



PRESS RELEASE

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For immediate release

ESG, finance, and building back better: a silver lining for COVID-19?

Conference gathers pivotal stakeholders in the global and in particular Asian green, social, and sustainability bond markets in Tokyo and online via Zoom to exchange views and practical expertise on how to foster and develop the market for sustainable financial instruments, with a particular focus on the ways the market has changed under COVID-19.

(TOKYO, Japan) – 13 November 2020 – The International Capital Market Association (ICMA) and the Japan Securities Dealers Association (JSDA) held their joint conference on the “Developments in bond markets contributing to sustainability under COVID-19 – globally and in Japan”—this time in a hybrid format.

Since 2017, the ICMA and JSDA have been jointly hosting full-day conferences on developments in green, social, and sustainability bond markets in Tokyo, and this year’s fourth iteration of the conference was adapted to respond to the COVID-19 pandemic—both in format and in content. The hybrid conference attracted more than 700 registrants (both virtually and in person), which highlights the broad reach of and overwhelming interest in these markets.

This year’s event came at a trying time for financial markets, where COVID-19 tested the limits of capital market resiliency. While the pandemic brought with it market disruption, it too highlighted the necessity and critical role of financial market involvement in addressing social challenges. Against this backdrop, the potential for sustainable financial products found their way into the spotlight, as evidenced by the immense growth of sustainable debt markets to surpass USD250bn in issuance in H1 2020 alone (vs. USD341bn for the full year of 2019; Source: Climate Bonds Initiative). Part of this growth was due to the issuance of COVID-19 social bonds, a testament to the ways in which the capital market can be tapped into to finance socially- and environmentally conscious recovery in times of crisis.

Whether this trend is permanent or only temporary remains to be seen. However, there are distinct achievements and changes in the landscape—such as the ICMA’s updates to the Social Bond Principles, the new Sustainability-Linked Bond Principles, and regulatory movements in the official sector—that indicate this is not just a fleeting development.

In this context, the conference served as an arena for an exchange of expertise and information sharing amongst the practitioners in the rapidly-growing area of sustainable finance, in particular addressing how this space has been propelled to the forefront since COVID-19. The event connected key stakeholders in the markets for sustainable finance—including issuers, underwriters, investors and policymakers—who offered their unique perspectives on the prospects and challenges for these markets going forward, as well as the movements in both the public and private sectors to promote these bonds in practice.

Shigeharu Suzuki, Chairman and CEO of the co-host JSDA, had this to say about the event: “It is my great hope that green and social bonds serve as effective tools for overcoming the global challenges brought about by the pandemic, toward the realization of a sustainable world.”

Speaking at the event, Martin Scheck, ICMA’s Chief Executive, remarked: “As countries and regions develop their funding and investment programmes to rebuild their economies it has been gratifying to see that environmental considerations have been hard wired into these both on the funding and disbursement sides. So, the green bond market continues to grow rapidly, and the pace is only increasing.”

While the precarious circumstances brought about by COVID-19 poses immense challenges for all market participants and stakeholders, it too provides an opportunity for discussion—a silver lining for how to transform finance to truly *build back better*. The 13 November conference confirmed that while the growth of the market for sustainable finance is still nascent, there are lasting effects of the move of the markets toward a greener, and more socially aware, type of finance that are expected to develop further over time.

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, sustainability, and sustainability-linked 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-bond-markets-contributing-to-sustainability-under-covid-19-globally-and-in-japan/>

CONTACTS

International Capital Market Association (ICMA)

Margaret Wilkinson
Senior Director, Deputy Head, Communications, Press
Liaison
E-mail: margaret.wilkinson@icmagroup.org
Direct line: +44-20-7213-0323

Japan Securities Dealers Association (JSDA)

Mia Kawazu
Associate, International Affairs Division
E-mail: m_kawazu@jsda.wan.or.jp
Direct line: +81-3-6665-6764

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 600 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, and Singapore. 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>