REGIONAL TECHNICAL ASSISTANCE PROGRAM ON GREEN, SOCIAL AND SUSTAINABLE BOND MARKET DEVELOPMENT

EASIER CAPITAL RAISING WITH GREEN AND SUSTAINABLE LABELING

23 June 2021

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ASIAN BOND MARKETS INITIATIVE (ABMI)

ASEAN+3 Finance Ministers’ and Central Bank Governors’ Meeting (Annual)

ASEAN+3 Deputy Finance Ministers’ and Deputy Central Bank Governors’ Meeting (Semiannual)

Chiang Mai Initiative Multilateralization

Task Force Meetings (Semiannual)

ABMI Secretariat: Asian Development Bank

ASEAN+3 Macroeconomic Research Office

CH TH

JP SG

JP MY

KR PH

TF1: Supply

TF2: Demand

TF3: Regulations

TF4: Infrastructure

Technical Assistance and Coordination Team

Promoting Issuance of Local Currency Denominated Bonds

Facilitating the Demand of Local Currency Denominated Bonds

Improving Regulatory Framework

Improving Related Infrastructure for the Bond Market
TECHNICAL ASSISTANCE: CREATING ECOSYSTEMS FOR GREEN LOCAL CURRENCY BONDS FOR INFRASTRUCTURE DEVELOPMENT IN ASEAN+3

For more TA info, please visit: https://www.adb.org/projects/53300-001/main

SUPPLY

Guide issuers and underwriters through the process of sustainable bonds issuances, post-issuance reporting requirements.

Develop sustainable bond framework based on international and regional standards and taxonomies.

Address other constraints that are market-specific e.g. language, lack of awareness etc.

DEMAND

Partner with the AsianBondsOnline (ABO) to create a regional green bond information section on the ABO

Promote greater demand for thematic local currency bonds in ASEAN+3

MARKET PRACTICES

Make Asian voices heard

Document and publish case studies to guide sustainable bond issuers, and to develop good practices in issuing bonds

Leverage on other initiatives under the Asian Bond Markets Initiative

For more information, please visit:
EXAMPLES OF RECENT THEMATC BOND ISSUANCES

Asian Banking & Finance (ABF), a leading finance industry publication, released the list of winners for the ABF Corporate & Investment Banking Awards 2020, citing BPI’s CHF 100-million 2-year ASEAN Green Bond issuance as the Debt Deal of the Year – Philippines. The Swiss Franc-denominated bond was remarkable for being the Bank’s first negative ASEAN Green Bond to be issued in the capital markets, and the first negative-yielding bond to be issued outside of the Philippines in the offshore market. The transaction garnered strong demand from a broad range of investor types and had an oversubscribed book within 90 minutes after launch.

BTS Group Green Bond receives well-responded from institutional and high-net-worth investors

23 May 2019

BTS Group Green Bond, the first Green Bond in Thailand issued under the criteria of Green Bond Notification of the Securities and Exchange Commission (SEC), received well-responded from institutional and high-net-worth investors. According to the results of the survey of investment demand in bonds (Bookbuilding) on 17 May 2019, the demand of institutional and high-net-worth investors expressing their intention to invest in the Green Bond is 8 times as much as the Bond value, planned to issue. This demonstrates the confidence of investors towards the operation of the company.
Regional Green Bond Information Now Available on AsianBondsOnline
Detailed Guidance for Issuing Green Bonds

This detailed guidance has been created to assist bond issuers and their advisors to understand the process and key considerations for a successful green bond issuance.

Demand for green bonds and other sustainable finance products is increasing rapidly. Issuers are seeing an opportunity to be part of the green bond market, but are often not sure about how it works, what they need to do, and the key decisions to be made along the way.

The section covers all of the steps required to follow best practices in labeling bonds (Figure 1). They include relevant examples, links to further details, and key resources for green bond issuers and their deal teams. More details

LEMBAR INFORMASI OBLIGASI HIJAU


This green bond version of the AsianBondOnline portal is an ADB initiative supported by the Asian Development Bank and funded by the Democratic Republic of Korea/Young Generation and Regional Cooperation Fund (RDCF).

For more information, please visit www.asianbond.info
The ASEAN+3 Bond Market Guide is a series published by the ASEAN+3 Bond Market Forum in collaboration with ADB as its secretariat. Each country-specific guide provides information on the investment climate, rules, laws, opportunities, and characteristics of the local bond market. The guides aim to help bond market issuers, investors, and financial intermediaries understand the local context and encourage greater participation in the region’s rapidly developing bond markets. The guides are produced in close consultation with local policymakers and market players. ASEAN+3 consists of Brunei Darussalam, Cambodia, the PRC, Indonesia, Japan, the Republic of Korea, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.
ASEAN Catalytic Green Finance Facility (ACGF) under the ASEAN Infrastructure Fund – Accelerating Green Finance in the region

Karthik Iyer
Sr. Sustainable Finance and Capital Markets Expert- ACGF
Mobilizing Green investments in the region

Significant progress in 2 years pilot period

• Technical Assistance for structuring Green financing models
• De-risking funds via green window
• Knowledge & Capacity building
• Focus for 2021 on Green Recovery

Regional, country-owned facility under ASEAN Infrastructure Fund

Capitalizing on partnerships

See ADB Green Recovery Paper for more details on some innovative options
ACGF in partnership with country teams in Thailand and Indonesia has been supporting thematic bond issuances.

Thailand has been active across Sovereign and SOEs with 4 issuers - PDMO (MoF), National Housing Authority (NHA), Bank for Agriculture and Agricultural Cooperatives (BAAC) and Govt. Savings Bank (GSB).

ACGF worked with Cambodia Solar Park project providing TA Support.

The Green Climate Fund (GCF) has allocated $300 million to support the Asian Development Bank’s (ADB) efforts to help Southeast Asia shape a climate-resilient, environmentally sustainable economic recovery from the coronavirus disease (COVID-19) pandemic.

PLN as a large Indonesian SoE is embarking on an ambitious sustainability program to move consciously towards renewables.

ACGF is also in discussions with SDG One Indonesia to provide TA support for a Green finance Facility.

Deepening of market with more SoEs and Sub-nationals: Cities, Municipalities and Local Governments.
Where we can help

➢ Participation and guidance in initial discovery and scoping phase
➢ Knowledge sharing sessions with industry participants and experts
➢ Designing and reviewing the Thematic Bond Framework
➢ Supporting project selection and governance process internally
➢ Alignment to International Best Practices & Standards – Green, Social, Sustainable, SDGs
➢ Technical assistance and co-ordination for External Reviewer provider/s
➢ Supporting in any communications and marketing review
➢ Third party certification support
➢ Support and review for post issuance reporting – Allocation and Impact reporting
➢ Being part of the bond launch team alongside legal, bookrunners and bankers
➢ Any promotion support for raising profile of the issuer
➢ De-risking and credit enhancement mechanisms
➢ Embedding the bond transaction in a wider Sustainable Finance Agenda
Greater Sector Diversity, Breadth, Depth of Sectors and Markets is needed to match Investor demand

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<tr>
<th>Sectors (ranking comparison)</th>
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<tbody>
<tr>
<td>GHG emissions</td>
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<tr>
<td>Energy / Utilities</td>
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<td>Industrials</td>
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<td>Consumer Discretionary</td>
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<td>Consumer Staples</td>
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<td>Real Estate</td>
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<td>Materials</td>
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<td>ICT</td>
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Source: Climate Bonds Initiative
END TO END ADB SUPPORT

Thematic Bond Support & Capital Market access
- Sovereign Issuances
- Sub-sovereign, Municipal bond support

Supporting Green Policies
- Adoption of “Green Project” Definitions
- Development of selection criteria / indicators
- Developing international alliances

Enabling Green Finance Facilities
- De-risking
- Credit enhancements
- Leverage existing funding models and co-financing opportunities
Technical assistance promotes interconnected, inclusive and resilient ASEAN capital market
- Supporting policy discussion and capacity building among ASEAN securities regulators
- Supported development of ASEAN sustainable bond standards, and working on ASEAN sustainable finance taxonomy, and innovative financial instruments e.g., transition bond, sustainability-linked bond standards
- Support for ACMF Roadmap for ASEAN Sustainable Capital Markets

Technical assistance helps DMCs create ecosystem for sustainable LCY bond market development in ASEAN
- Supporting corporate thematic bond issuances in local currency of ASEAN+3
- Creating ecosystem necessary for sustainable finance market development e.g., strengthening capacity of local service providers to provide green bond verification service
- Disseminating information and knowledge products e.g., detailed guidance for issuing green bonds on AsianBondsOnline

Technical Assistance for structuring Green financing models
- Supporting sovereign, sub-sovereign and municipal thematic bond issuances
- Supporting green policies e.g., adoption of “Green Project” definitions, development of selection criteria / indicators, developing international alliances
- Enabling green finance facilities e.g., de-risking mechanisms, credit enhancements, and leverage existing funding models and co-financing opportunities
FOR FURTHER INFORMATION:

**Corporate Bond Issuances:**

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**Sovereign Issuances**  
Sub-sovereign, Municipal bond support

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