

PRESS RELEASE  
JUNE 23<sup>RD</sup>, 2021

## INVESTORS ARE MORE AND MORE INTERESTED IN GREEN FINANCING, AT THE GLOBAL LEVEL

- Bucharest Stock Exchange wants to become the main financing channel for green investments and intends to implement a segment of green bonds on the local capital market for an easier identification of financial instruments that support sustainable projects.
- The Ministry of Finance intends to issue the first green bonds, between 2021 and 2023, as well as to develop the general framework for green bonds at the sovereign level.
- In Romania, green projects amount to approx. EUR 60bn, both at government and corporate level. If implemented, the additional impact on the economic growth could reach up to 5.7 percentage points in the next six years, according to the National Bank of Romania experts.
- International Finance Corporation organizes on July 6<sup>th</sup>-7<sup>th</sup>, 2021, the seminar 'Deep Dive in Green Social and Sustainability Bonds' addressed to issuers interested in exploring these financing alternatives, but also to investors or consultants.

Green financing on the local capital market is becoming more attractive for local and international investors, but also for companies and authorities, due to the potential that Romania has in this field, is one of the main conclusions of the experts present at the event "[Green financing through the capital markets](#)", organized on June 22<sup>nd</sup> by [Bucharest Stock Exchange \(BVB\)](#) and [International Finance Corporation \(IFC\)](#).

*'We want to position ourselves as the main financing channel for green, sustainable investments. I think we have a great potential in this regard. We want to have more and more green bonds on the stock exchange. We are thinking of having a segment of green bonds on the capital market to better identify those bonds that finance green projects in Romania. We will also continue our efforts to guide companies regarding ESG reporting',* said Adrian Tanase, Bucharest Stock Exchange CEO.

The Ministry of Finance announced that it intends to issue the first green bonds in the period 2021-2023, as well as to develop the general framework for green bonds at the sovereign level. The framework is to be developed in approx. 6 months in a dedicated working group organized by the Ministry of Finance. Eligible green projects will include the ones focused on energy efficiency, pollution prevention, sustainable agriculture, fisheries, forestry, clean transport, sustainable water management, green technologies.

*'The global trend is important, but even more important for us is to be part of it and in a leading position. At the level of the Ministry of Finance, through the government debt management strategy for 2021 – 2023 period, we included a green*

**BUCHAREST STOCK EXCHANGE (BVB)** runs markets for shares, bonds and other instruments, through regulated platforms and alternative systems, and provides a wide range of services to participants of financial markets. Bucharest Stock Exchange is a public company, listed on its own market since 2010. The global index provider FTSE Russell announced, in September 2019, the promotion of the Romanian capital market to the Secondary Emerging Market status. As of September 21, 2020, Romania is effectively included in the FTSE Russell indices for Emerging Markets. For more information on the Bucharest Stock Exchange, please refer to [WWW.BVB.RO](http://WWW.BVB.RO)

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*bond issuance and the use of green bonds as a public debt instrument', said Attila Gyorgy, State Secretary, Ministry of Finance.*

Currently, in Romania, green projects amount to approx. EUR 60bn, both at governmental and corporate level. If implemented, the additional impact on economic growth could reach up to 5.7 percentage points in the next six years, according to National Bank of Romania experts.

*'In 2020, sustainable financing totaled about 544 billion US dollars globally, more than double the amount registered in 2019. About 41% of these issuances were in the form of green bonds. From the perspective of the issuers typology, the evolutions were important: the governmental sector and the supranational institutions registered the most dynamic evolution in the last years. An orderly transition to a green economy can generate significant opportunities for the economy as a whole and for the financial system. In Romania, green projects have considerable values, and their impact on economic growth can be significant. According to the calculations carried out by the Working Group within the National Committee for Macropprudential Oversight to support green financing, the value of these projects amounts to about 60 billion euros, both at the governmental level and at the private sector level. If implemented, the additional impact on the economic growth could reach up to 5.7 percentage points in the next six years', said Florin Dragu, Head of Systemic Risk Division, National Bank of Romania.*

The first issuer of green bonds on Bucharest Stock Exchange, Raiffeisen Bank, announced that it will list on BVB the second issue of this type, worth EUR 1.2bn, the largest of its kind on the local capital market. The first issue of green bonds started trading in May this year, being the first one both on the local capital market and in the Romanian banking system.

By the end of 2020, International Finance Corporation (IFC) had 172 bonds issues in 20 currencies, with a total value of more than USD10bn. According to IFC, there is a huge demand from investors for green and climate bonds in Europe and Romania.

*'The huge demand from investors can be seen from the fact that green bonds are on average more than 4 times oversubscribed compared to the simple ones. In 2021, the annual volume of climate bond issues is expected to reach between 400 billion US dollars and 450 billion US dollars. The <Climate bonds initiative> stipulates that 2021 will be the 10<sup>th</sup> consecutive year of growth for global green bonds', said Cristian Nacu, Senior Country Officer Romania and the Republic of Moldova, IFC.*

IFC organizes together with BVB the workshop on Deep Dive in Green Social and Sustainability Bonds on July 6<sup>th</sup>-7<sup>th</sup>, 2021. The seminar is addressed to issuers interested in exploring these financing alternatives, but also to investors or consultants.

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The Financial Supervisory Authority (FSA) is in constant dialogue with stakeholders, in particular with the Ministry of Finance, to monitor the legislative process at European level and to take all steps to transpose the European directives at national level, according to Daniel Apostol, Communication Director, FSA, present at the BVB - IFC event.

Bucharest Stock Exchange launched in September last year the first 'green' project on the local capital market, which aims to provide high-level ESG (Environmental, Social and Governance) insights for BVB-listed companies. Utilizing Sustainalytics' flagship ESG Risk Ratings, BVB's goal is to make available top-line ESG research and ratings for most listed companies, to promote responsible investing and highlight the importance of ESG standards among Romanian market participants. The initiative also aims to encourage local companies to align their business strategies with ESG practices, which have witnessed a spectacular growth globally in recent years. The event organized in collaboration with IFC is a continuation of this direction.

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*Nota bene: This press release is based on the public statements made during the event 'Green financing through capital markets', organized on June 22, by BVB and IFC. The full event can be watched [HERE](#).*

*Additional information on the analysis of the Working Group within the National Committee for Macroeconomic Oversight to support green funding can be found [HERE](#).*

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