



# GREEN BOND TRANSPARENCY PLATFORM





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 an **impactful vehicle** to finance climate-relevant investments, including renewable energy, energy and water efficiency, sustainable transport and land-use.

**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 to certify their issuances under the **Climate Bonds Standard**.

External reviewers assess the alignment of a green bond issuance with the principles and the **standard pre- and post-issuance**.

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

**Which type of green bond asset is better for my portfolio?**

**What is the environmental impact of my investments?**

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,

**53%**

Only **53%** reported both the use of proceeds and environmental impact

**1%**

**1%** provide a post-issuance assurance on their use of proceeds or their impact

**27%**

**27%** opted for certifying bonds under the Climate Bonds Standard

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

**USD 3.6**  
billion/year

**2019**

**USD 40 - 50**  
billion/year

**Actual needs**

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

# 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

- **Largest multilateral lender** in Latin America and the Caribbean
- **60 years of experience** lending to the region
- **Convening power of networks** of public and private investors, financial institutions, regulatory bodies and authorities locally and globally
- Actively **promoting the** incipient **Green Bond Market** in the region since 2014  
Supported **more than 20%** of total issuance volume in Latin America and the Caribbean by providing client support:
  - Structure private and public **placements**
  - Green bond **portfolios** and framework development
  - Support in the due diligence and quality review of external revision of frameworks
  - Support for the certification of bonds under the **Climate Bonds Standard**
  - Co-development of new climate bond methodologies
  - Collaboration with the Climate Bonds Initiative on **post-issuance reporting**
- **Convening power of networks** of public and private investors, financial institutions, regulatory bodies and authorities locally and globally

## Contact

### Maria Netto

Lead Financial Markets Specialist

[mnetto@iadb.org](mailto:mnetto@iadb.org)

### Daniel Hincapie

Partnerships Lead Specialist

[danielhi@iadb.org](mailto:danielhi@iadb.org)

### Alexander Vasa

Green Finance Advisor

[alexanderv@iadb.org](mailto:alexanderv@iadb.org)

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based on a decision of the German Bundestag



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