

First Asian Climate Bond Issued by Philippines Geothermal Company Asian Development Bank Backs Climate Certified Clean Energy Project Bond

LONDON: 1/03/2016: 1600GMT: Philippines geothermal company AP Renewables Inc. (APRI) yesterday reached financial close for a PHP 10.7b (US\$ 225M) certified Climate Bond for the Philippines based Tiwi-MakBan geothermal project. The bond, which has been certified by the Climate Bonds Initiative, was the first in Asia and the Pacific to receive Climate Bonds certification and the first ever Climate Bond for a single project in an emerging market. The bond was backed by the Asian Development Bank ([ADB](#)).

In a [News Release](#) issued from Manila, ADB stated they will provide credit enhancement in the form of a guarantee of 75% of principal and interest on the bond and also a direct loan of PHP 1.8b (US\$37.7M).

Sean Kidney, CEO Climate Bonds Initiative:

“Geothermal energy development will play an important part of the shift to a low-carbon economy. The Philippines and Indonesia in particular have enormous geothermal potential; we expect this bond to be the first of many in the region.”

“The Asian Development Bank’s backing is a good example of the key role development banks play. Its credit-enhancement, and the consequent lower cost of capital for the project, is exactly what’s required if the sector is to grow as rapidly as we need it to.”

“ADB’s support for [Climate Bonds Certification](#) promotes clear standards for assets that are important to addressing climate change. Investors can be assured of the climate change credentials of this bond.”

Todd Freeland, Director General of ADB’s Private Sector Operations Department:

“The successful use of credit enhancement for Tiwi-MakBan reflects our evolving strategy to make creative use of ADB’s expanding balance sheet to support infrastructure investment in Asia and the Pacific.

“Credit-enhanced project bonds offer an attractive alternative to bank financing, and by mobilizing cost-effective, long-term capital can help close the region’s infrastructure gap.”

Reginaldo Cariaso, Managing Director of BPI Capital Corporation, lead arranger and sole underwriter of the bond:

“This is a landmark transaction for the Bank of the Philippine Islands (BPI), the Philippines, and the Asia-Pacific region in terms of both capital markets development and climate finance. The transaction is highly innovative, representing the first project bond ever issued in local currency in the power sector in the Philippines and the first credit-enhanced project bond in Southeast Asia (excluding Malaysia) since the 1997-98 Asian financial crisis.”

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Notes for Journalists:

About Climate Bonds Initiative: The [Climate Bonds Initiative](#) is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy.

About Climate Bonds Standard V2.0: Climate Bonds Standard V2.0 is an overarching multi-sector standard that allows investors and intermediaries to easily assess the environmental integrity of bonds labelled as green and or funding low carbon development. There are pre-issuance and post-issuance requirements and a streamlined certification process to match the tempo of the mainstream debt capital markets. More information [here](#).

About Asian Development Bank: Based in Manila, ADB is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth and regional integration. More ADB information [here](#).

ADB Media Release: *"ADB Backs First Climate Bond in Asia"* is [here](#).

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