

Best Practices in China on **Sovereign and Corporate Bonds**

Accelerating EPC-based efficient building energy systems in Mauritius

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Bonds scale pipelines, not isolated projects

Sovereign and corporate bonds become powerful when they finance repeatable EPC project pipelines.

01

Audit evidence

Baselines, system diagnostics, and savings estimates.

02

EPC package

Contracted scope, payment payment logic, guarantees, guarantees, and M&V.

03

Portfolio

Aggregated public, commercial, hotel, or district district assets.

04

Bond finance

Sovereign, bank, corporate, corporate, or SPV issuance issuance with reporting.

Finance principle

EPC converts technical savings into contractual cash flow; bonds scale the cash-flow portfolio once it is measurable and measurable and repeatable.

Sources: IIGF China Green Bond Principles; ICMA Green Bond Principles; IEA ESCO Contracts.

Mauritius has a strong efficiency case

Efficient buildings can reduce fuel-import exposure while improving public and commercial service quality.

90.9 %

of primary energy requirements were sourced from imports in 2024, mainly petroleum products and coal.

49 % +
34 %

of 2023 electricity generation came from oil from oil and coal, respectively.

35 % +
34 %

of final electricity use came from commercial/public services and residential residential buildings.

10 %

national economy-wide energy efficiency efficiency target by 2030.

Implication

Building efficiency is a financeable energy-security measure when savings are measured, contracted, and aggregated aggregated

Sources: U.S. International Trade Administration; IEA Mauritius Electricity; UNEP Copenhagen Climate Centre.

The bottleneck is implementation finance

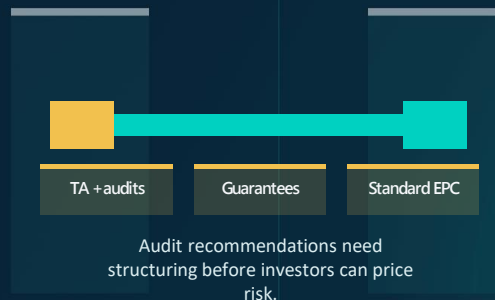
Mauritius has audit and sustainable bond foundations; the missing link is financed EPC execution.

Foundations already exist

AUDIT + MARKET RULES

- 1** EEMO audit regulations provide a route to route to identify large-consumer building building opportunities.
- 2** Sustainable bond guidance supports sovereign and corporate issuance through Mauritius markets.
- 3** Local green finance activity shows that that labelled debt can be issued for clean energy projects.

Financing valley



Execution still needs a bridge bridge

BOND-READY EPC PORTFOLIOS

- 1** Project preparation must turn audit findings into investment-grade costs and baselines.
- 2** Risk-sharing tools should address performance, credit, tenor and collateral collateral constraints.
- 3** Portfolio aggregation can link public, hotel, hospital and commercial bond finance.

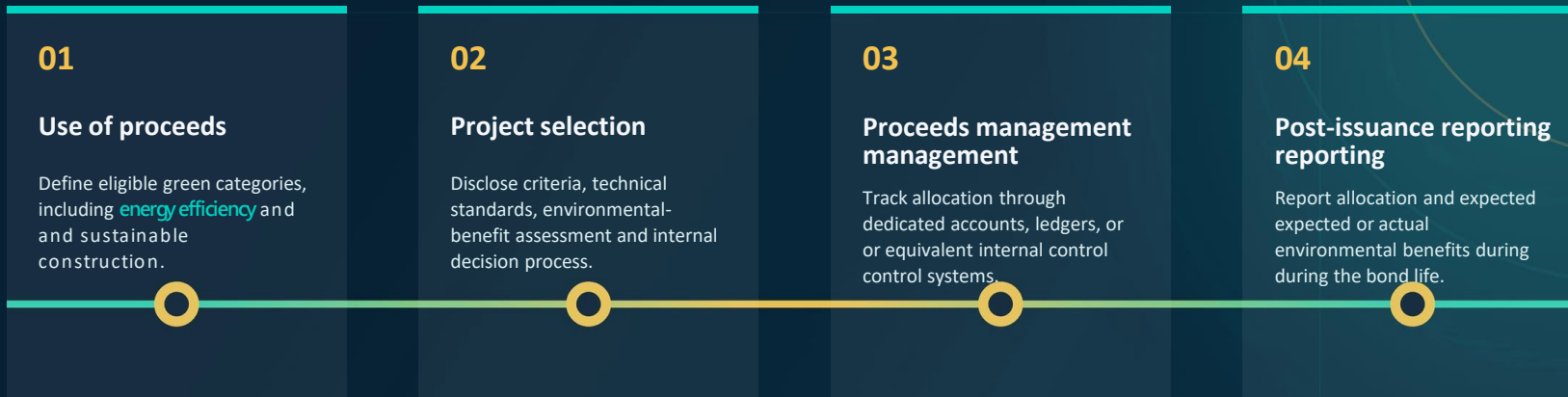
Design implication

Connect the audit pipeline to standardized EPC contracts, verified savings and green bond reporting before issuance.

Sources: One Planet Network on Mauritius Energy Audit Regulations; Bank of Mauritius Sustainable Bonds Guide; Mitigation Action Facility Mauritius Energy Efficiency project; FSD Africa on Mauritius green bond issuance.

China built market rules first

Clear rules on proceeds, selection, tracking and reporting make reporting make EPC building-system portfolios investable. investable.



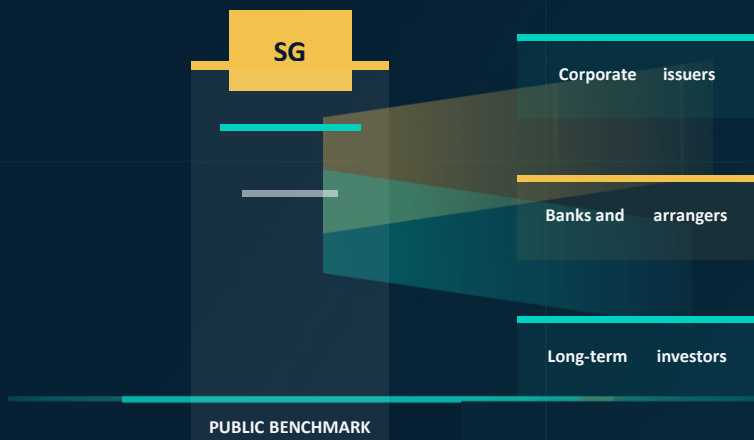
100% China's principles require all green bond proceeds to be used for used for eligible green projects.

Transfer to Mauritius

Define EPC building-system eligibility before issuance: baseline rules, M&V protocols, eligible technologies, and impact metrics. impact metrics.

Sources: IIGF, "Interpretation of the China Green Bond Principles"; ICMA, "Green Bond Principles," 2025.

Sovereign bonds set a benchmark



Benchmark function: one credible public framework can guide corporate corporate issuance, external review, allocation reporting and investor expectations.

Sovereign and public-sector green bonds can create pricing, disclosure and confidence benchmarks for the wider market.

China's 2025 sovereign signal

Feb 2025

Ministry of Finance released a sovereign green bond framework aligned with China and ICMA green bond principles.

RMB 6bn

First offshore RMB-denominated sovereign sovereign green bond issued in London in April April 2025.

6.9x

Total subscription reached RMB 41.58bn, signalling strong investor demand.

Annual

Allocation and environmental impact disclosure disclosure are built into the framework.

Mauritius transfer

Use a sovereign or public-sector sustainable bond framework to set eligible EPC building categories, reporting templates, external review norms and benchmark pricing for later corporate or ESCO-linked issuance.

Source: Climate Cooperation China, "New framework for sovereign green bonds paves way for green debut on global stage," 2025. Note: the transferable lesson is benchmark-setting discipline; Mauritius should adapt eligible categories to its building-efficiency priorities.

Hong Kong shows programme scale

A public green bond programme can finance many project types while maintaining a common reporting platform.

HK\$240 bn

green bonds issued under the Government Sustainable Bond Programme by 31 August 2025, about about US\$31 billion.

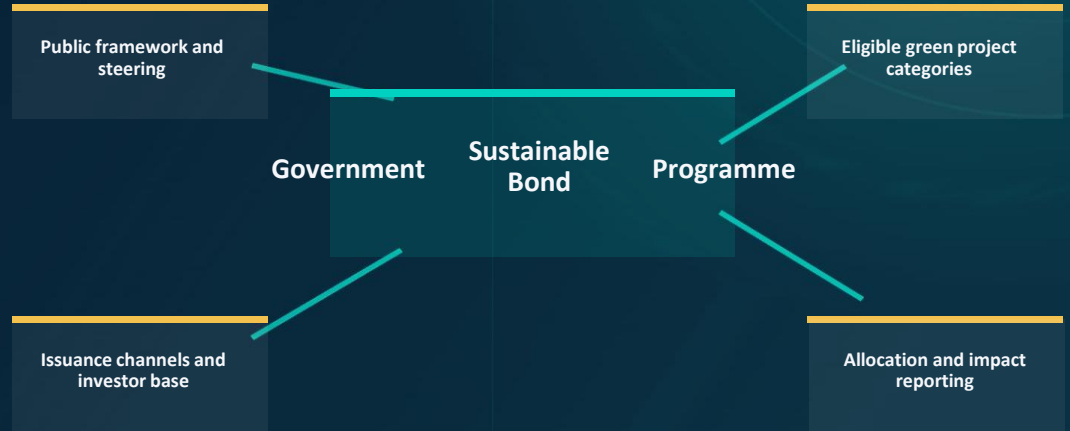
HK\$500 bn

combined borrowing ceiling for the Government Green Bond Programme and Programme and Infrastructure Bond Programme.

600 +

green and sustainable debt instruments supported by the grant scheme by end-August 2025.

How the programme architecture creates scale



Market ecosystem: taxonomy, external review, grants, disclosure

Mauritius adaptation

Start with priority efficient public buildings and EPC-ready assets, then expand the same framework to wider green infrastructure green infrastructure categories.

Source: Hong Kong SAR Government, Green Bond Report 2025; figures reported as of 31 August 2025. Building-energy relevance includes Hong Kong's targets to reduce commercial building electricity consumption by 30–40% and residential consumption by 20–30% by 2050 from 2015 levels.

Corporate bonds finance operating portfolios

Corporate issuers can finance or refinance green building assets building assets when reporting connects proceeds to measurable measurable performance.

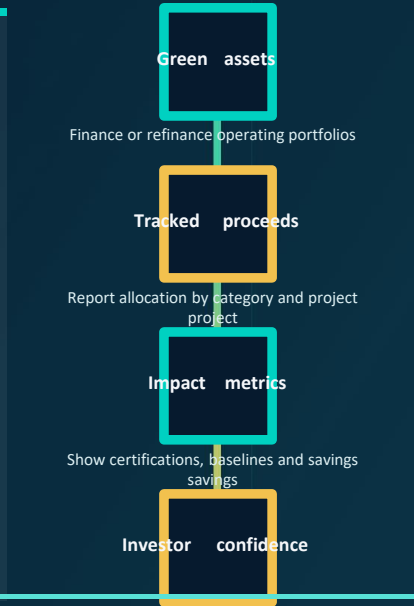
HONG KONG CORPORATE ISSUER

Swire Properties green bond

US\$500m **10-year**

Issued in 2018 under a medium-term note programme. Proceeds support **green buildings, energy efficiency, renewable energy, water** and climate adaptation.

ELIGIBLE GREEN PROJECT CATEGORIES



BUILT-ENVIRONMENT PORTFOLIO ISSUER

Link REIT green bond reporting reporting

US\$500m **2016**

Reports allocation to **green buildings, energy efficiency** and **efficiency** and renewable energy, with project-level certifications, measures and performance against baselines.

ALLOCATION AND IMPACT REPORTING

Mauritius adaptation

Use the same reporting logic for hotel, commercial, retail and mixed-use EPC portfolios: proceeds → installed systems → verified systems → verified energy, cost and emissions performance.

Sources: Swire Properties Green Finance; Link REIT Sustainable and Green Bond Report 2024/2025. Figures are issuer-reported public information.

EPC is China's project engine

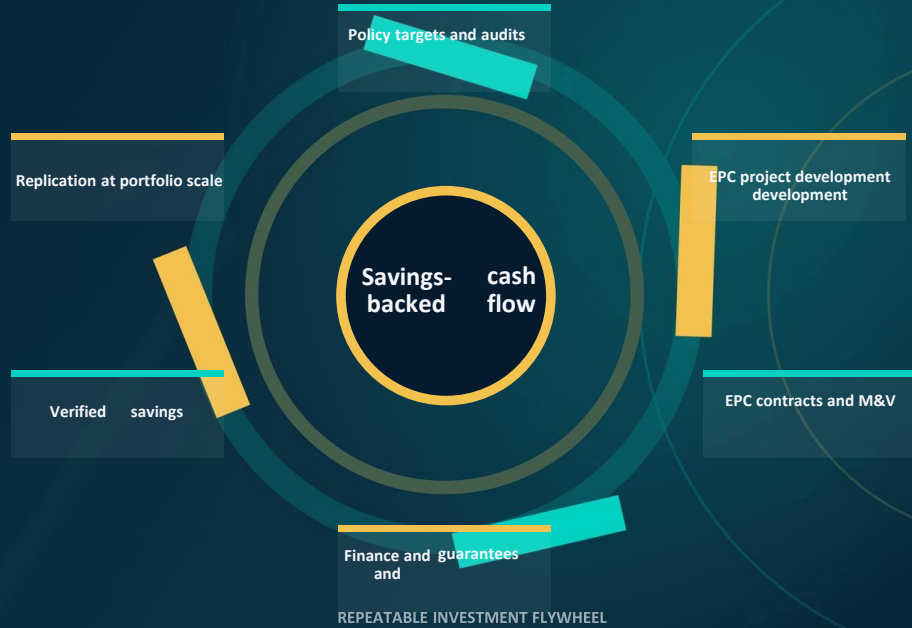
US\$19.2bn ESCO project investment in China in 2020, 2020, up 12.3% despite the pandemic. pandemic.

59 % of the global ESCO market by investment investment value in 2020.

7,000 EPC contractors operating in China in 2020, employing about **770,000** people. people.

Policy toolkit Fiscal incentives, guarantees, expected EPC revenue as revenue as collateral, investment funds, and ESCO green green bond support.

China's market shows how EPC can generate repeatable, savings-backed savings-backed investment opportunities.



Mauritius transfer

Build a disciplined EPC ecosystem: qualified ESCOs, standard contracts, credible M&V, guarantees, and portfolios that convert savings that convert savings into financeable cash flow.

Bonds finance systems, not single devices

Bond proceeds should support integrated efficient building building energy systems with measurable savings.

From equipment lists to system packages

1	Cooling efficiency
2	Building controls
3	Lighting + plug loads
4	Envelope + passive
5	Renewable integration

EPC portfolio cash-flow logic

EPC PACKAGE	TYPICAL MEASURES	BOND-FINANCE LOGIC
Cooling efficiency	Chillers, VRF or split AC upgrades, pumps, fans and controls.	High savings potential with measurable electricity-load reduction.
Building controls	BMS, meters, sensors, schedules, schedules, analytics and remote monitoring.	Enables M&V and persistence of savings the bond life.
Lighting and plug loads loads	LED systems, occupancy controls and controls and efficient appliances. appliances.	Repeatable measures suitable for aggregation aggregation across many buildings.
Envelope and passive	Shading, roof reflectance, glazing glazing and air sealing.	Reduces cooling load and avoids equipment investment.
Renewable integration integration	Solar PV, solar thermal and storage-storage-ready controls.	Improves resilience and lowers grid-emissions emissions exposure.

Portfolio principle

For Mauritius, package measures so each bond-funded EPC portfolio can report installed systems, verified kWh savings, cost savings, savings, cost savings, emissions avoided and service-quality benefits.

Match instruments to market segments

Mauritius should use different bond and EPC structures for public buildings, hotels, commercial portfolios and strategic districts.

MARKET DESIGN RULE

Portfolio logic beats one-size-fits-all finance

Choose the instrument after answering three questions: who benefits, who can pay, and where aggregation reduces cost and risk.

Segment first, contract second, finance third.

MAURITIUS SEGMENT	RECOMMENDED INSTRUMENT	WHY IT FITS
P Public buildings	Sovereign or public-sector sustainable sustainable bond + EPC framework framework	Public anchor demand can prove savings, procurement procurement discipline and reporting quality.
H Hotels and commercial buildings	Corporate green bond, bank green loan or ESCO portfolio bond	Creditworthy users with measurable cooling demand and occupancy-linked operating profiles.
U Hospitals and universities	Blended finance plus performance contract	High public value, predictable service needs and strong rationale for reliability-linked KPIs.
D Smart city or mixed-use districts	Concession or SPV bond with anchor offtakers	Aggregates demand and can support efficient central cooling, controls and shared energy systems.
S SME buildings	Bank on-lending portfolio supported by guarantee	Reduces transaction cost and addresses fragmentation, smaller tickets and collateral constraints.

Implementation logic

Start with segments that have visible demand and reliable payment capacity; aggregate smaller assets only after contracts and M&V contracts and M&V are standardized.

Bankability needs four tests

A Mauritius EPC bond pipeline should pass technical, contractual, financial and impact tests before issuance.

01

Technical test

ARE SAVINGS CREDIBLE?

Minimum evidence: audited baseline, equipment scope, savings calculation, metering boundary and M&V plan.

ENGINEERING EVIDENCE

02

Contractual test

WHO CARRIES WHICH RISK?

Minimum evidence: EPC model, payment mechanism, service responsibilities, performance guarantee and remedies.

RISK ALLOCATION

03

Financial test

CAN CASH FLOW REPAY CAPITAL?

Minimum evidence: credit quality, quality, tenor fit, debt-service logic, guarantee coverage and aggregation size.

REPAYMENT LOGIC

04

Impact test

CAN GREEN CLAIMS BE VERIFIED?

Minimum evidence: eligible category, expected kWh emissions reduction, impact metrics and reporting process.

GREEN INTEGRITY

Mauritius application

No EPC portfolio should move to sovereign, corporate, bank or SPV bond issuance until all four gates are documented and independently reviewable.

Innovative Financial Mechanisms to Enable Long-term Implementation Support for Energy-audit Based Building Retrofitting Projects

Marketable → Investable → Bankable

Stage 1: Seed Start-up (3-6 years.)

Initial funds from national government

MDBs: ADB, KfW, AFD NAMA/GCF

Stage 2: Growth Scale-up (4-7 years)

Pension Fund Investors: MPF, IFU, P+

Commercial Banks

Bonds

Insurance Corporations

Stage 3: Mature (5-8 years)

Private Investors: ESCO

Private Placement

Domestic/International public funds buy in

Domestic public funds pay out
Other public/private funds buy in

Domestic private funds buy in
Some international funds pay out

Investment Management

Fund of Funds (FoFs)
Fund management Co. & Partners (LP/GP)

Investment Execution

Direct Investment

Special Purpose Vehicle (SPV)

SME

NGO

Demo

Clusters of projects

Asset-backed Securities

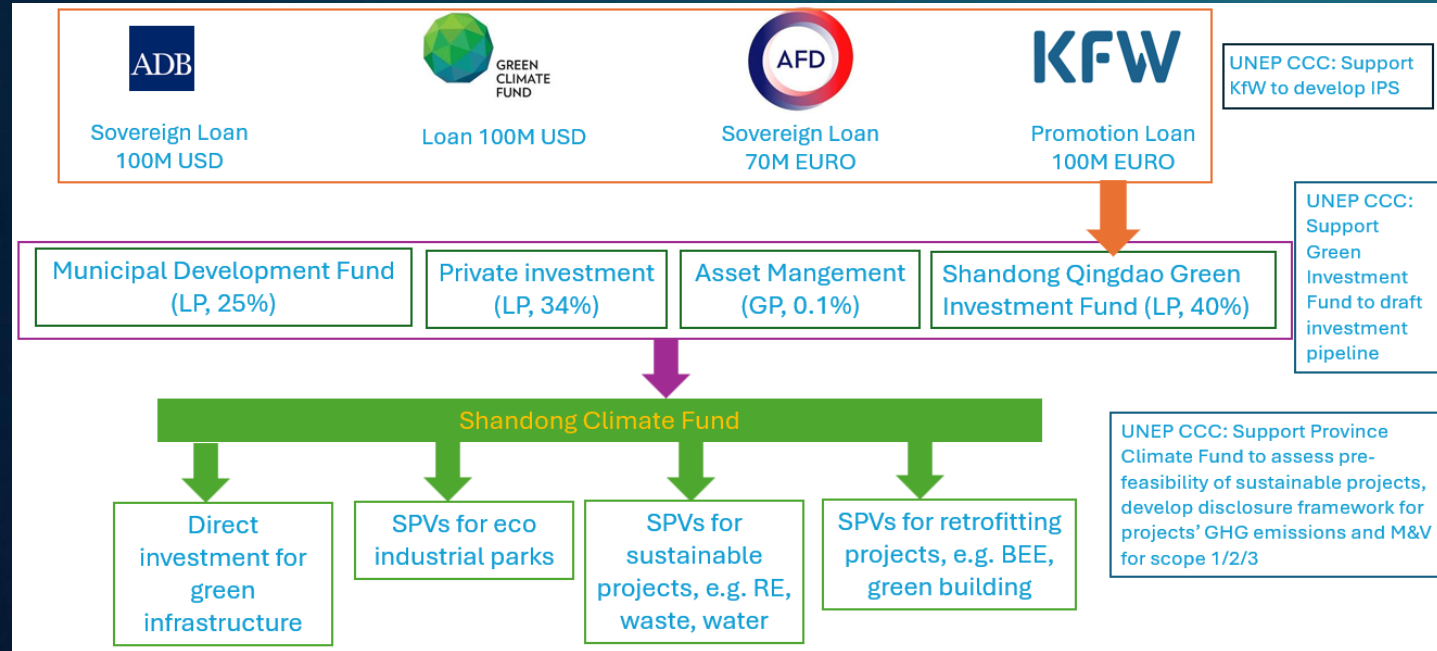
Portfolios

Innovative Financial Mechanisms to Enable Long-term Implementation Support for Cooling Projects

- Promotion Loans from MDBs for State/Province/City Climate Fund

Case: Shandong Climate Fund (CN)

On-going:
Tamil Nadu Green Climate Fund (IN)



Innovative Financial Mechanisms to Enable Long-term Implementation Support for Cooling Projects

- Corporate Bonds and Sovereign Bonds From Public Markets

Case 1: Jinan Energy Group REIT on district heating & cooling through Shanghai Exchange(CN, 2025)

On-going:

- Pimpri Chinchwad Municipal Corporation (PCMC) (Pune, IN) for sustainable cooling in Bombay Stock Exchange
- Chennai Municipal Corporation (IN) for DCS & passive cooling in industrial parks



Innovative Financial Mechanisms to Enable Long-term Implementation Support for Cooling Projects

- Corporate Bonds and Sovereign Bonds From Public Markets

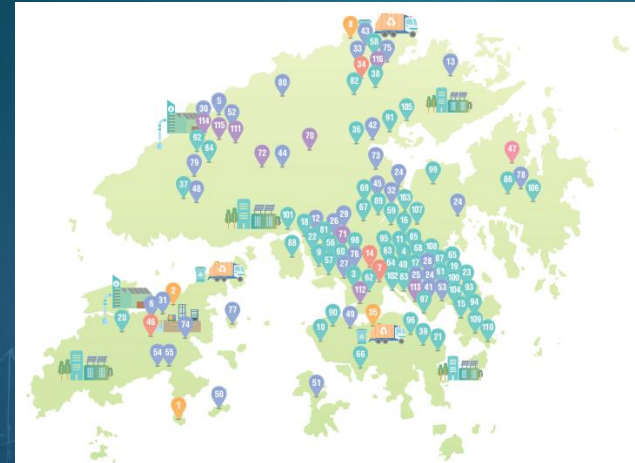
Case 2: Hongkong Green Bond for 116 Green Projects (DCS, Green building etc.)

Details of the June 2025 Issuances

Issue Date	10 June 2025
Ratings (at issuance)	Fitch: AA- / S&P: AA+
Listing	Hong Kong Stock Exchange and London Stock Exchange

ISIN	Size (million)	Proceeds in HKD ¹ (million)	Tenor (year)	Maturity Date	Issue Price	Coupon Rate
HK0001151023	RMB4,000	4,372	20	10 June 2045	100.000%	2.600%
US43858AAQ31/ USY3422VDD74	US\$1,000	7,837	5	10 June 2030	99.884%	4.125%
HK0001151015	EUR1,000	8,956	8	10 June 2033	99.791%	3.125%

The offering attracted participation from a wide spectrum of investors from Asia, Europe, Middle East, and the Americas, representing a subscription ratio of around 3.3 to 12.5 times. In particular, the 20-year RMB green bond, which was first introduced in 2024, received overwhelming support, doubling in issuance size from its first issuance. The issuances also received the Green and Sustainable Finance Certificate (Pre-issuance Stage) from Hong Kong Quality Assurance Agency (HKQAA).

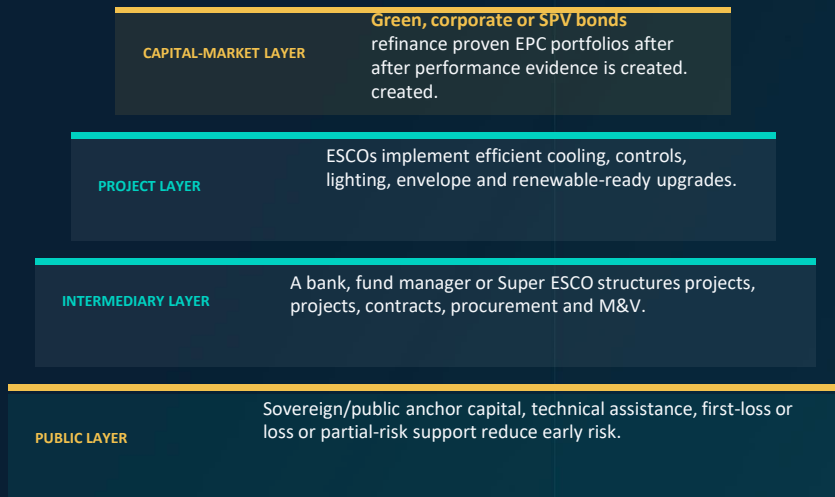


Source: Green Bond Report 2025, Hongkong Government

<https://www.hkqb.gov.hk/en/greenbond/greenbondreport.html>

Build a Mauritius EPC Bond Facility

Capital stack and operating layers



A dedicated facility can aggregate EPC projects and connect public public support with private capital.

How the facility moves projects to market



Implementation principle

Use concessional and public capital to buy down early risk, then recycle verified savings evidence into private bond-market bond-market replication.

De-risk the first projects

The first EPC projects should be demonstration assets that create the evidence investors need.

Stage 1 Demonstration assets

Use priority buildings to prove savings, service reliability and payment discipline.

Stage 2 Standardized contracts

Replicate EPC templates with consistent M&V, risk allocation and reporting.

Stage 3 Portfolio finance

Bundle proven assets into bond-ready portfolios for banks, corporates or SPVs.

BARRIER	DE-RISKING RESPONSE	MAURITIUS ACTION
1 Preparation gap	Technical assistance + investment-grade audits	Create a project preparation window for priority public, hotel, hospital and commercial buildings.
2 Performance uncertainty	Standard M&V + savings insurance or guarantees	Use transparent baselines, metering boundaries and verified-savings protocols before procurement.
3 Credit and tenor limits	First-loss reserve + partial-risk guarantee	Align early portfolios with the MAF/UNEP CCC EPC guarantee workstream and local bank requirements.
4 Small project size	Portfolio aggregation + standard templates	Bundle buildings by segment, technology package, contract type and expected savings profile.
5 Greenwashing risk	External review + impact reporting	Align issuance with ICMA principles and Mauritius sustainable bond guidance; report allocation and verified impact.

Financing principle

Use concessional and public capital to buy down early risk, then recycle verified evidence into commercial bond-market replication.

Reporting makes savings investable

Bond investors need evidence that proceeds, savings and impacts remain traceable over time.

ALLOCATION

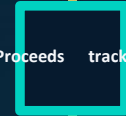
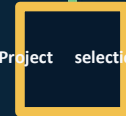
Where did proceeds go?

Report allocation by **building segment**, EPC package, technology category and implementation status.

IMPLEMENTATION

What was installed?

Track commissioned systems, procurement milestones, ESCO responsibilities and operational readiness.



EVIDENCE LEDGER

IMPACT

Were savings delivered?

Report expected and actual savings using transparent baselines, adjustment factors and portfolio-level results.

VERIFICATION

Can claims be trusted?

Use external review for bond frameworks and independent verification for verification for selected savings and impact claims.

Mauritius EPC metrics

kWh saved

peak demand reduction

cost savings

emissions avoided

comfort and service quality

Five actions for Mauritius

Mauritius can turn audits into a bond-ready EPC market through a staged, evidence-based programme.

FROM PLAN TO PIPELINE

Build the market deliberately

Start with **eligible project rules** and verified verified EPC evidence, then move sovereign, bank, corporate or SPV bond finance.

Framework → pilots → portfolio → bond market

01

Define eligibility

Specify EPC building-system packages in sustainable finance guidance: cooling, controls, lighting, envelope and renewables.

02

Select anchors

Choose public and commercial anchor buildings for **investment-grade audits** and early implementation evidence.

03

Standardize execution

Use common EPC contracts, M&V protocols, procurement procurement documents and post-issuance reporting reporting templates.

04

De-risk portfolios

Apply guarantees, concessional capital or first-loss reserves reserves to address early performance, credit and tenor tenor risks.

05

Issue or refinance

Move to sovereign, bank, corporate or SPV green bonds bonds once savings and payment performance are independently reviewable.

Key closing message

Do not start with the bond label. Start with audited buildings, standardized EPC contracts, verified savings and aggregated aggregated portfolios.



The implementation pathway

01

Audit evidence

Baselines, ECMs and M&V-
M&V-ready data.

02

EPC portfolio

Standard contracts, ESCO
ESCO delivery and risk
allocation.

03

Green finance

Sovereign, corporate, bank
bank or SPV bond
pathways.

Outcome: lower costs, better services, and progress toward
toward Mauritius' efficiency target.

Linked 



Thank you very much!


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