

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](#)

