

# Bogotá's Historic International Green Bond

*The first international green bond by a Latin American municipality — USD 600 million raised, 1.34× oversubscribed, and dedicated to clean-transport infrastructure.*

## CONTEXT

Cities rarely access international capital markets directly. Among the roughly 500 large cities in developing countries, only about 5% hold credit ratings recognized by international investors, and most climate finance still flows through national treasuries rather than to the municipal level where most emissions are generated. Bogotá's November 2025 green bond is a landmark exception — and a test case for whether subnational governments can raise large pools of private capital on their own balance sheet for climate-responsive infrastructure.

The USD 600 million (COP 2.3 trillion) issuance, structured in Colombian pesos with a ten-year tenor, attracted demand of COP 3.1 trillion — 1.34 times the amount offered — and allocated 93.4% of the bond to international investors. IFC and CAF served as anchor investors; Goldman Sachs and BNP Paribas led structuring and placement. In April 2026, the bond received Environmental Finance's Green Bond of the Year – Local Authority/Municipality award.

## BY THE NUMBERS

**USD 600M**

Issuance size (COP 2.3 T)

**1.34×**

Oversubscribed

**93.4%**

Placed with international investors

**4**

Clean-transport projects funded

## HOW BOGOTÁ DID IT

- **Built a credible green framework first.** The city developed a Green, Social, and Sustainability Bond Framework with technical assistance from the Global Green Growth Institute (GGGI) under the European Union's Global Green Bond Initiative (Global Gateway strategy). The framework commits 100% of proceeds to green investments and defines impact reporting standards.
- **Brought in multilateral anchors.** IFC and CAF anchored the order book as cornerstone investors, signalling confidence and de-risking perception for private investors unfamiliar with Colombian subnational credit.
- **Structured for international access while managing FX.** The bond was denominated in Colombian pesos (protecting the city's balance sheet from currency risk) but placed in international markets via Rule 144A/Regulation S, reaching a global investor base.
- **Tied proceeds to visible, measurable projects.** Funds are earmarked for four flagship clean-transport projects: Bogotá Metro Line 2, the San Cristóbal and Potosí aerial cable cars, and the new Calle 13 TransMilenio trunk corridor — together expected to eliminate ~158,900 tonnes of CO<sub>2</sub> annually and cut commute times by more than 70% for low-income communities.

### WHY IT MATTERS TO SUMIT

Bogotá's bond is proof-of-concept for one of SUMIT's central advocacy positions: that subnational governments, given the right framework and anchor support, can access international capital markets directly for climate-responsive infrastructure — without routing through sovereign balance sheets.

The anchor-investor playbook used here (IFC + CAF) is directly transferable. So is the enabling-environment lesson: the framework, the EU/GGGI technical assistance, and the multi-year preparation mattered as much as the issuance itself. For the 95% of emerging-market cities that lack an international credit rating today, Bogotá's sequence — framework, anchors, issuance, impact reporting — is a roadmap worth codifying and replicating.

## DISCUSSION THEMES FOR THE WORKSHOP

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- How can subnational governments access international capital markets for climate-responsive infrastructure, and what preconditions does it require?
- What role did multilateral anchor investors (IFC, CAF) play in de-risking the issuance and mobilizing private capital — and how transferable is that pattern?
- How was the enabling environment built: the Green, Social, and Sustainability Bond Framework, EU/GGGI technical assistance, and Bogotá's broader fiscal credibility?
- How will proceeds be aligned with measurable climate and social outcomes — CO<sub>2</sub> reduction, equity, connectivity — and what impact-reporting standards apply?
- What are the lessons and practical next steps for other Latin American and Global South cities seeking to replicate subnational green bond issuance?

## FURTHER READING

- › IFC — *Bogotá Leads the Way in Sustainable Finance with Historic Green Bond (Nov 2025)* — <https://www.ifc.org/en/pressroom/2025/bogot-leads-the-way-in-sustainable-finance-with-historic-green-bond-backed-by-ifc>
- › GGGI — *Bogotá's Green Bond wins Environmental Finance Sustainable Debt Award 2026* — <https://gsgi.org/bogotas-green-bond-wins-environmental-finances-sustainable-debt-award-2026-as-the-best-green-bond-issued-by-a-local-authority/>
- › European Union (EEAS) — *EU supports the announcement of Colombia's first green bond for Bogotá* — [https://www.eeas.europa.eu/delegations/colombia/european-union-confirms-its-commitment-xxii-national-infrastructure-congress-and-supports\\_en](https://www.eeas.europa.eu/delegations/colombia/european-union-confirms-its-commitment-xxii-national-infrastructure-congress-and-supports_en)