

PRESS RELEASE

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For immediate release

Building the infrastructure for sustainable finance

Conference gathers pivotal stakeholders in the global and in particular Asian green, social, and sustainability bond markets in Tokyo for the third time to exchange views and practical expertise on how to foster and develop the market for sustainable financial instruments.

(TOKYO, Japan) – 9 October 2019 – The International Capital Market Association (ICMA) and the Japan Securities Dealers Association (JSDA) held their third joint conference on the “Developments in Green, Social, and Sustainability Bond Markets—Japan and Asia” at the Hotel New Otani in Tokyo.

Building on the strong interest in the previous events in Tokyo, rising awareness of sustainable investing and the rapid evolution of the market and international guidance, the conference this year attracted approximately 700 attendees.

Green bond issuance has grown rapidly over the last 5 years reaching US\$ 180 billion last year, with market expectations for 2019 in the range of US\$ 210-240 billion. Green bond issuance from Asia-Pacific has accounted for 20%-30% of total issuance in recent years.¹ The Japanese market, in particular, has been amongst the most dynamic, with issuance growing significantly in 2018. In the context of the global importance of the Japanese financial market and sector, growing Japanese activity in sustainable finance is attracting widespread attention. Also, many national governments in Asia-Pacific, including Japan, are innovators in sustainable finance policy and guidelines. The Japanese Ministry of the Environment’s guidance on green bonds and associated measures, including the knowledge sharing platform, present an advanced example of official support for the market.

Japan has also been a leader in promoting the UN Sustainable Development Goals (SDGs), an initiative with which its securities industry has continued to proactively collaborate. The Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, the de facto voluntary standards for this global market, are aligned with and support the pursuit of the SDGs.

In this context, the one-day conference served as a venue for an exchange of expertise and information sharing, connecting key stakeholders in the global green, social, and sustainability bond markets – including issuers, underwriters, investors, policymakers, market infrastructure and service providers – who offered their unique perspectives on the prospects and challenges for these markets. This year, discussions focused on ongoing global initiatives from both public and private sectors to encourage sound expansion in the sustainable finance markets; regulatory innovation in Europe and Asia; impact and ESG reporting; and classifications for green and sustainable projects.

Notable keynote speakers included:

- Shinjiro Koizumi, Minister of the Environment, Japan
- Toshihide Endo, Commissioner, FSA, Japan
- Hiromichi Mizuno, Executive Managing Director and CIO, GPIF
- Muneaki Tokunari, CFO, Mitsubishi UFJ Financial Group
- Tatsumi Kawata, Director & Managing Executive Officer, Sumitomo Forestry Co., Ltd.
- Olivier Irisson, Group Chief Operating Officer & Head of Financial Operations, Groupe BPCE

Shigeharu Suzuki, Chairman and CEO of the co-host JSDA, had this to say about the event: “Against the backdrop of heightened interest in the environment and sustainability, as well as the resultant demands to draw upon private funds, the markets for green bonds and other such financial instruments have experienced an immense and rapid expansion in Asia including Japan. This conference features the attendance of issuers, investors, and other market stakeholders, and it is my strong belief that this demonstrates that the market for those financial instruments that make it possible to realize a sustainable world will only continue to grow and develop going forward.”

¹ Figures are derived from ICMA’s analysis based on Environmental Finance database/CBI



Speaking at the event, Martin Scheck, ICMA's Chief Executive, remarked: "Asian investors and issuers clearly understand the challenges of climate change and sustainability and how green finance can effectively utilize financial markets to fund the infrastructure which can address these challenges. As an industry our goal must be to encourage rapid development of sustainable finance, with more issuance and investment, while at the same time ensuring that the integrity of the market is maintained."

In order to realize a sustainable society where the global environment is protected and social welfare and fairness are secured, the regulatory infrastructure and policy environment must be developed in a way that facilitates the efficient allocation of our limited resources. It is hardly contestable that capital market participants have critical roles to play in that transition. The October 9 conference confirmed that while green, social, and sustainability bonds are but tools to this end, they are critically important for making more tangible the contributions of finance to sustainability. The JSDA and ICMA will continue to build upon the growing interest in the field of sustainable finance, including but not limited to supporting all the stakeholders of green, social, and sustainability bonds going forward.

More information about the conference can be found at the event website administered by ICMA;

<https://www.icmagroup.org/events/developments-in-green-social-and-sustainability-bond-markets-japan-and-asia/>

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NOTES FOR EDITORS

International Capital Market Association (ICMA)

The International Capital Market Association (ICMA) is the trade association for the international capital market, with over 570 member firms from 62 countries, including banks, issuers, asset managers, infrastructure providers and law firms. It performs a crucial central role in the market by providing industry-driven standards and recommendations for issuance, trading and settlement in international fixed income and related instruments. ICMA oversees the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines on behalf of a community of more than 300 international issuers and investors, regulators, environmental NGOs, rating agencies and others operating in the market. ICMA's Asia-Pacific representative office in Hong Kong addresses the needs of its members in the region and covers regulatory and market practice themes related to ICMA's areas of international expertise. ICMA has more than 70 Asia-Pacific members, including institutions in Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore and Taiwan. www.icmagroup.org

Japan Securities Dealers Association (JSDA)

The Japan Securities Dealers Association (JSDA) functions as a self-regulatory organization (SRO) and as an interlocutor for the securities industry. Its legal status is as a Financial Instruments Firms Association authorized by the Prime Minister, pursuant to Article 67-2, Paragraph 2, of the Financial Instruments and Exchange Act. Its almost 500 members consist of securities firms, banks, and other financial institutions operating securities businesses in-Japan. As a fully empowered SRO, the JSDA extensively regulates market intermediaries, aiming to protect investors by ensuring fair securities transactions. Its self-regulatory functions encompass rulemaking, enforcement, inspection, disciplinary action, accreditation of sales representatives, and dispute mediation. The JSDA also provides vehicles for policy dialogue among the industry, the government and other related parties, conducts and promotes investor education, and implements studies to further activate the market. <http://www.jsda.or.jp/en/index.html>