# Japan to Launch JPY1.6 Trillion Climate Transition Bond to Fund Green Transformation Program



On July 2, 2024, Japan will launch its inaugural JPY1.6 trillion (USD 11 billion) Climate Transition Bond, as per the Ministry of Finance's press release. This bond is aimed at funding Japan's Green Transformation (GX) program, which seeks to mobilize JPY150 trillion (USD 1 trillion) in investments over the next decade. The GX plan targets sustainable technologies to help Japan meet its 46% greenhouse gas reduction goal by 2030 and achieve carbon neutrality by 2050.

Key initiatives under this plan include promoting energy conservation, transitioning to renewable energy and nuclear power, and implementing a growth-oriented carbon pricing framework. The bond's proceeds will primarily fund R&D in renewable energy and hydrogen utilization, with a portion allocated to subsidies for energy-efficiency measures in buildings.

Additionally, the bond is certified under the Climate Bonds Standard, ensuring adherence to global best practices. The Japan Credit Rating Agency supports the bond's credibility, reinforcing the nation's robust transition pathway towards net-zero emissions by 2050.