TOKYO Resilience Bond Framework
(For International Markets)

August 2026

Tokyo Metropolitan Government

TOKYO Resilience Bond Framework

1. Issuance of the TOKYO Resilience Bonds

As the world increasingly focuses on achieving sustainable societies, it faces critical global challenges such as the escalating climate crisis and other pressing natural environmental issues.

In response to such challenges, the Paris Agreement was adopted as a framework for global actions to address climate change in the post-2020 period. It calls not only for efforts toward decarbonization, but also for strengthening adaptation measures and aligning financial flows with these goals.

Against this backdrop, the Tokyo Metropolitan Government (hereinafter referred to as "the TMG") established the "TOKYO Resilience Project," which presents a vision of Tokyo in the 2040s as a resilient city and sets out a comprehensive suite of enhanced policies to achieve it. By steadily and systematically implementing this project, the TMG seeks to strengthen Tokyo's resilience and protect the lives and livelihoods of Tokyo residents from increasingly frequent and severe storm and flood damage caused by climate change, while maintaining the functions of Tokyo as the nation's capital and supporting its role as an international economic hub.

Since urban resilience initiatives, such as infrastructure development, require significant time and investment, it is vital to pursue them with a long-term perspective in a stable and continuous manner. Furthermore, measures to address increasingly severe storm and flood disasters are a global challenge, and it is important for the TMG to take the lead in promoting investment in climate change adaptation. In addition, the TMG must actively communicate its disaster resilience and the technology-driven initiatives internationally to raise awareness of Tokyo as a resilient city.

In line with these objectives, the TMG has decided to newly issue the "TOKYO Resilience Bonds" in international markets from fiscal year 2025, with proceeds exclusively allocated to measures addressing storm and flood damage.

By attracting funds from a diverse range of investors, the TMG aims to become a leading city in "sustainable and resilient finance," supporting the realization of a sustainable and resilient society from a financial perspective.

The TOKYO Resilience Bonds will be issued as bonds aligned with:

(i) the Green Bond Principles 2025 (hereinafter referred to as "GBP"), the Social Bond Principles 2025 (hereinafter referred to as "SBP"), and the Sustainability Bond Guidelines 2021 (hereinafter referred to as "SBG") of the International Capital Market Association (hereinafter referred to as "ICMA"); and

(ii) the Climate Bonds Standard version 4.3 (hereinafter referred to as "CBS"), the Criteria for Certification under the Climate Bonds Resilience Taxonomy (August 2025) (hereinafter referred to as "CBRT Criteria"), the Water Infrastructure Criteria version 3.4 (hereinafter referred to as "Water Infrastructure Criteria"), and the Electrical Grids and Storage Criteria (March 2022) (hereinafter referred to as "Electrical Grids and Storage Criteria") of the Climate Bonds Initiative (hereinafter referred to as "Climate Bonds"), as a climate resilience investment.

The purpose of issuing TOKYO Resilience Bonds
1. To secure stable funding for urban resilience and accelerate their implementation, supported by investment from companies and investors in TOKYO Resilience Bonds. 2. To present a financing model that channels capital market funds into climate change adaptation measures and resilience projects, thereby accelerating capital flows into this field. 3. To promote Tokyo's resilience initiatives globally by attracting investment from a diverse range of domestic and international investors, thereby enhancing the city's standing as a safe and secure international metropolis.

2. About the TOKYO Resilience Bond Framework

For the issuance of the TOKYO Resilience Bonds, the TMG has established the TOKYO Resilience Bond Framework as follows, which comprises the following components : Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting.

(1) Use of Proceeds

Proceeds from the issuance of the TOKYO Resilience Bonds are scheduled to be allocated to the green and social projects listed in the Appendix and those projects have both green and social aspects.

All proceeds will be applied to new expenditures related to these projects and will not be used to refinance existing expenditures.

(2) Process for Project Evaluation and Selection

As stipulated in the Local Government Finance Act and other laws, a local government may issue municipal bonds as provided in its budget.[1] The budget must be approved by the local government's assembly before the start of each fiscal year.[2]

In addition to these statutory procedures for issuing the TOKYO Resilience Bonds as TMG bonds, the feasibility of the projects and the sustainability of their outcomes are also verified during the budgeting process. The specific process is as follows:

(a) Evaluation and Selection Criteria

Eligible projects for TOKYO Resilience Bond funding in a given fiscal year are selected from those included in the TOKYO Resilience Project. They are then evaluated against the eligibility criteria covering environmental, social, and governance aspects, as listed in the table below.

In addition, to mitigate environmental and social risks associated with project implementation, the TMG confirms that the following measures have been taken:

- Compliance with environmental laws and regulations, and implementation of environmental impact assessments where necessary
- Provision of adequate explanations to local residents
- Eco-friendly procurement of materials, implementation of measures for environmentally hazardous substances, waste management, and occupational safety considerations

---

1 Local Autonomy Act, Article 230

2 Local Autonomy Act, Article 211

(b) Aspects Emphasized in the Eligibility Evaluation

For green projects, the evaluation process confirms a project's alignment with the promotion of climate change adaptation set out in the Tokyo Environmental Master Plan (September 2022). Priority is given especially to E-1 and E-2 (environmental aspects) as listed in the table below.

For social projects, the evaluation process confirms the social issues arising from climate change that the project addresses, with priority given especially to S-1 and S-2 (social aspects).

In all cases, the evaluation also considers whether the project targets populations in need of support due to the impacts of climate change, and whether the project is expected to yield clear benefits (generating new benefits or maintaining existing benefits) whose effects can be quantitatively measured.

Criteria for the Evaluation & Selection of Eligible Projects

No.	Evaluation Aspect	Evaluation Item	Perspective
E-1	Environmental	Clarity of positive impact	The project's positive environmental outcomes are clear and/or can be quantitatively measured.
E-2	Environmental	Reduction of negative impact	Measures are in place to mitigate the negative impacts of the project.
S-1	Social	Clarity of positive impact	The project's positive social outcomes are clear and/or can be quantitatively measured.
S-2	Social	Reduction of negative impact	Measures are in place to mitigate the negative impacts of the project.
G-1	Governance	Policy & regulatory compliance	The project's plan complies with laws and guidelines such as the Tokyo 2050 strategy and Japan's Local Government Finance Act.
G-2	Governance	Feasibility /urgency	Special note is made of the feasible and urgent nature of the project.
G-3	Governance	Effect sustainability	The positive environmental/social outcomes of the project will be sustainable.

(c) Evaluation and Selection Procedures and Division of Roles

① The Bureau of Finance requests relevant bureaus to identify projects that could be eligible for TOKYO Resilience Bond funding.

② The Relevant Bureaus identify projects that meet the requirements of TOKYO Resilience Bond funding and submit information on these potential projects to the Bureau of Finance.

③ The Bureau of Finance examines the project content and develops a shortlist of potential eligible projects.

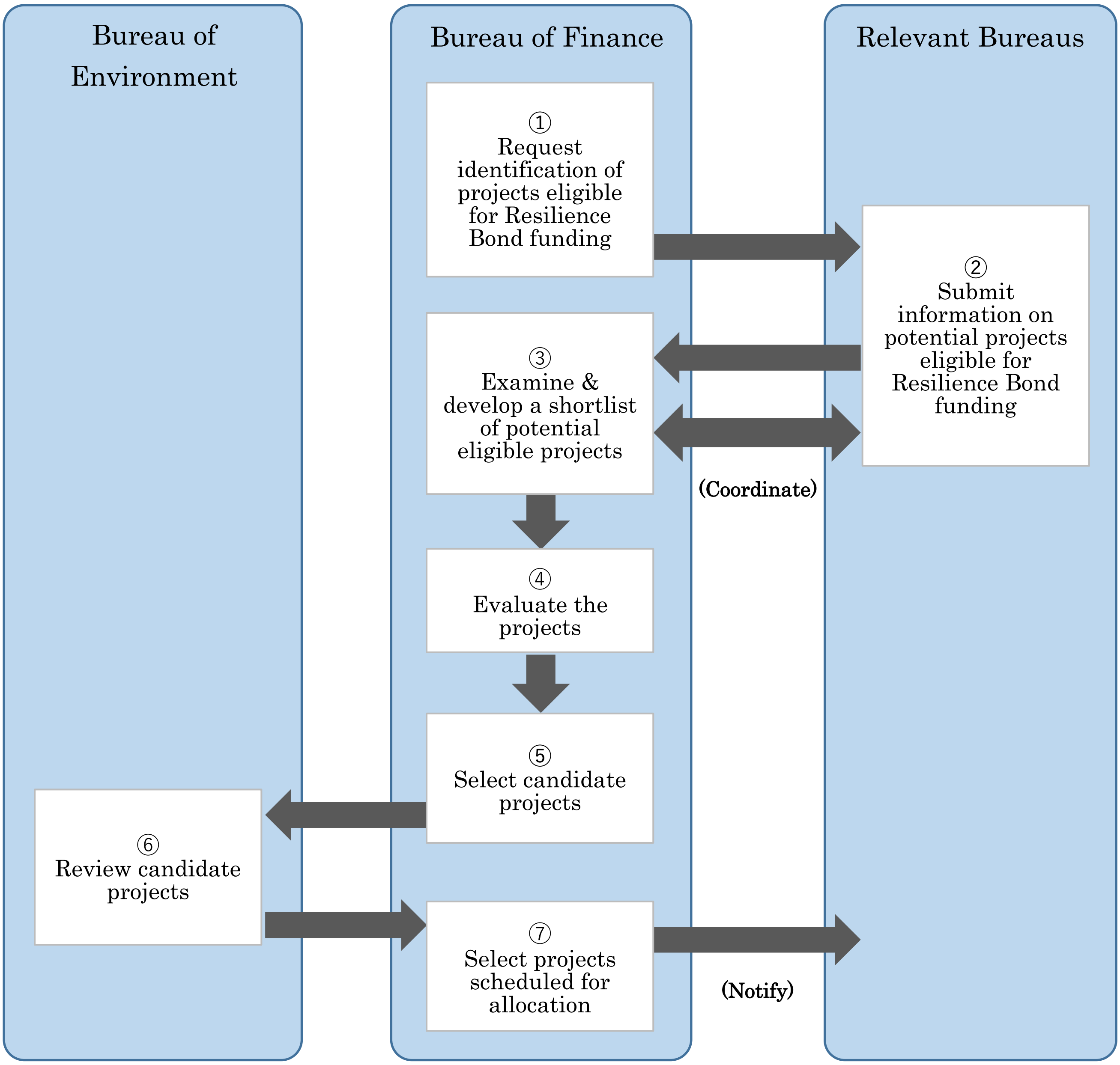
④ The Bureau of Finance evaluates each project. Based on the submitted information, the Bureau confirms that the project addresses an environmental or social issue and conducts evaluations using criteria covering environmental, social, and governance aspects. The Bureau also confirms that measures are in place to mitigate environmental and social risks associated with the implementation.

⑤ The Bureau of Finance selects candidate projects.

⑥ The Bureau of Environment reviews candidate projects from an environmental standpoint.

⑦ The Bureau of Finance selects the projects to be allocated funds (and notifies the relevant bureaus of its decision).

Evaluation and Selection Flow for Eligible Projects



(d) Monitoring

In cooperation with the bureaus and other parties, The TMG will confirm that projects are properly implemented at least once during the following fiscal year. Should any issues arise, the situation will be discussed with the relevant bureau and prompt action will be taken to improve the situation.

(3) Management of Proceeds

Local governments must cover the expenditures of each fiscal year with revenues of the same fiscal year.[3] Therefore, in principle, all proceeds of the TOKYO Resilience Bonds are allocated to eligible projects within the same fiscal year. Prior to the bond issuance, the Bureau of Finance will determine the projects intended for allocation and the respective allocation amounts after confirming relevant matters, including their implementation status, with the responsible bureau. This information will then be publicly disclosed.

The Bureau of Finance manages the progress of the projects to ensure that TOKYO Resilience Bond fund allocation can be tracked when necessary. In the following fiscal year, the Bureau confirms that all proceeds have been allocated to the projects, and discloses this information based on the methods of "(4) Reporting."

After the TOKYO Resilience Bonds are issued, the proceeds will be managed by classifying them into accounting categories based on the TMG's budget rules to clarify their use. Until the proceeds are allocated, they will be managed under the TMG Public Money Management Policy[4]. Moreover, at the end of each fiscal year, settlement-related documents covering all revenue and expenditures, including those related to projects funded by the TOKYO Resilience Bonds, will be prepared and submitted to the Tokyo Metropolitan Audit and Inspection Commissioners for their inspection. The documents, together with the commissioners' opinion, will be submitted to the Tokyo Metropolitan Assembly for certification.[5]

---

[3] Local Autonomy Act, Article 208

[4] The TMG Public Money Management Policy sets forth the principles and methods for managing public funds, under which the safekeeping and investment of such funds must ensure safety, liquidity, and efficiency. For safekeeping and investment purposes, funds are managed in two categories: those which, in principle, are kept as deposits and similar instruments within a single fiscal year, and those which are invested for a period of up to ten years.

[5] Local Autonomy Act, Article 233

(4) Reporting

By the end of the fiscal year following the year in which the TOKYO Resilience Bonds were issued, the TMG discloses outcomes and other information regarding the projects to which the proceeds were allocated will be disclosed. Specifically, the TMG will disclose the information on its website according to the following procedures. The contents of the disclosures are shown in the table below.

(a) The Bureau of Finance confirms the expenditures status of projects scheduled for allocation with the relevant bureaus.

(b) The Bureau of Finance finalizes the breakdown of the allocated proceeds of the TOKYO Resilience Bonds.

(c) The outcomes of the allocation are compiled and the impact report is prepared.

(d) The report is disclosed on the TMG website.

(e) If TOKYO Resilience Bond proceeds are allocated to a single project over multiple fiscal years, related information will also be disclosed.

Contents of Information Disclosure on TOKYO Resilience Bonds

No.	Content	Timing
1	TOKYO Resilience Bond Framework	At all times
2	Details of the decision on projects to be allocated proceeds ・Project category ・Project name ・Expected impact ・Amount or percentage to be allocated	Before issuance
3	Project allocation outcome and impact report ・Project category ・Project name ・Impact ・Amount allocated	Fiscal year following issuance
4	Details of any significant events such as a change in a project scheduled for allocation	Upon occurrence of an event

3. External Review

(1) Pre-issuance External Review

The TMG has obtained a second party opinion from Moody's Japan K.K., an independent external review organization, on the alignment with the ICMA's GBP, SBP, and SBG.

In addition, the TMG will obtain a verification report from Rating and Investment Information, Inc., an approved external review provider accredited by Climate Bonds, confirming that bonds issued under this framework align with the CBS, the CBRT Criteria, the Water Infrastructure Criteria, and the Electrical Grids and Storage Criteria. Based on this verification, the TMG will seek certification from Climate Bonds as a climate resilience investment.

The second party opinion from Moody's Japan K.K. is available on the TMG website. The verification report and the certification from Climate Bonds will be available on the TMG website upon their issuance.

(2) Post-issuance External Review

In the fiscal year following issuance, the TMG will select an organization to conduct an external review and provide it with relevant information, including the contents described in "2 (4) Reporting."

An external review report will be obtained and disclosed on the TMG website.

Appendix

Eligible Projects for the TOKYO Resilience Bonds

No.	ICMA Green Category	ICMA Social Category	Project Category	Project	Issue addressed	Target Population	Substantial Contribution to Resilience	Impact Reporting Metrics	SDG Mapping
1	(Primary objective) Climate change adaptation	Affordable basic infrastructure	Flood prevention	Upgrading small and medium-sized rivers	Protect residents and urban functions from flooding caused by heavy rainfall and other events, thereby ensuring safety and security	Local residents and others living near rivers	✓ Reduced physical vulnerability through enhanced storage capacity during heavy rainfall and reduced risk of flood inflow into urban areas	Completion of river development (%) Storage capacity of regulating reservoirs (㎥)	
	(Primary objective) Climate change adaptation	Affordable basic infrastructure		Developing and upgrading coastal protection facilities for the Port of Tokyo and remote islands	Prepare for large-scale typhoons and earthquakes; protect residents and urban functions from flooding, thereby ensuring safety and security	Local residents and others living in coastal areas	✓ Reduced physical vulnerability through elevated sea walls and other coastal protection structures against storm surges and related coastal hazards	Length completed (km) Number of structures developed	
	(Primary objective) Climate change adaptation	Affordable basic infrastructure		Reinforcing river infrastructure to strengthen water and seismic resilience	Ensure seismic and water resistance of river facilities to protect the low-lying eastern part of Tokyo from storm surge flooding	Residents of the low-lying eastern part of Tokyo	✓ Reduced physical vulnerability through seismic and flood-resilience measures against storm surges	Length completed (km)	
	(Primary objective) Climate change adaptation	Affordable basic infrastructure		Upgrading sewer infrastructure	Protect residents and urban functions from flooding caused by increasingly severe and frequent heavy rainfall, thereby ensuring safety and security	Residents in high-flood risk areas	✓ Reduced physical vulnerability through development of trunk sewer lines and storage capacity, and strengthening of flood-resistance measures for water reclamation centers and pump stations	Share of priority areas where measures have been effective (%) Share of water reclamation centers and pumping stations where pumping functions have been secured through flood-resistance measures (%)	

No.	ICMA Green Category	ICMA Social Category	Project Category	Project	Issue addressed	Target Population	Substantial Contribution to Resilience	Impact Reporting Metrics	SDG Mapping
2	(Primary objective) Climate change adaptation	Affordable basic infrastructure	Storm protection	Undergrounding utility poles to prevent collapse during disasters	Protect residents and urban functions from the risk of utility pole collapse during storms and enhance urban disaster resilience	Road users, including those using strollers and wheelchairs who may be affected by blocked roads or power disruptions caused by collapsed utility poles during natural disasters	✓ Reduced physical vulnerability through minimized risk of utility pole collapse during storms ✓ Reduced physical vulnerability through protection of utility lines from storms	Length completed (km) Number of airports upgraded Number of ports upgraded	
	(Primary objective) Climate change adaptation	Affordable basic infrastructure		Developing and upgrading sediment disaster prevention and coastal protection facilities	Prevent landslides and coastal erosion	Residents in areas at risk of landslides Residents in areas at risk of tsunamis or storm surges	✓ Reduced physical vulnerability through controlled movement of unstable slopes ✓ Reduced physical vulnerability through wave energy dissipation before reaching shore	Number of structures developed/upgraded	
	Climate change adaptation	(Primary objective) Affordable basic infrastructure Access to essential services		Renovating port facilities to protect remote islands vulnerable to typhoons and coastal hazards	Maintain sustainable infrastructure and ensure the safety and security of users	Local residents and other users of port facilities	✓ Reduced physical vulnerability through strengthened coastal structures against storm waves	Number of ports upgraded