S&P Global Ratings Forecasts Global Sustainable Bond Market Will Consolidate In 2026 with Issuance Levels at $800-900 billion

- *Global sustainable bond issuance is set to level off at $800 billion-$900 billion in 2026, signalling a shift from rapid growth to market consolidation.*
- *Regional trends diverge. Europe remains the largest market, issuance in the U.S. slows, and Asia-Pacific, Latin America, and the Middle East sustain activity.*

LONDON, March 12, 2026 /PRNewswire/ -- After years of rapid growth, the global sustainable bond market is entering a new phase, according to a new series of sustainable bond outlooks from S&P Global Ratings. Issuance should stabilize at $800 billion-$900 billion in 2026 as regional trends diverge and the market matures.

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"The era of rapid expansion is giving way to a period of measured growth. Issuers contend with rising debt maturities, shifting policy priorities, and a more competitive capital market," said **Patrice Cochelin, Managing Director, Sustainability Methodology and Research**, at S&P Global Ratings.

- Even so, analysts expect sustainable bond issuance will remain substantial. Sustainable bonds--including green, social, sustainability, and sustainability-linked instruments--remain a key financing tool for climate and social projects worldwide (see "Sustainable Bonds Global Outlook 2026: Consolidation, Not Expansion," Feb. 12, 2026).
- In Europe, issuance will likely stabilize in 2026, cementing the region's position as the world's largest sustainable bond market. Strong regulatory frameworks and investor demand, combined with evolving policy standards, will help reinforce Europe's leadership position, while providing clearer guidance for issuers and investors (see "Sustainable Bonds Outlook 2026: European Green Bond Issuance Will Stabilize," Feb. 26, 2026).
- In the U.S., municipal issuers continue to play an important role in sustainable financing, particularly for clean transportation, water infrastructure, and climate resilience projects. However, labeled issuance has slowed as some issuers prefer conventional bonds to avoid additional reporting requirements (see "U.S. Municipal Sustainable Bond Outlook 2026: As Labeled Debt Volume Dwindles, Other Trends Emerge," March 2, 2026).
- In Asia-Pacific, many sustainable bonds are approaching maturity. This creates refinancing opportunities and prompts issuers to return to the market with updated sustainability frameworks or new climate-related projects. This, together with buoyant local-currency debt capital markets and regulatory efforts, will support continued activity in the region (see "Sustainable Bonds Outlook 2026: Asia-Pacific Maturities Offer Opportunities," Feb. 25, 2026).
- Latin America's sustainable bond market is poised for modest growth, spurred by funding needs in renewable energy, climate adaptation, and social initiatives. Strong demand for sustainable debt from governments, corporations, and investors is fueling market activity, and the region is emerging as a hub for innovative sustainable debt instruments (see "Sustainable Bonds Outlook 2026: Modest Growth In Latin America," Feb. 25, 2026).
- In the Middle East, sustainable bond issuance is expected to remain resilient, as governments integrate sustainability objectives into broader economic diversification strategies. Large-scale investments in renewable energy, hydrogen, and sustainable infrastructure continue to underpin market activity (see "Sustainable Bonds Outlook 2026: Middle East Issuance

Persists," Feb. 15, 2026).

The series highlights that sustainable bond markets are still expanding, but slower and more strategically. Analysts expect the market will focus less on growth and more on credibility, transparency, and measurable outcomes.

S&P Global Ratings' senior analysts will host a webinar on the 2026 sustainable bond outlook at 9 a.m. EDT/1 p.m. GMT on March 12, 2026. Register here for the latest insights on sector and regional trends, trending labelled bond types, upcoming debt maturities, and other key market developments.

This report does not constitute a rating action.

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