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Investing: Switzerland Issues Green Bond

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Investing



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The Swiss government announced the completion of its inaugural green bond issuance, raising CHF766 million (\$USD766 million). These funds will be utilized to support environmental goals in areas including clean transportation and biodiversity. The offering was oversubscribed, generating nearly \$1 billion in bids. The Swiss government stated that it intends to issue green bonds on a regular basis, with planned issuance volumes of several hundred million Swiss francs per year. Switzerland has adopted a climate strategy to reach net zero emissions by 2050, as well as an plan to preserve biodiversity, ecosystems and genetic diversity.

Taking the Temperature: This new bond issuance shows that the demand for green investment products continues to grow, both from investors and issuers with specific ESG goals. It is critical that regulators catch up with the financial market and provide clear and consistent guidance on green investments to help both reduce investor confusion and the risk of unsuitable investments being made under the auspice of sustainable finance.