



1,009

210.95

149.16

3.26

11%



# GREEN BOND TRANSPARENCY PLATFORM





GREEN BOND  
TRANSPARENCY  
PLATFORM

## Why Green Bonds?

The successful **transition** to a **green economy** is crucial for **Latin America and the Caribbean** to mitigate climate change and better hedge against increased climate risks.

This process will require substantial annual investments of between **USD 40-50 billion** in the region through **2030**.

**Green bonds** emerged as a **new vehicle** to finance climate-relevant investments, including renewable energy, energy and water efficiency, sustainable transport and land-use.

Green Bonds, in relation to other instruments, promised **transparency** in the use of proceeds.

Since **2014**, the annual green bonds issuance volume in Latin America and the Caribbean grew 18-fold to **USD 3.6 Billion** in **2019**



**2019**

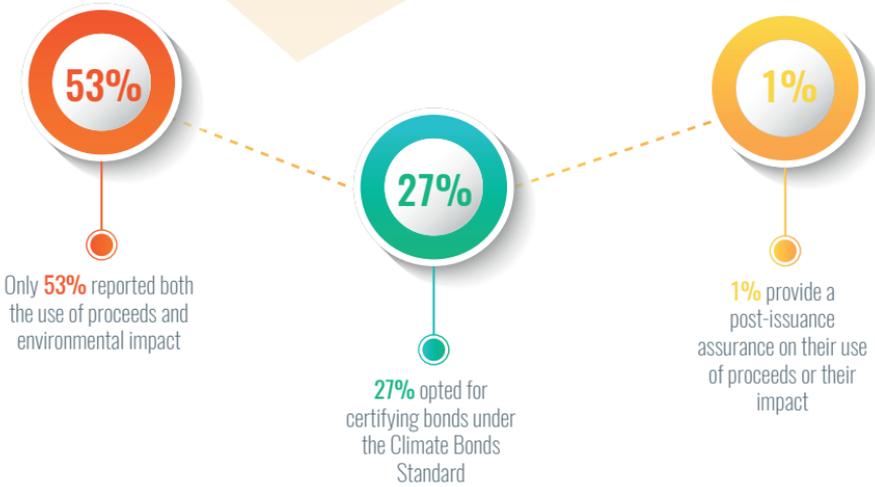


**Actual needs**

Actual financing needs are more than ten times larger than current green bond issuances

## Transparency is key

Between **2014** and **2019**, a total of **USD 12.6** billion was issued in Latin America and the Caribbean through **52** issuances. Nevertheless, of the issuances surveyed by Climate Bonds Initiative:



As the green bond market expands, **investors** are demanding greater **transparency and comparability** in evaluating such instruments.

- **Transparency** regarding the use of proceeds from green bonds and their environmental impact is a core **differentiating element** to traditional bonds that is **valued by investors**.
- **Harmonized and consistent reporting** is an important factor in the green bond market. Issuers of labelled green bonds need to adhere to the **Green Bond Principles** by the **International Capital Markets Association** and can decide certify their issuances under the **Climate Bonds Standard**.
- The lack of **transparent, comparable** and **verifiable** impact data and transaction costs **hinder** the high-quality **market expansion**.

# Green Bond Transparency Platform

The **Inter-American Development Bank** is developing the **Green Bond Transparency Platform** to support harmonization and standardization efforts on Latin America and the Caribbean green bond reporting. Its goals are to contribute to transparency, facilitate consistent reporting, help **attract new investors** to the region and provide an enhanced level of confidence to existing ones.

**The Green Bond Transparency Platform enables issuers, external review service providers, investors and underwriters to publish, verify and retrieve data on environmental impact metrics and use of proceeds.**

## Green Bond Transparency Platform principles



**Completeness** Unrestricted open access to all labeled green bonds issued in Latin America and the Caribbean



**Transparency** Disclosure of the use of proceeds, impacts, and methodologies and standards used



**Traceability** Simplified and automated processes leveraging Distributed Ledger Technology to ensure reliability, security and traceability



**Comparability** Data filters to compare environmental performance and other characteristics of green bonds

## Strategy

The Inter-American Development Bank develops the Platform with guidance of an **advisory consortium** consisting of standard and guideline setters, and external review providers, pilot issuers, underwriters, and investors.

## The Inter-American Development Bank and Green Bonds



# Contact

## Maria Netto

Lead Financial Markets Specialist  
mnetto@iadb.org

## Daniel Hincapie

Partnerships Lead Specialist  
danielhi@iadb.org

## Alexander Vasa

Green Finance Advisor  
alexanderv@iadb.org

Supported by:



Federal Ministry for the  
Environment, Nature Conservation,  
Building and Nuclear Safety



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

based on a decision of the German Bundestag



**KFW**

