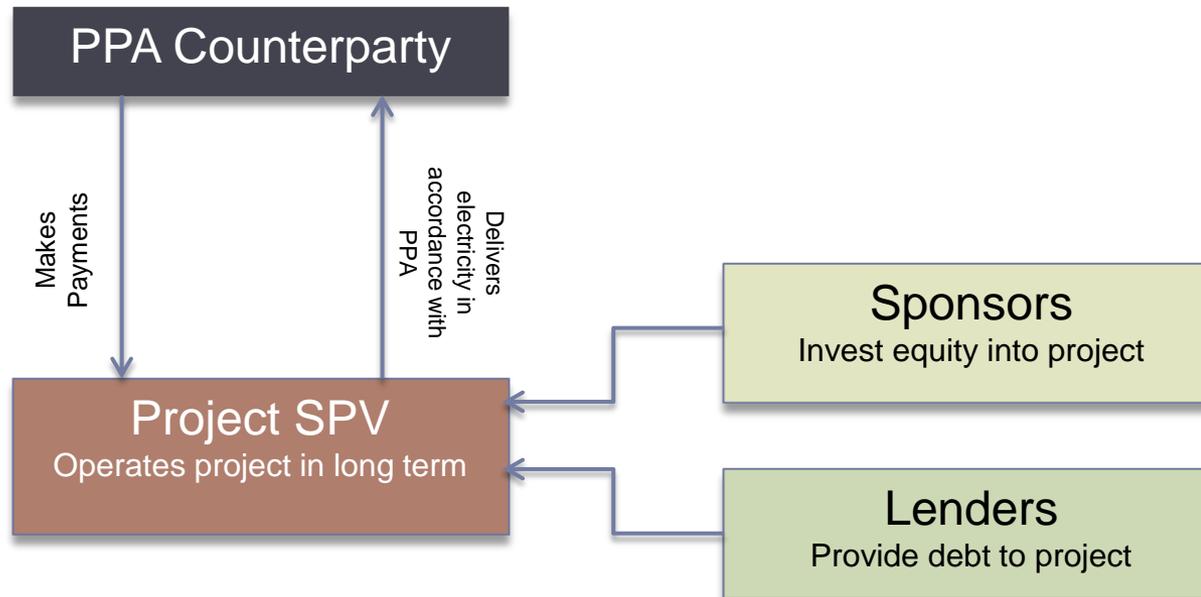
Environmental integrity: addressing green-washing with verification and enforcement

Conveyor-belt financing: bringing the bond markets to emerging market renewables

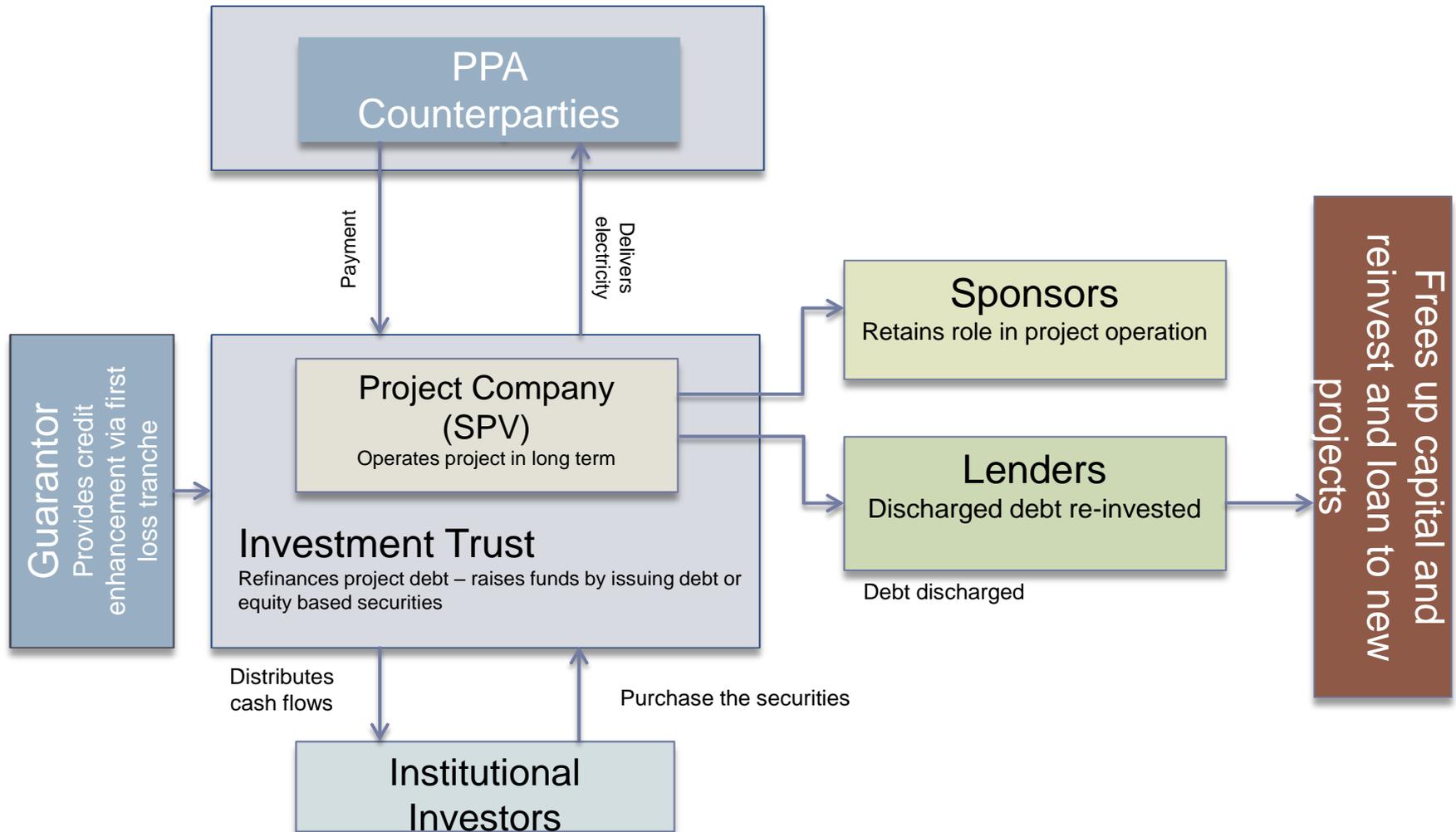
Best practice transparency: significant regulator and investor focus on climate risk

Scalability: not just a one-off investment, but a pipeline of opportunity

Project finance: common practice today



Indicative structure of a Paris Climate Bond



Paris Climate Bond – demonstrating the concept

Sample of investor feedback being addressed during concept development:

Currency risk: where underlying project loan is in a currency different to bonds

Green default: enforcement and the project and Trust (bond) level

Regulatory status: approvals are needed in host country and project countries

Listing: structuring to meet the criteria for listing

Structuring: sizing credit enhancement, trading off leverage impact and yield

Loan origination: project sponsors prepared to commit to reinvestment



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