



Regional Workshop

on

Issuance of Sovereign and Private Sector Green and Sustainability Bonds: Lessons from ASEAN

19-20 May 2025

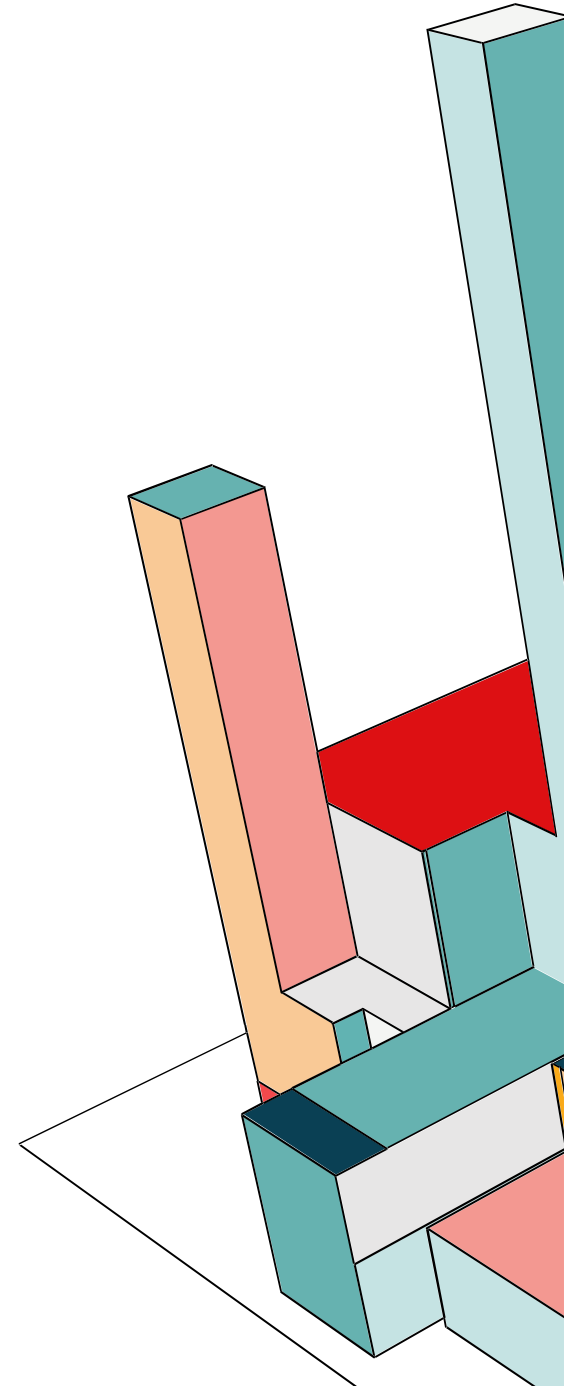
Ulaanbaatar, Mongolia

Group Activity

Group Formation

Group 1: Ministry of Finance/Economy: For participants representing national or sub-national finance/economy ministries and treasury departments.

Group 2: Central Banks and Regulators: For participants from central banks, monetary authorities, financial regulatory bodies, and supervisory agencies



Group Activity - Scenario

Scenario 1: Sovereign Green Bond for Renewable Energy Infrastructure (Finance Ministries)

Context:

The Ministry of Finance is exploring the issuance of the country's first sovereign green bond to fund a national solar, wind and hydro energy program, with a focus on expanding energy access in underserved rural regions. As the lead agency, the Ministry must ensure the bond is both financially sound and aligned with national sustainability goals.

Scenario 2: Regulatory Framework for Green Bond Market Development (Central Banks & Regulators)

Context:

Financial market regulators are leading efforts to establish a national regulatory framework for green bonds, aiming to align with international standards such as the International Capital Market Association (ICMA) Green Bond Principles. At the same time, the central bank is assessing potential incentives for financial institutions to increase green asset holdings. The regulatory approach must foster market growth while ensuring financial stability, transparency, credibility, and investor protection.

Group Activity – Discussion Points

Scenario 1: Sovereign Green Bond for Renewable Energy Infrastructure (Finance Ministries)

Indicative Discussion Points

- **Investor Risk Mitigation:** What financial or policy instruments (e.g., guarantees, blended finance) can be used to reduce perceived risks and attract a broad investor base?
- **Macroeconomic and Fiscal Implications:** How can the Ministry ensure the green bond aligns with overall debt sustainability and public finance strategies?
- **Role of the Central Bank:** What engagement is needed with the central bank regarding the bond's liquidity, potential eligibility as collateral, or inclusion in regulatory reserve portfolios?
- **Transparency, Reporting, and Monitoring:** What systems should be in place to track use of proceeds, report on impact, and maintain long-term investor confidence?
- **Institutional Coordination:** How can the Ministry lead coordination with regulators, energy ministries, and development partners to ensure policy coherence and credibility?

Scenario 2: Regulatory Framework for Green Bond Market Development (Central Banks & Regulators)

Indicative Discussion Points

- **Definitions and Taxonomy Alignment:** How should regulators define “green” within the national context? What are the advantages and challenges of adopting international taxonomies?
- **Disclosure & Reporting Requirements:** What mandatory disclosures and post-issuance impact reporting should be required to ensure transparency?
- **Coordination with the Central Bank:** How can regulators collaborate with the CB to ensure that any incentives (e.g., preferential capital treatment, liquidity facilities) are aligned with regulatory safeguards?
- **Integration with Climate Objectives:** How can the regulatory framework support national climate strategies and NDCs implementation, while attracting investors?
- **Safeguards Against Greenwashing:** What oversight mechanisms (e.g., external reviews, certification requirements, enforcement tools) are needed to prevent misuse of green labels and maintain market integrity?

Group Activity – Guidance Note

To make the most of group discussions, ensure productive outcomes, support rich, inclusive, and insightful discussions that contribute to shared learning across all participants, consider to be guided by the following principles during discussions:

- **Depth of Analysis and Insight:** Aim to explore the scenario thoroughly, identifying key challenges and opportunities. Use clear, logical reasoning to develop analysis and consider both practical and innovative responses. A strong discussion reflects a deep understanding of the scenario's complexity and relevance.
- **Clarity and Effectiveness of Briefing:** Designate a spokesperson to present each group's conclusions clearly and concisely. A well-organized briefing should highlight key insights, articulate the group's recommendations, and connect the scenario to broader green finance objectives.
- **Collaboration and Inclusivity:** Encourage input from all group members and ensure that diverse perspectives are considered. Effective groups demonstrate strong teamwork, open communication, and a shared approach to addressing issues such as institutional coordination, market confidence, or policy alignment.

