



Private Sector Coalition Launches Green Finance Initiative for Renewable Energy Investments

MAKATI, 19 July 2019 – Bankers and regulators launched the Greening the Finance System initiative here today to not only avoid the challenges that climate change poses to the Philippine financial sector, but also to seize investment opportunities, particularly in renewable energy and energy efficiency.

The initiative is convened by Allotrope Partners, an international clean energy investment and advisory firm, in collaboration with the British Embassy Manila and the Association of Development Financing Institutions in Asia and the Pacific.

“The Philippines is already a leader in green finance in the ASEAN region,” said Commissioner Ephyro Luis Amatong of the Securities and Exchange Commission (SEC), adding that the SEC has issued sustainability reporting guidelines to encourage more sustainable investments in the country. He said Philippine firms have raised an equivalent of US\$1.5 billion in green bond issuances across eight transactions, including:

- RCBC’s P15 billion ASEAN green bond and P8 billion ASEAN sustainability bond, both issued this year, for a total of P23 billion;
- BDO’s \$150 million issuance in 2018, which was also the International Finance Corporation’s (IFC’s) first green bond investment in East Asia and the Pacific; and
- The \$410 million ASEAN green bond raised by Ayala subsidiary AC Energy, which received the backing of IFC and the Asian Development Bank. AC Energy also announced the sale of \$1 billion worth of its coal assets last year.

“From a purely financial perspective, green finance is the right thing to do. Banks need to worry about transition risks and stranded assets. It feeds into the asset side of the balance sheet,” said Jamal Ahmad, RCBC chief risk officer, citing the joint report of the Institute of Energy Economics and Financial Analysis and the Institute for Climate and Sustainable Cities that the Philippines has \$21 billion of stranded assets risk for coal alone. “But green finance and sustainable finance also diversifies your liability base. We’ve added P23 billion of bonds that diversify our liability side of the balance sheet.”

As for BDO, its green finance portfolio is currently at P193 billion (\$3.78 billion), 37% of which are composed of renewable energy projects, according to Eunjoo Park-Minc, its chief advisor on sustainable energy finance.

“Some banks are already speeding cars in terms of green finance, while some are still not moving. I hope today’s launch [of the Greening the Finance System] turns their engines on. This is a global movement and no one can be left behind,” she said.

“Climate change affects the entire economy. We are releasing our circular on sustainable finance regulations next week to help address climate change risks,” said Lyn Javier, managing director of the Bangko Sentral ng Pilipinas.

For further information about the Greening the Finance System initiative, please contact: Marlon Apanada, Philippines Managing Director, Allotrope Partners, amj@allotropepartners.com.