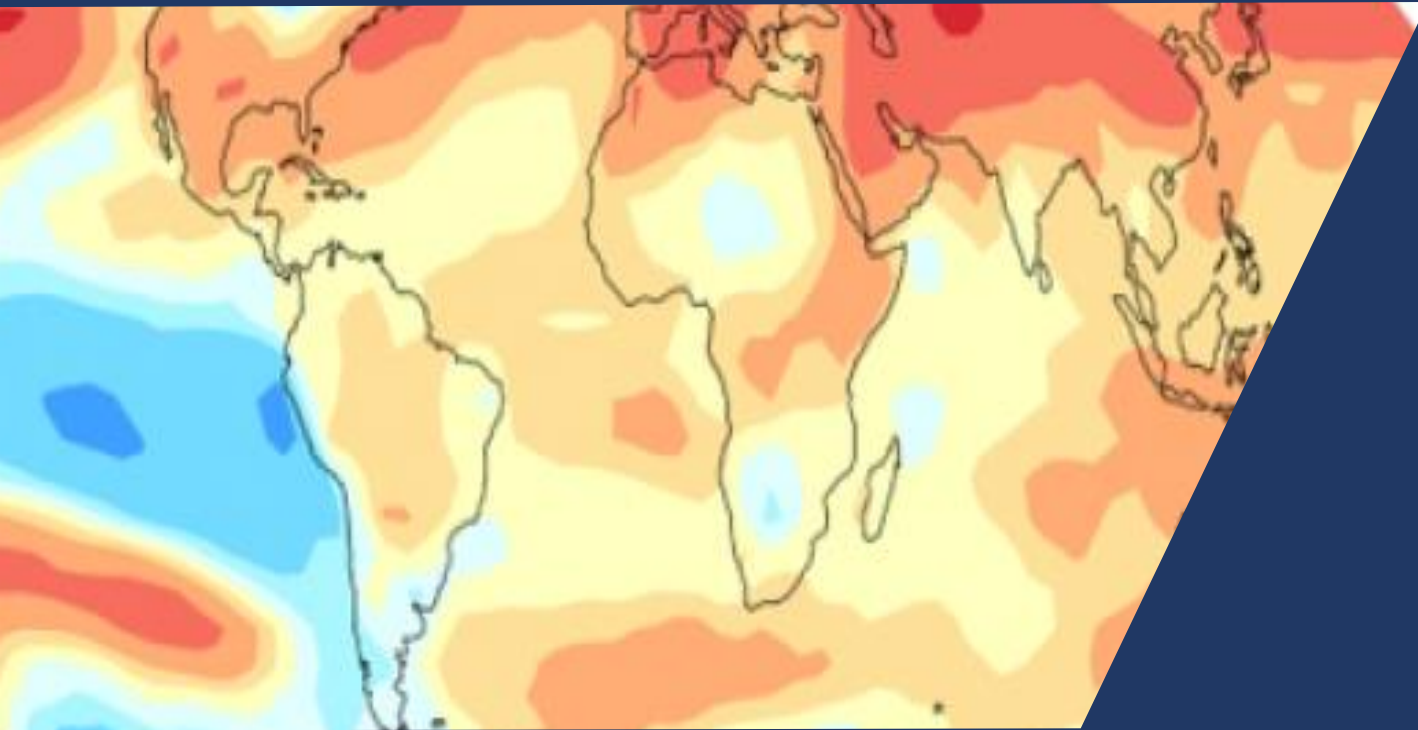


# Second Workshop under the Sharm el-Sheikh Dialogue

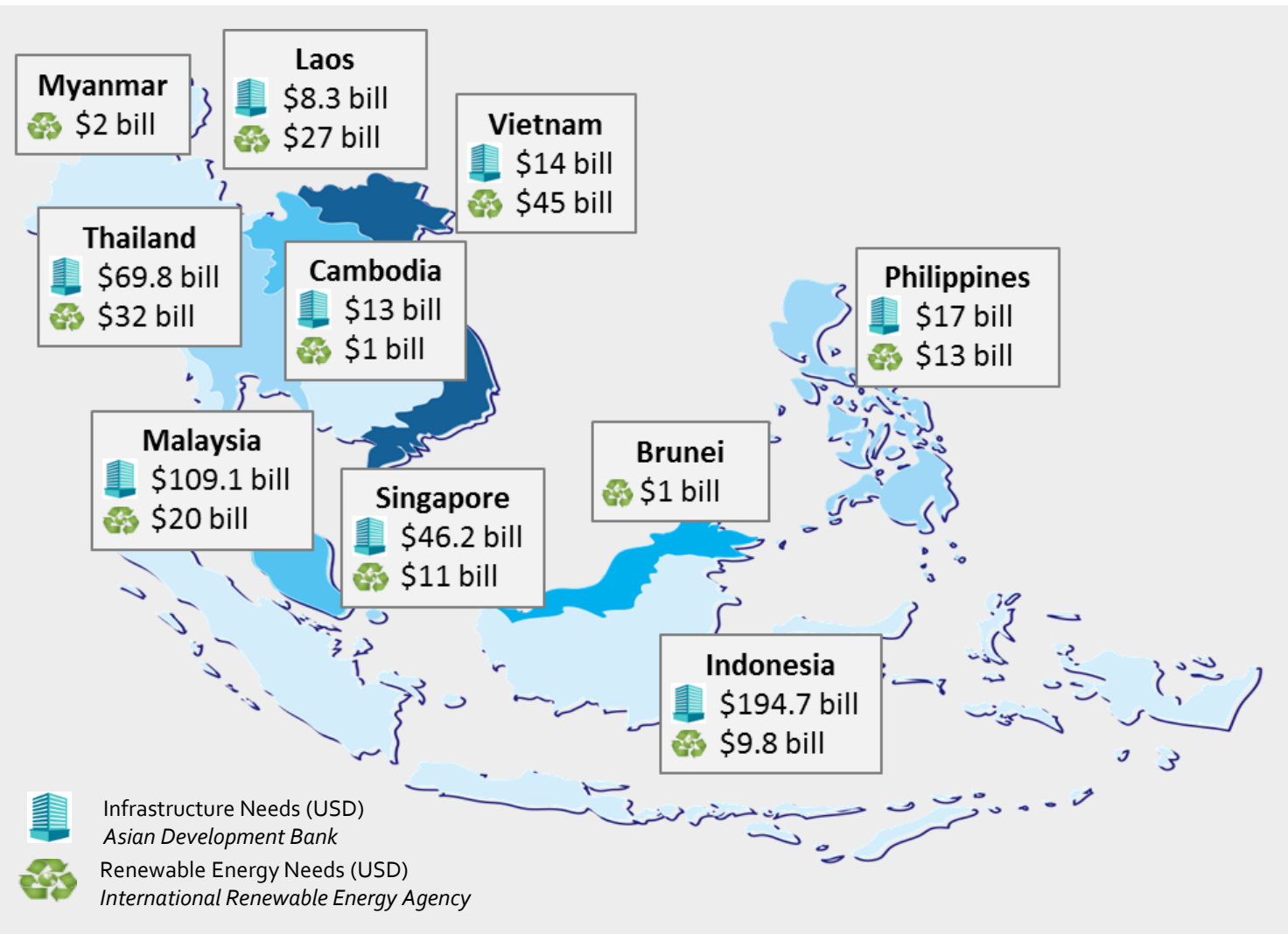


Mapping policies and regulations with potential intended and unintended consequences of actions to implement Article 2.1(c)

**Commissioner Kelvin Lester K. Lee**

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# Climate Financing Gap



ASEAN countries continue to develop rapidly:

- The ASEAN+3 Macroeconomic Research Office (AMRO) Estimates economic growth for the region will be **4.9% for 2023** and **5.2% in 2024**.
- **Infrastructure** investment needs of US\$210 billion by 2030.
- **Renewable energy** investments needs of US\$290 billion by 2025
- However, an IMF study found **Southeast Asia is one of the world's most vulnerable regions to climate change** impacts such as droughts, floods, typhoons, sea level rise, and heat waves

# Philippine Sustainable Finance Frameworks and Initiatives



## PHILIPPINES:

### SEC MC No. 3, Series of 2023

Guidelines on the Issuance of Sustainability-Linked Bonds Under the ASEAN Sustainability-Linked Bond Standards in the Philippines

### SEC MC No. 4, Series of 2023

Adoption of the ASEAN Sustainable and Responsible Fund Standards (ASEAN SRFS)

### SEC MC No. 11, Series of 2022

Rules on Sustainable and Responsible Investment Funds

### SEC MC No. 9, Series of 2019

Guidelines on the Issuance of Social Bonds Under the ASEAN Social Bonds Standards in the Philippines

### SEC MC No. 8, Series of 2019

Guidelines on the Issuance of Sustainability Bonds Under the ASEAN Sustainability Bonds Standards in the Philippines

### SEC MC No. 4, Series of 2019

Sustainability Reporting Guidelines for Publicly-Listed Companies

### SEC MC No. 12, Series of 2018

Guidelines on the Issuance of Green Bonds Under the ASEAN Green Bonds Standards in the Philippines

## ASEAN REGION:

ASEAN Green, Social, Sustainability Bonds Standards

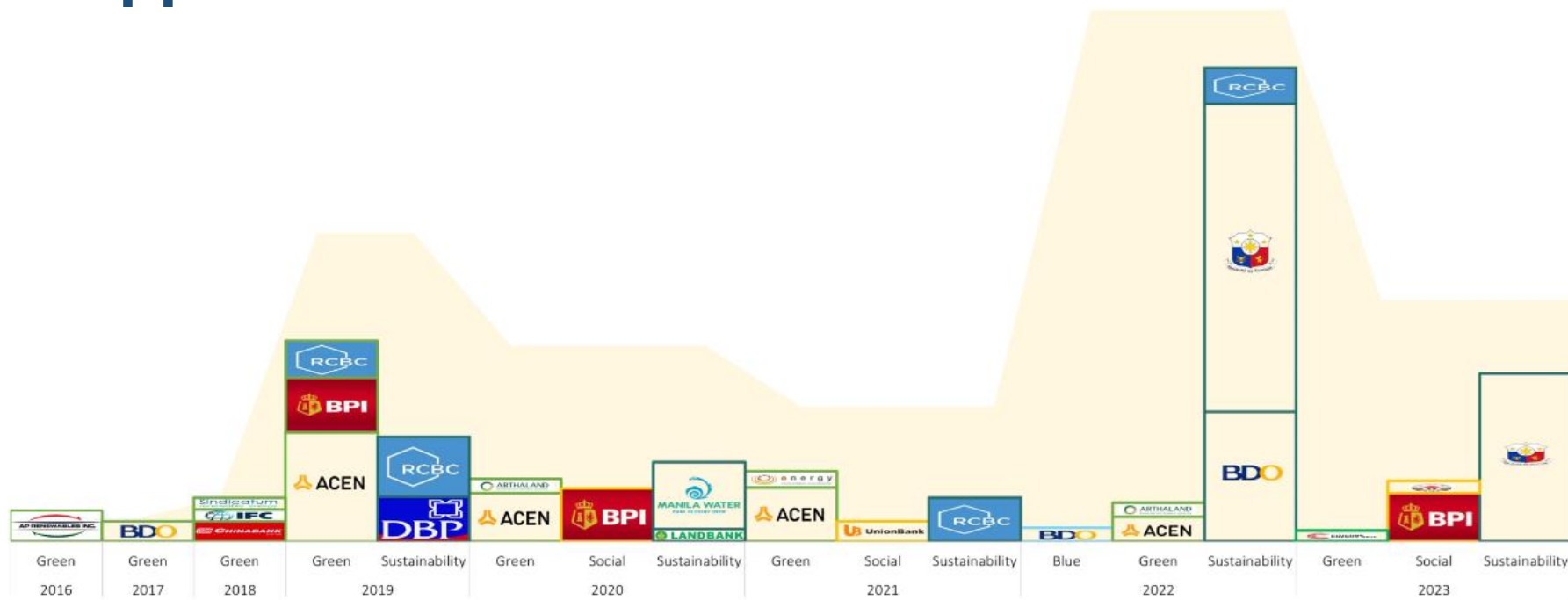
ASEAN SDG Bond Toolkit

ASEAN Taxonomy version 2

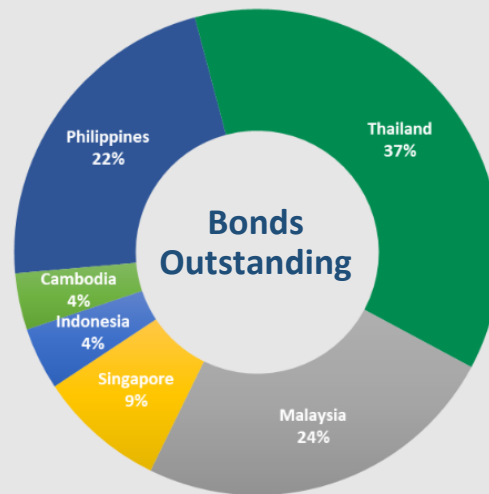
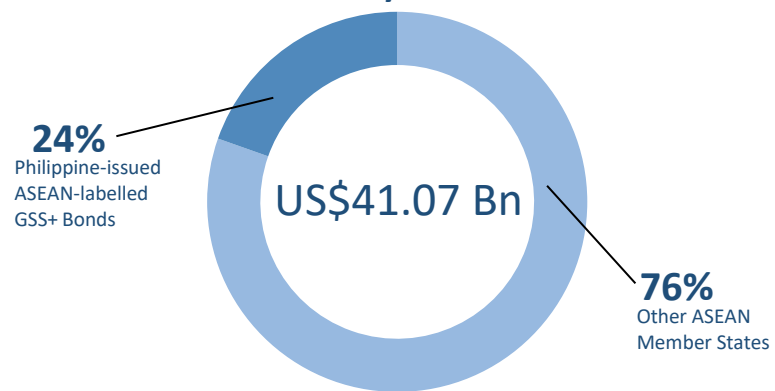
ASEAN Sustainability-Linked Bonds Standards



# Philippine GSS Market



**Total ASEAN-labelled Green, Social, and Sustainability Bonds Issued**




# Case Studies: AC Energy and ASA Philippines



## ACEN Energy Transition

- The Asian Development Bank (ADB) promoted the ETM concept, which leverages public and private investments with the aim of **retiring coal power assets on an earlier schedule** than if they remained with their current owners.
- ACEN decided to apply the ETM concept to the divestment of its 246MW SLTEC coal power plant; 100% of the net proceeds to ACEN will be used for the company's **renewable energy investments**.
- The ETM transaction entailed the coal plant's early retirement and transition to a clean technology by 2040, **cutting the coal plant's potential 50-year operating life by half**.

Source:  **ACEN** Slide adopted from the ACEN – ETM presentation

## ASA Philippines Gender Bonds

- Php 5 billion corporate notes facility to fund ASA Philippines' working capital requirements particularly eligible social projects in accordance with the issuer's gender bond framework. ADB provided technical assistance upon referral by the SEC Philippines, to support bond framework development and capacity building through the Asian Bonds Market Initiative.
- Qualified under the ASEAN Social Bond Framework under SEC Memorandum Circular No. 9, Series of 2019 (Guidelines on the Issuance of Social Bonds under the ASEAN Social Bonds Standards in the Philippines)
- Use of Proceeds will be exclusively used to boost lending to women entrepreneurs, microenterprises in the Philippines, eligible social projects

