

FIRA Green Bonds

Critical transitions:



Innovation: Sustainability-linked debt

Geographic focus: Mexico

\$: 259 million (\$130 million in 2018, \$129 million in 2019)



FIRA, Mexico’s development bank has issued two green bonds to finance sustainable agriculture and forestry: the first one in 2018, for MXN 2.5 billion (\$130 million) for protected agriculture. The funds were used to finance greenhouse projects with sustainable irrigation systems using precision sprinklers.¹⁶⁰

The labelling of the bond as “green ” was driven by the cooperation between the Inter-American Development Bank (IDB), FIRA and the Climate Bonds Initiative (CBI), a not-for-profit organisation that has developed a voluntary certification scheme for green bonds. IDB supported FIRA to conduct a study on sustainable protected agriculture in Mexico, which fed into the certification criteria for protected agriculture developed by the Climate Bonds Initiative for the bond. Sustainalytics acted as external reviewer for the certification of the bond.¹⁶¹

The second bond was issued in November 2019 – for the same amount but with a longer tenor (four and a half years rather than three) and with proceeds allocated to sustainable forestry and solar projects as well as protected agriculture.¹⁶²

Stakeholders:

Climate Bonds Initiative; IDB; Sustainalytics; Los Fideicomisos Instituidos en Relación con la Agricultura

Status:

● Operational