HOW TO ISSUE A GREEN MUNI BOND
A STEP-BY-STEP GUIDE

PREPARATION

1

IDENTIFY QUALIFYING GREEN PROJECTS AND ASSETS

The key feature of a Green Muni Bond is that the proceeds go toward green projects or assets. The "greenness" of the issuing entity does not matter—it's about the physical assets or projects.

Green Muni Bonds can be issued by:

- City governments
- Utilities: water, transport, energy, etc
- Corporations developing, building or managing green assets for issuers
- States or development banks

If you can issue a municipal bond, in principle, you can also issue a Green Muni Bond if you have qualifying green assets or projects. You have to disclose your assets and projects.

Guidance about qualifying assets or projects can be obtained from the Green Bond Principles (http://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-bonds/green-bond-principles/), which set out broad green asset categories, and the Climate Bond Standards Scheme (http://www.climatebonds.net/standards), which set out more specific standards for what qualifies within these asset categories.

2

ARRANGE INDEPENDENT REVIEW

Credible independent review and certification protects your reputation. Verifiers can also help identify green assets.

3

SET UP TRACKING AND REPORTING

The issuer establishes procedures for tracking and reporting on the use of proceeds. To ensure all proceeds are applied to green projects, the sum of the cash on hand and amounts invested in assets or projects must not be less than the amount of the bond.

ISSUANCE

4

ISSUE YOUR GREEN MUNI BOND

The usual steps apply here, as for any other conventional bond:

- Structure the bond, working with an investment bank or advisor
- Get credit rating

5

MONITOR USE OF PROCEEDS AND REPORT ANNUALLY

At least annually, issue a public report to confirm that the funds are still properly allocated to green projects.

This can be done by an auditor or in a letter signed by an authorised officer of the municipality.

That's it!

See next page for more detailed information.

GREEN CITY BONDS COALITION