

Headline: PH's maiden green bonds seen launching "in coming weeks"

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Finance Secretary Carlos G. Dominguez III—DOF photo

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MANILA, Philippines—The Philippines plans to raise at least \$500 million from its first-ever "green" bonds likely within the next few weeks, Finance Secretary Carlos Dominguez III said.

Speaking to CNBC on Friday (Feb. 18), Dominguez said the Philippine government was currently in "deep" talks with a team of banks "that will span the markets" or across different debt currencies.

Last Thursday (Feb. 17), Dominguez said ongoing discussions with bankers covered "the appropriate structure for our maiden ESG offering." ESG stands for environmental, social, and (corporate) governance among socially responsible public and private investors.

Dominguez said Philippine finance officials were "looking at windows of opportunity in different currency markets." They were also finalizing the size, tenor, as well as timing for the forthcoming issuance.

"The timing of the issue will depend on prevailing market conditions and investor sentiments... As soon as the market conditions are ready, we will make the appropriate announcement as to the exact timing and size of our sustainability bond issue," Dominguez said.

At an online forum with European businessmen on Friday, Dominguez sought creditors for the forthcoming green bonds.

"In the coming weeks, the Philippines will issue its first-ever environmental, social, and governance sovereign bond for a benchmark size of at least \$500 million. We look forward to the European investors' strong support of this landmark offering," he said.

Last year, Dominguez said proceeds from green bond offerings will finance climate projects.

In a recent joint report on green infrastructure investment opportunities, the Securities and Exchange Commission (SEC) and the Manila-based multilateral lender Asian Development Bank (ADB) noted that issuance of a sovereign green bond would "send a strong signal to the market" of the Philippines' commitment to green finance.

"Sovereign bonds are well-understood, frequently issued products that are included in most investment strategies. A sovereign green bond can kickstart a local green bond market by bringing scale to domestic markets through benchmark pricing, liquidity, and precedent," the report read.

"For governments with access to domestic and international capital markets, sovereign green bonds can also help attract the private sector-based investment needed for sustainable developments and to fulfill the objectives of its NDC" or national determined contribution to fight climate change under the Paris Agreement, it added.

In the case of the Philippines, it had ambitiously committed to slash greenhouse gas emissions by 75 percent in the next 10 years.

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