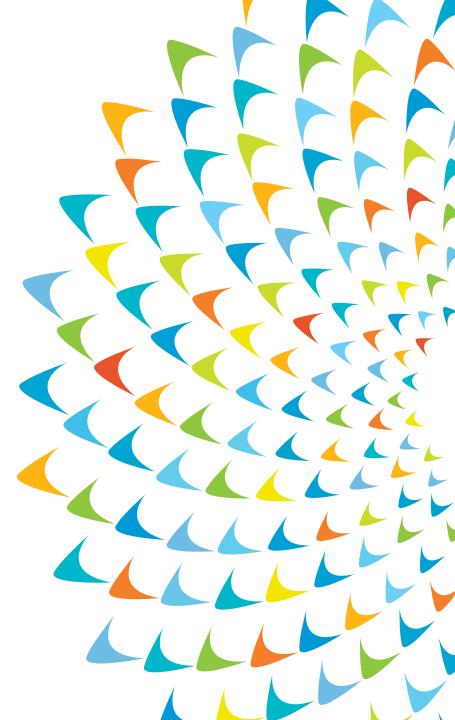


### ADBI-ADB-KOREA UNIVERSITY(IFG)

**Joint Webinar on ESG Regulations** 

30 March 2022

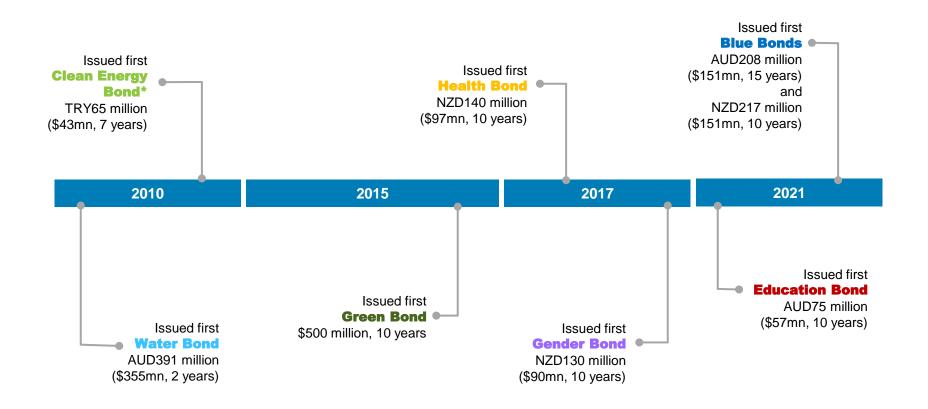


### ADB'S OPERATIONAL PRIORITIES MAPPED TO THE SDGs

ADB has worked to align its strategy and policies with the 17 Sustainable Development Goals (SDGs) adopted by the United Nations General Assembly.



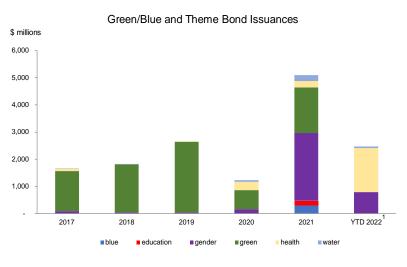
## **TIMELINE OF ISSUANCES**



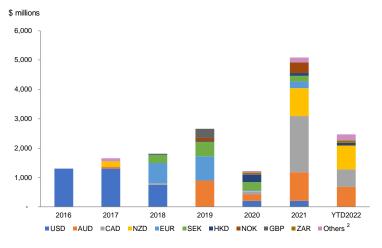
\*Discontinued in 2014



### **DIVERSIFICATION OF ISSUANCES**



<sup>1</sup>YTD 2022 includes issuances as of 18 March 2022.



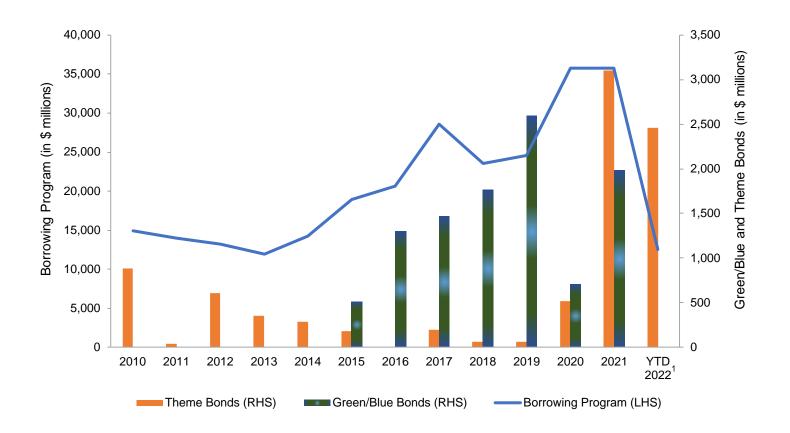
Green/Blue and Theme Bond Issuance Currencies

 $^{2}$  Other currencies include CNY, BRL, INR, KZT, MXN, RUB, TRY and UAH.

- ADB has issued approximately \$10.3 billion equivalent in green and blue bonds, and in 16 currencies, since 2015.
- ADB has issued approximately \$8.7 billion equivalent in theme bonds, and in 16 currencies, since 2010.
- As of 18 March 2022, the amount of outstanding green and theme bonds is around \$15.4 billion equivalent (\$9.1 billion in green bonds and \$6.4 billion in theme bonds).



#### **MEANINGFUL CONTRIBUTOR TO FUNDING PROGRAM**



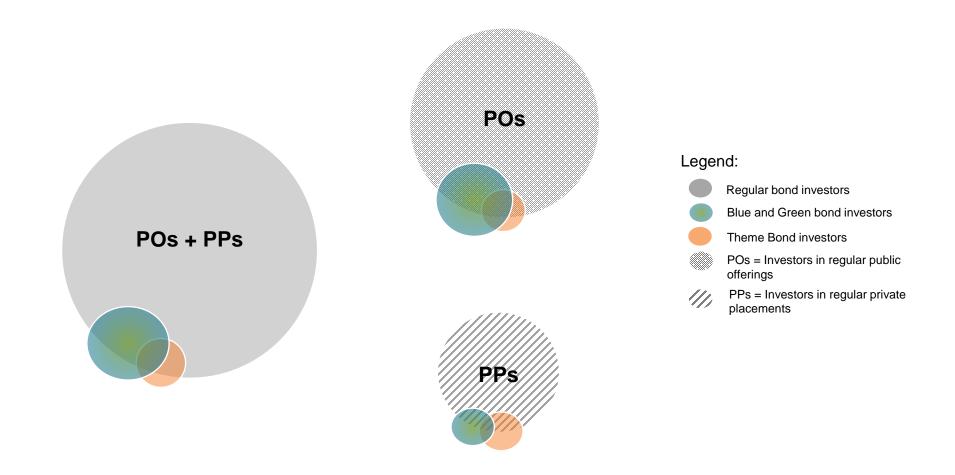
Notes:

1. YTD 2022 includes issuances as of 18 March 2022.

2. Theme bonds include Clean Energy, Education, Gender, Health, and Water bonds



# BROADENING INVESTORS

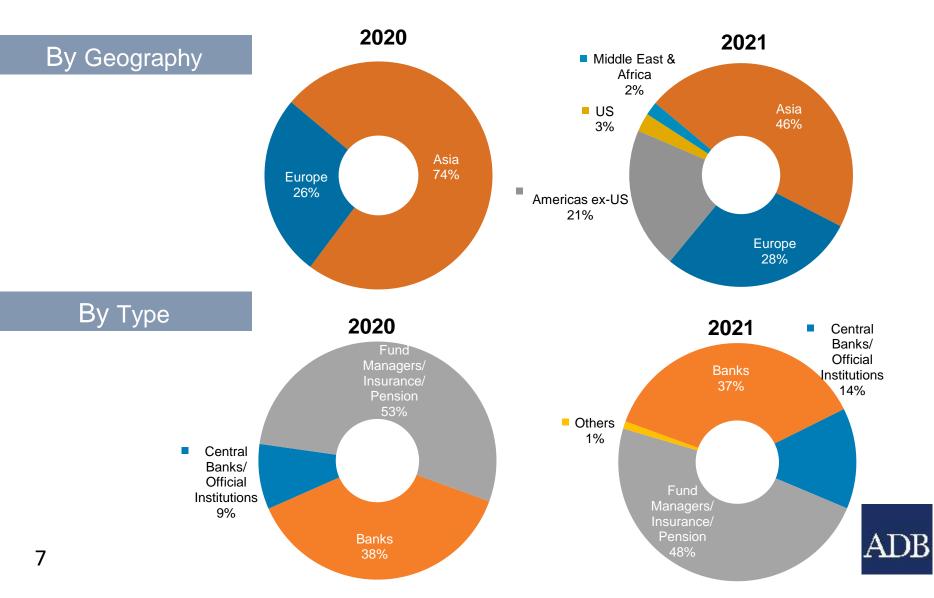


#### Notes:

- Data refers to the number of investors as of 18 March 2022.
- Regular bonds refers to non-thematic ADB bonds.
- Theme bonds include Clean Energy, Education, Gender, Health, and Water bonds.

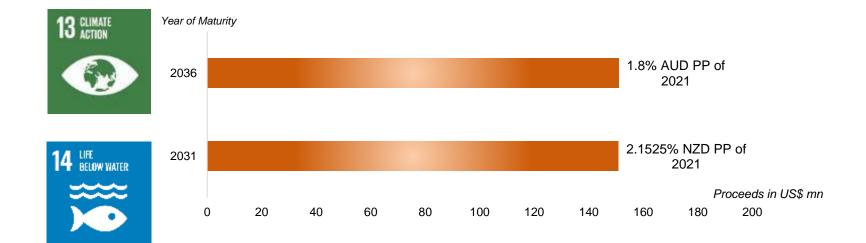


### **INVESTOR PROFILE FOR GREEN/BLUE/THEME BONDS**



7 0	)U	TSTA	NDIN	IG G	REE	EN B	ONDS	
Year of Maturi	2051 2051 2051 2030 2030	0.92% EUR I 0% USD PP 0 0% EUR PO 0.8325% EUF 0.715% EUR 0.603% EUR 0.8% USD PP 1.6%	of 2021 of 2020 R PP of 2021 PP of 2021 PP of 2021	)				
7 AFFORDABLE AND CLEAN ENERGY	2029 2028	0.29% SEK P	P of 2020		0% E	EUR PO of 2019	9	
13 CLIMATE	2028 2028 2028 2027 2027 2027 2026 2026	2.625% USD P 3.184% AUD PP	3% SEK PP of 20 P of 2017 of 2017 SEK PP of 2020	21 2.375% USD 3P PO of 2019		SD PO of 2018		
	2026 2026			295% SEK PP c		16		
	2026 2026 2025 2025 2025 2025 2025	6.0% BRL PP of 2.0% USD PP of 2 4.7% MXN PP	2015	2.125% USD	% USD PO of 20 0.35% EUR P PO of 2015	0.75% C	AD PO of 2021	
	2024 2023		10.1	2% KZT PO of		AUD PO of 201	9	
	2022 2022 2022 2022	<ul> <li>10.12% KZT PO</li> <li>10.12% KZT PO</li> <li>0.05% HKD PP of</li> </ul>	of 2020 of 2022	2/01/211001	2020			
	2022 2022	1.5% NOK 8.8% UAH PP of 20	PP of 2019					
	2022 2022 2022	1.5% NOK 8.8% UAH PP of 20 1.57% USD PP o 2.0% AUD PP of 1.0% UAH PP of	PP of 2019 021 f 2017 2017 2021		1.875% US	SD PO of 2017	Proceeds in US\$ mn	AI

**OUTSTANDING BLUE BONDS** 



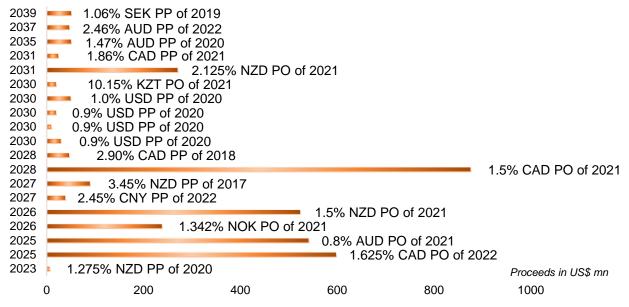


# **OUTSTANDING THEME BONDS**

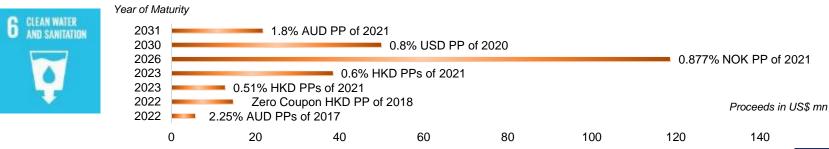
#### **GENDER BONDS**

#### Year of Maturity



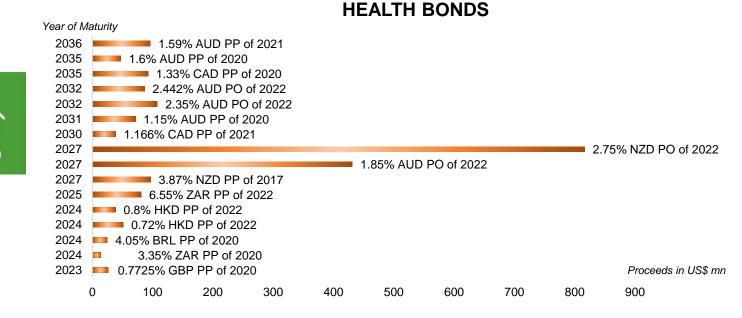


#### WATER BONDS





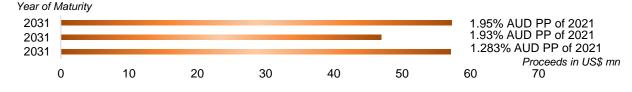
## **OUTSTANDING THEME BONDS**



#### **EDUCATION BONDS**



3 GOOD HEALTH





## **USE OF PROCEEDS**

Use of Proceeds for	The net proceeds of the issue of the Notes will be included in the ordinary capital resources of ADB which will then be
Blue bonds	allocated to a special sub-portfolio therein and tracked against the disbursements to Eligible Blue Projects (as defined
	below). As long as the Notes are outstanding, the balance of the sub-portfolio will be reduced, at the end of each quarter,
	by amounts matching the disbursements made during the quarter with respect to the Eligible Blue Projects.
	Pending such disbursement, the sub-portfolio will be invested in accordance with ADB's liquidity policy.
	Eligible blue projects under ADB's Green and Blue Bond framework ("Eligible Blue Projects") include projects funded by
	ADB, in whole or in part, that contribute to: (i) marine and coastal ecosystem management and restoration, such as
	management and restoration of coastal and marine ecosystems, sustainable fisheries, and sustainable aquaculture
	("Ecosystem and Natural Resources Management Projects"); (ii) pollution control for marine and coastal environments,
	including the ocean-draining rivers, such as solid waste management, non-point source pollution, and wastewater
	management ("Pollution Control Projects"); and/or (iii) sustainable coastal and marine development, such as sustainable
	ports and shipping, and marine renewable energy ("Sustainable Coastal and Marine Development Projects").
	Examples of Ecosystem and Natural Resources Management Projects would typically include, without limitation, those that
	fall under the following sectors:
	• Ecosystem management and natural resources restoration – projects that manage, conserve, or restore coastal, marine,
	and ocean-draining river ecosystems;
	• Sustainable fisheries management – projects that improve the environmental sustainability of fisheries and the seafood value chain; and
	• Sustainable aquaculture – projects that improve the environmental sustainability of aquaculture, mariculture, or algaculture.
	Examples of Pollution Control Projects would typically include, without limitation, those that fall under the following sectors:
	<ul> <li>Solid waste management – projects that reduce marine debris and/or associated impacts to marine life, through</li> </ul>
	integrated solid waste management systems and infrastructure;
	• Resource efficiency and circular economy – projects that reduce marine debris and/or associated impacts to marine life
	through the implementation of waste exchange programs, new business models and programs, and innovative
	technologies;
	<ul> <li>Non-point source pollution – projects that reduce nutrients, sediments, and chemicals in coastal and marine environments; and</li> </ul>
	Wastewater management – projects that reduce wastewater pollution of coastal and/or marine environments.
	Examples of Sustainable Coastal and Marine Development Projects would typically include, without limitation, those that
	fall under the following sectors:



### **USE OF PROCEEDS**

Use of Proceeds for	• Ports and shipping – projects that increase environmental performance and sustainability of maritime infrastructure and
Blue bonds	transport; and
(continued)	• Marine renewable energy – projects that reduce greenhouse gas emissions and increase contribution of marine and offshore renewable energy (wind, tidal, wave, or ocean thermal energy).
	The above examples of Eligible Blue Projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by ADB during the term of the Notes.

Use of Proceeds for	The net proceeds of the issue of the Notes will be included in the ordinary capital resources of ADB which will then be
Green bonds	allocated to a special sub-portfolio therein and tracked against the disbursements to Eligible Projects (as defined below). As long as the Notes are outstanding, the balance of the sub-portfolio will be reduced, at the end of each quarter, by amounts
	matching the disbursements made during the quarter with respect to the Eligible Projects. Pending such disbursement, the sub-portfolio will be invested in accordance with ADB's liquidity policy.
	Eligible projects under ADB's Green and Blue Bond framework ("Eligible Projects") include projects funded by ADB, in whole or in part, that (i) target a reduction of greenhouse gas emissions into the atmosphere or removal of greenhouse gas
	emissions from the atmosphere ("Climate Change Mitigation Projects") and/or (ii) target the reduction of the vulnerability of human or natural systems to the consequences of climate change and enhance resilience and adaptive capacity ("Climate Change Adaptation Projects").
	Examples of Climate Change Mitigation Projects would typically include, without limitation, those that fall under the
	following sectors:
	• Renewable energy – projects that use energy resources that can be naturally replenished (solar, wind, geothermal, and small hydro energy generation);
	• Energy efficiency – projects that deliver more energy services with the same energy input (excluding fossil fuel projects); and
	• Sustainable transport – projects that provide accessible, safe, environmentally friendly, and affordable transportation.
	Examples of Climate Change Adaptation Projects would typically include, without limitation, those that fall under the following sectors:
	<ul> <li>Energy – projects that help improve energy security (excluding fossil fuel projects);</li> </ul>
	• Water and other urban infrastructure and services – projects that improve water security and livelihoods of vulnerable
	urban populations, such as, providing urban flood protection; and
	• Transport - projects that reduce the vulnerability of transport infrastructure.
	The above examples of Eligible Projects are for illustrative purposes only and no assurance can be provided that
	disbursements for projects with these specific characteristics will be made by ADB during the term of the Notes.

### **USE OF PROCEEDS**

Use of Proceeds for	During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its
Education bonds	ordinary operations to finance a pool of projects related to the education sector, directly or indirectly through governments or rural governments of ADB members or financial institutions or investments in private sector education projects. In case it would be unable to apply an amount equal to the proceeds as provided above, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank.
	Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the performance of investments and loans under ADB's projects in the education sector.

Use of Proceeds for	During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its
Gender bonds	ordinary operations to finance a pool of eligible projects which promote gender equality and women's empowerment, directly or indirectly through governments of ADB members or financial or other institutions or investments in private
	sector projects. Eligible projects include those funded either in whole or in part from ADB's ordinary capital resources that target narrowing gender disparities and promoting empowerment of women and girls. To achieve this, such projects would
	typically address one or more of the following five areas and/or dimensions of gender equality and women's empowerment, either as part of the overall outcome of the project (referred to by ADB as a "gender equity theme" project)
	or by incorporating them into specific project components (referred to by ADB as an "effective gender mainstreaming" project):
	(i) Women's economic empowerment. Access to finance and/or credit; micro, small, and medium-sized enterprise
	development; agriculture development; value chain support; financial literacy and entrepreneurship training.
	(ii) Gender equality in human development. Education, skills development, and technical and vocational education and training, including "nontraditional" female subjects and/or job sectors such as science and mathematics, engineering, technology, sexual and reproductive health and rights, sanitation, and prevention of gender-based violence.
	(iii) Reduced time poverty of women. Reduced drudgery and time spent on unpaid care and domestic work through infrastructure (transport, water, sanitation, energy) or affordable child, elderly, or family care support.
	(iv) Participation in decision-making and leadership. Through community groups, local governments, and public and private sector management.
	(v) Women's resilience against risks and shocks including climate change and disaster impacts. Environmental protection and/or rehabilitation; flood and disaster risk management; budget support and social protection.
	Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the
	performance of investments and loans under ADB's projects on gender equality and women's empowerment.



Use of Proceeds for	During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof for use in its
Health bonds	ordinary operations to finance a pool of projects related to the health sector, directly or indirectly through governments or rural governments of ADB members or financial institutions or investments in private sector health projects. In case it
	would be unable to apply an amount equal to the proceeds as provided above, ADB will apply the remaining proceeds
	thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank.
	Payment of principal of and interest on the Notes will be based solely on the creditability of ADB, and not on the
	performance of investments and loans under ADB's projects in the health sector.

Use of Proceeds for	During the life of the Notes, ADB will use its best efforts to apply an amount equal to the net proceeds thereof and use it in
Water bonds	its ordinary operations to finance a pool of projects related to the water sector, directly or indirectly through governments or rural governments of ADB members or financial institutions. In case it would be unable to apply an amount equal to the proceeds as provided above, ADB will apply the remaining proceeds thereof to its ordinary operations in accordance with the Agreement Establishing the Asian Development Bank.
	Payment of principal of and interest on the Notes will be solely made on the creditability of ADB and would not be directly linked to the performance of investments and loans under ADB's projects in the water sector.



# GREEN/BLUE BOND REPORTING

#### Framework

- https://www.adb.org/sites/default/files/pu blication/756966/adb-green-blue-bondframework.pdfwww.adb.org
- Second Opinion
  - https://www.adb.org/sites/default/files/page/ 149831/cicero-shades-spo-adb-20210810.pdf



#### • Eligible Project Lists

- https://www.adb.org/sites/default/files/page/ 149831/adb-green-bond-eligible-projects-20211231.pdf
- Newsletter and Impact Report
  - https://www.adb.org/publications/adb-greenbonds



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# THEME BOND REPORTING

#### Theme Bond Newsletter

 https://www.adb.org/publications/adbtheme-bonds-sustainabledevelopment



The Asian Development Bank (ADB) launched its first theme bond (water) for sustainable development in 2010, in response to a growing demand among its investor base to highlight key initiatives. Since launching the water bond, ADB has espanded its theme bond offerings to include health, gender, and, most recently in 2021, education bonds.

The projects funded by theme bonds are aligned with the Sustainable Development Goals (SDGs) adopted by the United Nations on quality education, gender equality, clean water and sanitation, and good health.

- Education bonds improve access to, and the quality and relevance of, education and training, and amplify the returns to students and the workforce.
- Gender bonds promote gender equality and the empowerment of women.
- Health bonds tackle health challenges in Asia and the Pacific.
   Water bonds support projects under the Water
- Water bonds support projects under the water Financing Program and highlight ADB's efforts to address water and sanitation security needs in Asia and

the Pacific, including water supply, sanitation, water resources management, and water-related disasters.

Table 1 summarizes the amounts issued for the various outstanding theme bonds. Table 2 shows the project commitments and disbursements for each theme bond. Table 3 summarizes how the proceeds from the various types of theme bonds are used.

"ADB continues to deepen its engagement to enhance water security, promote universal health care, close gender gaps, and increase access to quality education in Asia and the Pacific," says ADB Director General for Sustainable Development and Climate Change Bruno Carrasco.

The ADB Director General adds: "Awary challenges remain and despite progress across our region over the recent decades; it has been adversely impacted by the COVID-19 pandemic. Theme bonds have been instrumental for ADB to address these developments and leverage additional resources to support strong and targeted interventions, especially in adapting to climate change and in pandemic response and recovery."







