

UK's first Green Gilt raises £10 billion for green projects

£10 billion was raised from the sale of the Gilt this morning: the largest inaugural green issuance by any sovereign, with the largest ever order book for a sovereign green transaction. This will be followed by a second issuance later in the year. Green Gilts will raise a minimum of £15 billion for green government projects like zero-emissions buses, offshore wind and schemes to decarbonise homes and buildings in this financial year.

By launching the Green Gilt in the run up to COP26 next month, the UK is demonstrating its commitment to tackling environmental challenges and the vital role that green finance plays in this fight.

The Chancellor of the Exchequer, Rishi Sunak said:

Green finance is vital in helping us to tackle the environmental challenges we face, and the launch of our first green bond is a signal that the UK continues to be a world leader in this area.

This funding will be used to finance vital green government projects across the country, including things like clean transportation, renewable energy and preserving our natural environment. In helping us to build back better and greener, it will also help to create jobs as we transition to net zero.

Government bonds, or gilts, are sold to institutional investors and provide a fixed rate of return until their expiry. The UK's inaugural Green Gilt is a 12-year bond, maturing on 31st July 2033.

As set out in the government's Green Financing Framework, published earlier in the summer, the money raised by the Green Gilt will be used to finance expenditures in clean transportation, energy efficiency, renewable energy, pollution prevention and control, living and natural resources, and climate change adaptation.

And in a first among comparable sovereign issuers, the UK has committed to reporting on both the environmental impact, and the important social co-benefits of green expenditures financed by Green Gilts, such as job creation, access to affordable infrastructure and socioeconomic advancement.

The Green Gilt will be followed later in the year by the world's first standalone retail Green Savings Bonds, issued by NS&I. These two products will give UK investors and savers the opportunity to join the collective fight against climate change while creating green jobs across the country.

Further information