

SUSTAINABLE BANKING
NETWORK (SBN)

CREATING GREEN BOND MARKETS – INSIGHTS, INNOVATIONS, AND TOOLS FROM EMERGING MARKETS

OCTOBER 2018

Overview of Regulations and Guidelines
for Green Bonds in Emerging Markets

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Country	Entity	Type of guidance	Alignment with international guidelines	Use of proceeds	Reporting requirements	Mandatory external review	Selection of external review providers
FINANCIAL SERVICES AUTHORITY REGULATIONS							
Association of Southeast Asian Nations (ASEAN)	ASEAN Capital Markets Forum	Voluntary Standards for ASEAN for green bonds to be labelled as ASEAN Green Bonds	✓ Based on the international Green Bond Principles	✓ Fossil fuel power generation projects are excluded	✓ At least annually, and encouraged to report more frequently, until proceeds are fully allocated	✓ Voluntary	✓ Verifier must disclose relevant credentials and expertise
China	<ul style="list-style-type: none"> - People's Bank of China (PBoC) - China Securities Regulatory Commission (CSRC) - National Development and Reform Commission (NDRC) - National Association of Financial Market Institutional Investors (NAFMII) 	<ul style="list-style-type: none"> - Financial institutions - Corporations - State owned entities (SOEs) - Non-financial corporates 	<ul style="list-style-type: none"> ✓ However, NDRC allows issuers to use up to 50% of proceeds for non-green activities (e.g. working capital). Retrofits of fossil fuel power stations and clean coal projects are also not in line with international guidelines 	<ul style="list-style-type: none"> ✓ Green Bond Endorsed Project Catalogue (PBoC, CSRS, NAFMII) NDRC's Green Bond Guidelines (NDRC) 	<ul style="list-style-type: none"> ✓ - Quarterly - Semi-annually - Annually or semi-annually - Semi-annually 	<ul style="list-style-type: none"> Issuers are encouraged to have an external review 	<ul style="list-style-type: none"> PBoC and CSRC jointly released the qualification criteria and guidance for verifiers

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India	Securities and Exchange Board of India (SEBI)	Disclosure requirements for issuance and listing of green bonds	✓	✓ Broad categories indicated	✓ - Bi-annually, an audited report on the use and management of proceeds - Annually, the selection of projects and environmental impact	Optional	Not specified
Indonesia	Indonesia Financial Services Authority (OJK)	Requirements for Green Bonds	✓ However, the issuer must use at least 70% (and not 100%) of bond proceeds for environmentally-friendly activities	✓ Broad categories indicated	✓ Annual audited review to be submitted to OJK until the full allocation of proceeds	✓ An environmental assessment of the assets underlying the issuance is mandatory	Verifier must demonstrate relevant expertise
Malaysia	Securities Commission	Sustainable and Responsible Investment (SRI) Sukuk Framework	✓ Benchmarked against GBP and Social Impact Bond Framework In accordance with Shariah requirements	✓ Eligible sectors and projects are specified	✓ Annual reporting	✓ The review is mandatory for offerings to retail investors, optional for other SRI sukuk	Verifier must be an independent third party
Morocco	Autorité Marocaine du Marché des Capitaux (AMMC) – Moroccan Capital Markets Authority	Guidelines for Green, Social & Sustainability Bonds	✓ Developed with the support of the IFC Aligned with GBP 2018	✓ Broad categories indicated	✓ At least annually, for the lifetime of the bond	✓ The review may cover all or part of the issuance process	Verifier must be an independent third party

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Nigeria	Securities Exchange Commission	Regulation for green bonds (under development)	✓	✓ Broad categories indicated	✓ Annual reporting	✓	Not specified
GREEN BOND LISTING REQUIREMENTS							
Chile	Bolsa de Santiago	Guide for the Green and Social Bonds Segment	✓ GBP and CBS explicitly recognised	✓ As indicated by the GBP and CBS	As indicated by the GBP and CBS	✓ Minimum content for a verifier report is provided	✓ Verifier must be approved under the Climate Bonds Standard
Kenya (under development)	Nairobi Securities Exchange	Listing rules for green bonds (integrated in the listing rules for bonds)	✓ Developed with the support of CBI	✓ Green Bond Principles, Climate Bonds Taxonomy and other standards acceptable to the Exchange	✓ At least annually, for the lifetime of the bond	✓ Pre-issuance and post-issuance verification	✓ Verifier must be approved under the Climate Bonds Standard
Mexico	Bolsa Mexicana de Valores Consejo Consultivo de Finanzas Climaticas (CCFC)	Green Bonds Segment Green Bond Principles MX	✓ Built on the 4 pillars of the GBP	✓ Broad categories indicated	✓ Annual reporting, for the lifetime of the bond	✓ Second party opinion or Climate Bonds Certification is accepted	Not specified
Peru	Bolsa de Valores de Lima	Green Bonds Guide for Peru	✓ Developed with the support of MexiCO2 and the UK FCO	✓ Broad categories indicated	✓ At least annually	✓	Verifier must be an independent third party

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South Africa	Johannesburg Stock Exchange	JSE Green Bond Segment	✓	Not indicated	✓ Annually, to confirm compliance of green assets	✓	✓ The verifier must be independent and demonstrate expertise in environmental and market-specific issues. Affiliation with industry bodies such as the Climate Bonds Standards or others is acceptable.
PRIVATE SECTOR VOLUNTARY INITIATIVES							
Brazil	Federação Brasileira de Bancos (FEBRABAN) – Federation of Brazilian Banks	Voluntary guidelines for Brazilian issuers	✓	✓	✓ At least annually	Strongly recommended	Not specified

Source: the table has been developed with the information provided in the documents listed in Annex 1 as well as through IFC and CBI engagement with regulators in SEN member countries.
Note: As of publication, guidelines are also under development in Egypt, Jordan, Lebanon, and Tunisia.

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