

# GLOBAL TRENDS AND PROGRESS OF SDGs INVESTMENT AMID COVID-19 PANDEMIC AND RECOVERY

**Kosintr Puongsophol (Pok)**

Financial Sector Specialist

Asian Development Bank

Email: [kpuongsophol@adb.org](mailto:kpuongsophol@adb.org)

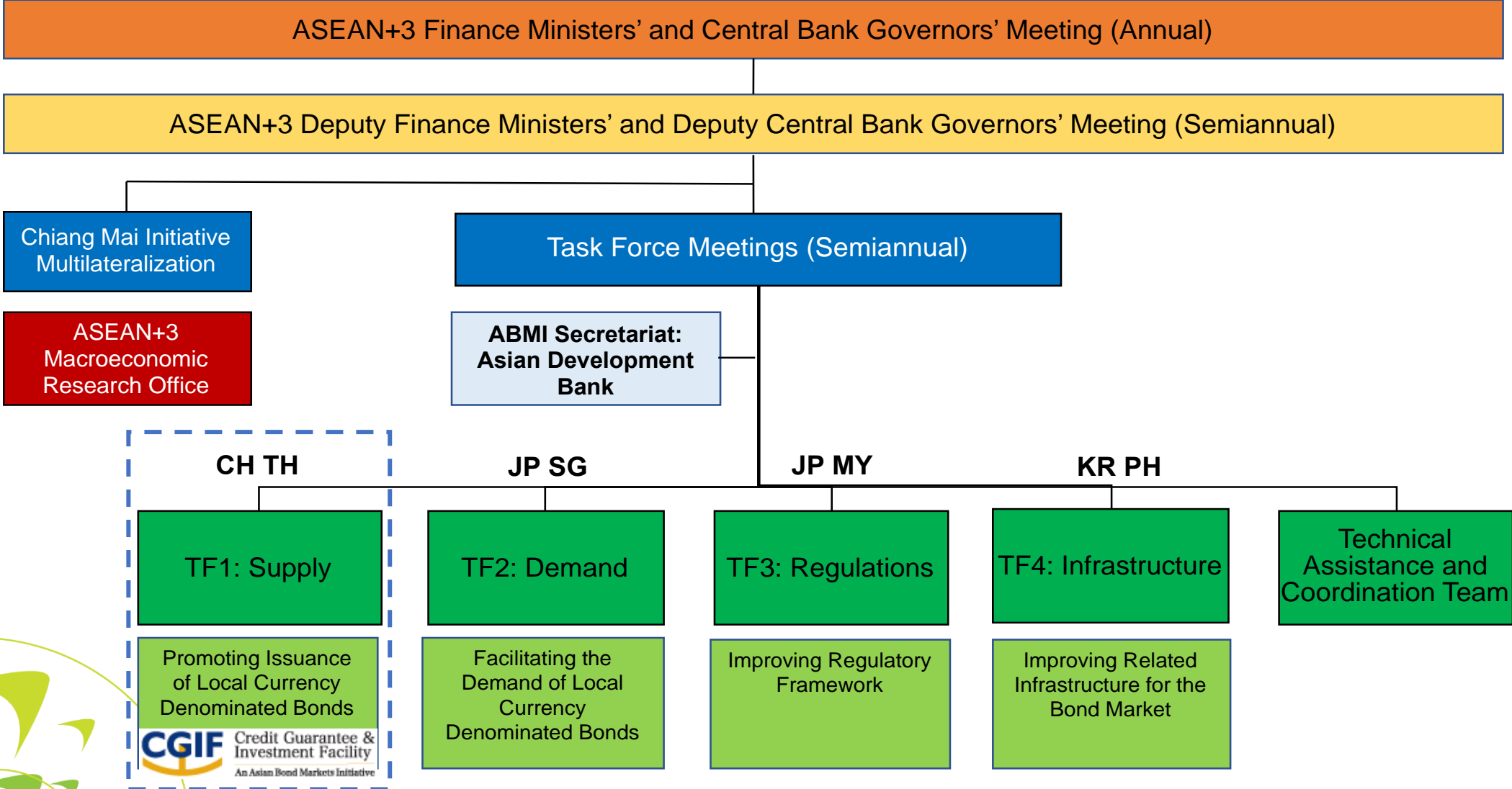
[AsianBondsOnline](#)  
[Green Bond](#)



# OVERVIEW OF SUSTAINABLE BOND MARKET



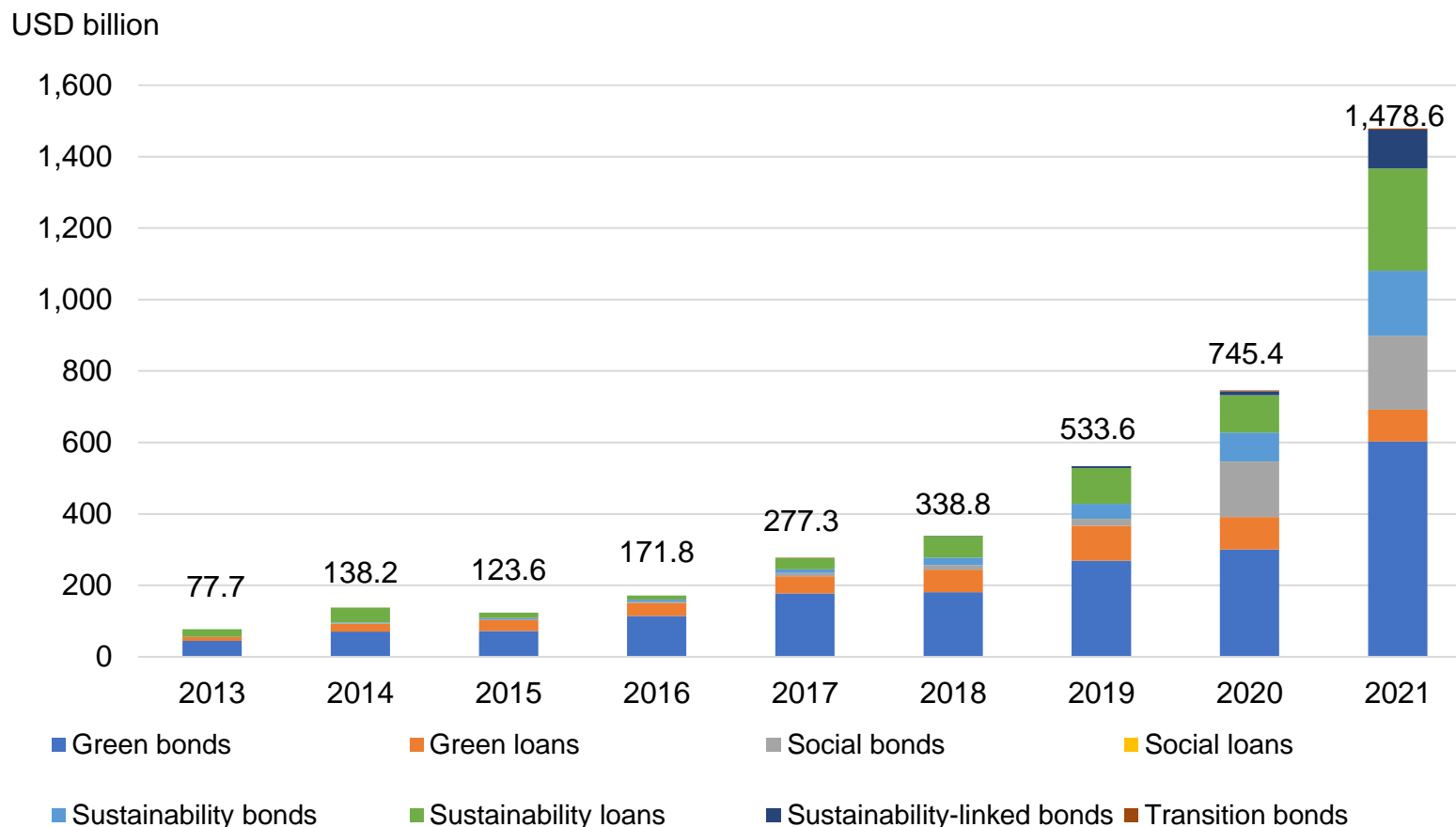
# ASEAN+3 ASIAN BOND MARKETS INITIATIVE (ABMI)



# Globally, the volume of labelled sustainable finance products is not keeping up with investor demand

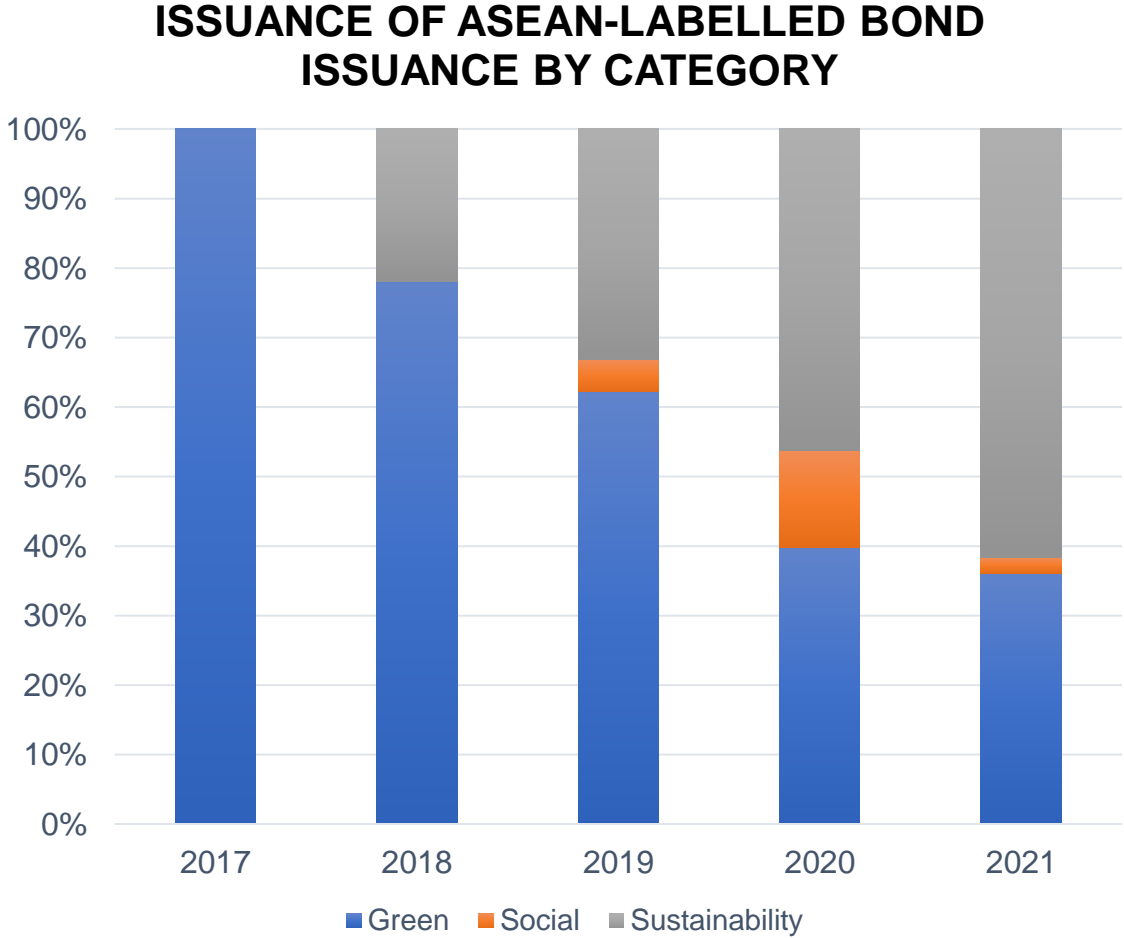
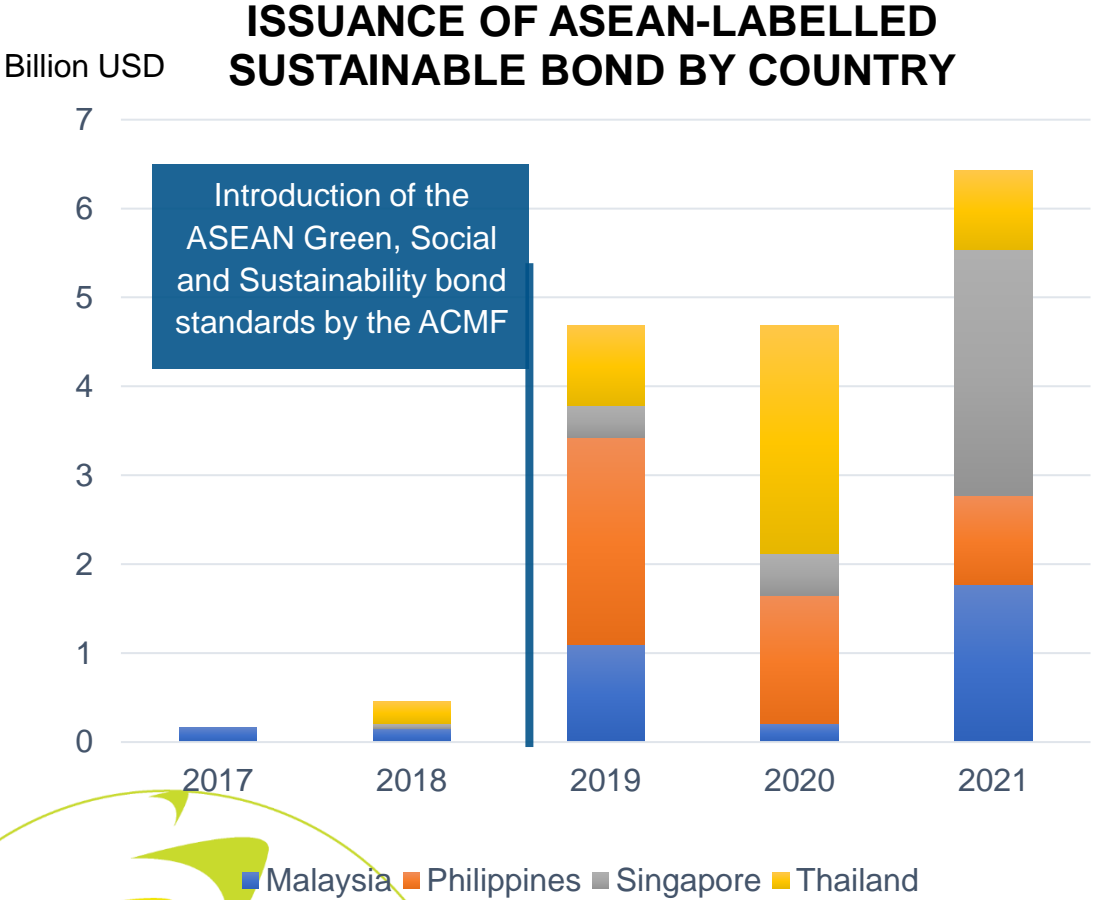
## Issuers are playing catch-up

- All deals are seeing oversubscription and more favorable issuance
- The products are diversifying AND growing strongly at the same time
- Different flavors and structures are a healthy sign of the market maturing to meet the massive demand from AMs and investors
- Volumes have almost doubled in 2021 despite global setbacks



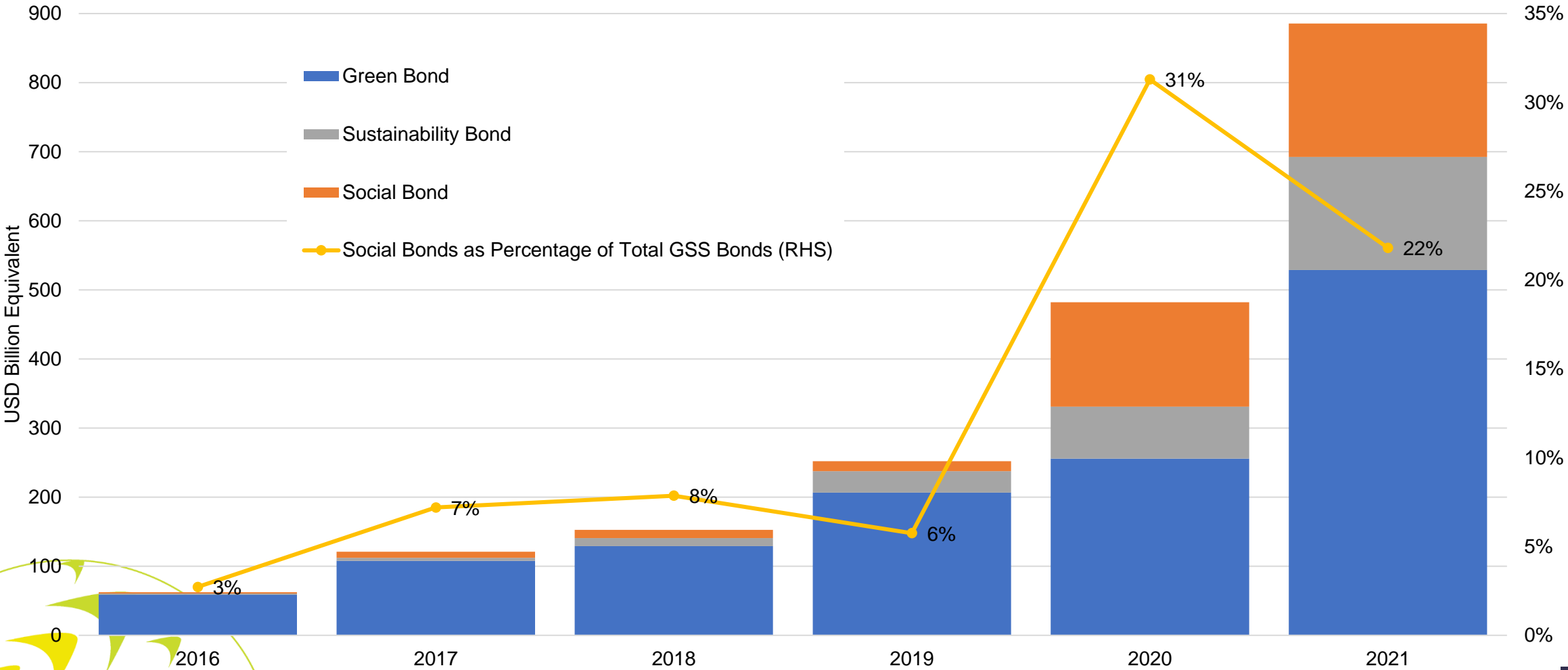
Note: Data includes bonds and loans issued by BNEF/A1 companies.  
Source: Based on data from Bloomberg LP.

# SIMILARLY, ASEAN'S SUSTAINABLE BOND MARKET EXPANDED SIGNIFICANTLY IN RECENT YEARS, PARTICULARLY AFTER THE COVID-19 PANDEMIC.



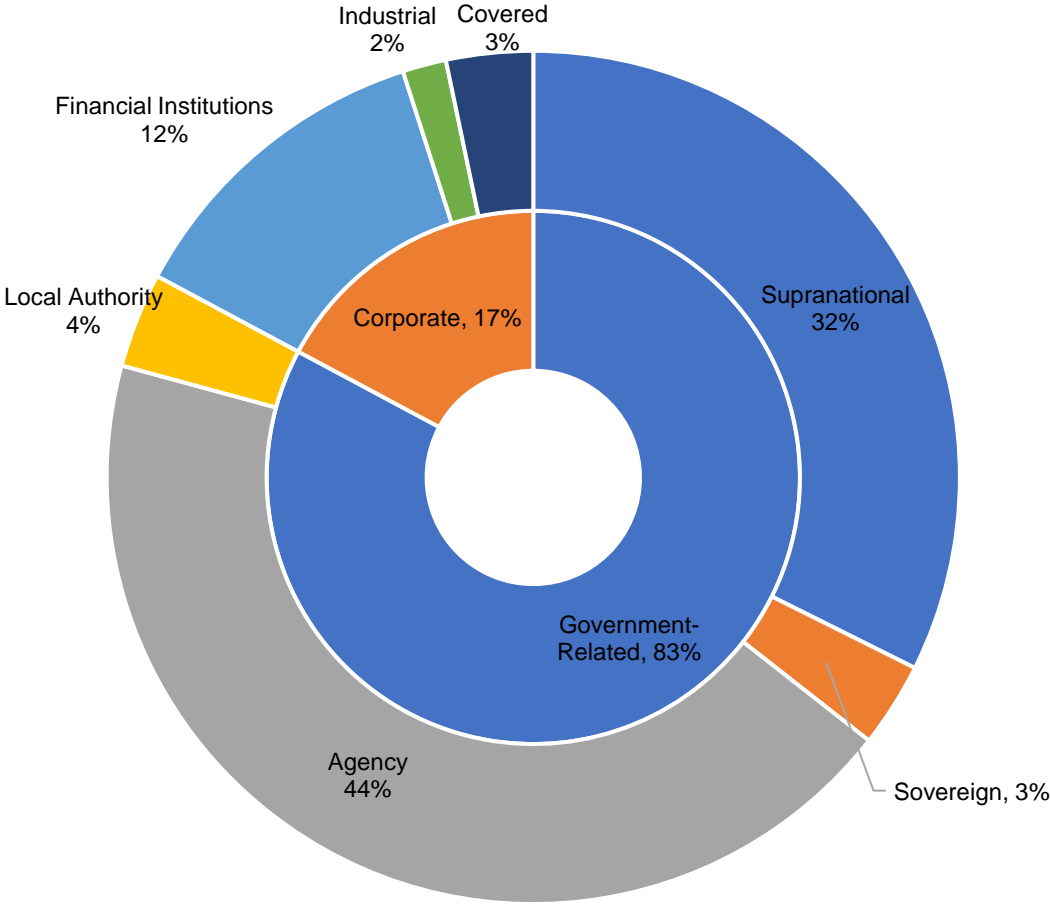
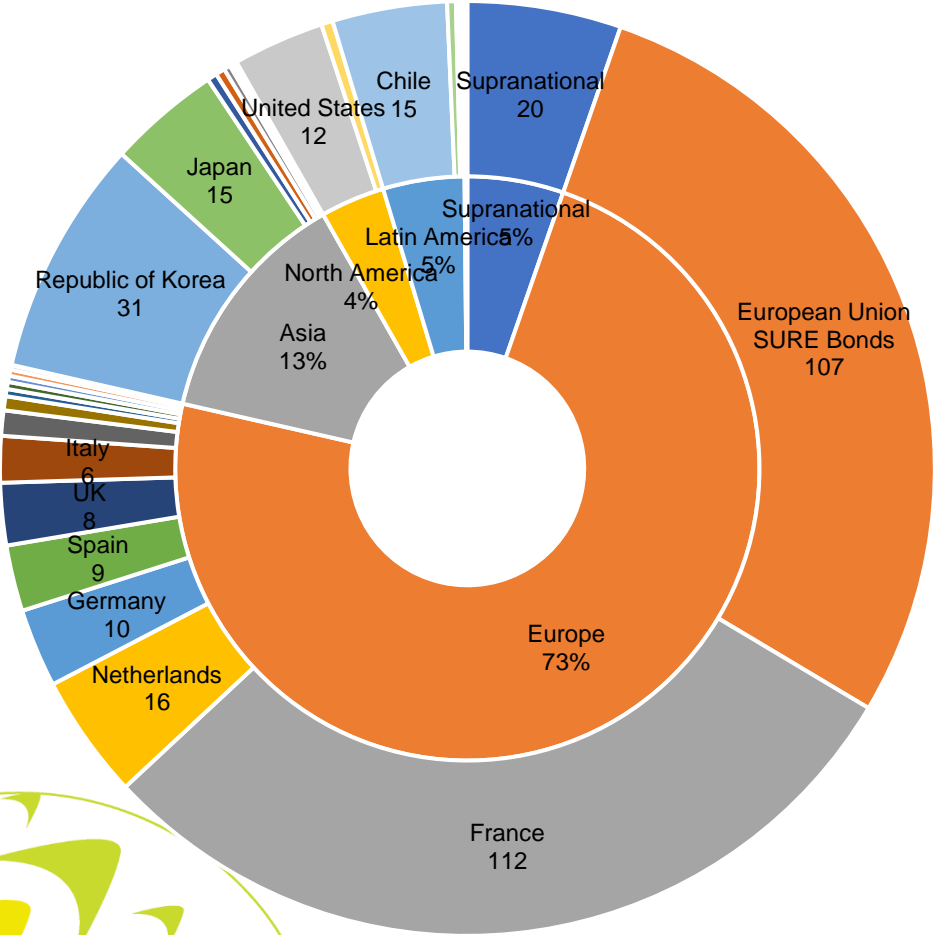
Source: ASEAN Capital Markets Forum (ACMF) and Securities and Exchange Commission, Philippines. Data as of September 2021.

# GLOBAL ISSUANCE OF SBP-ALIGNED GREEN, SOCIAL, AND SUSTAINABILITY BONDS



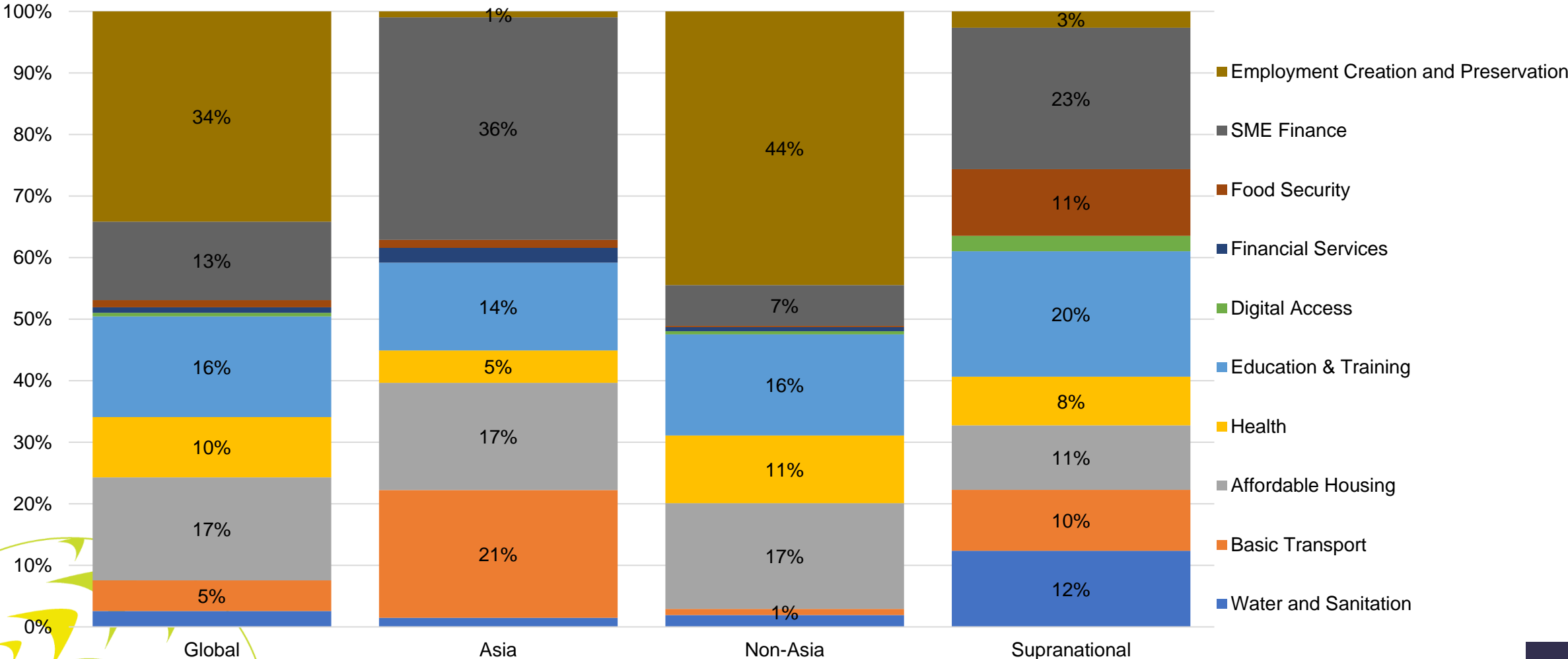
Source: ADB Working Paper, based on data from Bloomberg LP. Data as of November 2021

# VOLUME OF SOCIAL BOND ISSUANCE IN THE DEVELOPING ECONOMIES OF ASIA IS STILL RELATIVELY SMALL



Source: ADB Working Paper, based on data from Bloomberg LP. Data as of November 2021

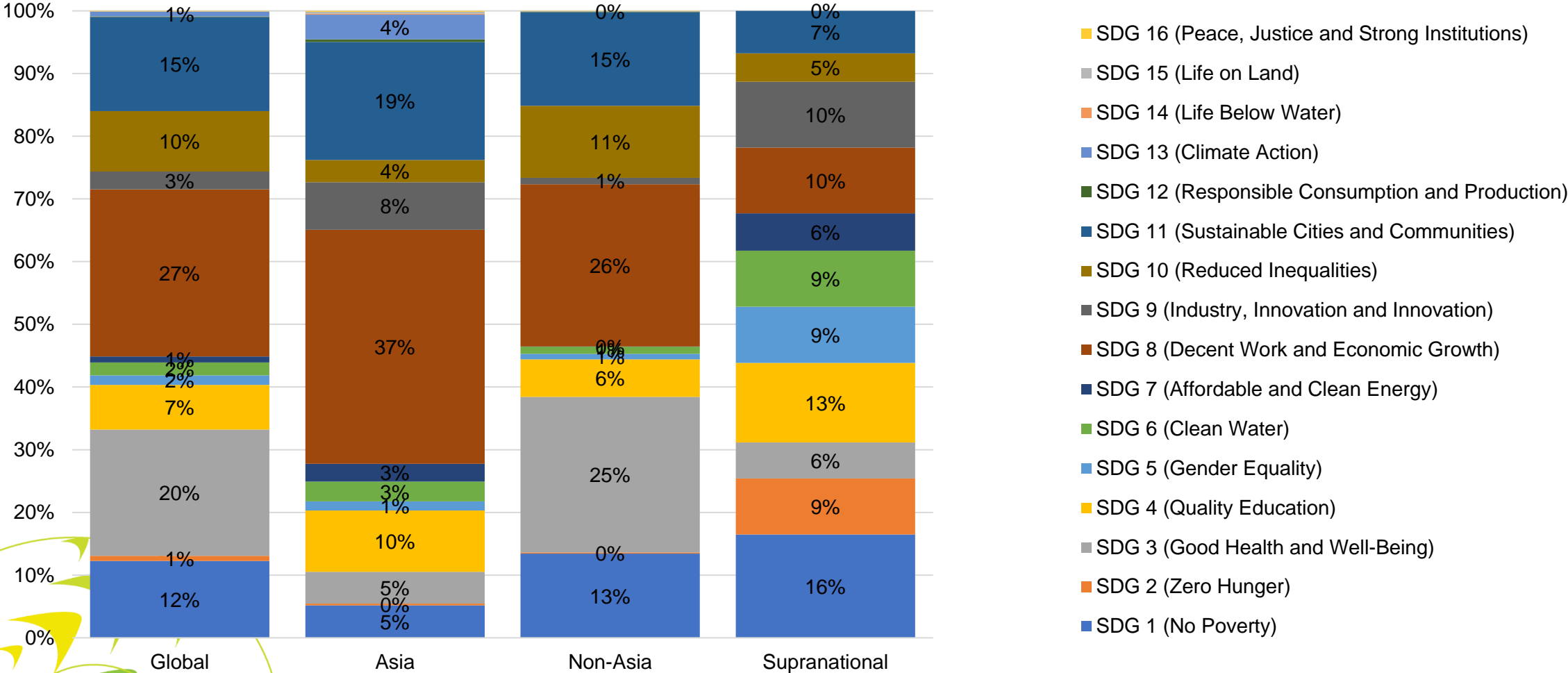
# ESTIMATED SHARES OF SOCIAL BOND FINANCING FOR ICMA SBP PROJECTS



8 Source: ADB Working Paper, based on data from Bloomberg LP. Data as of November 2021

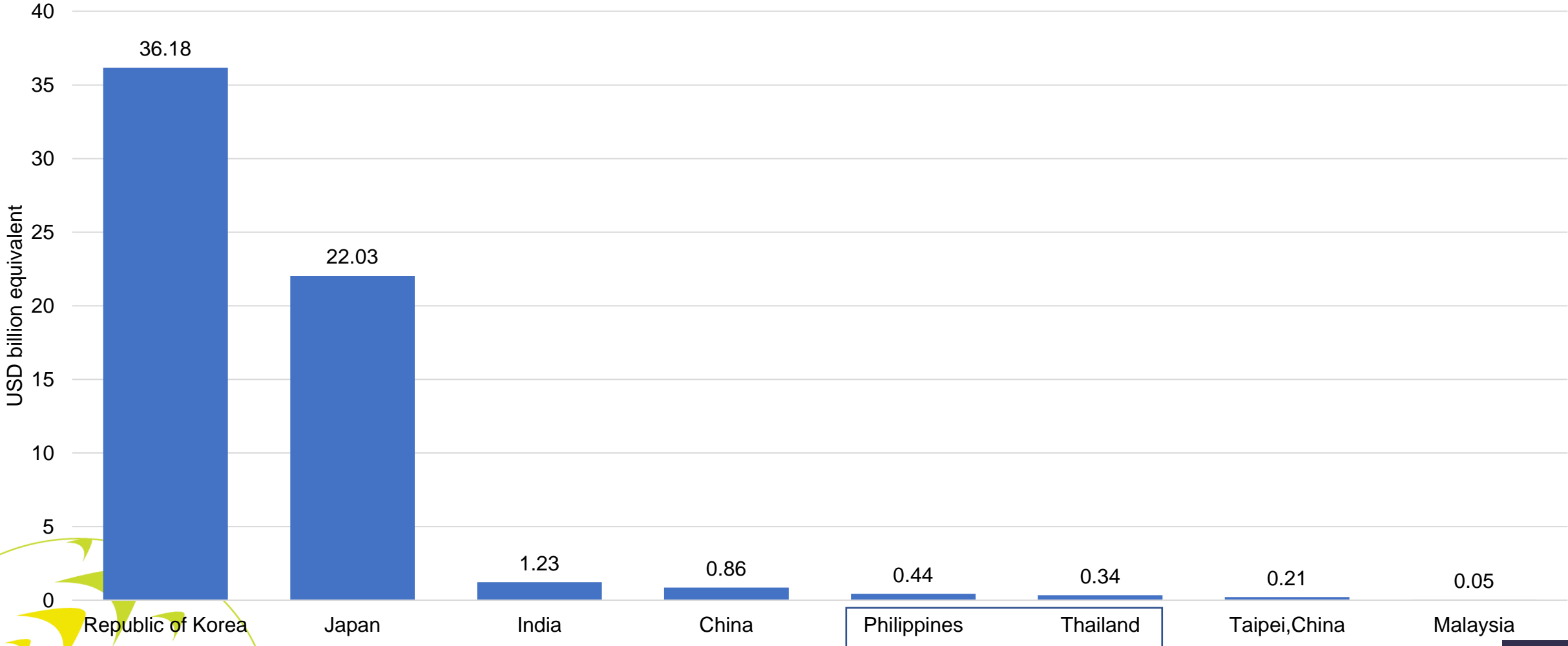


# ESTIMATED SHARE OF SOCIAL BOND FINANCING FOR EACH SUSTAINABLE DEVELOPMENT GOAL, GLOBALLY AND BY REGION



9 Source: ADB Working Paper, based on data from Bloomberg LP. Data as of November 2021

# SOCIAL BOND ISSUERS FROM REPUBLIC OF KOREA AND JAPAN ARE DOMINATING THE ASIAN SOCIAL BOND MARKET



10 Source: ADB Working Paper, based on data from Bloomberg LP. Data as of November 2021

# TECHNICAL ASSISTANCE FOR THE ISSUANCE OF SUSTAINABLE BONDS

ASEAN+3 Asian Bond Markets Initiative



# TECHNICAL ASSISTANCE: CREATING ECOSYSTEMS FOR SUSTAINABLE 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 throughout sustainable bond issuance process

Develop sustainable bond framework based on international and regional standards

Address other constraints that are market-specific

- Local verifier
- Regulatory support



## DEMAND

Create a regional green bond information section on the AsianBondsOnline

Other market-specific initiatives to promote greater demand for sustainable bonds



## MARKET PRACTICES

Make Asian voices heard

Document and publish case studies to guide other interested issuers, and develop good practices in issuing bonds

Leverage on other initiatives under ABMI



DETAILED GUIDANCE FOR  
ISSUING GREEN BONDS IN  
DEVELOPING COUNTRIES

DECEMBER 2021

ASIAN DEVELOPMENT BANK



**For more information, please visit:**

1. ASEAN+3 Bond Market Guide - <https://www.adb.org/publications/series/bond-market-guides>
2. AsianBondsOnline - <https://asianbondsonline.adb.org/>

# TECHNICAL ASSISTANCE TO SUPPORT POTENTIAL SUSTAINABLE BOND ISSUERS

## PRE-CONDITIONS:

1. Sustainable bonds must be issued in local currency of ASEAN+3 markets e.g. Philippine peso
2. The bond should at least align with the ASEAN Green, Social or Sustainability Bond Standards developed by the ASEAN Capital Markets Forum (ACMF), plus other international standards such as Climate Bond Standards and/or ICMA's sustainable bond principles
3. Issuers should demonstrate willingness to issue sustainable bonds on a regular basis
4. Issuers must be willing to share experience in issuing sustainable bond with ADB so that a case study can be published

## SCOPE OF TA SUPPORT:

1. Support issuers in identifying eligible projects/assets that are aligned with international/regional standards and principles
2. Confirm internal process and controls
3. Review draft sustainable bond framework --> create good storyline
4. Engage, facilitate, and seek external review processes with external reviewer and/or approved verifier
5. Participate in roadshow to educate investors, media and press release

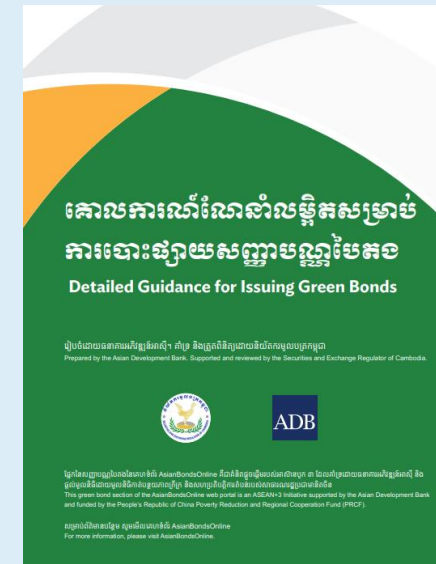
## HOW TO APPLY:

1. Get in touch with ADB ([kpuongsophol@adb.org](mailto:kpuongsophol@adb.org)) and ([rsupangan@adb.org](mailto:rsupangan@adb.org)) for further discussion

**DEVELOP OVERALL ECOSYSTEM:** for example, strengthen capacity of local service providers to become an internationally recognized green bond verifier, market awareness and capacity building programs etc

# ASEAN+3 Sustainable Bonds Highlights

- 1. LAUNCH OF GREEN BOND VERIFICATION SERVICE BY DOMESTIC CREDIT RATING AGENCIES** (TRIS Rating, RAM Sustainability, Fiiin Group)
- 2. LAUNCH OF THE GREEN BOND SECTION ON ASIANBONDSONLINE** to disseminate information on sustainable local currency bond market development in ASEAN+3 to international investors
  - Green bond issuance handbook (English, Bahasa Indonesia, Thai, Vietnamese, Cambodian)
  - ASEAN+3 sustainable bonds highlights
- 3. KICKED OFF SERIES OF WEBINARS AND MARKET AWARENESS PROGRAMS**
- 4. TECHNICAL AND HAND-ON SUPPORT TO PRIVATE SECTOR ISSUERS**
  - Thaifoods Group's social bond (11 November) → **named the best social bond – deals of the year by The Asset Triple A Sustainable Capital Markets Awards 2021.**
  - Several issuers in the pipeline, including a transaction with UNDP



# FAQs BY ISSUERS AND LESSONS LEARNED

## FREQUENTLY-ASKED QUESTIONS BY ISSUERS

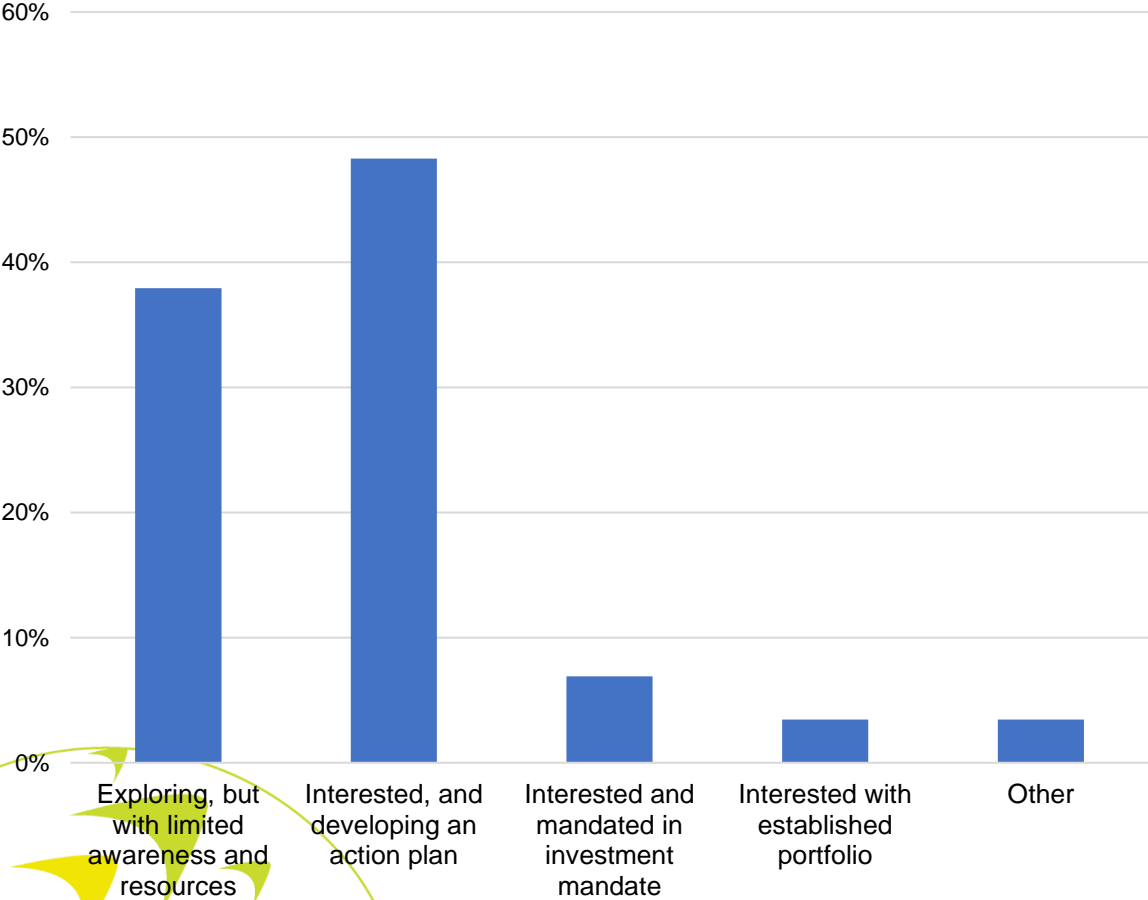
1. How much does it cost?
2. What are the benefits in terms of cost of capital?
3. How much time will it take to prepare everything?
4. Will it distract the deal team from the core objective of capital raising?
5. Will I get my name in the newspaper / industry news?
6. What are the risks?
7. What happens if it goes badly?
8. Is this new focus on green and sustainable really going to last?

## LESSONS LEARNED

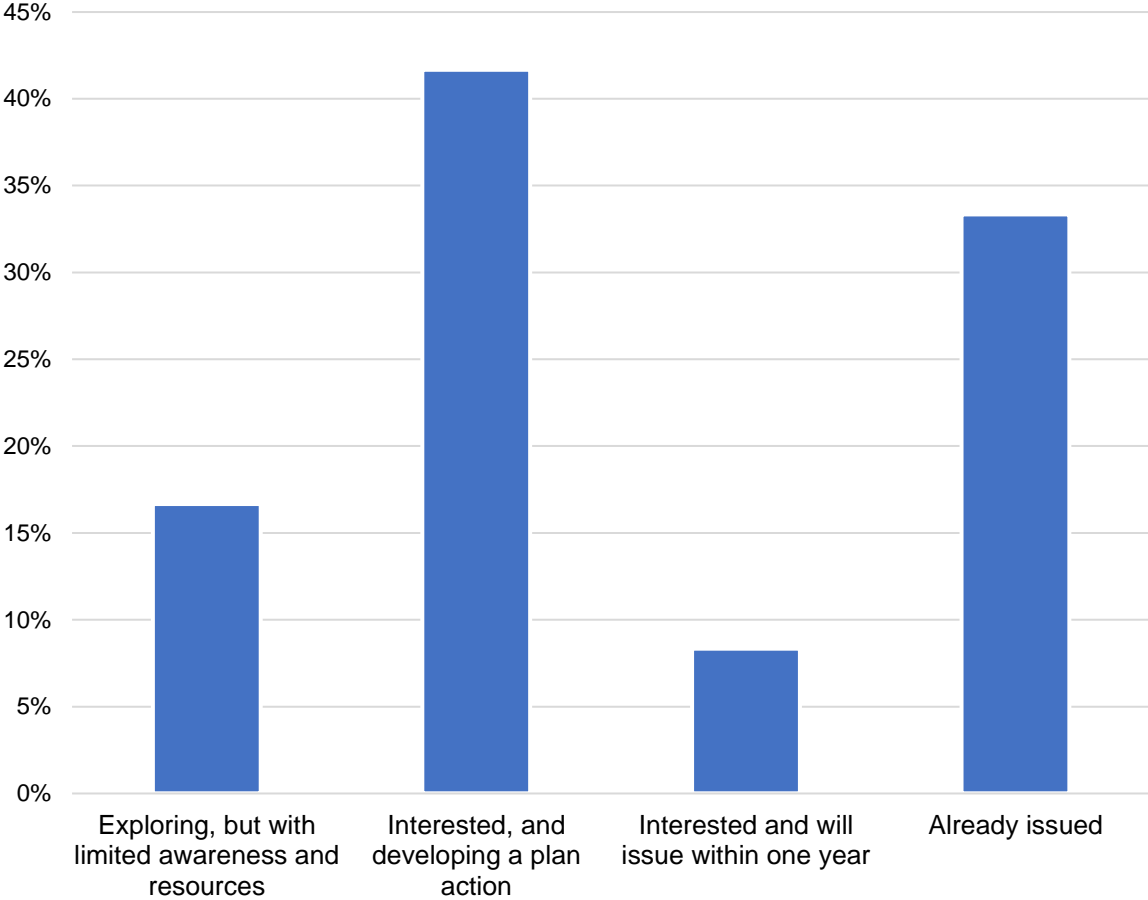
1. Issuers often require hand-holding support. They are not sure whether their projects/assets are aligned with sustainable bond standards/principles
2. Having a market champion is important
3. Transparency is what investors want and expect from sustainable finance products, both before the transaction and from the ongoing reporting
4. Pricing benefit is possible but other benefits dominate for issuers and borrowers
5. Almost all treasurers who label a transaction want to figure out how to do another
6. This green / blue / sustainable / ESG trend is not going away

# EXAMPLES OF GREEN BOND MARKET SURVEY - THAILAND

### INTEREST IN INVESTING IN GREEN BONDS



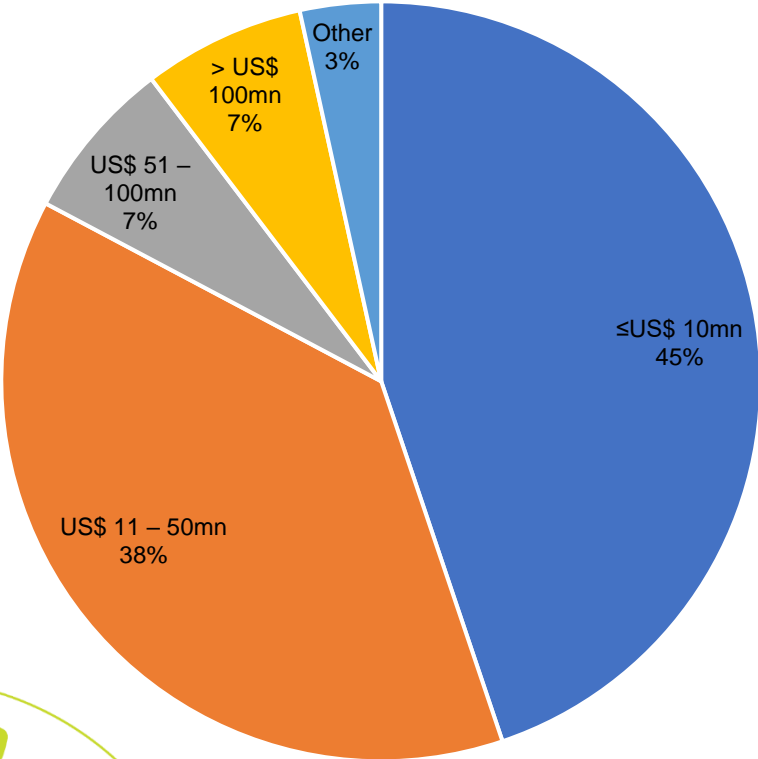
### INTEREST IN ISSUING GREEN BONDS



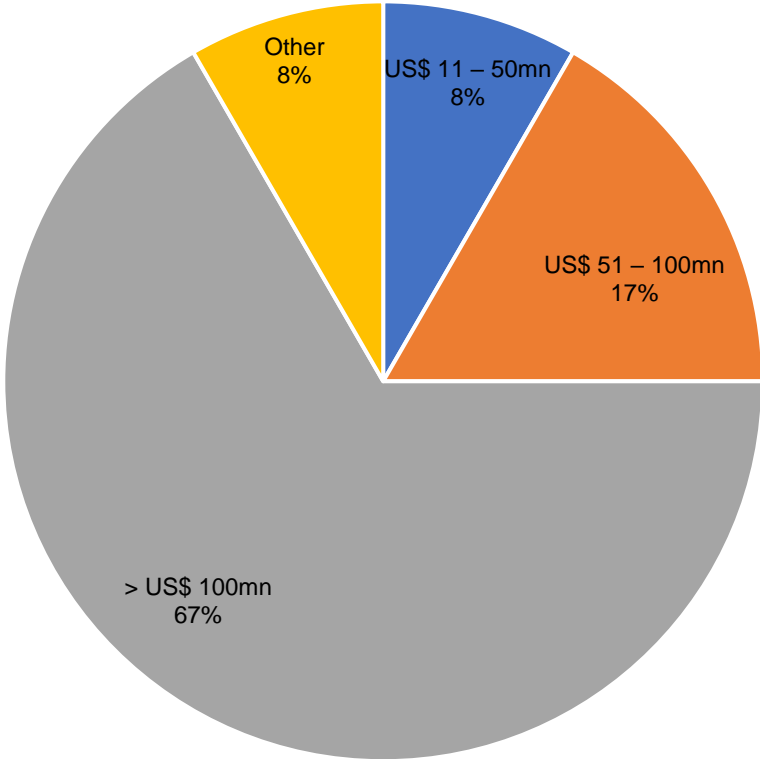


# EXAMPLES OF GREEN BOND MARKET SURVEY - THAILAND

### OPTIMAL INVESTMENT SIZE

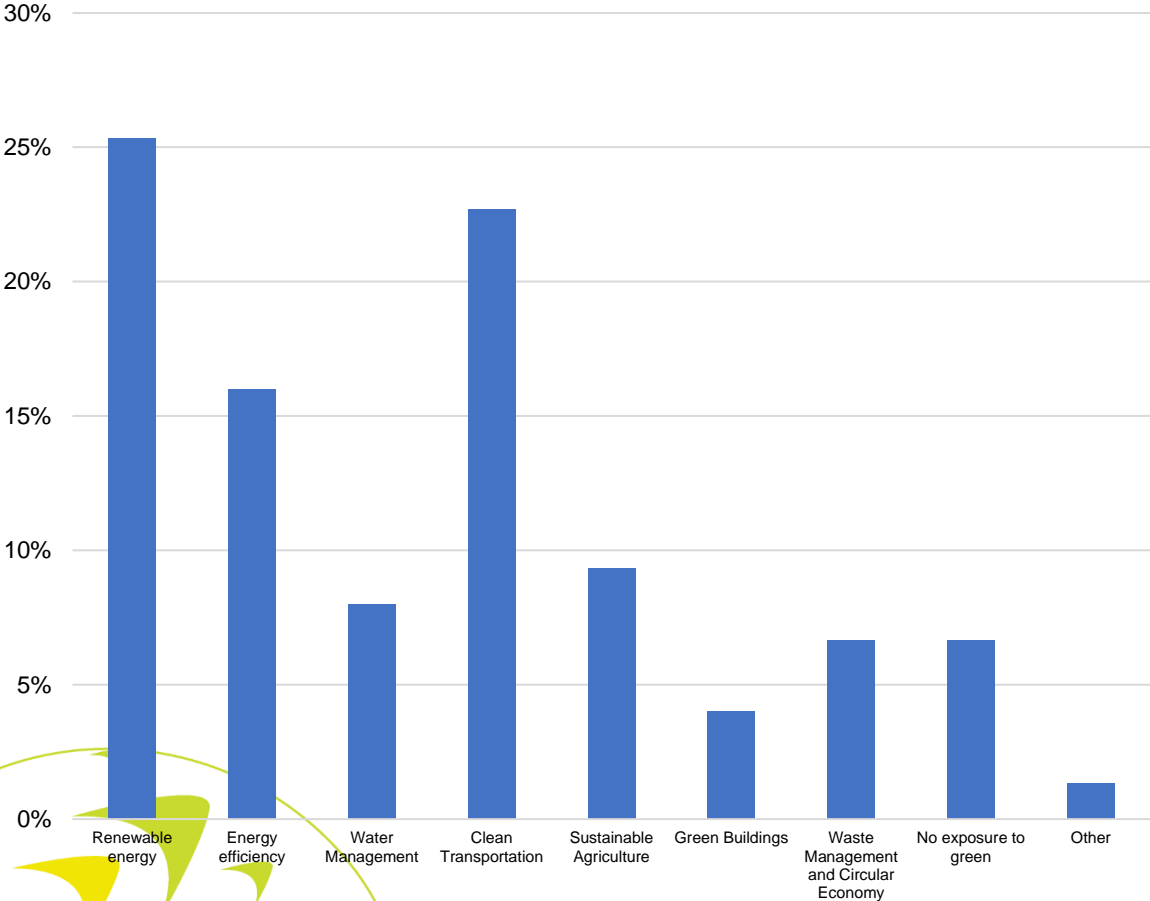


### OPTIMAL ISSUANCE SIZE

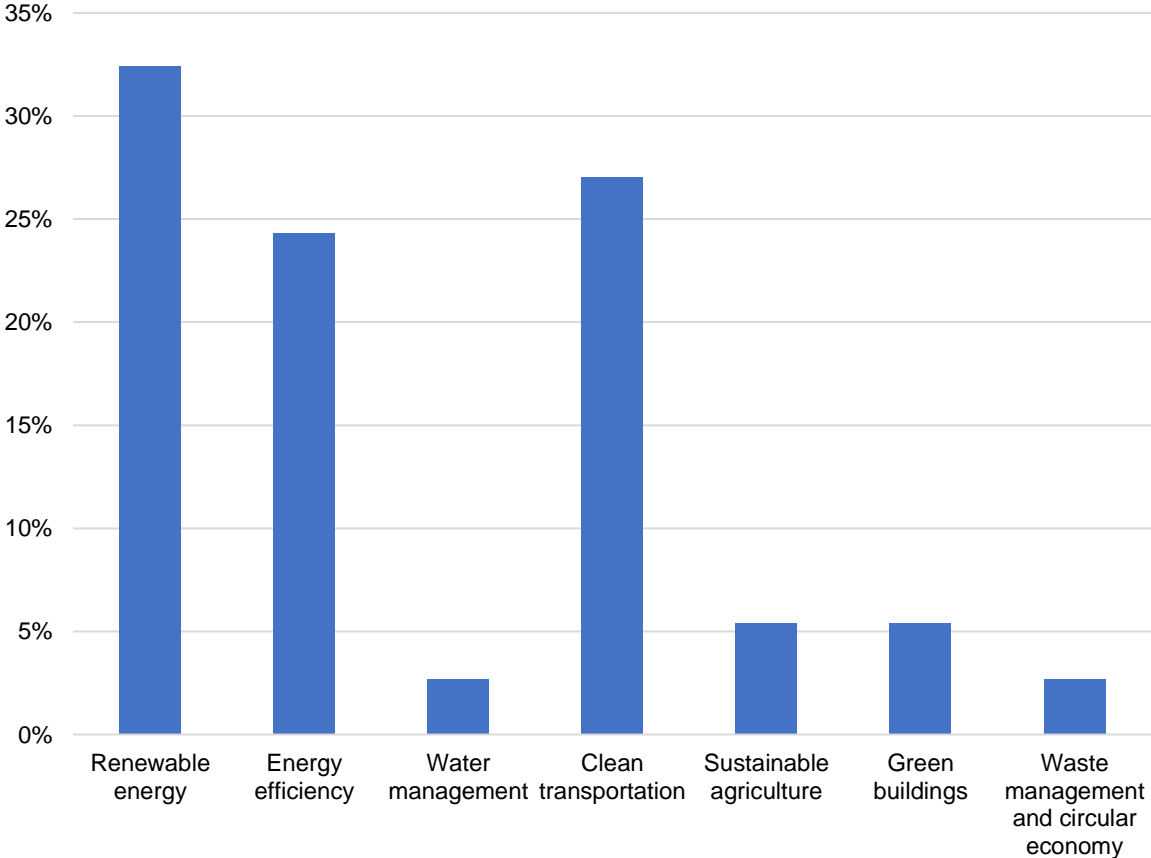


# EXAMPLES OF GREEN BOND MARKET SURVEY - THAILAND

### SHARE OF INVESTOR PORTFOLIOS INVESTMENTS



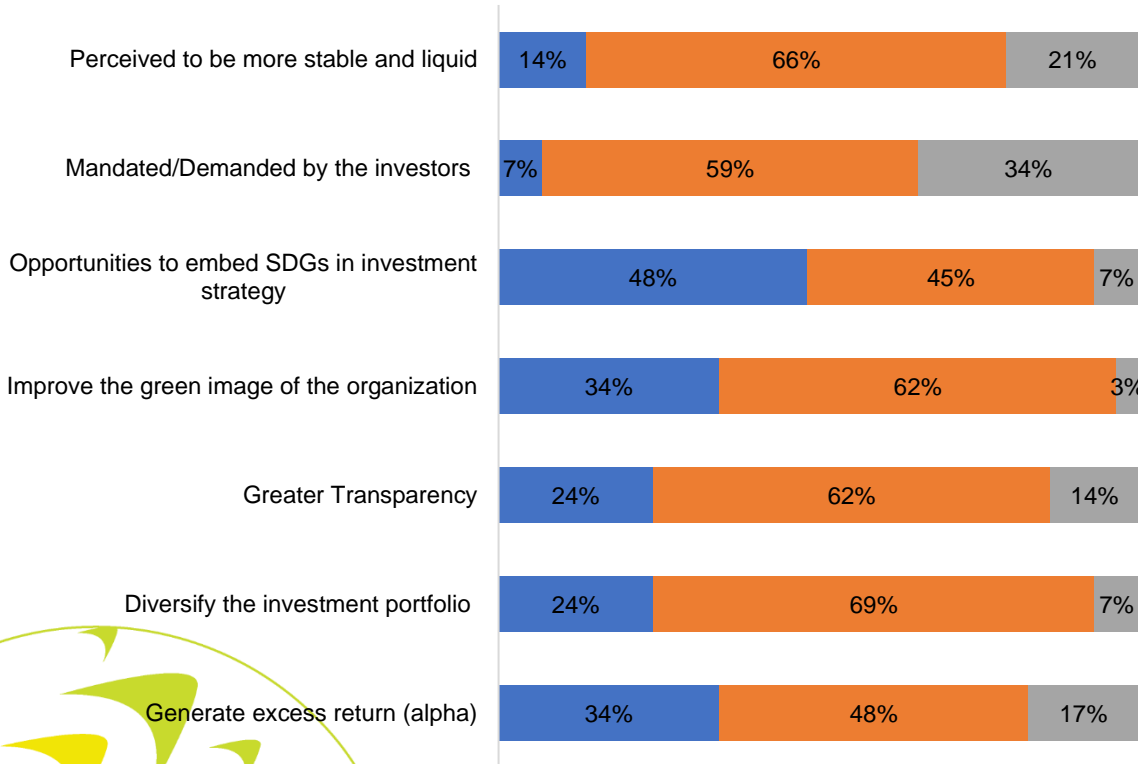
### SECTORS THAT ARE MOST PROMISING SECTORS FOR GREEN BONDS ISSUANCE



# EXAMPLES OF GREEN BOND MARKET SURVEY - THAILAND

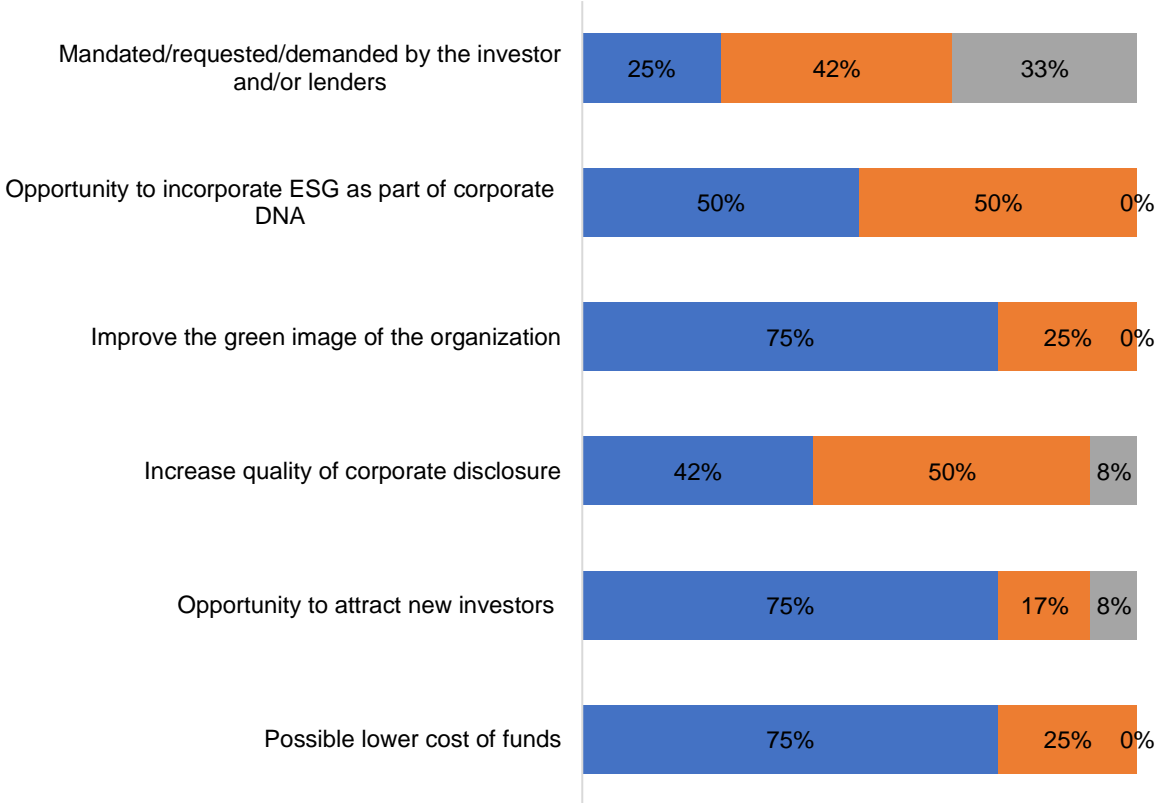
## KEY MOTIVATIONS FOR INVESTING IN GREEN BONDS

■ Most Relevant ■ Relevant ■ Not relevant



## KEY MOTIVATIONS FOR ISSUING GREEN BONDS

■ Most Relevant ■ Relevant ■ Not relevant



# THANK YOU



## FOR FURTHER INFORMATION:

**Satoru Yamadera**

Advisor

[syamadera@adb.org](mailto:syamadera@adb.org)

**Kosintr Puongsophol**

Financial Sector Specialist

[kpuongsophol@adb.org](mailto:kpuongsophol@adb.org)

**Richard Supangan**

Senior Economics Officer

[rsupangan@adb.org](mailto:rsupangan@adb.org)