

HOW TO ISSUE THEMATIC BONDS

SECRETARIA ESPECIAL DE
PRODUTIVIDADE, EMPREGO E
COMPETITIVIDADE

MINISTÉRIO DA
ECONOMIA



Climate Bonds INITIATIVE

STEP 1

Define label and strategies



Develop an asset strategy at a corporate or institutional level



Define which kind of label the bond will have

Ponder on:

- What kind of positive outcome standouts in the assets/projects and purposes which will be (re)financed by the proceeds of the bond?
- Does the issuer have a corporate /institutional sustainability strategy?

Proceeds will be **exclusively** allocated to finance/refinance projects and assets

100% of proceeds allocated to projects/assets with **environmental** benefits
- understood to have intrinsic secondary social co-benefits and impacts linked to UN's SDGs

Green Bond



Proceeds allocated to projects/assets with positive **social** outcomes

Social Bond



Proceeds earmarked/ring-fenced for both **social** and **green** projects/assets

Sustainable Bond



Sustainable projects/assets with proceeds allocated according to performance targets

Does the bond have a structural component in which the interest rate paid by the issuer will vary depending on the performance of predetermined targets?

Sustainability-Linked Bond

*any kind of financial instrument can be labelled as "sustainability-linked"

Proceeds will be used for general corporate or institutional purposes based and linked to sustainable (ESG) objectives within a predetermined period of time

Did you know?

Sustainability-linked bonds may offer an opportunity for issuers in a transition towards the decarbonization of its activities, regardless of whether they have suitable assets to earmark against a green bond.



In this case, issuers may also refer to their bonds as:

SDG Bond

Green, Social and Sustainable bonds of earmarked or ring-fenced proceeds

SDG-Linked Bond

SDG-linked bonds are a type of Sustainability-Linked Bond

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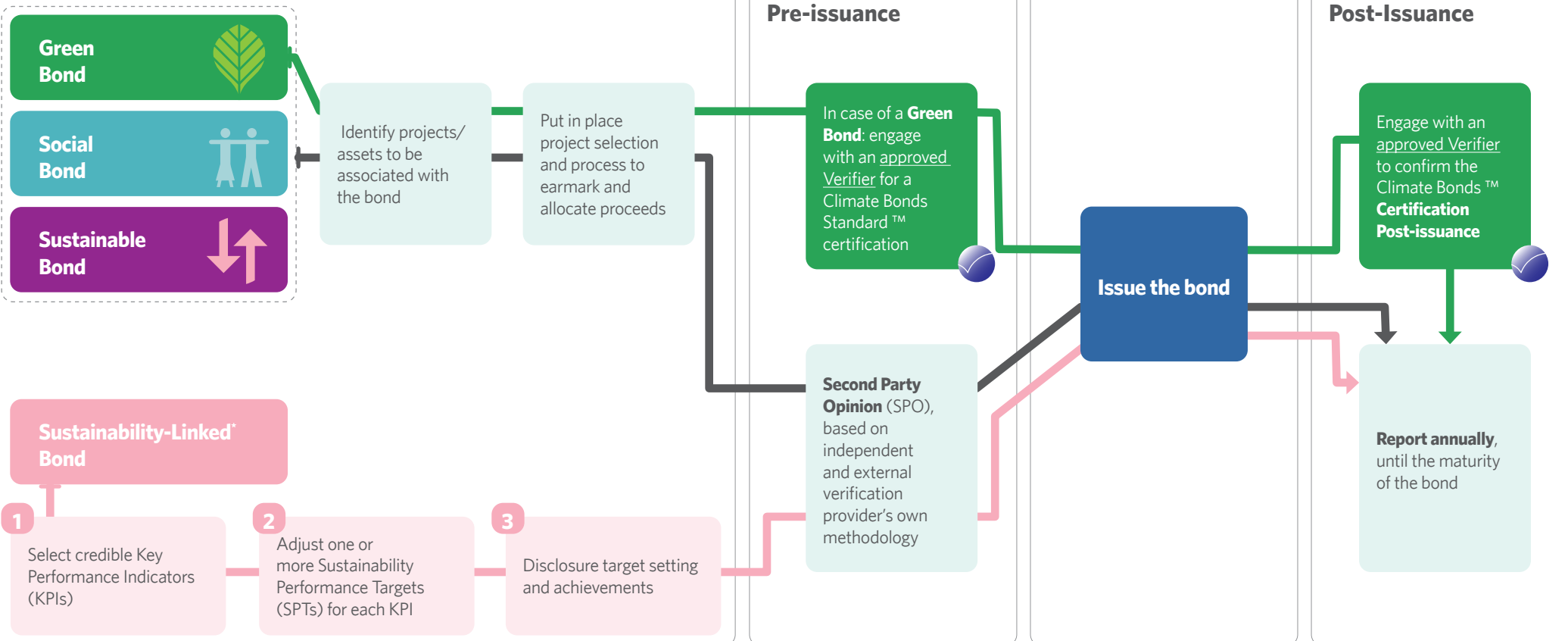
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Climate Bonds INITIATIVE

STEP 2

Prepare a Bond Framework



Guidelines

Green Bond

- [Green Bond Principles GBP \(ICMA\)](#)
- [Climate Bonds Standard and Sector Criteria \(CBI\)](#)
- Regional Taxonomies

Social Bond

- [Social Bond Principles – SBP \(ICMA\)](#)

Sustainable Bond

- [Sustainability Bond Guidelines -SBG \(ICMA\)](#)
- Regional Taxonomies

Sustainability-Linked Bond

- [Sustainability-Linked Bond Principles -SLBP \(ICMA\)](#)

SDG & SDG-Linked Bonds

- [SDG Impact Standard \(UNDP\)](#)



* Certified Climate Bond/Loan is fully alignment with the Green Bond Principles/[Green Loan Principles](#). It can be considered as a subset of the green bond/loan market. However, Climate Bonds Certification can be applied widely, including, but not limited to, non-debt instruments, directly to assets or projects (with no debt wrapper), and private/confidential deals.

Disclaimer: This infographic was developed by CBI under the “InfraInvest: Sustainable Infrastructure for Brazil” Project, supported by the IDB in partnership with Brazil’s Ministry of Economy. It offers guidance on the steps for issuing thematic labeled bonds based on general information about Green, Social, Sustainable and Sustainability-linked Bonds; and must not be taken in any instance as an advisory piece. Each bond issuance will require a specific set of steps that Financial Advisors and Underwriters will be able to advise.

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