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**EU4Environment**  
Green Economy in Eastern Partner Countries



**Expert meeting on  
Greening debt capital markets in the EU's Eastern Partner countries and  
Kazakhstan: The role for green bonds**

**Agenda**

**9 June 2022 (09:00 – 12:45, CEST)**

**10 June 2022 (10:00 – 12:30, CEST)**

**Registration link:**

<https://meetoecd1.zoom.us/meeting/register/tJlocuihrTwiHtNsL9tPFizMc-yNDy1qga07>

Action implemented by:



## Greening debt capital markets in the EU's Eastern Partner countries and Kazakhstan: The role for green bonds

9-10 June 2022, On-line event

### Background

Establishing a green securities market is often seen as one of the major steps that can help mobilise funds for the transition to a green economy and the achievement of the goals under the Paris Agreement on Climate Change. In more advanced markets, green bonds are also seen as a vehicle for bringing an inter-agency and intra-governmental co-operation around issues related to financing the low-carbon transition. Bringing the financial and environmental communities together can raise the profile of climate and clean energy policies in the national agendas, can improve cooperation between the two communities and can help find mutually beneficial solutions to problems which are currently inhibiting higher demand for green finance.

It is in this context, and as part of the European Union (EU)-funded "EU for Environment" Programme, that the OECD has launched the project "Greening debt capital markets in the EU Eastern Partner countries and the role of green bonds in financing the low-carbon transition". The OECD analysis also includes Kazakhstan as one of the first countries that has issued green bonds in Central Asia.

Generally, capital markets in the EU's Eastern Partner (EaP) countries and Kazakhstan are still developing and so far have contributed little to financing green investments. Private sources of finance, such as equity or bonds, that can complement bank financing, have been slow to emerge. These countries are lagging behind other regions in the world in tapping into bond markets as a source of long-term green finance. The war in Ukraine and associated sanctions and investor risk aversion can have further implications for market development in the region.

Recently, there have been signs that green bonds are becoming an asset class in its own right and begin to gain traction in the region. Armenia, Georgia, Kazakhstan and Ukraine have issued green bonds which were then followed by further green finance transactions. The regulations and the market infrastructure supporting the expansion of the local capital markets in the region are being developed and improved. However, this issuance is still limited, only nascent and takes part in the corporate sector, with rather little engagement by governments.

The current OECD study on green bonds aims to assess the role that bond markets in the region can realistically play in financing long-term green investments. The study is organised around analysing three major issues: (i) the level of development of debt capital markets in light of feasibility of introducing/scaling up green bonds; (ii) barriers to, and opportunities for, scaling up green bonds in the local capital markets, and (iii) the role governments should play in supporting green bonds markets in the region with the objective to unlock additional resources for green investment.

To prepare the analysis in-depth on-line interviews were carried out with government officials and market participants in the countries in the period July – December 2021. These discussions were used to inform the preparation of the draft country assessments. The insights and information gathered through these country analyses is reflected in the summary chapter which forms part of the analytical study.

## Meeting objectives

The major objective of this meeting is to discuss and calibrate the main findings and conclusions that have emerged from the analysis of the role that debt capital markets in the EaP countries and Kazakhstan could play in financing long-term green investments. More specifically, the discussion will seek to review the main elements identified in the draft report, including:

- opportunities for, and constraints to, local capital markets to raise and scale up finance for green investments
- experience of countries from other regions of the world with issuing green bonds
- capacity-building needs across relevant stakeholders
- possible areas of further regional and country-level work and the way the OECD, EU and other donor and International Finance Institutions (IFI) support may be particularly catalytic.

## Participants

The meeting will convene government representatives from the EaP countries and Kazakhstan, market regulators, and market participants who are involved in seeking capital market financing for green investment projects or regulating such activities. Experts from the EU countries and the European Commission, international organisations, IFIs and other relevant international bodies (underwriters, verifiers, rating agencies), active in the region and supporting / contributing to the development of the green bond markets, will also be invited to take part in the meeting.

## Practical Information

The meeting will be held online over two consecutive days. English-Russian interpretation will be provided.

The discussion during the meeting will be supported by a draft report prepared as part of the work on green bonds in the EaP region and Kazakhstan. This document and additional information will be shared with participants closer to the date of the meeting.

This work has been financially supported by the European Commission through the “European Union for Environment” Programme (EU4Environment) as well as by Germany’s Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMU).

## About EU4Environment

The “European Union for Environment” (**EU4Environment**) aims to help the six partner countries: Armenia, Azerbaijan, Belarus, Georgia, Republic of Moldova, and Ukraine preserve their natural capital and increase people's environmental well-being, by supporting environment-related action, demonstrating and unlocking opportunities for greener growth, and setting mechanisms to better manage environmental risks and impacts.

The Action is funded by the European Union and implemented by five Partner organisations: OECD, UNECE, UNEP, UNIDO and the World Bank based on a budget of some EUR 20 million. The Action implementation period is 2019-2022.

For further information contact: [EU4Environment@oecd.org](mailto:EU4Environment@oecd.org)

**AGENDA**  
9 – 10 June 2022

The timing of the sessions below refers to Central European Time (Paris/Brussels)

**9 June**

**Moderator: Ms. Michaela Hauf, Team Leader for Green and Connectivity, DG NEAR, C.1 Georgia, Moldova, Economic Investment Plan, European Commission**

Time	Item
9.00 – 9.20	<p><b>SESSION ONE: Opening remarks</b></p> <ul style="list-style-type: none"> <li>• Introduction of the agenda – <i>Mr. Krzysztof Michalak, Senior Programme Manager, Green Growth and Global Relations Division, Environment Directorate, OECD</i></li> <li>• Opening remarks – <i>Mr. Nicholas Cendrowicz, Deputy Head of Unit C1 - Georgia, Moldova, Economic and Investment Plan, Directorate-General for Neighbourhood and Enlargement Negotiations, European Commission</i></li> <li>• Opening remarks – <i>Mr. Jürgen Keinhorst, Head of Regional Division for Africa, Middle East, Eastern Europe and Central Asia, Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, Germany</i></li> </ul>
9.20 – 10.30	<p><b>SESSION TWO: Scaling up green bond markets: Experience and challenges in the EaP countries and Kazakhstan</b></p> <p>Bonds are among the key instruments of the capital market traditionally used to raise debt for projects which need a significant amount of financing. Compared to regular bonds, green bonds represent a considerable innovation through their focus on the green use of proceeds, tracking, impact reporting and external reviews. Globally, the green bonds market has grown exponentially over the last 10 years. While the EaP countries and Kazakhstan have been slow to tap into the bond markets as a source of long-term finance for green investments, there are signs that green bonds are becoming an asset class in its own right and have begun to gain traction in the region as a complement to bank financing.</p> <ul style="list-style-type: none"> <li>• Setting up the scene: Role of bond markets in mobilising climate finance in developing countries - <i>Mr. Paul Horrocks, Head of Private Finance for Sustainable Development, Development and Cooperation Directorate, OECD</i></li> <li>• Greening debt capital markets in the EU's EaP countries and Kazakhstan: Major findings and recommendations emerging from recent OECD analysis – <i>Mr. Alexander Lehmann, Frankfurt School of Finance and Team Leader, OECD/EU4Environment Project</i></li> <li>• Issuer perspectives:</li> </ul>

- *Mr. Ara Sargsyan, Head of Financial Institutions Division, Ameriabank, Armenia*
- *Mr. Levan Iobashvili, Head of Economic Department, JSC Georgian Railway, Georgia*

Discussion and Q&A

**10.30 – 11.40**

**SESSION THREE: Current challenges and possible future developments in the EaP capital markets**

The war in Ukraine is resulting in tragic loss of life and human suffering, as well as causing massive damage to Ukraine's infrastructure. Russia's invasion has shaken global markets and has triggered record spikes in gas prices, which may exert further pressure on governments to accelerate the energy transition. What are the impacts of the war on the financial and capital markets in the EaP and Central Asia region and can the war ultimately favour clean energy outcomes with security as an increasing energy transition driver? Will the drive for renewable energy, as a result of the war Ukraine, lead to higher issuance of green, sustainable or sustainability-linked bonds?

- Impact of the war in Ukraine on the financial and capital markets in the EaP countries and Kazakhstan and prospects of bond market development in the aftermath of the Ukraine crisis – *Ms. Collette Mari Wheeler, Senior Economist, Office of the Chief Economist of Europe and Central Asia Region, World Bank*
- Alternative models: Transition bonds and sustainability-linked bonds – *Mr. Sean Kidney, CEO, Climate Bonds Initiative*

Discussion and Q&A

**11.40 – 12.45**

**SESSION FOUR: Investor perspectives**

The growth of the green bond market has attracted a diversified and more mainstream investor base. The institutional investor community (pension fund managers, assets managers) with large portfolios including those with sustainability-related mandates, are increasingly seeking green and low-carbon investment opportunities. How do international and local investors see these investment opportunities in the EaP and Central Asia regions and what is their appetite to invest in the region? Can compliance with internationally recognised standards on documenting the revenue generated through green bonds increase the trust between investors and issuers in the region and accelerate the use of this instrument?

- Investors' perspective on the long-term attractiveness of the region – *Mr. Alexandre Cary, Senior Associate, Investment Team, Green Credit Funds of Glennmont Partners (Nuveen)*

- The role of rating agencies/verifiers – *Mr. Enrico Tessadro, Senior Manager, Sustainalytics*

Discussion and Q&A

**10 June 2022**

**Moderator: Ms. Nelly Petkova, Policy analyst, Green Growth and Global Relations Division, Environment Directorate, OECD**

<p><b>10.00 – 11.30</b></p>	<p><b>SESSION FIVE: The agenda for governments and regulators</b></p> <p>The speed at which green bond markets develop and mature depends on many variables, including policy and regulatory factors, market conditions and financing trends. Additionally, the evolving green bond market faces a range of specific challenges and barriers to its further evolution and growth. What actions can policy makers in the region take to scale up and grow a functioning green bond market? Can public demonstration issuance help in this direction?</p> <ul style="list-style-type: none"> <li>• The role of regulations in defining green projects and loan portfolios: <ul style="list-style-type: none"> <li>– <i>Ms. Salome Tvalodze, Macro-financial Modelling and Analysis Division, Financial Stability Department, National Bank of Georgia</i></li> <li>– <i>Ms. Aigul Kussaliyeva, Managing Director, AIFC Green Finance Centre, Kazakhstan</i></li> <li>– <i>Mr. Stanislav Dubko, Independent Expert on Green Finance, Ukraine</i></li> </ul> </li> <li>• The role of the state: Sovereign green bond issuances and the regulation of green bonds: The Hungarian Experience – <i>Mr. Gabor Gyura, Sustainable Finance Consultant, Hungary</i></li> </ul> <p>Discussion and Q&amp;A</p>
<p><b>11.30 – 12.15</b></p>	<p><b>SESSION SIX: Support by IFIs and the European institutions – Panel discussion</b></p> <p>The IFIs active in the EaP region and Kazakhstan have already provided extensive technical assistance to governments and their regulators to support the development of a green finance framework. IFIs have also supported inaugural green bond issues as so-called “anchor investors”. Given the uncertain local and international demand in a primary issue an anchor investor plays a key role in green bonds issued by first-time issuers, preparing them for future and repeat issuances. Increasingly, countries in the region are looking to the European Union as a source of inspiration for designing regulations and infrastructure conducive to green bond market development.</p> <ul style="list-style-type: none"> <li>• How to create a conducive environment in partner countries for sustainable finance and to scale up the green bond market - <i>Ms. Lisa Klinger, Policy</i></li> </ul>

	<p><i>Officer, Sustainable Finance Policy, DG International Partnerships, European Commission</i></p> <ul style="list-style-type: none"> <li>• IFIs as anchor investors and issuers – <i>Ms. Maya Hennerkes, Director Climate Strategy and Delivery, EBRD</i></li> <li>• Emerging market green bond funds – <i>Ms. Berit Lindholdt-Lauridsen, Senior Operations Officer, Climate Finance and Policy Unit, Climate Business Department, IFC</i></li> </ul> <p>Discussion and Q&amp;A</p>
<b>12.15 – 12.30</b>	<p><b>SESSION SEVEN</b></p> <ul style="list-style-type: none"> <li>• Summary of the discussion and next steps <ul style="list-style-type: none"> <li>– <i>Ms. Angela Bularga, Programme Officer, DG NEAR, C.1 Georgia, Moldova, Economic Investment Plan, European Commission</i></li> <li>– <i>Ms. Nelly Petkova, Policy Analyst, Green Growth and Global Relations Division, Environment Directorate, OECD</i></li> </ul> </li> </ul>