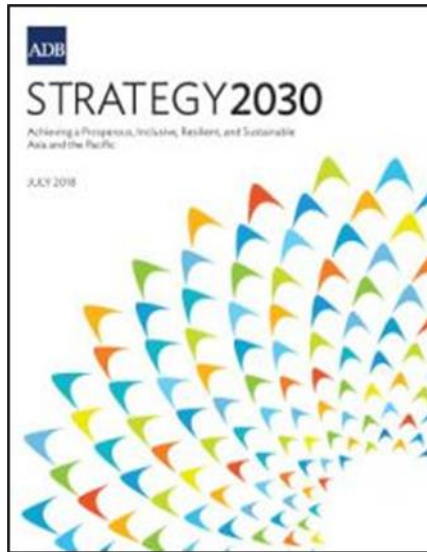




# **ASEAN Sustainable Capital Markets: Regulators' perspectives**

21 October 2020



**Operational Priority:** Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability

“75% of the number of ADB’s committed operations (on a 3-year rolling average) will be supporting climate change mitigation and adaptation by 2030. Climate finance from ADB’s own resources will reach \$80 billion cumulatively from 2019 to 2030”

**Operational Priority:** Fostering regional cooperation and integration.



## TRUSTED KNOWLEDGE PARTNER:

Dialogue and research –  
green finance strategies



**FACILITATOR:** Through TA (ACMF), credit enhancement and capacity building.



**ISSUER:** Raised \$7.6 billion since ADB’s green bond program was introduced in 2015



**INVESTOR:** Anchor investor to support market development

- ✓ ADB has supported ASEAN capital market integration through ACMF since 2008 through TAs and policy dialogue
- ✓ ACMF has made excellent progress in green and sustainable finance space.

ASEAN Green, Social and Sustainability Bond Standards (total issuances \$7.5 billion, with \$3.8 billion using ASEAN Green Bond label and \$3.0 billion labelled as ASEAN Sustainability Bond)

- ✓ Roadmap for ASEAN Sustainable Capital Market
- ✓ Challenges: i) fragmentation and duplication of efforts in the sustainable/green space; iii) ASEAN also did not have a unifying voice on sustainable finance on the global stage. Need collaborative efforts between MOF, regulators and central banks.
- ✓ Important to have an independent conduit to channel regional sustainable finance efforts through and to bring stakeholders together. ADB supports SFIA

Subprojects proposal to support **ACMF Roadmap for ASEAN Sustainable Capital Markets**

- ✓ Proposal to partner with CBI and SFIA to develop i) taxonomy and ii) Transition Bond Guidelines.
- i) Taxonomy clarity helps market growth. It is critical that there is a mapping of the green infrastructure investment opportunities in the region to inform governments on what is eligible for investment in terms of what investors are demanding in the market for a post COVID green recovery.
- ii) Transition bonds could also help companies create strong brown to green metrics. This would focus attention on the overall behavior of an issuer rather than solely focusing on use of proceeds or existing issuer profile as in the case of green bonds.

**ADB's commitment to sustainable finance and regional corporation (ACMF) is embedded in our Strategy and we look forward to a continuous and long-term partnership.**

# Roadmap for ASEAN Sustainable Capital Markets:

Steering development of the region's capital markets along a more sustainable path

In May 2020, the ASEAN Capital Markets Forum (ACMF) published the ***Roadmap for ASEAN Sustainable Capital Markets*** (Roadmap) as part of its vision to develop an open and vibrant capital markets ecosystem that facilitates and mobilises private sector capital in the financing of sustainable activities. In supporting ASEAN's sustainable development agenda for the next five years, the Roadmap is built around four key priority areas containing a total of 15 recommendations.

As a **“living document”**, the Roadmap is designed to take cognizance of rapid changes to the sustainable financing landscape, and accord flexibility to reflect new ideas. Nonetheless, as the imperative for immediate action is real, given the tangible effects of climate change and social concerns, focus areas for the short to medium term have also been identified.



**\* 6 focus areas** prioritised in the short-to-medium term

**Thank you for  
joining**