

# GSS+ Bonds Initiative: Scaling Sustainable Finance in Southeast Asia

## Empowering Resilient and Inclusive Development through Capital Markets

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# WHY LOCAL GOVERNMENTS SHOULD ISSUE BONDS

## CHALLENGES

▶ An estimated **\$6 trillion** is required for clean power and grid upgrades globally from 2023 to 2050.



▶ About **75% of gross domestic product in Asia and the Pacific** is directly or indirectly linked to natural capital through sectors like agriculture, fisheries, and tourism.

▶ Only **12% of climate finance** in Southeast Asia is currently directed to adaptation, compared to **84% for mitigation**.



▶ **Almost 40%** of Southeast Asia's population resides in high-tide risk zones.



1. Reduce reliance on fiscal transfer and diversity funding sources
2. Strengthen fiscal discipline and governance
3. Mobilize long-term capital for large infrastructure projects and meet local service delivery requirements
  1. Climate-resilient and low-carbon infrastructure
  2. Green, social, sustainability, or transition projects
  3. Revenue-generating services (e.g. water, transport) and social projects (e.g. education, healthcare)
4. Support local capital market development

Municipal bonds are not just about raising money—they are about building stronger, more credit-worthy, and more autonomous local governments capable of financing sustainable urban development.

# WHAT ARE THE KEY ENABLERS

## Strategic and Institutional Foundations

**P**olicy and Regulatory Support

**R**obust Governance and Reporting

**O**ngoing and Predictable Revenues

**V**iable Institutional Capacity / **V**erifiable environmental and social impacts

## Market Execution and Readiness

**I**nvestment-ready Project Pipeline, particularly green and social projects

**N**ational Investor Base / **N**ational Sustainability Commitments

**C**ommitment and Political Leadership / **C**reditworthiness and predictable and stable revenue streams

**E**nabling Market Environment (capital market infrastructure, arrangers, advisors, external reviewers etc)

# HOW ADB CAN SUPPORT

## GSS+ Bonds Initiative: Scaling Sustainable Finance in Southeast Asia

### BOND TYPES

-  Green bonds
-  Social bonds
-  Sustainability bonds

-  Sustainability-linked bonds
-  Transition bonds
-  Other labeled bonds

### ACTIVITY PILLARS

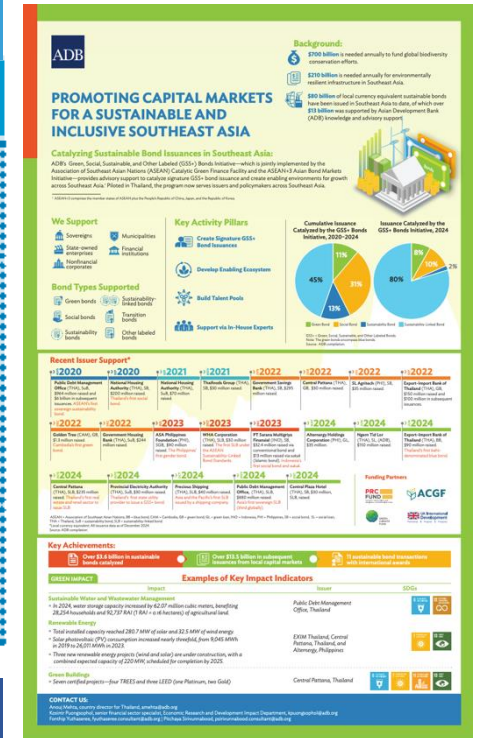
-  Signature GSS+ bond and loan transactions
-  Enabling ecosystem
-  Talent pools
-  In-house experts

### Advisory Support:

1. Project Selection
2. Sustainable Finance Framework Development
3. External Review
4. Capacity Building

### Transaction Support (for cities):

1. Credit Rating
2. Blended Finance and de-risking mechanisms
3. Issuance Support
4. Market Engagement



<https://www.adb.org/sites/default/files/publication/1053196/promoting-capital-markets-southeast-asia.pdf>

# TANGIBLE OUTPUTS SUPPORTED BY ADB

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**Over \$ 5 billion** of sustainable bonds catalyzed

**Over \$15 billion in subsequent issuances**

**17 internationally-awarded** sustainable bond transactions

**4 local verifiers** supported (2 in the pipeline)





**THANK YOU**