



Communication Department

PRESS RELEASE

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The Banco de España is to participate in the second BIS green bond investment fund

The Banco de España is to participate in the second open-ended investment fund launched by the Bank for International Settlements (BIS) to encourage central bank investment in green bonds. The aim of this initiative is to further help central banks' incorporation of environmental sustainability objectives into the management of their investment portfolios, in response to the growing demand for climate-friendly investments.

This fund, for investments in euro-denominated bonds, joins the fund successfully launched in September 2019 for US dollar-denominated bonds. Overall, the two funds will manage around \$2 billion of green bonds for central banks, with sizeable growth expected. The funds are intended to promote sustainable finance through investments in renewable energy and energy efficiency projects, among others, and to foster the adoption of best practices to deepen the green bond market.

To be eligible for the BIS fund, bonds must have a minimum rating of A- and comply with the International Capital Market Association's Green Bond Principles and/or the Climate Bond Standard published by the Climate Bonds Initiative.

The initiative is part of the BIS's broader commitment to supporting environmentally responsible finance and investment practices, in line with its participation in the Network for Greening the Financial System (NGFS). The NGFS is a group of central banks and supervisors set up at the end of 2017 to exchange experiences and share best practices, with the dual objective of contributing to the development of environment and climate risk management in the financial sector and mobilising the financing needed for the transition toward a sustainable economy. The Banco de España joined the NGFS in April 2018. Margarita Delgado, the Bank's Deputy Governor, is a member of its Plenary.

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