

World Investment Forum 2018

Sustainability Bonds

Opening remarks

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I wish to introduce Mr. Sean Kidney, CEO of the Climate Bonds initiative, who is moderating the session. Seab also moderated the 'Green Finance' session at the 2016 WIF in Nairobi.

When the SDGs were launched, UNCTAD identified an enormous investment gap of \$2.5 trillion dollars per year in developing countries alone, needed to meet the global goals.

To overcome this investment gap, we must work to mobilize all forms of investment finance and innovate new ways to unlock the power of capital markets for sustainable development.

The objective of today's session is to explore the potential for bond markets to contribute to financing the SDGs.

Many of you will have heard of "Green Bonds" which are debt instruments designed to finance climate adaptation and mitigation efforts.

In the past few years, the green bond market – while still small in relative terms – has been experiencing exponential growth. Rising from just \$15 billion in 2013 to over \$163 billion by the end of last year.

Stock exchanges have been playing an important role: in the last two years we've seen the number of green or sustainability bond listing segments triple from 5 in 2016 to 15 today, with half of this growth just in the past year.

And investors have certainly done their part. The dramatic rise in green bonds would not exist without the demand coming from investors. Indeed, most new green bonds issued today are oversubscribed.

The example of green bonds shows us the type of financial innovation we will need to achieve the SDGs.

What we have seen in Green bonds in the past few years is promising. And there have been some other innovations with “gender bonds” and “water bonds” as well. I would like to refer to the Financing for SDGs Toolbox – an ‘outcome’ of the World Investment Forum 2018 – which features various SDG-style bonds, including water, health, humanitarian etc. All of which leads us to ask the question: what else can the bond market do for the SDGs?

With our line-up of experts today, and all of you in the audience, we want to explore this question. How can bonds be used to finance the SDGs.

Thank you all for joining us today and I look forward to the outcome of your discussions.