

## Green Municipal Bonds

**Prelims (GS I)** – *Economic and Social Development.*

**Mains (GS II)** – *Government policies and interventions for development.*

### Why in news?

*Recently, Ghaziabad Nagar Nigam (GNN) issued India's first Certified Green Municipal Bond and successfully raised Rs 150 crore.*

- **Green Municipal Bonds** – They are debt securities issued by local governments or municipalities specifically to finance projects with positive environmental or climate benefits.
- These bonds must allocate proceeds exclusively to green projects, assets, or business activities.
- They follow the same financial structure as conventional municipal bonds but with environmental commitments.

*According to Council on Energy, Environment and Water report India's Municipal Green Bonds Market Could Mobilise up to Rs 20,000 crore.*

- The funds from the bonds are earmarked only for climate and environmental projects.
- Terms usually range from **5-30 years**, similar to traditional municipal bonds.
- It offers tax exemptions similar to regular municipal bonds.
- **Significance** – The green municipal bonds help Urban financing and promotes sustainable infrastructure and urban resilience
- **Regulatory framework** – The guidelines are issued by Securities and Exchange Board of India (SEBI) under the Framework for Sovereign Green Bonds.

### Projects Funded under Green Municipal Bonds

- Renewable energy infrastructure (solar, wind)
- Energy efficiency improvements in public buildings
- Clean transportation (electric buses, metro systems)
- Water management and conservation projects
- Sustainable waste management facilities
- Climate adaptation and resilience infrastructure
- Green public spaces and urban forestry

To know more about Municipal Bonds, click [here](#)

### Ghaziabad Nagar Nigam Green Municipal Bond

- The Green Municipal Bonds was issued by Ghaziabad municipal corporation and funds raised were specifically allocated for a Tertiary Sewage Treatment Plant (TSTP).
- The initiative was developed under the Swachh Bharat Mission-Urban framework.
- Tertiary Sewage Treatment Plant utilizes advanced Membrane Filtration Technologies, including Microfiltration, Ultrafiltration, Nanofiltration, Reverse osmosis (RO).

## Reference

[PIB| Ghaziabad Nagar Nigam Green Municipal Bonds](#)

