



The Green Bond Transparency Platform (GBTP)

The global green bonds market potential is estimated to be in the range of \$4.7 trillion to \$5.6 trillion of outstanding bonds by 2035. Investors need to know whether these bonds are having an impact on the fight against climate change. The Inter-American Development Bank (IDB) launched in 2021 a **public and free platform** that allows access to all stakeholders to learn about this market, and that increases transparency about the projects green bonds are financing and their environmental impact in Latin America and the Caribbean (LAC).

By November 2022, the global green, social, sustainability, sustainability-linked and transition bonds reached USD 3.7 trillion with green bond reaching USD 2 trillion. While in Latin America and the Caribbean the thematic market has grown significantly reaching a cumulative total of USD154.1billion, with green bond holding a cumulative volume of USD42.4billion in the end of 2022, it still holds a share of only 4% of the global market in the period of 2021-2022.

Since 2016, the IDB Group has been supporting over 30% of green bond volume issuances of the regional market, with a combination of financial and non-financial instruments, as part of its commitment to scale up the green bond market. It is in this context, that the IDB has developed the **Green Bond Transparency Platform (GBTP)**: a tool that **supports harmonization and standardization of green bond reporting facilitating granular and comparable data for evidence-based decisions**. It provides the LAC region with an innovative solution to transition to a green economy and offers issuers, external reviewers, and investors a public platform to achieve greater transparency and comparability.

Such transparency puts investors at ease on how proceeds from their green bond investments are used as well as their performance which helps attract new investors exploring the regional market's opportunities. In 2022, the platform received the **"Initiative of the year – Green Bond" award** by Environmental Finance for its focuses on emerging market countries and its promotion of comparability in impact reporting from multiple issuers.

The GBTP is a **taxonomy neutral** tool that uses Blockchain (DLT) technology to track green bonds, offering issuers a free digital space to report on the use of proceeds and impact data of their bonds using a tailor-made reporting format. **Independent verifiers review** the issuer's reporting and upload the conclusions of their review. The IDB facilitates free-of charge technical support with the user-friendly data uploading and capacity building materials to facilitate the process.

In addition, the platform promotes evidence-based policy making and informed discussions on taxonomy and provides **high-quality data for research** that contributes to the green bond market development. In December 2022, a research seminar organized by the GBTP with regional and international experts resulted in nine papers on green bond in emerging economies and the greenium with key findings for the evolution of the market.

The platform has been developed in collaboration with thirty leading market actors providing feedback from the concept stage onward till today. Its flexible and customizable structure allows for continuous upgrades and for easy expansion to new taxonomies, jurisdictions, and thematic bond types. This scalability characteristic together with its ambition, sustainability and



GREEN BOND TRANSPARENCY PLATFORM



transformability attributes led the **GBTP** to be **selected as a global good practice example** by Oxford Economics.

To join us or to learn more about the GBTP please send us an email to: support@greenbondtransparency.com

A full overview of the GBTP supporting entities below:



SUPPORTERS

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