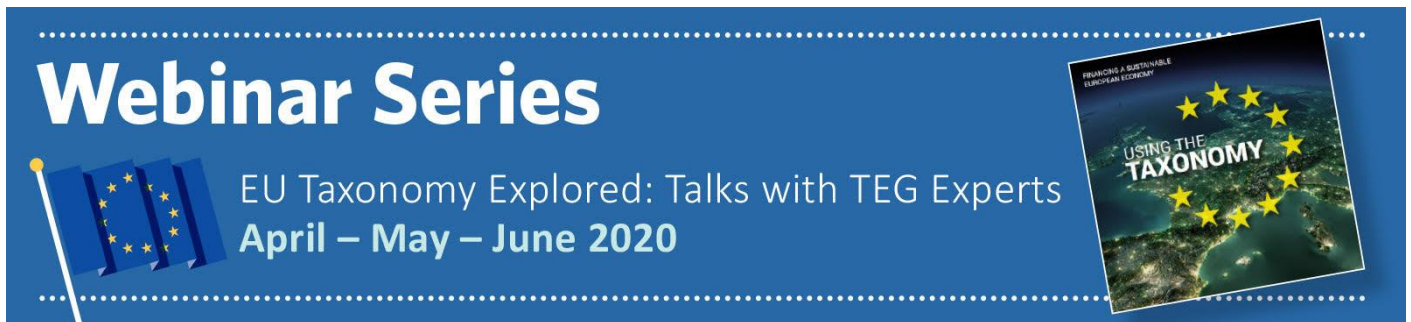


Markets Monthly #4 - 07/05/2020: April GB issuance bounces back: Green stimulus calls grow: China pandemic bonds: Covid & Social Bonds appear: Portugal's 1st green loan: CBI online events programme: New reports and more!

Welcome to the Markets Monthly!

We are still fine tuning our new format and would love to hear your [feedback](#) on how we reflect the market, analysis, new deals and selected reading.

For more information on the Climate Bonds Database on Market Data mail to: dataenquiries@climatebonds.net



Webinar Series

EU Taxonomy Explored: Talks with TEG Experts
April – May – June 2020

Don't Miss!

Climate Bonds Connected – Online Programme

Climate Bonds Connected is our new online programme with all the latest transition, green & sustainable finance developments. [Webinars](#), [podcasts](#) and [more](#).

Don't miss our popular *EU Taxonomy Explored – Talk with TEG Experts* series. Every Thursday at 15:00 (Paris)14:00 (London).

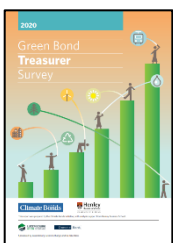
Up next in the EU series is [Adaptation & Resilience](#) on 14th May. The full schedule is [available here](#).

We are also launching our new Leading Climate Ideas series of webinars next week. The [first](#) will feature international green finance authority Dr Ma Jun, interviewed by Sean Kidney.

Latest in our ASEAN webinar series is [The Pricing Benefit of Green Bonds](#) on 11th May and [Green Markets: How Much do Regulators Need to Regulate](#) on 19th May.

Finally, don't forget our Markets Monthly 'Coffee Break' Webinar. 15 mins of market analysis & conversation with Lea Muething, 14th May.

Latest Reports



Green Bond Treasurer Survey 2020

The [Green Bond Treasurer Survey 2020](#) is a first of its kind, unique interrogation of market experience to identify the core benefits and challenges of issuing green bonds and provide guidance to potential newcomers into green debt markets. 86 treasurers from 34 countries were interviewed for the project.



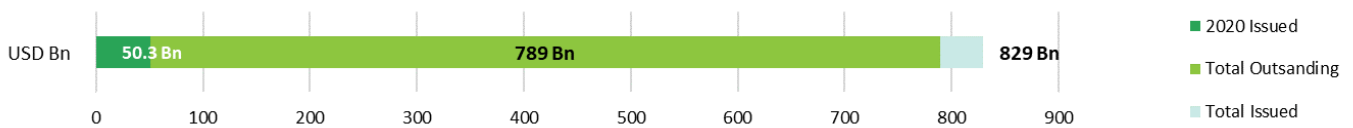
ASEAN Green Finance State of the Market

The [report](#) is an analysis of the issuance of green bonds and green loans in Southeast Asia. Following CBI’s first 2018 publication of this report, this 2019 report reviews the progress made across the regional green finance landscape and emerging opportunities for more green bonds, loans and sukuk amongst ASEAN nations.



Green Infrastructure Investment Opportunities (GIIO) Vietnam

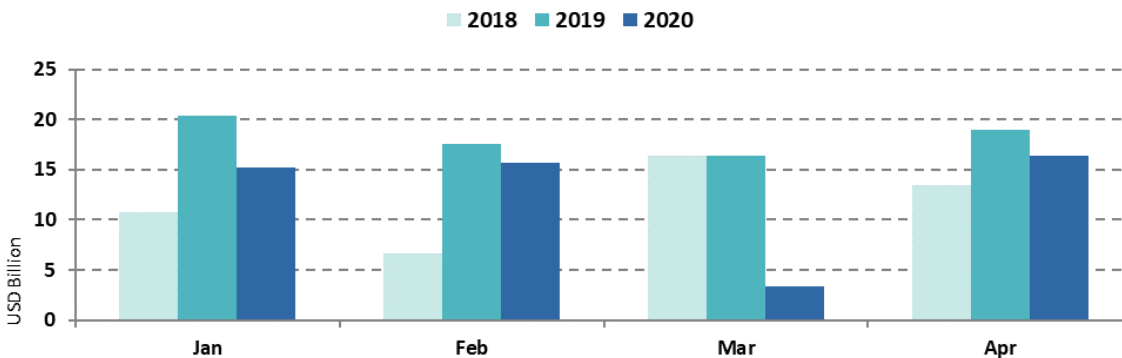
The inaugural [Green Infrastructure Investment Opportunities Vietnam](#) report presents the key trends and developments for green infrastructure and energy in Vietnam. It was prepared to help meet the growing demand for green investment opportunities and to support the country’s transition to a low carbon economy. Click [here](#) for the Vietnamese version.



April at a glance

April 2020 saw green bond issuance of **USD16.4bn** which is the largest monthly volume this year so far. Despite this being a 14% year-on-year decrease, green issuance nearly quadrupled (+395%) compared to March 2020 (USD3.3bn). The boost takes overall cumulative global issuance on Climate Bonds figures to **USD829bn**.

April issuance bounces back after March low



The emerging signs of a recovery are welcome after most financial markets seeing some of their worst times in recent months due to the **COVID-19 pandemic**. Not only has green bond issuance **bounced back** to somewhat normal levels, organisations are also actively issuing **social** and particularly COVID-19 related instruments.

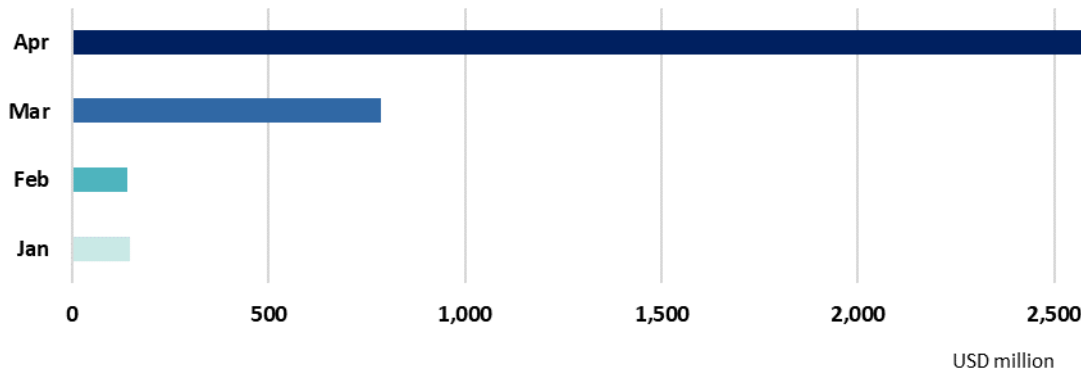
Getinge (Sweden) recently [issued](#) commercial paper that is solely dedicated to financing the expansion of production in **ventilators** and other **life-saving equipment**. **Indonesia** has [issued](#) a USD4.3bn bond to support the **country’s battle** against the pandemic, including funding for healthcare, social security and business resilience programmes. The market reaction to such bonds has been largely positive.

Many entities have offered their **support**: for example, **Sustainalytics** [said](#) it had expanded its **internal taxonomy** to include use of proceeds categories that relate to the current pandemic, such as healthcare and socio-economic impact mitigation. **ICMA** is supporting market participants with additional information through its **social bond guidance** including a [Q&A](#) section to address some burning questions on the topic of “COVID bonds”.

China has commenced issuing **pandemic bonds** at scale. Selected deals financing projects such as medical waste management for quarantine centres; rent reductions; and update and replacement of power generation equipment for

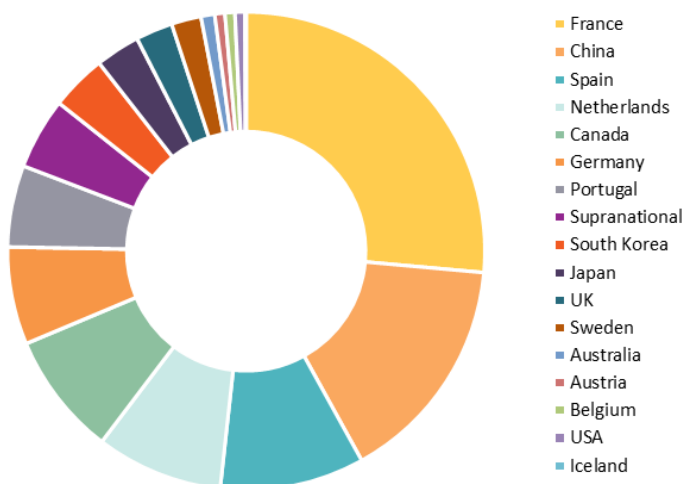
epidemic prevention and control add up to **USD3.1bn**. **China Longyuan Power Group Corporation Limited**, an energy company, issued **three** such bonds in March and April, mainly supplementing operating expenditures and funding payment equipment leasing as well as wind farm maintenance fees for a subsidiary in Wuhan that is most affected by the pandemic.

April China issuance triples from March figure



In addition to pandemic bonds, **Chinese green bond markets** are also recovering. After jumping from USD142m to USD786m between February and March 2020, China’s month-on-month green issuance has now **more than tripled**, adding up to a total of **USD2.6bn**. New issuers made up 89% of this with the largest deal (CNY10bn/USD1.4bn) coming from **Huaxia Bank**. The proceeds are mainly spent on renewable energy and water projects.

France lead the way in the country ranking due to its Sovereign tap. Belgium and Iceland also returned to the market



Another five countries joined China in logging issuance volumes above USD1bn in April 2020: **France** (USD4.2), **Spain** (USD1.6bn), **Netherlands** (USD1.4bn), **Canada** (USD1.3bn) and **Germany** (USD1.1bn). Canada last issued over USD1bn in a single month in July 2019.

France leads the country ranking mainly due to the **Green Sovereign tap** of **USD2.9bn**. There is more **sovereign issuance** to come.

Issuers from countries that appear on the rankings less frequently have also re-entered the market: **Austria** (**EVN Group** – EUR100m/USD111.2m), **Belgium** (**Xior Student Housing** – EUR100m/USD109m) and **Iceland** (**Reykjavik Energy** – ISK2bn/USD14m).

Overall, the above highlights some good signs that green bond markets in many nations affected by COVID-19 are showing early signs of recovery and the potential to replicate the month to month growth seen in China.

The road to green recovery

Greening of recovery and future growth remains high on the global agenda. At an international level calls from the [IMF](#), the [NGFS](#), [ADB](#), major [investor groups](#), business groups, including [banking & insurance](#) all share a constant theme around climate and sustainability being at the core of economic planning and policy by governments.

In the **UK**, there are [calls](#) for **airline** bailout packages to be tied to significant **CO₂ emission reductions**, and the **EU** is in parallel [eyeing](#) ways to attach **green strings** to emergency funds for airlines. After the US crude oil benchmark West Texas Intermediate (WTI) monthly future contract prices settling in May crashed to below zero, **France** [brought up](#) the idea of implementing a carbon price floor.

In spite of the crisis and after Barclays' commitment to **net zero by 2050** last month, **Shell** has now [announced](#) the same ambition to be reached by **2050** and [so did](#) French oil major **Total**. In addition to the plan of issuing a green bond this year, **Deutsche Bank** has [set up](#) a **sustainable finance team** demonstrating its commitment to a greener agenda.

In the meantime, **Robeco** has [revealed](#) its first **green bond fund** and, following Larry Fink's further commitment to sustainability, **BlackRock** has now [launched](#) its first **global unconstrained ESG total return bond fund**.

Worth reading

Japan's Ministry of the Environment has published updated green bond guidelines. The scope has been expanded to cover green loans and sustainability linked loans – [Ministry of Environment \(Japan\)](#)

Climate Bonds is continuing its **collaboration** with Japan's [Green Bond Issuance Promotion Platform](#), with the public release of two more reports. [Japan Green Finance State of the Market 2019](#) and [Financing Waste Management and Resource Efficiency](#) both originally developed for the Platform.

...and:

- New **guidance** published for green and sustainable **loans** - [LSTA](#)
- **Russia's** bond market is going **green** - [Environmental Finance](#)
- Building Back Better. Major **Oxford University** and Smith School study on **green recovery packages** stretch back to the 2008 financial crisis – [Smith School of Enterprise and the Environment](#)

> Check out the full list of **new and repeat issuers**.

> Click on the issuer name to access the new issue deal sheet in our online **Bond Library**.

New issuer spotlight - Certified Climate Bonds

[Milwaukee Metropolitan Sewerage District \(USD80m\)](#), USA, had its inaugural green bond issuance with a 10-year instrument. The deal finances projects Certified against the [Water Infrastructure Criteria](#) of the Climate Bonds Standard. This is the first Certification in the US Midwest and the first Certification for a combined wastewater and stormwater program in the US.

The issuer will submit annual reports to the Municipal Securities Rulemaking Board (MSRB), as per the regulatory requirement. In addition, Milwaukee will produce reports with information on the allocation of proceeds and the projects financed.

[Nanjing Jiangbei New Area Public Assets Investment & Development \(RMB490m/USD72.8m\)](#), China, debuted with a green bond Certified against the Water Infrastructure Criteria of the Climate Bonds Standard, maturing in three years' time. The proceeds will be used to refinance the construction of three new sewage treatment plants in Jiangbei New Area, which is part of the Yangtze River delta area.

Annual reports will have information on the allocation of the proceeds, as well as indicators of the sewage treatment plants, including the amount of water treated. The deal marks [Approved Verifier](#) iGreenBank's first verification. It is also the first time the Climate Bonds [Standard Version 3](#) has been used for a Certification in China.

New issuer spotlight

[BayernLB \(EUR50m/USD56m\)](#), Germany, completed its inaugural issuance with a 10.5-year instrument benefiting from an [SPO](#) from ISS-oekom. Eligible green loans in the loan portfolio include renewable energy (photovoltaic and solar thermal plants as well as wind farms), along with low-carbon real estate and mobility.

There will be allocation and impact reporting for as long as the bonds are outstanding. The reports will be published on BayernLB's Investor Relations homepage, and will include the notional amount and maturities of outstanding green bonds; the total amount of proceeds allocated and the number of eligible green loans; the balance of unallocated proceeds; the

amount or the percentage of new financing and refinancing, and the technology and geographic distribution of the projects funded.

Impact reporting, where feasible, may provide information about the added renewable energy capacity (MW) and estimated avoidance/reduction of CO₂ emissions in kilotons.

Climate Bonds view: After BayernLabo issuing a social bond in November 2017, BayernLB has come out with a green bond. It joins a substantial and growing number of large German banks, including Deutsche Bank with its announcement of a potential deal for this year as well.

Similar to its peers, BayernLB's focus is on renewable energy projects at the moment, but positively the framework also defines additional eligible categories for financing.

Sonae SGPS (EUR55m/USD60m), Portugal, took out a green loan financing various types of projects aimed at making its subsidiary, Sonae MC's, food retailing business more environmentally friendly. This primarily includes improving energy and water management in stores (e.g. via enhanced management systems), some local renewable energy generation, improving waste management processes, and adding EV charging stations in store parking lots.

This marks the first green loan in Portugal, and the first green finance deal for a Portuguese food retailer.

Climate Bonds view: This is a milestone for green finance in Portugal in a very important sector. Even globally, there is still a lack of investment in greening food services. The deal also complements a loan to Sonae MC from the EIB earlier this year, which was aimed at achieving similar improvements in its operations.

However, the green loan could be given higher visibility in Portugal, both among the general public as well as other potential issuers, especially given Sonae MC's ownership of influential and well-known brands and that due to the current pandemic food retail has been in the spotlight even more.

We also note that the deal does not carry an external review, and that, as a loan, reporting is often more nebulous. We encourage Sonae MC to report adequately on the use of proceeds and impacts achieved, for example in line with the recently published [LMA/LSTA](#) guidance on applying the Green Loan Principles (GLP).

SYCTOM (Agence Métropolitaine des Dechets Menagers) (EUR15m/USD17m), France, joined the green bond market with a 10-year senior unsecured instrument benefiting from an [SPO](#) by Vigeo Eiris. The net proceeds of the bond will exclusively finance or refinance, in part or in full, projects falling under two green project categories: waste collection, management and treatment, and waste-to-energy.

The issuer has committed to reporting annually on financial indicators and on performance and environmental impact indicators at project level - starting one year after the issuance and until full allocation of the funds. The annual report will be made publicly available on its website.

Climate Bonds view: This project is a welcome development as it will help to reduce GHG emissions by reducing the amount of waste going to landfill and recover energy from waste which would otherwise go to landfill. It helps to fill the financing gap and investor appetite for such projects as highlighted both in our European Green Bond Investor Survey as well as the new [Waste Management and Circular Economy Sector Briefing](#).

Xior Student Housing (EUR100m/USD109m), Belgium, came to market with an inaugural 12-year green private placement. Sustainability provided an [SPO](#) for the company's framework. Eligible categories include green buildings in Belgium, the Netherlands, Spain, and Portugal; renewable energy generation and transmission; a variety of energy efficiency projects; pollution prevention and waste management; clean transport; and water management.

There will be allocation reporting to lenders and investors until proceeds have been fully allocated. The report will contain the total amount outstanding, the amount of unallocated proceeds, and allocation of the net proceeds to the portfolio. It will also include information on the composition of the portfolio, including its geographic split, the share of financing and refinancing, and an overview of eligible projects. Impact measures will be disclosed annually as well through ESG reporting included in the annual report.

Climate Bonds view: With overall issuance of USD9.1bn from Belgium (90% of which are Sovereign green bonds), the country has potential to ramp up its green financing. Xior Student Housing is the second Belgian financial corporate to issue a green bond and the third to finance waste projects.

Their framework covers a broad spectrum of eligible projects in five different categories. It also promises good post-issuance reporting (allocation and impact) which provides transparency to the market and investors. Since the company operates in the Netherlands, Spain and Portugal, the deal is poised to create positive climate impact beyond Belgian borders.

New issuers continued...

Public Sector

- [City of Berkeley \(USD8m\)](#), USA, 19.4Y original term, SPO provided by Kestrel Verifiers.
- [Lynwood Utility Authority Enterprise \(USD20m\)](#), USA, 30.2Y original term, no third-party review.
- [Guangdong Power Development \(CNY300m/USD42m\)](#), China, 3Y original term, no third-party review.
- [Nanjing City Construction Development Co., Ltd. \(CNY1.2bn/USD169.7m\)](#), China, 2Y original term, SPO provided by Shanghai Brilliance Credit Rating.
- [Shenyang Metro Co. Ltd \(CNY5bn/USD707.2m\)](#), China, 10Y original term, SPO provided by Lianhe Equator.

Financial Corporates

- [Bank of Ganzhou Co.,Ltd. \(CNY1.5bn/USD212.2m\)](#), China, 3Y original term, assured by EY.
- [Hua Xia Bank Co., Ltd. \(CNY10bn/USD1.4bn\)](#), China, 3Y original term, assured by EY.

Non-financial Corporates

- [Atlantica Yield \(EUR290m/USD320m\)](#), UK, 6Y original term, [SPO](#) provided by Sustainalytics.
- [Bothwell Spain \(EUR234m/USD260m\)](#), Spain, 18.Y original term, rated (E1/80) by S&P Global Ratings – issued in December 2019.
- [Daiki Axis Co, Ltd \(JPY3bn/USD27.6m\)](#), Japan, 9.9Y original term, [SPO](#) provided by DNV GL – issued in February 2020.
- [Loop Inc \(JPY3bn/USD27.6m\)](#), Japan, 15Y original term, [SPO](#) and [rating](#) (GA1) provided by R&I (Japan).
- [Nanjing Financial City Construction \(CNY1.2bn/USD169m\)](#), China, 3Y original term, SPO provided by Shanghai Brilliance.
- [Yalong River Hydropower Development Company \(CNY1bn/USD142m\)](#), China, 3Y original term, SPO provided by Lianhe Equator.

Loans

- [EVN Group \(EUR100m/USD111.2m\)](#), Austria, 10Y original term, no third-party review.
- [Oxley Holdings PLC \(EUR77.25m/USD86.7m\)](#), Singapore, [SPO](#) provided by Sustainalytics. – issued in May 2019.

Visit our [Bond Library](#) for more details on April deals and a full history of debut green issuances going back to 2017.

Green bond outlook – selected deals

Issuer Name	Country	Closing Date	Source
NXP Semiconductors	The Netherlands	01/05/2020	NXP Semiconductors
Societe du Grand Paris EPIC	France	07/05/2020	Sustainalytics
Sacramento Municipal Utility District	USA	07/05/2020	EMMA
Autonomous Community of Madrid	Spain	08/05/2020	Global Capital
Schaeffler AG	Germany	11/05/2020	Schaeffler

Power Authority of the State of New York	USA	12/05/2020	EMMA
Southern California Public Power Authority	USA	12/05/2020	Moody's
New Jersey Infrastructure Bank (29 tranches)	USA	13/05/2020	EMMA

For May, multiple deals have been issued and announced already. This includes **three US Munis**: two **new issuers** (Sacramento Municipal Utility District and Power Authority of the State of New York) and a **repeat issuer** (New Jersey Infrastructure Bank).

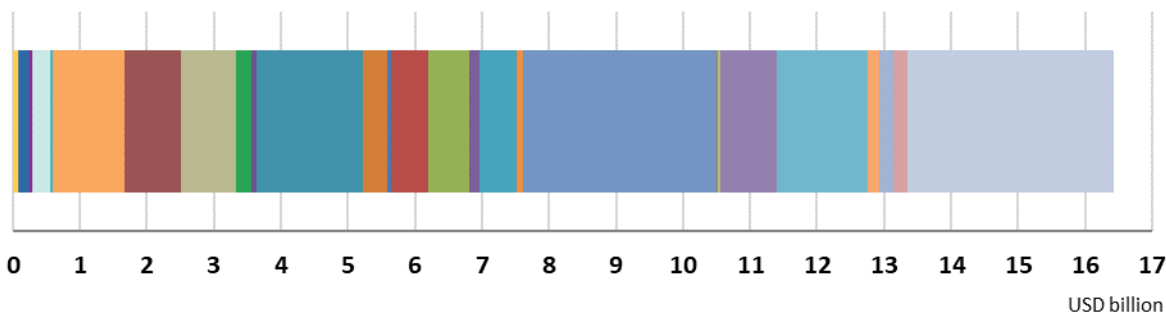
The **Autonomous Community of Madrid (Spain)** is scheduled to issue its first green bond, which will be the first green bond issued by a public administration in Spain.

The chatter on a potential **UK green gilt** [continues](#) – this time tied to a green recovery from the ongoing coronavirus pandemic. On the corporate side, automaker **Daimler** wants to [venture into green bonds](#) to stay on track with its CO₂ reduction targets following the COVID-19 pandemic, according to Chairman Ola Källenius. In the meantime, **Unión de Créditos Inmobiliarios (Spain)** is [getting ready](#) to issue green bonds as they have established a framework reviewed by Sustainalytics.

Data and references

Repeat issuers in April

Repeat issuers accounted for 81% of issuance in April



- Anglian Water
- Berlin Hyp
- City of Malmo
- E.ON
- EIB
- Iberdrola
- Jernhusen Ab
- LG Chem
- NIB
- Republic of France
- Rikshem AB
- SNCF
- Vasakronan
- New issuers
- BayernLB
- Brookfield Renewable Partners
- CPPIB
- EDP
- Huaneng Tiancheng Financial Leasing
- Japan Housing Finance Agency
- Leaseplan
- Macquarie Group
- Prologis - Nippon Prologis REIT
- Reykjavik Energy
- Royal Schiphol Group NV
- Stora Enso
- Wuhan Metro

Repeat issuers: January and February 2020 (not previously included)

- EBRD (European Bank for Reconstruction and Development): SEK1bn/USD105.1m - January 2020
- Fannie Mae: USD404.5m - March 2020 (13 deals)
- SNCF: EUR50m/USD54.8m - March 2020
- Vasakronan: SEK700m/USD71.4m – January and March 2020 (3 deals)

Pending and excluded bonds

We only include bonds with at least 95% proceeds dedicated to green projects that are aligned with the Climate Bonds Taxonomy in our green bond database. Although we support the Sustainable Development Goals (SDGs) overall and see [many links](#) between green bond finance and specific SDGs, [in particular](#) SDGs 6, 7, 9, 11, 13, 14 and 15, the proportion of proceeds allocated to social goals should be no more than 5% for inclusion in our database.

Excluded			
Issuer Name	Amount issued	Issue date	Reason
Changzhou Binjiang Economic Development Zone Investment Development Group	CNY500m/USD70.6m	27/04/2020	Working capital
Inter-American Development Bank	USD4.3bn	24/04/2020	Sustainability/Social bond
Caisse Francaise de Financement Local	EUR1bn/USD1.1bn	07/05/2020	Sustainability/Social bond
Kookim Bank	USD500m USD500m	04/05/2020 04/05/2020	Sustainability/Social bond Sustainability/Social bond
Fenghua of Ningbo City Zone Investment Co.,Ltd.	CNY1bn/USD144m	24/04/2020	Working capital
Huainan City Construction and Investment Co.,Ltd.	CNY1.5bn/USD216m	23/04/2020	Working capital
Rongsheng Petrochemical Co., Ltd.	CNY1bn/USD144m	22/04/2020	Working capital
Nanjing Metro Group Co.,Ltd	CNY3bn/USD432m	20/04/2020	Working capital
CGN International Finance Leasing Co., Ltd.	CNY900m/USD129.6m	16/04/2020	Working capital
Guatemala	USD700m USD500m	24/04/2020 24/04/2020	Sustainability/Social bond Sustainability/Social bond
IFC	AUD200m/USD137.3m	15/04/2020	Sustainability/Social bond
Getinge	SEK1bn/USD105.7m	17/04/2020	Sustainability/Social bond
Cassa Depositi e Prestiti	EUR500m/USD555.8m EUR500m/USD555.8m	20/04/2020 20/04/2020	Sustainability/Social bond Sustainability/Social bond
NWB Bank	EUR2bn/USD2.2bn	14/04/2020	Sustainability/Social bond
IBRD	SEK11.5bn/USD1.2bn USD8bn	23/04/2020 22/04/2020	Sustainability/Social bond Sustainability/Social bond
Bayport Management	USD260m USD80m	14/06/2019 19/12/2020	Sustainability/Social bond Sustainability/Social bond
Fastighets Ab Trianon	SEK400m/USD43.3m	17/04/2019	Sustainability/Social bond
City of Berkeley	USD0.8m USD0.7m USD0.7m USD0.8m USD0.8m USD0.8m USD0.8m USD0.9m USD0.9m USD0.9m USD1m USD1m USD5.4m USD10.9m USD12.4m	16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020 16/04/2020	Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond Sustainability/Social bond
Flemish Community	EUR1.3bn/USD1.4bn	15/04/2020	Sustainability/Social bond

Hongkong and Shanghai Bank	HKD189.2m/USD24.3m	03/04/2020	Maturity
NIB	SEK4bn/USD423m	09/04/2020	Sustainability/Social bond
Council of Europe Development Bank (CEB)	EUR1bn/USD1.1bn	09/04/2020	Sustainability/Social bond
EIB	EUR1bn/USD1.1bn	15/04/2020	Sustainability/Social bond

Pending			
Issuer Name	Amount issued	Issue date	Reason
Beijing Enterprises Clean Energy Group Ltd	CNY900m/USD127.1m	29/04/2020	Insufficient information
MPT Finco	CAD303.3m/USD228.1m	02/12/2019	Insufficient information
Export-Import Bank of Korea	EUR700m/USD778.1m	27/04/2020	Insufficient information
Nordea Bank	SEK64.3m/USD6.8m	24/01/2020	Insufficient information
Natixis	EUR10m/USD11.1m	22/04/2020	Insufficient information
Hannon Armstrong	USD400m	21/04/2020	Insufficient information
Hemso Fastighets AB	SEK500m/USD51.8m	11/02/2020	Insufficient information
Capitaland	SGD400m/USD296.1m	14/04/2020	Insufficient information
Swedish Export Credit	SEK500m/USD52.9m	14/04/2020	Insufficient information
HLP Finance	HKD500m/USD64.5m	07/04/2020	Insufficient information
Ontario Power Generation Inc	CAD400m/USD307.3m CAD800m/USD614.5m	08/04/2020 08/04/2020	Insufficient information Insufficient information
Analog Devices	USD400m	08/04/2020	Insufficient information

As always, your [feedback](#) is welcome!

Watch this space for more market developments. Follow our [Twitter](#) or [LinkedIn](#) for updates. E-mail data requests to dataenquiries@climatebonds.net.

'Till next time,

Climate Bonds

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