

Sovereign sustainable bonds: trends and challenges from a PDM perspective

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The number of sovereigns issuing sustainable bonds continues to increase.

Sovereign issuers by year of debut issuance

2016	2017	2018	2019	2020		2021			2022		2023	2024
POL	FRA	BEL	CHL	BGR	MEX	AND	ITA	TGO	AUT	CHE	ARG	ROU
	FJI	IRL	HKG	EGY	SWE	BEN	LVA	GBR	CAN	URY	BRA	JPN
	NGA	LTU	NLD	DEU	THA	BFA	MLI	SRB	DNK		CYP	ISL
		SYC	KOR	GTM		CIV	NER	UZB	MYS		IND	QAT
				HUN		GNB	PER		NZL		ISR	AUS
				IDN		COL	SEN		PHL		SVN	DOM
				LUX		IMN	ESP		SGP		TUR	HND



Note: As of end of 2024

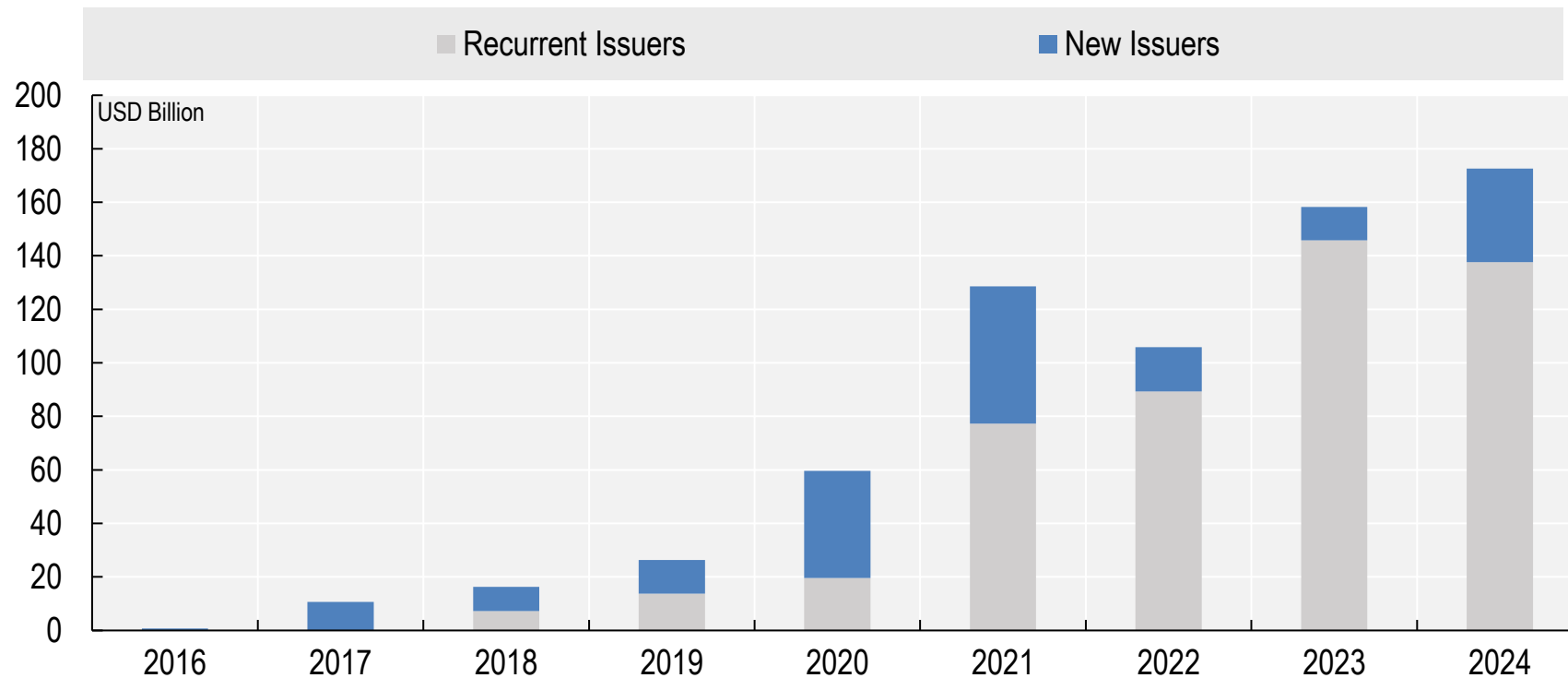
Sustainable bonds include, green, social, transition, sustainability-linked, and other ESG labelled bonds.

Source: [OECD Global Debt Report 2025](#)



After falling in 2022, sovereign sustainable bond issuance reached record highs in 2023 and 2024, mostly driven by regular issuers.

Issuance amounts of sovereign sustainable bonds

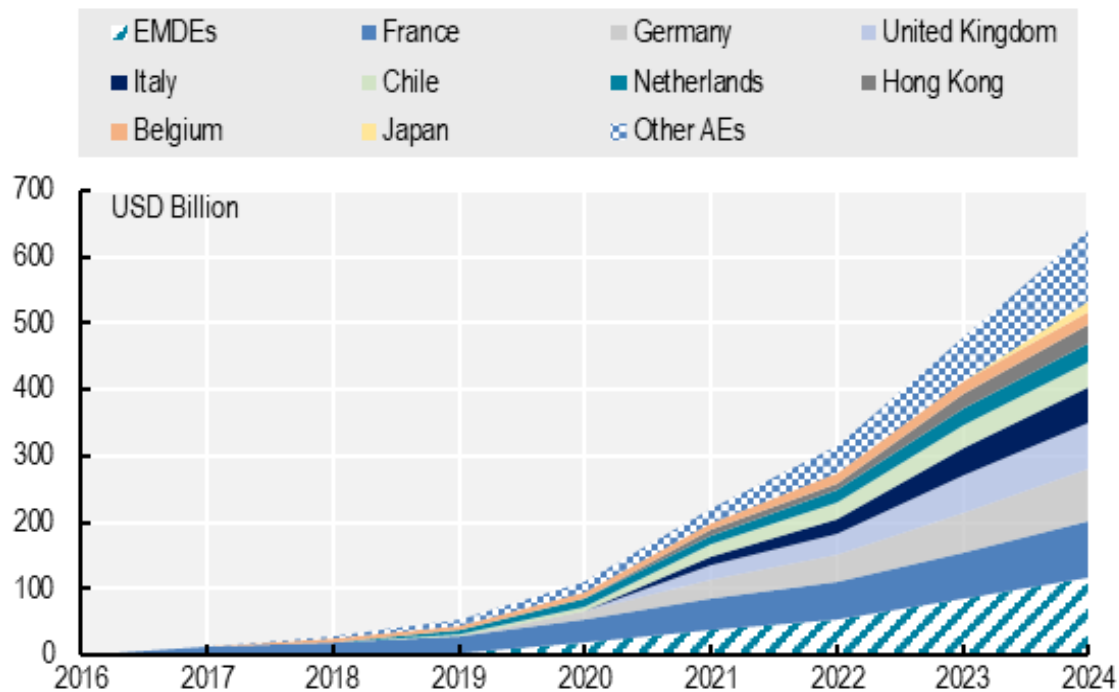


Note: Values as of end of 2024
Source: [OECD Global Debt Report 2025](#)

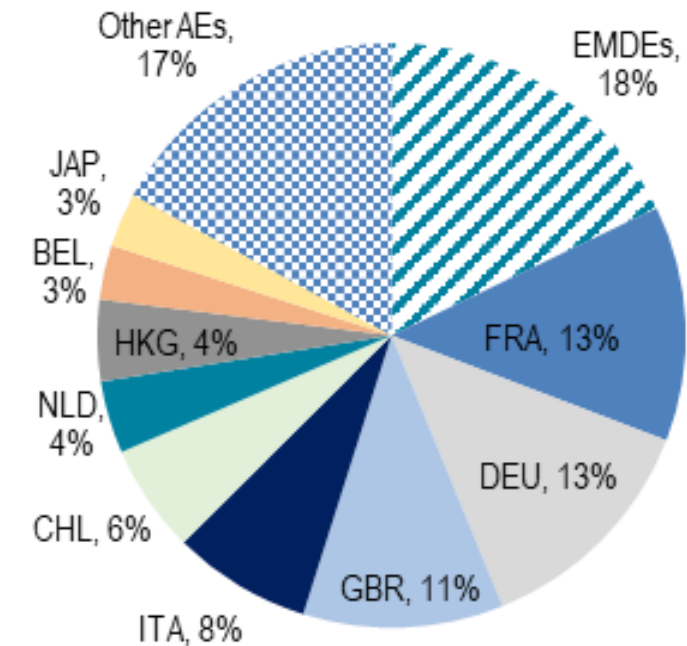


Advanced economies account for a majority of all sovereign sustainable bonds outstanding, with France, Germany, Italy, and the UK representing just under half.

Outstanding amount of sovereign sustainable bonds



Global share of the outstanding amount by issuer in 2024



Note: Values as of end of 2024
Source: [OECD Global Debt Report 2025](#)

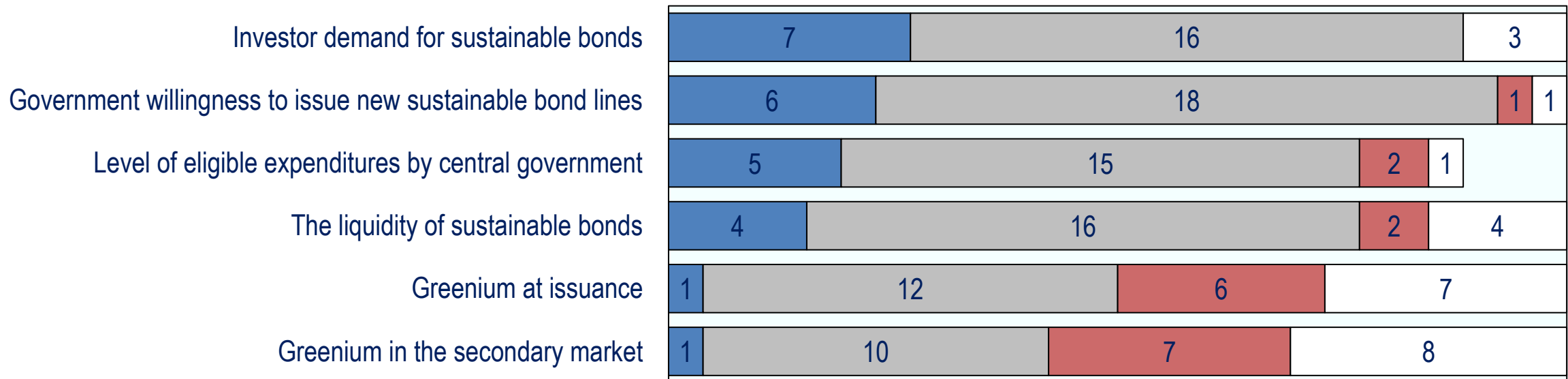


Observations from OECD debt managers on key trends in sustainable bonds.

- Seven DMOs mentioned increased investor demand for sustainable bonds, and none mentioned a decrease
- Several issuers pointed to declining greeniums
- Issuers generally aim to achieve a comparable level of liquidity compared to their other issued bonds
- One issuer mentioned that it relies on international markets to issue in benchmark-size, which also helps broaden the investor base

Key trends in sustainable bonds

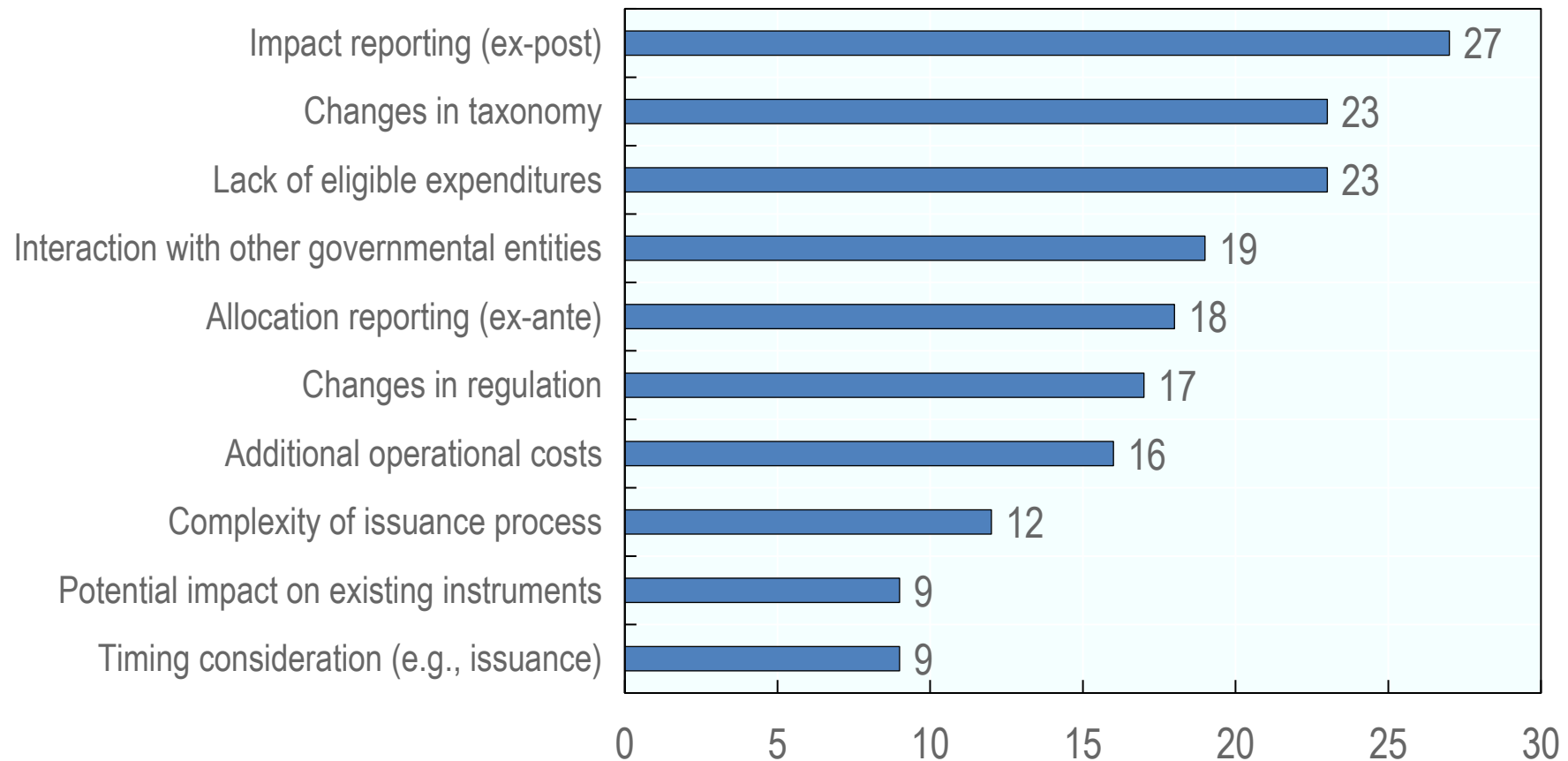
■ Increased ■ Stable ■ Declined □ Unknown





Major challenges reported by issuers include reporting requirements, changes in taxonomies, and a lack of eligible expenditures.

Most cited challenges by issuers

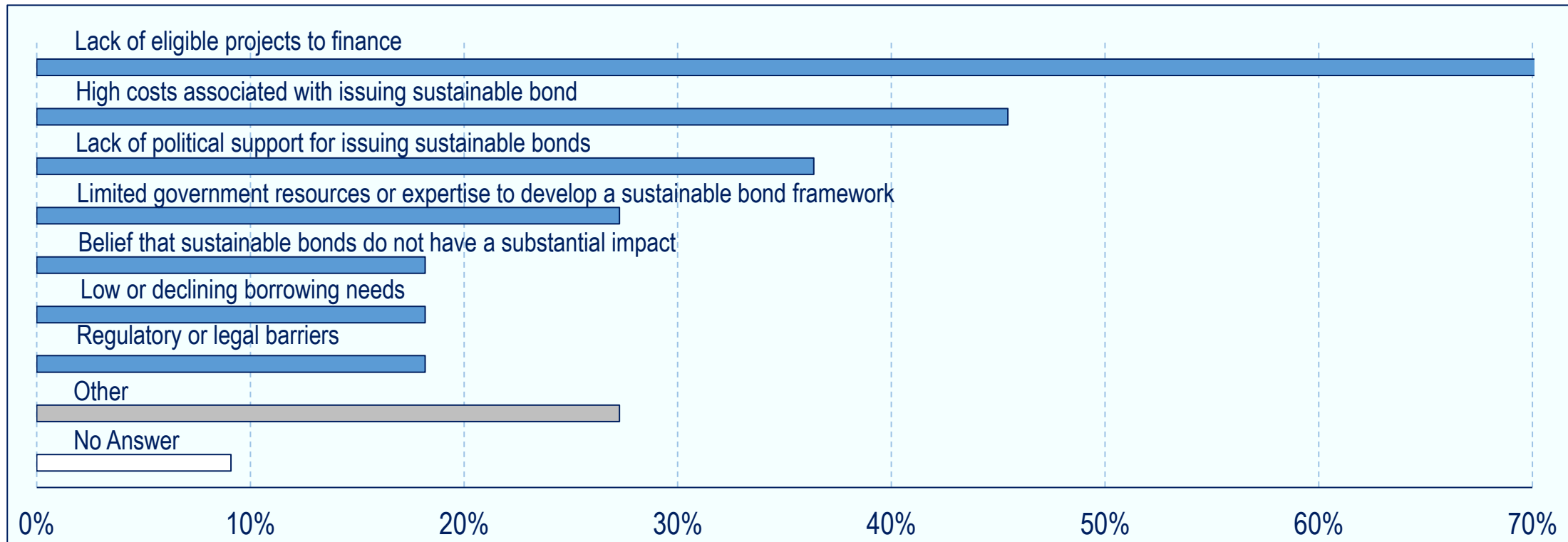




Common reasons for sovereigns not issuing sustainable bonds include a lack of eligible expenditures, the associated costs of issuing, and a lack of political support.

- Other reasons cited by DMOs include:
 - A belief that issuing sustainable bonds would not increase sustainable spending (i.e., lack of additionality)
 - Concerns about the impact on the liquidity of the wholesale programme
 - A belief that the current wholesale programme best achieves the objective of minimising costs to the taxpayers

Reasons for not issuing sustainable bonds





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