

GIZ & SEB Strategic Alliance

Green Bond Market Development in G20 Emerging Economies

Background

Efforts to re-align our economies to a more sustainable path have risen significantly worldwide, not last as a response to increasing concerns about environmental degradation and climate change impacts. Major recent international initiatives, including the Sustainable Development Goals, the Paris Climate Agreement or the G20 Green Finance Study Group, directly or indirectly emphasize the need and ambition for scaling up sustainable financial solutions. An increasingly recognized financial instrument used to effectively raise the capital urgently needed for a “green” transformation are Green Bonds.

The practices along which Green Bond markets develop in this nascent stage are crucial. In order to ensure investors’ confidence in the environmental and financial credentials of Green Bonds, synchronized efforts that promote transparency and integrity of standards and procedures are of critical importance and will facilitate the activation of international capital to bridge the financial gap for necessary environmental investments in emerging economies over the coming decades.

The Partnership

Expanding the commitment for global green financial sector development, the *Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH* and *Skandinaviska Enskilda Banken (SEB)* entered in April 2016 a Strategic Alliance (STA) to jointly promote the development of Green Bond markets in G20 emerging economies.

The Swedish bank SEB is recognized as a pioneer and leading knowledge provider with regards to Green Bond product and market development worldwide. As underwriter, SEB organized a large number of path breaking issuances, in particular the inaugural World Bank Green Bond, the first municipal Green Bond (City of Gothenburg), the first non-supranational Green Bond (Korea Export Import Bank) and the first corporate Green Bond (Swedish property company Vasakronan).

Through the *develoPPP.de* programme, GIZ on behalf of the German *Federal Ministry for Economic Cooperation and Development (BMZ)* works with the private sector to support innovative projects in developing and emerging economies for sustainable development. As service provider with offices in over 130 countries, GIZ has – in over 50 years of experience in international cooperation for sustainable development – built strong regional and technical expertise and close working relationships with governments, industries and NGOs across the globe.

Objectives and Approach

Based on the synergies created by SEB’s leading role in the green bond market and GIZ’s strong relationships with policymaking and financial institutions in G20 emerging economies, the Strategic Alliance seeks to promote and foster the development of efficient, prosperous and sustainable Green Bond markets in Brazil, China, India and Mexico. In order to implement the highest environmental, market and transparency standards in these markets, the Strategic Alliance conducts a number of activities, each tailored to the specific needs of respective stakeholder groups in the four markets.

Core activities include Green Bond conferences and a series of capacity building workshops addressing key stakeholder groups, i.e. potential issuers, investors, underwriters, regulators and potential verifiers. Leading

finance and climate science experts share their profound knowledge and hands-on technical expertise on the pillars that constitute a robust Green Bond framework. Themes include *Definition, Selection, Verification, Monitoring & Reporting* as well as further *Market Aspects*. First workshops on *Definitions, Selection & Verification* were held in [China](#) (Sep 2016), [Mexico](#) (Oct 2016) and [Brazil](#) (Dec 2016). Furthermore, the STA offers tailored advice to potential first movers to support exemplary Green Bond issuances and set benchmarks for subsequent issuers.

All activities are designed to complement and build on existing national and international initiatives while taking into consideration regional peculiarities. Moreover, through this multi-stakeholder approach, the Strategic Alliance aims to mobilize human capital that will be essential for a successful green transformation.

Our Services at a Glance

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| <p>Policy-makers and regulators</p> | <p>Support the adaptation and enhancement of a conducive regulatory framework by implementing high standards that take into account country-specific conditions.</p> |
| <p>Public and private sector issuers</p> | <p>Transfer knowledge on opportunities and requirements related to Green Bonds as (re)financing tool and offer tailored one-on-one advice and support for exemplary Green Bond issuances.</p> |
| <p>Investors</p> | <p>Provide in-depth knowledge and tailored advice on the risks and opportunities offered by Green Bonds as asset class for investment.</p> |
| <p>Domestic second opinion providers</p> | <p>Enable domestic environmental research and consulting institutions to deliver second opinions on issuers' Green Bond frameworks based on international best practices to ensure environmental integrity.</p> |

Our Regional and Academic Partners

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| Academic Partner |  | |

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