



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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PR16:12
April 21, 2016

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Treasury Buys \$200 million In Green Bonds

Purchase supports World Bank-backed energy and environmental projects

SACRAMENTO – California has finalized the purchase of \$200 million worth of green bonds issued by the World Bank, state Treasurer John Chiang announced today.

Proceeds from the sale will help the bank finance projects that meet specific criteria for low-carbon and climate-resilient growth; mitigate climate change or help people adapt to global warming.

“This is a win-win for Californians who are not only interested in safe, solid-performing investments, but want to move the needle on combatting climate change,” said Chiang.

These World Bank green bonds mature on Oct. 1, 2018, and have fixed coupons that pay just over 1% interest. In contrast, benchmark U.S. Treasury notes with similar maturities are currently earning only 0.82%.

The green bonds bought by California’s Pooled Money Investment Account enjoy the highest possible AAA credit rankings from rating agencies Moody’s and Standard & Poor’s. Concurrently, the bonds also have the highest certification for “greenness” from the Center for International Climate and Environmental Research.

The investment is part of Chiang’s commitment to leveraging the state’s financial resources to both buy and sell environmentally friendly securities, when such investments meet all other requirements of state policy and law.

“My office is excited about participating in the burgeoning green bond market, but we want to do it right,” said Chiang. “We want to raise money to combat climate change and at the same time get the best possible deal for our taxpayers.”

The treasurer recently concluded a national “listening tour” to find new ways to harness the potential of green bonds to pay for critically needed, clean-energy infrastructure in California.

Chiang’s staff also is drafting a report to identify the legal, economic, attitudinal and other barriers that have prevented the U.S. green bond market from developing as fast as those in Europe, Latin America and Asia.

The report’s findings and related issues are expected to be the focus of a conference Chiang plans to hold early next year that will bring together investors, environmentalists and other thought leaders.

The California's Pooled Money Investment Account has purchased \$1.3 billion in World Bank Group green bonds since 2009.

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