

# ICMA initiatives related to SDGs

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## Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals

*Issuers, investors and bond market participants can evaluate the financing objectives of a given Green, Social or Sustainability Bond Programme against the Sustainable Development Goals (SDGs).*



## Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals

### Mapping examples

SDG	SBP Project Categories	GBP Project Categories <sup>7</sup>	Example Indicators <sup>8</sup>
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> <li>• Access to Essential Services (Target 1.4)</li> <li>• Affordable Housing (Target 1.4)</li> <li>• Socioeconomic Advancement and Empowerment (Targets 1.1, 1.2, 1.3, 1.4, 1.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change Adaptation (Target 1.5)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people provided with basic service</li> <li>• Number of microfinance loans</li> <li>• Number of people benefitting from measures to mitigate the consequences of climate change such as natural disasters</li> </ul>
 <p>2 ZERO HUNGER</p>	<ul style="list-style-type: none"> <li>• Access to Essential Services (Target 2.3)</li> <li>• Affordable Basic Infrastructure (Target 2a)</li> <li>• Food Security (Targets 2.1, 2.2, 2.3, 2c)</li> <li>• Socioeconomic Advancement and Empowerment (Targets 2.3, 2.5, 2a, 2c)</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change Adaptation (Target 2.4)</li> <li>• Environmentally Sustainable Management of Living Natural Resources and Land Use (Target 2.4)</li> </ul>	<ul style="list-style-type: none"> <li>• Number of people provided with safe, nutritious and sufficient food</li> <li>• Products with certified improvements in nutritional value</li> <li>• Number of small-scale farmers with increased productivity</li> </ul>

# Social bonds and COVID-19

1

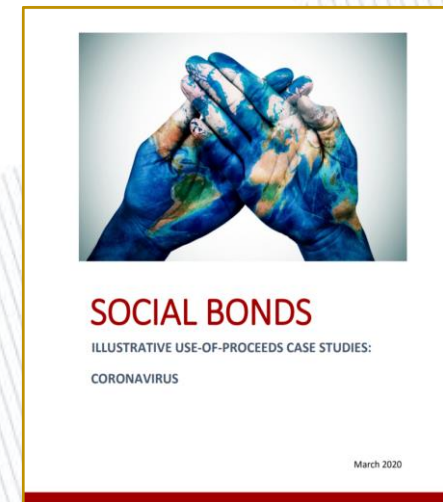
In March 2020, the Social Bonds working group confirmed that existing guidance for Social and Sustainability Bonds is immediately applicable to efforts addressing the COVID-19 crisis.

A [Q&A on COVID-19](#) contains additional advice for issuers to addressing the coronavirus crisis with social bonds. The Q&A answers questions such as:

- *What types of issuers can issue Social Bonds related to COVID-19?*
- *What types of proceeds are eligible for a COVID-19 focused Social Bond?*
- *Would an existing Social or Sustainability Bond issuer require a change to its framework to enable issuances related to COVID-19?*

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The working group also made available cases studies from issued COVID-19 themed social bonds as well as [illustrative case studies](#) that highlight how issuers from various industries may use social bonds to raise financing which will go towards addressing social issues related to the pandemic.



# Sustainability-linked bonds

A new standard, the Sustainability-Linked Bond Principles (SLBP), was released in June 2020.

- SLBs are any type of bond instrument for which the **financial and/or structural characteristics** can vary depending on whether the issuers achieve **predefined Sustainability/ESG objectives**
- Issuers are committing, to **future improvements in sustainability outcome(s)** within a predefined timeline. It is a forward-looking performance-based instrument
- Such outcomes are:
  - measured through **predefined KPIs** and
  - assessed against agreed **Sustainability Performance Targets**.
- Within these parameters, SLBs are to be used for general purposes

## Five core components

1. Selection of KPIs
2. Calibration of SPTs
3. Bond characteristics
4. Reporting
5. Verification





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