

Enhancing the Green and Sustainable Finance Ecosystem

Enriching the green and sustainable finance ecosystem

As set out in the HKMA’s Sustainable Finance Action Agenda (Action Agenda), the HKMA aims to enhance the green and sustainable finance ecosystem by driving net zero financing and making sustainability more inclusive. Specifically, we seek to develop Hong Kong into the go-to sustainable financing platform for borrowers in the region and beyond, support green innovation in financial markets, enhance the industry’s sustainability disclosures, and expand the local green talent pool, while addressing sustainable finance knowledge gaps in Hong Kong and the region.



Sustainable Finance Action Agenda
Financing net zero and Making sustainability more inclusive

Goal 5

Develop Hong Kong into the go-to sustainable financing platform



Goal 6

Catalyse innovation in sustainable finance



Goal 7

Support high-quality and comprehensive sustainability disclosures



Goal 8

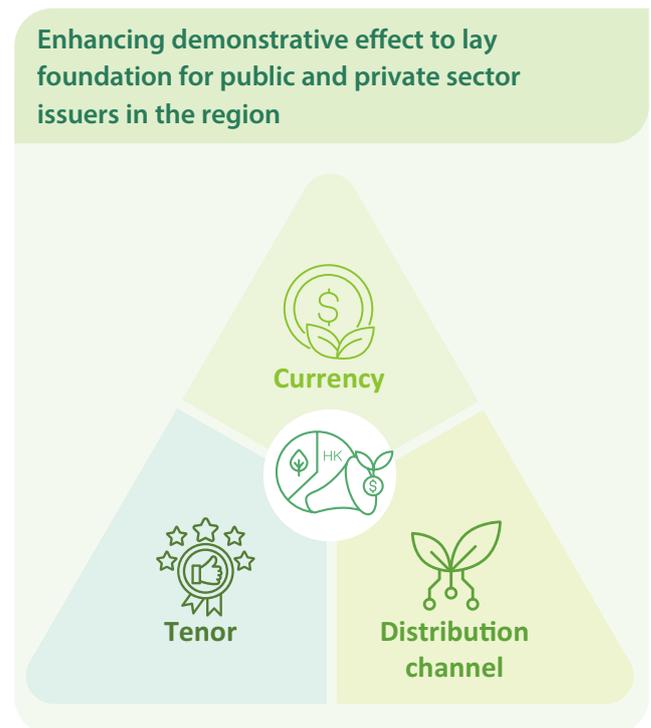
Close talent and knowledge gaps in sustainable finance



Develop Hong Kong into the go-to sustainable financing platform

Government Sustainable Bond Programme

To demonstrate the Government’s determination to combat climate change and its commitment to promoting green finance and developing Hong Kong into a more sustainable and liveable city, the Government Green Bond Programme was launched in 2018. To date, the HKMA has assisted the Government in issuing around US\$28 billion equivalent of green bonds targeting both institutional and retail investors, with proceeds allocated to over 110 of the Government’s green projects, such as green buildings, waste management and resources recovery, and energy efficiency and conservation, amongst others. We have taken the opportunity of each issuance to innovate and expand the suite of green bond features in terms of currencies, tenors and distribution channels, laying the foundation for other public and private sector issuers in the region to follow. In 2024, to enhance the impact of the Programme and further solidify Hong Kong’s position as a green and sustainable finance hub, the scope of the Programme was expanded to cover sustainable projects, and it was renamed the Government Sustainable Bond Programme (GSBP).



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To enhance the transparency and accountability of the GSBP, the Government has been publishing annual Green Bond Reports which set out the details on the allocation of the green bond proceeds and expected environmental benefits.

In July, the HKMA assisted the Government in issuing around US\$3 billion equivalent of institutional green bonds under the GSBP. The triple-currency issuance covered renminbi, US dollar, and euro tranches across multiple tenors. The issuance was well received, attracting a wide spectrum of investors and achieving more than US\$15 billion equivalent in orders. In particular, the issuance included the Government's inaugural 20 and 30-year renminbi green bonds, marking the longest tenor renminbi bonds issued by the Government to date, providing new benchmarks for the market and further strengthening the demonstrative effect of the GSBP. The issued bonds also enriched the offshore renminbi product offerings in Hong Kong. Additionally, the global investors' enthusiasm for the Government's green bonds demonstrated their recognition of Hong Kong's commitment towards green and sustainable development.

Green and Sustainable Finance Grant Scheme

To encourage more borrowers in the region to utilise Hong Kong's financing platform to raise sustainable financing, the HKMA continues to administer the Green and Sustainable Finance Grant Scheme, which was launched in May 2021 to provide subsidies for eligible green and sustainable debt issuances in Hong Kong. The Scheme has been well received by the industry. As of the end of 2024, the Scheme has benefited around 500 green and sustainable debt instruments issued in Hong Kong, with a total underlying issuance volume of over US\$140 billion.

In May 2024, the Scheme was extended by three years to 2027, with an expanded scope of subsidies to cover both transition bonds and loans. The extended and expanded Scheme aims to encourage borrowers from relevant industries in the region to leverage Hong Kong's transition financing platform as they transition towards decarbonisation.

Green and Sustainable Finance Grant Scheme

- ▶ Subsidised around **500** green and sustainable debt instruments issued in Hong Kong, with underlying volume totalling **over US\$140 billion** (as of end-2024)
- ▶ **Extended by three years** to 2027, with expanded scope of subsidies to cover **transition financing instruments**



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Issuances from Mainland municipal and provincial governments

In parallel, the HKMA undertook active outreach efforts to promote Hong Kong's sustainable financing platform, yielding positive results. Notably, the Shenzhen Municipal People's Government issued its fourth offshore municipal government bonds in Hong Kong in August. The total issuance of RMB7 billion included RMB2.7 billion of green bonds, RMB1 billion of sustainability bonds and RMB0.9 billion of social responsibility bonds. In September, the People's Government of Guangdong Province conducted its first issuance of RMB5 billion offshore bonds in Hong Kong, which included RMB1.5 billion of green bonds.

In October, the People's Government of Hainan Province also issued its third offshore bonds in Hong Kong, totalling RMB3 billion, including RMB1 billion of blue bonds and RMB1 billion of sustainability bonds. These issuances reaffirmed Hong Kong's unique role in facilitating green and sustainable capital flows between the Mainland and the rest of the world.

With the above concerted efforts, Hong Kong has been reinforcing its position as the go-to sustainable financing platform in Asia. In 2024, Hong Kong upheld its position as the largest arranging hub for international green and sustainable bond issuances in Asia, accounting for 45% of the regional total issuance, which amounted to US\$43.1 billion, as reported by the International Capital Market Association.



US\$84.4 billion

Green and sustainable debt issuance in Hong Kong (2024)

Largest arranging hub for Asian international green and sustainable bond issuances

US\$43.1 billion

Catalyse innovation in sustainable finance

Government tokenised green bonds

To catalyse innovation in sustainable finance, the HKMA assisted the Government in issuing two landmark tokenised green bonds in 2023 and 2024. These issuances marked the world's first tokenised government green bond and the world's first multi-currency digital bond, respectively. They demonstrated the Government's support for the adoption of asset digitalisation and innovative technologies in green and sustainable finance among market participants in the region.

Digital Bond Grant Scheme

The HKMA also launched the Digital Bond Grant Scheme in November to incentivise digital bond issuances, including digital green bonds, in Hong Kong, to encourage and support innovation in our green and sustainable finance markets.

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Support high-quality and comprehensive sustainability disclosures

The working group on sustainability disclosures of the Green and Sustainable Finance Cross-Agency Steering Group (CASG)¹ has been working on adopting the International Financial Reporting Standards – Sustainability Disclosure Standards (ISSB Standards) in Hong Kong. With the Government launching the Roadmap on Sustainability Disclosure in Hong Kong in December 2024, a clearly defined pathway has been established for large publicly accountable entities in Hong Kong to fully adopt the ISSB Standards by 2028.

Enrich climate disclosure tools for banks and their clients

The HKMA has been working closely with local and international partners to support entities at different stages of readiness to achieve high-quality sustainability disclosures, making sustainability disclosures more approachable and inclusive.

Notably, we have continued to encourage the use of the Climate and Environmental Risk Questionnaire for Non-listed Companies (the Questionnaire), launched in collaboration with the CASG and the CDP² in 2022. The Questionnaire offers an easy-to-use reporting template to help corporates, including small and medium-sized enterprises (SMEs), make sustainability disclosures. In February 2024, the Questionnaire was digitalised to facilitate online reporting (see QR code below). The HKMA is working to improve both the accessibility and usability of the Questionnaire, including identifying core questions and common use cases, taking into account industry feedback and the latest international developments.

We are also enhancing the compatibility of the Questionnaire with other supporting tools on the CASG website.



More information about the Questionnaire can be found on the webpage

Walk the talk by committing to high-quality sustainability disclosures

The HKMA also demonstrates its commitment by making high-quality sustainability disclosures in its own *Sustainability Report*, aligning with the latest global standards. This includes, but is not limited to, addressing climate-related risks in its corporate operations, and outlining plans and progress toward achieving climate targets. For more details on the sustainability disclosures related to our own operations, please refer to the *Sustainable HKMA* chapter.

Close talent and knowledge gaps in sustainable finance

Recognising the evolving nature of sustainable finance, to close knowledge and talent gaps, the HKMA is enhancing capacity building efforts for the banking industry, and facilitating knowledge sharing with fellow regulators and other international stakeholders.

Enhanced Competency Framework on Green and Sustainable Finance

To strengthen the knowledge and skills of local banking practitioners in sustainable finance, the HKMA, in collaboration with the Hong Kong Institute of Bankers (HKIB), launched the Core Level of the Enhanced Competency Framework on Green and Sustainable Finance (ECF-GSF) in July 2023.

¹ Co-initiated by the HKMA and the Securities and Futures Commission, the CASG was established in May 2020. The other CASG members include the Financial Services and the Treasury Bureau, the Environment and Ecology Bureau, Hong Kong Exchanges and Clearing Limited, the Insurance Authority, the Mandatory Provident Fund Schemes Authority and the Accounting and Financial Reporting Council. The CASG co-ordinates the management of climate and environmental risks to the financial sector, accelerates the growth of green and sustainable finance in Hong Kong and supports the Government's climate strategies.

² CDP is a global non-profit that runs an independent environmental disclosure system for companies, cities, states and regions to disclose their environmental impacts. CDP has aligned with the ISSB's climate standard, IFRS S2, as its foundational baseline.

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The ECF-GSF is designed to help banking professionals acquire relevant knowledge and develop competencies in green and sustainable finance more effectively. It covers job roles in four key areas: (1) GSF Product and Servicing; (2) Sustainability/Climate Risk Management; (3) Sustainability Disclosures and Reporting; and (4) Sustainability Strategy, Compliance, and Control.

In November, the Professional Level of the ECF-GSF was launched for middle and senior-level banking practitioners working in functions related to GSF within the banking industry.

To provide the necessary training to banking practitioners, the HKIB, as the administrator of the ECF-GSF, rolled out the Core Level training programme in May. Following the launch of the Professional Level of the ECF-GSF in November, the HKMA will work with the banking industry in 2025 to develop the Professional Level training programme.

Study on Capacity Building for Future Banking, 2025–26

In order to identify further skill requirements and training needs within the banking sector, the HKMA is currently conducting a study titled *Capacity Building for Future Banking, 2025–26*, in collaboration with the banking industry. Findings of the study are targeted to be published in 2025.

This joint study is a sequel to the *Capacity Building for Future Banking, 2021–2025* paper published in June 2020. The findings of this follow-up study will be essential for the industry to both develop and adjust talent development strategies and measures, to support the sustainable development of the banking sector.

Pilot Capacity Building Support Scheme

Through its collaboration with the CASG, the HKMA also continues to support the administration of the Government-funded Pilot Green and Sustainable Finance Capacity Building Support Scheme, which provides subsidies for practitioners, graduates, and students to pursue sustainable finance-related training. As of December 2024, 85 international and local programmes have been registered as eligible training programmes under the Scheme, and over 5,700 reimbursement applications have been approved. As announced by the Government in the 2025–26 Budget, the Scheme will be extended to 2028.

Enhancing regional and international collaboration

The HKMA is committed to leveraging its experience to support capacity building and knowledge sharing through regional and international collaboration.

As an inaugural member of the Capacity-building Alliance of Sustainable Investment (CASI)³, the HKMA Infrastructure Financing Facilitation Office⁴ co-hosted a two-day training workshop with CASI in Hong Kong in June. The workshop featured discussions on global sustainable finance markets, policy frameworks, and innovative instruments.

The HKMA also supported the launch of the Hong Kong Chapter of the Glasgow Financial Alliance for Net Zero (GFANZ)⁵ in October, and will strengthen capacity building efforts in transition planning and transition finance by leveraging GFANZ's networks and expertise.

³ CASI is an international co-operation platform initiated by the Beijing Green Finance Association aiming to promote sustainable finance capacity building in Emerging Markets and Developing Economies.

⁴ The Infrastructure Financing Facilitation Office serves as an important platform that facilitates infrastructure investments and their financing. The office has around 90 international partners, including key industry stakeholders such as multilateral financial agencies and development banks, project developers and operators, public sector entities and professional service firms.

⁵ GFANZ is a global coalition of eight independent net zero financial alliances whose members have committed to support the transition to net zero by 2050 and help achieve the objectives of the Paris Agreement.

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Joint Climate Finance Conference with the Dubai Financial Services Authority

Following the establishment of a new partnership with the Dubai Financial Services Authority (DFSA) in December 2023 to support and enable climate finance in the Middle East and Asia, the HKMA and the DFSA co-hosted the inaugural Joint Climate Finance Conference in Hong Kong in September 2024 as a flagship initiative of this collaboration. The conference brought together like-minded participants from diverse backgrounds across both regions to exchange ideas and forge connections. On the sidelines of the conference, the HKMA and the DFSA signed a Memorandum of Understanding to further deepen our strategic partnership on sustainable finance, and a joint research in this area will be conducted to foster knowledge sharing.



Mr Eddie Yue (left), Chief Executive; and Mr Ian Johnston (right), Chief Executive of DFSA, sign and exchange the Memorandum of Understanding in Hong Kong to promote collaboration on sustainable finance

Hong Kong Green Week

To harness the momentum created from the successful inaugural Hong Kong Green Week in February 2024, the HKMA is actively preparing for the 2025 Hong Kong Green Week. The HKMA will co-host the anchor event, *Climate Business Forum: Asia Pacific*, with the International Finance Corporation (IFC). The HKMA will also co-ordinate a variety of satellite events involving both the public and private sectors, including workshops, roundtables and more, that aim at fostering connections, exchanging insights, and exploring potential collaborative opportunities in sustainability.



More information about 2025 Hong Kong Green Week can be found on the webpage

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The development of the Alliance for Green Commercial Banks⁶ has also gained momentum. Since 2021, the Alliance has hosted 28 training and roundtable sessions, benefitting over 8,100 participants globally across Asia Pacific, Europe, the Middle East, Africa, and the Americas.

In 2024, the Alliance organised in-country activities for banks across the Philippines, Thailand, Indonesia, Vietnam, Laos, Cambodia, and Malaysia. As part of the activities, three sector-specific training sessions were held for banks in Thailand, Laos, and Cambodia. These knowledge sharing and training sessions covered a wide range of topics including green taxonomy, strategic roadmap for adopting green banking principles and Hong Kong's green and sustainable finance landscape.



More information about the Alliance and its latest initiatives can be found on its webpage

In March 2025, the Alliance successfully concluded the inaugural flagship event *Excellence in Green Commercial Banking Immersion Lab* (Immersion Lab) in Hong Kong. The program convened delegations comprising 27 participants from six Alliance member banks, supported by five cornerstone banks⁷ along with 21 knowledge partners⁸. The primary objective of this initiative is to facilitate the sharing of experiences on how banks can transition to green banking to actively contribute to accelerating green financing in support of the transition in Asian emerging markets.

The Immersion Lab guided banks through building blocks of excellence in green banking, providing participants with practical strategies, global best practices, and innovative financial tools to effectively integrate sustainability into their operations.



Mr Kenneth Hui, Executive Director (External), gives welcome remarks at the Immersion Lab



Representatives from the HKMA, IFC, member banks, and knowledge partners gather at the Immersion Lab

⁶ In November 2020, the IFC and the HKMA launched the Alliance for Green Commercial Banks to bring together financial institutions, banking industry associations, research institutions and innovative technology providers in the region to develop a community of green commercial banks to collectively finance the infrastructure and business solutions needed to urgently address climate and environmental risks. The HKMA is the founding member and first regional anchor for the Asia Chapter.

⁷ The five cornerstone banks are Bank of China (Hong Kong), Citi, Crédit Agricole CIB, HSBC and Standard Chartered.

⁸ The Alliance partners with leading academic institutions, think tanks, and training organisations to provide members with cutting-edge knowledge and tools for advancing sustainable and green finance.