



2018/2019 Working Group Research

Terms of Reference:

The Green/Social Bond Principles (GBP/SBP) Working Groups are in a privileged position of having access to the most influential investors, issuers and underwriting banks with a sustainability focus, many of whom comprise the membership of the GBP/SBP, as well as to others who look to the GBP/SBP for leadership in matters relating to the sustainable capital markets.

A research working group would be able to capitalise on this access to broaden understanding of market drivers, disseminating findings via the ICMA Resource Centre and/or through direct publication.

Priorities for the working group include:

1 - Surveys and questionnaires: aimed at both the members of the GBP/SBP, more broadly to a wider market audience, or targeted at specific groups (for example by region; asset owners; asset managers; pension funds, corporate issuers etc).

One-on-one meetings and roundtables: organised to address a specific issue (see below).

2 - Call for Papers: specific studies potentially to be commissioned from academic institutions, sell-side / buy-side research houses, with support from members of the GBP/SBPs.

The objective would be to identify, thanks to the GBP/SBP Consultation and to the working group brainstorming, five key topics needing investigation and call for papers on them. The working group would make an effort to reach out to SBP/GBP members to enhance the universe of universities and research entities that should be invited in this call for papers.

The working group could study the opportunity of organizing an award for the most useful piece of research every year on the priority topics identified for the year, as well as hosting a dedicated roundtable / event to present the findings.

3 - Resource Centre - Collation of existing research: members of the GBP/SBP are in constant receipt of research which would be a useful resource for market participants. To avoid overload, a system may have to be envisaged for selecting the most appropriate and useful research and systematically posting it on the website.

Possible topics to be considered:

It would be expected that the working group would formulate priorities based on the complexity of the research to be undertaken, as well as the perceived urgency of a topic.

Suggestions to date have included:

- A review of investors' approach to **controversial sectors**
- **Green bonds credit dynamics:** pricing, liquidity, execution patterns
- Understanding the investor analysis of **controversial fixed income products** such as subordinated bank capital
- Approach to **complex issuance processes**, such as green bonds in the context of acquisitions or liability management
- **Additionality in sustainable finance:** proofing a multi-faceted concept

Attention Points:

Clearly the group will need to consider the extent to which a series of questionnaires can reasonably be submitted to investors and whether there is a risk of information overload from the collation of existing research

Working group coordinators:

- BNP Paribas
- European Bank for Reconstruction and Development (EBRD)
- Natixis

Working group members:

Amundi	CACIB
CBI	HSBC
JP Morgan	Mizuho
NIB	SEB
Zurich Insurance	Smith School of Enterprise and the Environment