

World Bank Group Treasury Advisory Services

Developing Sustainable Bond Markets

The **World Bank Group Treasury's Sustainable Finance Advisory Program** provides technical assistance to emerging markets to facilitate the development of sustainable bond markets, including green, blue and social bonds. These bonds help issuers raise financing for projects and activities that generate positive environmental and social benefits.



Promote the development of sustainable bond markets:

- Helping market participants to understand the opportunities that these financial instruments present
- Helping regulators to develop bond guidelines or regulations
- Helping policymakers to consider incentives to support the development of a local sustainable bond market
- Helping institutional investors integrate environmental, social and governance (ESG) criteria in the investment decision-making process
- Helping regulators develop green taxonomies
- Helping national or local governments and state-owned enterprises to issue green bonds



Pre-issuance technical assistance:

- Sharing international best practices and requirements for issuing sustainable bonds
- Developing an action plan/roadmap for the issuance
- Developing the bond framework
- Identifying eligible categories/projects based on national priorities and Paris Agreement commitments
- Facilitating the delivery of second opinions of the bond framework by an independent reviewer
- Advising on reporting commitment and communication strategy



Post-issuance technical assistance:

- Clarifying the processes and helping issuers understand how to use a standardized impact reporting template meeting global standards
- Recommending work process flows and timeline
- Facilitating and preparing terms of reference for an annual assurance report in accordance with the issuer's bond framework and investor expectations
- Sharing digital templates for allocation and impact reporting
- Reviewing and providing feedback on draft impact report to ensure investor expectations are met



Capacity building for institutional investors: Environmental, Social and Governance (ESG) strategies

- Delivering workshops on ESG and Responsible Investment (RI) trends, approaches and strategies
- Reviewing the investor's investment objectives, policies and strategies
- Developing guidelines for ESG/RI policies and approaches, including
- Criteria for developing an ESG/RI Policy and implications for investment processes
- Organizational setup, governance and operational processes
- Choosing ESG approaches to support investment objectives and mission alignment
- Stewardship, responsible ownership and engagement
- Reporting and disclosure
- Developing ESG/RI integration approaches
- Training on implementation of ESG/RI integration strategies and approaches



Selected World Bank engagements:

- Supported the ASEAN Capital Markets Forum (ACMF) develop regional Green and Social Bond standards
- Helped Indonesian Financial Services Authority develop green bond regulations
- Advised the Malaysian government on the development of the Green Sukuk (Islamic bond) market
- Facilitated the issuance of the first Green Sukuk in the world (Malaysia)
- Provided technical assistance for the issuance of the first sovereign Green Bond by an emerging market (Fiji), the issuance of the first African sovereign Green Bond (Nigeria), the largest emerging market EUR-denominated sovereign green bond (Romania), Brazil's first sovereign sustainable bond, India's first sovereign green bond, the first sovereign green bond in local currency in Latin America (Colombia), first sovereign green bond in the Middle East and North Africa (Egypt), green and sustainability bonds issued by Indonesian and Vietnamese state-owned enterprises and non-bank financial institutions, etc.
- Structured the first sovereign Blue Bond in the world (Seychelles)
- Provided technical assistance for the first post-issuance green bond and green Sukuk impact reports in Indonesia and Fiji
- Helped Egypt, Jordan, Kenya, Tunisia, West African Economic and Monetary Union (WAEMU) regulators develop green bond guidelines

View the **Labeled Sustainable Bonds Quarterly Market Update** newsletter here:

<https://treasury.worldbank.org/en/about/unit/treasury/client-services/sustainable-finance-advisory#4>



Contact:

Farah Hussain, Head, Sustainable Finance Advisory Program, World Bank Group Treasury ✉ fhussain@worldbank.org

Miguel Navarro-Martin, Manager, Financial Products, World Bank Group Treasury ✉ mnavarromartin@worldbank.org