Guidelines for the Issuance of Green, Social, Sustainability, and Sustainability-Linked (GSS+) Instruments in Trinidad and Tobago

Prepared by Climate Bonds Initiative

In partnership with IDB Invest and The Trinidad and Tobago Stock Exchange Limited

Contents

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The Trinidad and Tobago Stock Exchange Limited (TTSE) is a private limited liability company and the only securities exchange in the Republic of Trinidad and Tobago. The TTSE facilitates the buying and selling of securities, providing a medium for companies to raise capital in Trinidad and Tobago. As a Self-Regulatory Organisation under Chapter 83:02 of the Securities Act, the TTSE is responsible for developing rules and guidelines for operations within the local stock market. These rules and guidelines are followed by the brokerage firms and listed companies.

The TTSE holds a critical role in the efficient mobilisation and allocation of capital, and fair and orderly secondary market trading in securities. With its wholly owned clearing agency, The Trinidad and Tobago Central Depository Limited, the TTSE Group ensures the efficient clearing and settlement of transactions within a dynamic legal and regulatory framework, thereby instilling confidence in the integrity of the Exchange and related institutions.

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The Climate Bonds Initiative (Climate Bonds) is an international organisation working to mobilise global capital for climate action. It promotes investment in projects and assets needed for a rapid transition to a low-carbon, climate-resilient, and fair economy. The mission focus is to help drive down the cost of capital for large-scale climate and infrastructure projects and to support governments seeking increased capital markets investment to meet climate and greenhouse gas (GHG) emission reduction goals. Climate Bonds conducts market analysis and policy research; undertakes market development activities; advises governments and regulators; and administers a global green bond Standard and Certification Scheme.

Abbreviations and acronyms

CARICOM Caribbean Community
CBRT Climate Bonds Resilience Taxonomy
DNSH Do no significant harm
ESG Environmental, social, and governance
EU European Union
GBPs Green Bond Principles
GHG Greenhouse gases
GSS+ Green, social, sustainability, and sustainability-linked
ICMA International Capital Market Association
ICT Information and communications technology
IDB Inter-American Development Bank
IFC International Finance Corporation
KPI Key performance indicator
LAC Latin America and the Caribbean
MSME Micro, small, and medium-sized enterprise
NCCP National Climate Change Policy
NDC Nationally Determined Contribution
SBGs Sustainability Bond Guidelines
SBPs Social Bond Principles
SDG Sustainable Development Goal
SLB Sustainability-linked bond
SLBPs Sustainability-Linked Bond Principles
SLL Sustainability-linked loan
SPO Second-Party Opinion
SPT Sustainability performance target
TNC The Nature Conservancy
TTMB The Trinidad and Tobago Mortgage Bank Limited
TTSE Trinidad and Tobago Stock Exchange Limited
TTSEC Trinidad and Tobago Securities and Exchange Commission
UoP Use of proceeds

1. Executive summary

Trinidad and Tobago's sustainable finance market is at an inflection point. Landmark social bond transactions have demonstrated that labelled instruments are viable within the local capital market. The policy foundations are equally in place, with an updated Nationally Determined Contribution (NDC), a National Climate Change Policy with clear sectoral targets, and growing alignment between national development priorities and the objectives of the global sustainable finance market. What the market requires is a clear and workable framework to translate that foundation into a consistent pipeline of credible transactions.

These guidelines are designed to fill this gap in the securities sector. Their primary purpose is to incentivise and facilitate the issuance of green, social, sustainability, and sustainability-linked (GSS+) financial instruments in Trinidad and Tobago by providing issuers, investors, regulators, and market intermediaries with the practical tools, definitions, and clear step-by-step processes to issue labelled debt instruments in the Trinidad and Tobago market.

Developed jointly by IDB Invest and The Trinidad and Tobago Stock Exchange Limited (TTSE), with Climate Bonds as the consultant, these GSS+ issuance guidelines for Trinidad and Tobago represent a landmark on the road to sustainable finance. The guidelines align the domestic market with internationally recognised standards while remaining grounded in Trinidad and Tobago's financial infrastructure. They cover the full issuance lifecycle, from framework development and project eligibility assessment through external review, reporting, and post-issuance verification, with clear guidance for both use of proceeds (UoP) and sustainability-linked instruments.

By establishing a common language, standardising market expectations, and reinforcing the credibility of labelled transactions, these guidelines aim to lower the barriers to first-time issuance, strengthen investor confidence, and position Trinidad and Tobago as a credible and active participant in the regional and global sustainable finance market.

2. Purpose, objectives and scope

Trinidad and Tobago is at a decisive moment in its financial evolution. Global capital markets are shifting rapidly towards instruments that finance climate mitigation, adaptation, and social development, while the country has strengthened its own commitments through its updated NDC for the 2025–2035 period. Meeting these ambitions will require sustained long-term investment and the ability to mobilise both public and private capital efficiently. In this context, GSS+ instruments represent a strategic opportunity, offering issuers a credible and transparent mechanism to finance transition-aligned projects while allowing investors to allocate capital with clarity and measurable impact.

These guidelines directly respond to and operationalise a series of recommendations made in a recent working paper by the Trinidad and Tobago Securities and Exchange Commission (TTSEC), which identified opportunities for a green finance securities framework and called for clear project eligibility criteria, mandatory use of proceeds (UoP) and reporting requirements, independent third-party verification, and alignment with internationally recognised frameworks such as the International Capital Market Association (ICMA) Green Bond Principles (GBPs) and the Climate Bonds Standard. Developed jointly by the Climate Bonds Initiative, IDB Invest, and the TTSE, these guidelines translate that policy intent into a market-ready framework, aligning domestic practices with international standards and strengthening the transparency and credibility of labelled transactions over time.

The guidelines are intended for corporate issuers, financial institutions, public sector entities, investors, regulators, external reviewers, and market intermediaries. Their purpose is practical: to make the process of issuing thematic instruments easier, reduce the uncertainty that often discourages first-time issuers, and identify the economic sectors and activities most likely to generate an eligible pipeline of transactions. By providing a common language, clear process guidance, and actionable tools, these guidelines aim to build the issuer confidence, investor trust, and shared reference point that a credible and internationally recognised GSS+ market in Trinidad and Tobago requires.

Co-creation process rooted in market reality

A central premise of this document is that effective guidelines cannot be built in a silo. They must reflect the realities, constraints, and opportunities of Trinidad and Tobago's own financial ecosystem. For this reason, the development of these guidelines followed a structured co-creation process involving a broad set of stakeholders from across the capital market, including potential issuers, investors, regulators, external reviewers, and market enablers, who contributed insights on feasibility, documentation needs, capacity gaps, and operational challenges.

This collaborative process served a dual purpose. It helped ensure that the final guidelines are not only technically sound but also practical and legitimate in the eyes of those expected to use them. It also built capacity, strengthened local expertise, and began preparing market participants for future GSS+ issuances.

Evolution of the GSS+ market in Trinidad and Tobago and the Caribbean

The labelled debt market in the Caribbean remains at an early stage, but Trinidad and Tobago has already played a pioneering role. In November 2022, Home Mortgage Bank issued the first thematic bond in Trinidad and Tobago. The TTD300m (USD44m) senior secured social bond had a five-year tenor, was fully subscribed by IDB Invest, and supported mortgage financing for low- and middle-income families. The issuance included independent verification through a Second-Party Opinion (SPO) from S&P Global Ratings.[1]

In 2025, Trinidad and Tobago Mortgage Bank Limited (TTMB) expanded this local precedent through a further TTD250m (USD37m) social bond transaction supported by IDB Invest and Republic Bank Limited. The transaction was focused on affordable housing finance for middle- and lower-middle-income households, particularly women and women-led families.[2]

These transactions are strategically important for the TTSE GSS+ guidelines. They demonstrate that labelled instruments are already practical within the Trinidad and Tobago market, that local currency social bond issuance can support public policy priorities, and that investors and development finance institutions can use a clear framework, eligibility criteria, external review, and reporting commitments to support market integrity.

Trinidad and Tobago is one of four Caribbean countries that have issued thematic instruments, alongside the Dominican Republic, Bermuda, and Barbados. Collectively, they represent a Caribbean thematic bond market valued at approximately USD1.5bn.

By the end of 2025, the Dominican Republic emerged as the largest market in the Caribbean, with six transactions totalling around USD1bn. The country's largest issuance was carried out by the sovereign government: a green bond worth USD750m in 2024.

Among private issuers, beverage company Bacardi (Bermuda), with USD400m, and renewable energy company EGE Haina (Dominican Republic), with USD240m, stand out as the region's leading contributors.

Benefits of issuing GSS+ labelled financial instruments

The GSS+ labelled financial instruments provide a multitude of advantages for both issuers and investors:

For issuers

- Increased investor diversification and cultivation of a loyal investor base, seizing new business opportunities amid the growing demand for sustainable development while attracting long-term capital
- An additional source of sustainable funding
- More effective alignment of the financial instrument's durability with project lifecycles
- Enhanced reputation by showcasing the issuer's commitment to sustainability and responsible investment practices, bolstering investor confidence, and stakeholder trust in the brand
- Potential robust investor demand and oversubscription, often resulting in favourable yield outcomes driven by high demand and limited supply.

For investors[3]

- Attainment of financial returns comparable to conventional financial instruments, while also providing environmental and/or social benefits
- Direct investment in driving the transition towards net-zero emissions in high-carbon sectors, while scaling up social impact initiatives[4]
- Fulfilment of environmental, social, and governance (ESG) requirements mandated by sustainable investment guidelines
- Enhanced transparency and accountability regarding revenue management and utilisation of funds
- Reduced exposure to transition risks, as sustainable financial instruments are generally less vulnerable to regulatory disincentives, policy shifts, and market pressures affecting high-emitting sectors, which may have implications for long-term investment performance.

3. GSS+ labelled financial instruments

GSS+

Labelled financial instruments are debt securities and other instruments issued under a thematic label to direct capital towards environmental, social, and sustainability-related objectives. They can be structured in two ways: by financing or refinancing projects and/or assets, known as **use of proceeds (UoP) instruments**, or by linking their financial or structural characteristics to measurable sustainability performance targets, commonly referred to as **sustainability-linked bonds (SLBs)**.

Labelled instruments and other thematic debt instruments can be issued by public entities, financial institutions, corporates, development banks, and other organisations with the mandate to raise debt in the capital markets

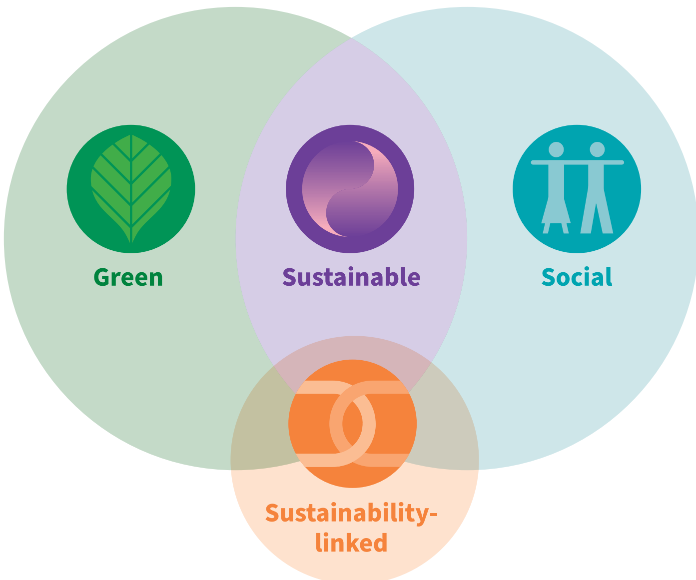
This chapter introduces the main themes of financial instruments (green, social, sustainability, and sustainability-linked), as well as selected labels that may be relevant to the Trinidad and Tobago market and can be categorised under these broader themes. The definitions of these categories are based on the ICMA Principles, a set of voluntary guidelines that underpin the issuance and disclosure processes for thematic financial instruments.

It also presents relevant case studies to guide potential issuers on the labels available in the market, familiarise them with these concepts through real-life and practical examples, and encourage their credible use in the Trinidad and Tobago market.

Table 1: Differences between UoP instruments and SLBs

UoP instruments	SLBs
Green, social, and sustainability instruments are project-based instruments. Their defining feature is that the proceeds, or an amount equivalent to the net proceeds, are exclusively allocated to eligible environmental and/or social projects, assets, activities, or expenditures. Their credibility depends on the quality of the eligible categories, the project selection process, the management of proceeds, and the issuer's allocation and impact reporting. ICMA identifies four core components for these instruments: use of proceeds, project evaluation and selection, management of proceeds, and reporting.	Performance-based instruments are those whose proceeds are usually used for general corporate purposes and are not earmarked for specific eligible projects. Instead, the issuer commits to achieving predefined sustainability performance targets within a set timeline. The financial and/or structural characteristics of the bond, such as the coupon rate, may change depending on whether the issuer achieves those targets. ICMA identifies five core components for SLBs: selection of key performance indicators (KPIs), calibration of sustainability performance targets (SPTs), bond characteristics, reporting, and verification.

Figure 1: Themes available in the thematic debt market



Source: Climate Bonds Initiative

Table 2: Other labels present in the market, categorised under the broad groups set out in Figure 1

Green	Social	Sustainability	SLBs
Dedicated environmental benefits	Dedicated social benefits	Green and social benefits combined into one financial instrument	Coupon step-up/step-downs linked to entity-level SPTs
Blue	Affordable housing	ESG	Sustainability-linked
Climate	Education	Sustainability	ESG-linked
Climate resilience	Gender equality social	Sustainability awareness	SDG-linked
Renewable energy	Health/healthcare	SDG sustainability	Social impact-linked
Transition	SDG housing	Resilience	Social and sustainability-linked
Biodiversity	Town revitalisation	Gender equality sustainability	KPI-linked
	Youth		Resilience-linked bonds
	Employment		
	Orange		
	LGBTQ+		

Use of proceeds financial instruments

Green labelled financial instruments

Green instruments, according to ICMA's GBPs, are financial instruments where the proceeds, or an equivalent amount, are exclusively applied to finance or refinance, in whole or in part, new and/or existing eligible green projects. These projects should provide clear environmental benefits, which the issuer is expected to assess and, where feasible, quantify.

The scope of green projects extends beyond assets and capital investments to encompass a broader range of activities and supporting expenditures. For example, training on sustainable practices or research and development costs linked to a clean energy transition would both qualify as eligible expenditures under a green bond framework.

To ensure credibility, green projects should be aligned with the issuer's stated environmental objectives and, where relevant, with internationally recognised taxonomies, market standards, certifications, or science-based criteria.

ICMA identifies several eligible green project categories, including but not limited to:

- **Renewable energy**, including production, transmission, appliances, and products
- **Energy efficiency**, including new and refurbished buildings, energy storage, district heating, smart grids, appliances, and products
- **Pollution prevention and control**, including reduction of air emissions, GHG control, soil remediation, waste prevention, waste reduction, recycling, and energy- or emission-efficient waste-to-energy
- **Environmentally sustainable management of living natural resources and land use**, including sustainable agriculture, animal husbandry, climate-smart farm inputs, sustainable fisheries and aquaculture, sustainable forestry, afforestation, reforestation, and preservation or restoration of natural landscapes
- **Terrestrial and aquatic biodiversity conservation**, including the protection of coastal, marine, and watershed environments
- **Clean transportation**, including electric, hybrid, public, rail, non-motorised and multi-modal transport, infrastructure for clean energy vehicles, and measures to reduce harmful emissions
- **Sustainable water and wastewater management**, including clean and/or drinking water infrastructure, wastewater treatment, sustainable urban drainage systems, river training, and other forms of flood mitigation
- **Climate change adaptation**, including measures to make infrastructure more resilient to climate impacts, as well as information support systems such as climate observation and early warning systems
- **Circular economy adapted products**, production technologies and processes, including reusable, recyclable, and refurbished materials, components, and products, circular tools and services, and certified eco-efficient products
- **Green buildings that meet regional**, national, or internationally recognised environmental performance standards or certifications.

Regional green case study: Banco Popular Dominicano – First green bond issued by a financial institution in the Dominican Republic

Table 3: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Green	**Banco Popular Dominicano (BPD)**	Financial corporate	Dominican Republic	5.0

In May 2024, Banco Popular Dominicano (BPD) issued, under its green bond issuance programme, an initial tranche of DOP300m (approximately USD5m), with a maturity of ten years. This issuance marked the debut of a private financial institution in the country's labelled bond market. The resources in this tranche were fully allocated to the financing of a solar energy generation park in the province of San Pedro de Macorís, significantly expanding the potential of solar energy produced in the country.[5]

The issuance was fully subscribed by local institutional investors, demonstrating that there is demand for domestically labelled instruments. In addition, the green bond obtained Climate Bonds Certification, ensuring alignment with the most rigorous standards in the global sustainable finance market.[6]

This case demonstrates how a private financial institution can structure a robust and internationally certified green bond programme by channelling capital from the domestic capital market to large-scale renewable energy projects, offering a replicable model for issuers in markets in the Caribbean region.

Regional green case study: Ecofactory S.R.L. – Green bond for circular economy in Argentina's micro, small, and medium-sized enterprise (MSME) capital market

Table 4: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Green	**Ecofactory S.R.L.**	Non-financial corporate	Argentina	0.5

In August 2024, Ecofactory S.R.L, an Argentine company that manufactures reusable bags, issued a green bond in accordance with the requirements of Bolsas y Mercados Argentinos (BYMA) for GSS+ instruments. The volume of this issuance was ARS468.2m (equivalent to USD0.5m), and the maturity was 12 months.[7]

The proceeds obtained from the issuance were applied to a project aimed at financing the purchase of equipment to produce compostable biodegradable bags, based on bioplastics, and for investment in working capital specifically aimed at the purchase of inputs.[8]

This case may be relevant to the context of Trinidad and Tobago not as evidence of scale, but of diversity. It illustrates that labelled debt instruments are not the exclusive domain of large sovereigns or private companies, potentially contributing to financing opportunities for micro, small, and medium-sized enterprises (MSMEs). In addition, it reinforces that the development of the circular economy chain can increase the importance of small and medium-sized businesses in the country's transition, which can be boosted by the democratisation of access to the debt market.

Examples of other labels considered green

Blue labelled financial instruments

Blue labelled financial instruments are identified within the classification of green financial instruments. These, like the green instruments, follow a UoP format that directs resources towards financing activities that promote the development of a sustainable marine economy, the protection of the environment, and the conservation of marine resources.

ICMA has developed an indicative list of blue project categories and sub-categories to help issuers identify the appropriate use of proceeds.[9] The following provides guidance on the types of blue labelled financial instrument projects that comply with the identified best practices:[10]

- Coastal climate adaptation and resilience
- Management, conservation, and restoration of marine ecosystems
- Sustainable coastal and marine tourism
- Sustainable marine value chains
- Renewable marine energy
- Marine pollution
- Sustainable ports
- Sustainable maritime transport.

Regional blue case study: Government of Barbados – Blue Bonds for Ocean Conservation 2022 debt-for-nature conversion

Table 5: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Blue (debt-for-nature swap)	**BB Blue Financing Designated Activity Company**	Sovereign	Barbados	24.4
Blue (debt-for-nature swap)	**BB Blue Financing Designated Activity Company**	Sovereign	Barbados	48.8
Total				**73.2**

Understanding debt-for-nature swaps

Debt-for-nature (and debt-for-climate) swaps are financial mechanisms in which part of a country's external debt is restructured on better terms or reduced in exchange for a commitment to invest in climate or environmental objectives. The value of the investment is equivalent to the savings that the country made with the restructuring or reduction of the original debt. In a typical debt-for-nature swap structure, the country refinances part of its debt with more favourable interest rates, which are made possible through the issuance of guarantees by multilateral development banks or international organisations.

The potential for scale of this type of structure is immense, and it can reach volumes of up to USD100bn globally, according to estimates by market analysts, and some investors have already positioned themselves in this type of structure. In early 2026, for example, a major UK asset manager committed USD1bn to fund this operating model.[12,13]

Although this model represents a great financing opportunity for countries with fiscal constraints, it is important to recognise some limitations. First, each transaction tends to be quite complex and highly customised, which can limit its potential for scale. Some criticisms also point to the interference with national sovereignty to the extent that climate investments become a requirement of debt holders, without the proper participation of the local community. In addition, the mechanism does not solve structural fiscal issues that may continue to limit the investment capacity of countries that adhere to the structures.

The Barbados Blue Bonds transaction

In September 2022, the Government of Barbados, The Nature Conservancy (TNC), and the Inter-American Development Bank (IDB) completed a landmark debt-for-nature transaction under TNC's 'Blue Bonds for Ocean Conservation' strategy.[14]

Through a joint co-guarantee by TNC and IDB, the country completed a USD150m debt conversion, partially funded through the issuance of blue debt for the expansion of marine protected areas to approximately 30%, improving water management, including coral reefs, mangroves, fish spawning sites, and other important ocean habitats and species. The project was expected to release approximately USD50m to support environmental and sustainable development actions in Barbados over the next 15 years.[15,16]

This transaction is particularly interesting for Trinidad and Tobago because it demonstrates how an island nation with significant marine assets can utilise innovative financial structures to generate long-term resources for conservation.

Transition labelled financial instruments

A transition labelled financial instrument is intended for activities that are not low or zero emission, but play a role, either in the short or long term, by decarbonising an activity or supporting an issuer in its process of alignment with the Paris Agreement. The transition label allows for the inclusion of a broader range of sectors and activities and incorporates labels such as blue and green transition.

Currently, transition labelled financial instruments come mainly from highly polluting and hard-to-abate industries, such as mining, production of materials such as steel, cement, basic chemicals, and hydrogen, and industrial sectors such as aviation and shipping.[11]

Promoting investments and financing for climate transition involves actions to decarbonise productive sectors and strengthen resilience to climate change. In this process, it is key to consider tools such as ICMA's Climate Transition Financing Handbook and Climate Bond's framework to identify credible transitions. These resources provide important guidelines to ensure that the transition to a more sustainable economy is fair, effective, and ambitious for all sectors of the economy.

Social labelled financial instruments

Social labelled financial instruments are fixed-income instruments in which proceeds, or an equivalent amount, are specifically earmarked to finance or refinance projects that have a social focus as the defined use of proceeds. According to ICMA's Social Bond Principles (SBPs), the following are some examples of eligible projects:[17]

- **Affordable basic infrastructure** (clean drinking water, sewers, sanitation, transport, energy)
- **Access to essential services** (health, education and vocational training, healthcare, finance, and financial services)
- **Affordable housing**
- **Employment generation** (designed to prevent or alleviate unemployment)
- **Food security and sustainable food systems** (physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements; resilient agricultural practices; reduction of food loss and waste; and improved productivity of small-scale producers)
- **Socio-economic advancement and empowerment** (equitable access to and control over goods, services, resources, and opportunities; equitable participation and integration in the market and society, including reduction of income inequality).

Vulnerable and marginalised populations at the centre of positive social indicators

In addition, ICMA identifies the specific populations that could be targeted by these projects for which positive socio-economic outcomes are expected:

- Living below the poverty line
- Excluded and/or marginalised populations and/or communities
- People with disabilities
- Migrants and/or displaced persons
- Undereducated people
- Underserved, owing to a lack of quality access to essential goods and services
- Unemployed and/or workers affected by climate transition
- Women and/or sexual and gender minorities
- Aging populations and vulnerable youth
- Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socio-economic inequity.

Local social case study: Home Mortgage Bank – First social bond in Trinidad and Tobago and the Caribbean

Table 6: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Social	**Home Mortgage Bank**	Financial corporate	Trinidad and Tobago	44.2

In November 2022, Home Mortgage Bank completed the issuance of a TTD300m (USD44.2m) senior secured social bond, the first in the country and in the entire Caribbean region. The bond was fully subscribed by IDB Invest, in a structure that also included the participation of RBC Caribbean.[18]

The proceeds from the transaction were used exclusively for the purchase of residential mortgages in the secondary market, originated in government programmes that offer subsidised interest rates. The eligible beneficiaries of this financing were first-time homeowners classified as low- and middle-income earners.

This issuance demonstrated that there are opportunities and institutions in the country and the region willing to collaborate to scale the labelled debt market and finance investments in priority areas for the local sustainability agenda. In addition, the issuance also indicates a pathway to future replicability of similar financial structures in other sectors.

Regional social case study: Banco Nacional de Costa Rica – First social bond in Costa Rica

Table 7: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Social	**Banco Nacional de Costa Rica**	Financial corporate	Costa Rica	75.0

In March 2022, Banco Nacional de Costa Rica, currently the largest labelled bond issuer in the country, issued the country's first social bond, in a private placement totalling USD75m. The transaction was structured and underwritten by IDB Invest and had the participation of FinDev Canada, which subscribed a portion of the social bonds.

The proceeds were used exclusively for the expansion of credit for MSMEs in the country, with the commitment that at least 40% of the total resources would be directed to MSMEs led or owned by women.[19]

This transaction illustrates how the labelled securities market can be used as a local development channel, supporting diversity and micro-entrepreneurship initiatives.

Examples of other labels considered social

Gender labelled financial instruments

Gender-related labelled financial instruments can help mobilise capital towards projects, assets, and activities that address gender gaps and support women's economic empowerment.

Within labelled financial instruments, the gender category is generally treated as a social UoP category and can be applied to transactions that address gender inequality and mobilise private capital towards the advancement and empowerment of women.

Eligible categories may include:

- Financing women-owned, women-led, or women-benefiting enterprises
- Expanding women's access to credit, savings, insurance, housing finance, and productive assets
- Supporting companies that adopt gender-inclusive employment, procurement, leadership, and governance practices
- Financing products, services, and programmes that improve women's economic participation, entrepreneurship, skills development, safety, and access to essential services.

Local social case study: – Trinidad and Tobago Mortgage Bank Limited

In July 2025, the Trinidad and Tobago Mortgage Bank Limited (TTMB) issued TTD550m (approximately USD81.0m) in its first social bond and the second of its kind in Trinidad and Tobago, with IDB Invest subscribing TTD250m (approximately USD36.8m), in partnership with Republic Bank Limited. The transaction followed the development of TTMB's 2024 Social Bond Framework, with advisory support from IDB Invest, and aimed to expand access to affordable housing with a gender focus.[20]

The proceeds are used to finance residential mortgages for low- and middle-income households under government-subsidised programmes, with a minimum commitment that at least 50% of the mortgages will be women-owned or women-led.[21]

This transaction illustrates how the labelled bond market can support embedding a strong gender lens in financial transactions, by directly targeting women and women-led households that face structural barriers in accessing credit and homeownership.

Table 8: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Social	**Trinidad and Tobago Mortgage Bank Limited (TTMB)**	Financial corporate	Trinidad and Tobago	81.0

Sustainability labelled financial instruments

Sustainability labelled financial instruments are UoP instruments where the proceeds, or an equivalent amount, are exclusively applied to finance or refinance a combination of both eligible green and eligible social projects.

Some green projects may generate social co-benefits, and some social projects may generate environmental co-benefits. However, the classification of an instrument as green, social, or sustainability should be determined by the issuer based on the primary objectives of the underlying projects and its ability to measure outcomes in environmental and social terms. Where the proceeds are intentionally allocated to a mix of both green and social projects, the instrument should be classified as a sustainability labelled instrument.

The eligible project categories for sustainability labelled instruments should be drawn from both the eligible green project categories recognised under the GBPs and the eligible social project categories recognised under the SBPs. These categories may also be mapped to the Sustainable Development Goals (SDGs); however, an SDG reference should complement, not replace, clear eligibility criteria, and alignment with the applicable ICMA Principles.

Sustainability has been the most widely used label in Latin America and the Caribbean (LAC), with 67% of labelled issuances in 2025, and 50% cumulative until the end of 2025.

The sustainability label enables issuers to finance a broader range of UoP categories. Its growing use demonstrates the region's commitment and need to finance sustainable projects that support a just transition and respond to LAC's distinctive socio-environmental challenges.

For the Trinidad and Tobago market, this label can be particularly useful for issuers seeking to finance integrated projects that combine environmental and social outcomes, such as climate-resilient affordable housing, sustainable water and sanitation infrastructure, clean transport with improved access for underserved communities, resilient healthcare or education facilities, and sustainable agriculture or food systems that support livelihoods.

Examples of sublabels considered sustainable

Resilience labelled financial instruments

Resilience labelled financial instruments are generally structured as UoP instruments that direct resources towards projects, assets, activities, or expenditures that strengthen climate adaptation and resilience. These instruments may finance investments that help economic, social, and ecological systems anticipate, withstand, respond to, and recover from the physical impacts of climate change.

The Climate Bonds Resilience Taxonomy (CBRT) provides a framework for identifying, classifying, and qualifying investments that contribute to climate adaptation and resilience. It is designed to provide clear guidance on what constitutes a credible and impactful resilient investment and can support issuers in structuring projects that integrate adaptation and resilience into their design and operations.[22]

The following provides guidance on the themes of resilience-related projects that may comply with identified best practices:

- **Climate-resilient infrastructure**, including transport, energy, water, wastewater, drainage and critical public services, coastal protection, flood management, and stormwater infrastructure
- **Resilient cities and settlements**, including climate-resilient buildings, urban planning, and nature-based urban solutions
- **Resilient agrifood systems**, including climate-smart agriculture, irrigation efficiency, and food supply chain resilience
- **Resilient natural systems**, including ecosystem restoration, watershed protection, mangroves, wetlands, and biodiversity protection
- **Resilient health systems**, including infrastructure and services prepared for heat stress, vector-borne diseases, and climate-related emergencies
- **Resilient industry and commerce**, including business continuity, resilient supply chains, and adaptation measures for climate-exposed sectors
- **Resilient social systems**, including investments that protect vulnerable communities and strengthen preparedness, response, and recovery capacities.

Regional case study: Bancamía, Colombia – First Amazon Bond issued by a private financial institution in the world

Table 9: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Sustainability	**Bancamía**	Financial corporate	Colombia	20.0

In December 2025, Banco de las Microfinanzas Bancamía S.A., created in Colombia and part of the BBVA Microfinance Foundation, completed the issuance of the first Amazonia Bond launched by a private financial institution in the world.

The issuance totalled COP80bn (approximately USD20m) and was fully subscribed by IDB Invest. IDB Invest will provide additional technical assistance to expand access to financial services in the region.[23]

The eligible categories of green investment cover six strategic dimensions: sustainable water and sanitation management; sustainable and multimodal transport; resilient infrastructure for waste management and climate risk reduction; energy transition and efficiency; sustainable forestry, with responsible management of timber and non-timber products from native forests; and regenerative agriculture.

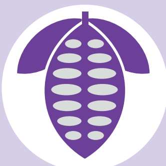
Social categories include employment and livelihoods, environmental education programmes, and sustainable supply chains. The priority target audience includes micro-entrepreneurs, women entrepreneurs, Afro-descendant communities, and indigenous peoples of the Colombian Amazon. [24]

This case is especially relevant for Trinidad and Tobago, primarily because it demonstrates that labelled debt instruments can be structured to protect and finance the sustainable development of specific ecosystems. It also shows that microfinance institutions and community development banks (with small credit portfolios and a low-income target audience) can issue thematic bonds based on robust frameworks and with the support of multilateral partners committed to the development agenda.

Regional sustainable case study: Gaia Agro Securitizadora/ Tabôa – One of the first Sustainability Agribusiness Receivables Certificates in the Atlantic Forest, Brazil

Table 10: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
Sustainability	**Gaia Securitizadora**	Financial corporate	Brazil	0.2



In December 2020, Gaia Agro Securitizadora completed the issuance of the Sustainability Agribusiness Receivables Certificate, a Brazilian asset-backed security backed by credit rights originated by Tabôa Fortalecimento Comunitário, a civil society organisation that encourages the development of small communities in the interior of Brazil. The initial financial transaction of BRL1m (USD0.2m) was expected to expand by up to six times over the course of 2021, as new farmers joined the project.

In this first transaction, 155 cocoa-producing family farmers received technical assistance and the resources to finance agricultural projects and activities, with the prospect of generating an increase in productivity of about 30%. Eligible projects included the adoption of agroecological practices and agroforestry systems, marketing and processing of agricultural products, and acquisition of machinery for sustainable production. To access the resource, producers signed socio-environmental commitment terms.[25]

This case is especially relevant for Trinidad and Tobago because it demonstrates that labelled debt instruments can be structured from civil society organisations and rural cooperatives, provided there is an adequate securitisation vehicle, opening space for local farmers' and producers' associations to explore similar structures.

Sustainability-linked financial instruments

Sustainability-linked financial instruments are fixed-income instruments which have financial and/or structural characteristics that can be adapted depending on whether the issuer achieves certain predefined corporate sustainability or ESG targets. In this context, issuers explicitly commit themselves (including in the financial instruments' documentation) to improve sustainability performance within a set timeframe. Sustainability-linked financial instruments represent a forward-looking, performance-based approach.

Sustainability-linked financial instruments are used to raise general-purpose funds and may involve coupon adjustments, either increases or decreases, depending on the achievement of predefined and time-bound sustainability performance targets (SPTs).

Sustainability-linked loans

Sustainability-linked loans (SLLs) constitute any type of loan instrument and contingent facilities, such as bonding lines, guarantee lines, or letters of credit, where economic terms can vary based on whether the borrower achieves ambitious, significant, and measurable sustainability goals. The categorisation of an SLL is not determined by its use of proceeds, and typically SLLs are utilised for general corporate purposes. SLLs aim to assist borrowers in enhancing their sustainability performance. The borrower's sustainability performance is assessed by applying predefined SPT(s) to each KPI. ICMA and the Loan Market Association have issued guidelines for these, known as the Sustainability-Linked Loan Principles.

Regional sustainability-linked case study: Liberty Costa Rica – Largest SLB for digital infrastructure in LAC

Table 11: Bond issuance snapshot

Label	Issuer name	Issuer type	Country	Issuance amount (USD million)
SLB	**Liberty Costa Rica Senior Secured Finance**	Non-financial corporate	Costa Rica	400.0

In January 2023, Liberty Servicios Fijos LY, S.A., one of Costa Rica's leading fixed and mobile telecommunications service operators, completed the issuance of USD400m in SLBs with a maturity of seven years. The structure, which also incorporated a USD50m Term-Loan A financed by IDB Invest, was the largest digital infrastructure SLB in the country and in LAC at the time of the transaction.[26]

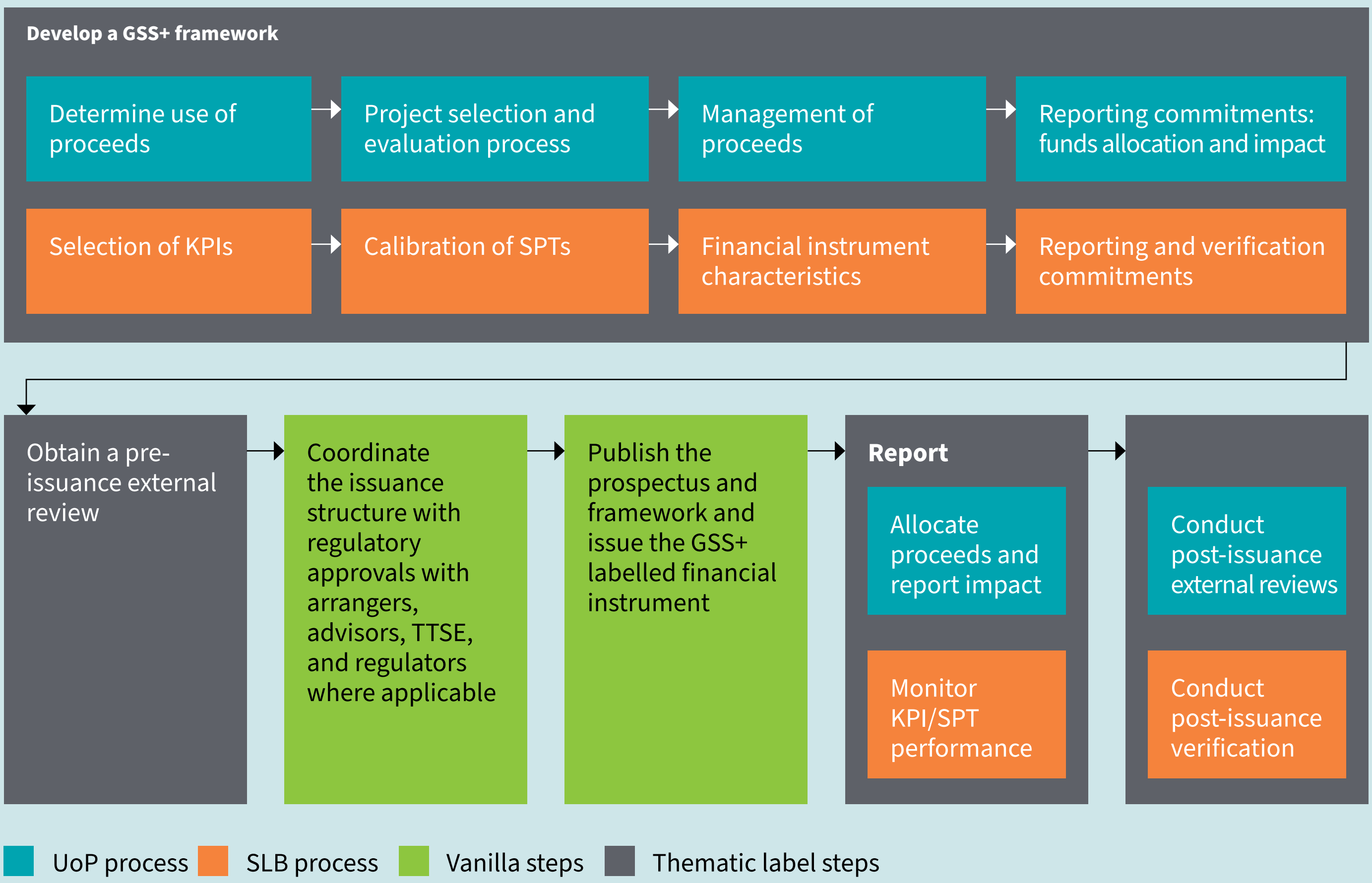
The proceeds were used to finance the expansion of optical fibre for homes, with the aim of expanding digital access and broadband quality in Costa Rica. As the SLB's characteristic is anchored in KPIs, the transaction comprised two SPTs, to be evaluated in 2027: (i) a reduction of more than 30% in the company's scope 1 and 2 GHG emissions; and (ii) a reduction of more than 35% in the intensity of GHG emissions per operating unit in scope 3.[27]

This case is relevant for Trinidad and Tobago because it demonstrates that robust SLBs, with emission reduction targets and investments aligned with the country's infrastructure development, can be applied to capital-intensive sectors that do not so easily fit into the traditional categories of green or social bonds.

4. The GSS+ issuance process

Issuing a GSS+ labelled financial instrument is a structured process that builds on the requirements of conventional bond issuance while introducing additional steps specific to thematic instruments. This chapter guides market actors through each stage of that process, beginning with an overview of the full issuance lifecycle before examining each component in detail for UoP and SLB instruments. Figure 2 sets out the ten key steps in the GSS+ issuance process. Each step is described in detail in the sections that follow.

Figure 2: Overview of the GSS+ issuance process



1. Issuer: Define sustainability objectives and issuance strategy: Engage relevant internal stakeholders and define the sustainability objectives, instrument type, target investors, and overall issuance strategy.

2. Develop the GSS+ framework: Develop a GSS+ framework describing the issuance structure, sustainability objectives, alignment with applicable market principles, standards and/or taxonomies, and reporting commitments.

3. Determine the use of proceeds or select KPIs: For UoP instruments, determine the eligible use of proceeds and the project or asset categories to be financed. For SLBs, select relevant, material, and measurable KPIs.

4. Define the evaluation, selection, and calibration process: For UoP instruments, establish the project evaluation and selection process. For SLBs, calibrate the SPTs, including baselines, timelines, benchmarks, and level of ambition.

5. Define proceeds management or financial instrument characteristics: For UoP instruments, define the process for managing, tracking, and allocating proceeds. For SLBs, define the financial and/or structural characteristics of the instrument, including any step-up, step-down, premium payment, or other adjustment mechanisms linked to KPI/SPT performance.

6. Define reporting and verification commitments: Establish reporting commitments for the relevant instrument type, including allocation and impact reporting for UoP instruments, and KPI/SPT performance reporting and verification commitments for SLBs.

7. Obtain a pre-issuance external review: Obtain a pre-issuance external review, such as a second-party opinion, certification, rating, or scoring, to verify alignment with the relevant GSS+ principles, standards, taxonomies, and/or framework requirements.

8. Coordinate the structuring and regulatory process: Coordinate the issuance structure, legal documentation, registration requirements, and regulatory approvals with arrangers, advisors, exchanges, and regulators, where applicable.

9. Publish documentation and issue the GSS+ labelled financial instrument: Publish the prospectus and relevant framework documentation, and issue the GSS+ labelled financial instrument to investors.

10. Report on allocation, impact, or KPI/SPT performance: For UoP instruments, allocate proceeds and report on allocation and impact. For SLBs, monitor and report KPI performance against the corresponding SPTs.

11. Conduct post-issuance external reviews or verification: Conduct post-issuance external reviews to verify allocation, impact reporting, and continued eligibility of financed projects for UoP instruments, or to verify KPI/SPT performance and any related financial or structural adjustments for SLBs.

The thematic framework

One of the main steps in the issuance of GSS+ instruments is the development of a framework. Issuers of labelled financial instruments, whether UoP or general-purpose SLBs, should establish a reference framework that clearly outlines how the instrument or programme aligns with the core components of thematic issuance. In practice, this means demonstrating how the structure either finances projects with clear environmental and social benefits or supports the issuer in progressing towards more ambitious sustainability targets.

This framework, or the corresponding legal documentation, should be made easily accessible to investors. Issuers are encouraged to present the key elements of the framework within the broader context of their overall sustainability strategy, thereby enhancing transparency, strengthening commitments, and clarifying high-level environmental and social objectives.

In addition, the framework should disclose, where relevant, how eligible projects align with recognised taxonomies, international standards, or certification schemes referenced in the project selection and evaluation process.

The issuance process for thematic financial instruments, including framework development, generally follows a common structure. This structure is guided by the ICMA Principles, which establish the key pillars of labelled instruments, outline issuers' core responsibilities, and provide guidance on the appropriate management of these instruments.

There are important distinctions between UoP instruments and general-purpose SLBs, which should be clearly reflected in the framework. These differences relate primarily to the selection of eligible projects/assets, the definition of KPIs and SPTs, and the management of proceeds, as outlined in Table 12.

Table 12: Summary of the issuance process: UoP financial instruments vs. SLBs

UoP financial instruments	General-purpose SLBs
1. Use of proceeds 2. Project selection and evaluation process 3. Management of proceeds 4. Reporting (see Chapter 5)	1. Selection of KPIs 2. Calibration of SPTs 3. Financial instrument characteristics 4. Reporting (see Chapter 5) 5. Verification

Use of proceeds financial instruments

Use of proceeds

In the case of UoP instruments, all eligible projects and assets should demonstrate identifiable environmental and/or social benefits and be clearly described in both the framework and the report prepared by the independent external reviewer (as explained below).

These documents should explicitly define and substantiate the intended use of proceeds, including, where feasible, the expected impacts of financed activities and the methodologies or indicators used to assess their measurability, as set out in the issuer's thematic financial instrument framework.

When determining eligible projects or assets for green labelled financial instruments, issuers are encouraged to consider categories identified under the ICMA GBPs, the Climate Bonds Initiative Taxonomy, or other relevant national, regional, or international taxonomies. Where a local or regional taxonomy exists to define the environmental and/or social characteristics of an asset or activity, it may also be considered, provided that its application is appropriately assessed and validated by an independent external reviewer.

For social labelled financial instruments, issuers are encouraged to consider the categories identified under the ICMA SBPs or the social components of relevant sustainable finance taxonomies. In the case of sustainability-labelled financial instruments, eligible projects may encompass both green and social categories, reflecting their combined environmental and social objectives.

The ICMA Sustainability Bond Guidelines (SBGs) provide additional guidance for instruments that finance a combination of green and social projects. The SBGs recommend alignment with both the GBPs and the SBPs, ensuring that issuers clearly communicate how proceeds will be allocated between environmental and social objectives.

More broadly, the ICMA Principles for UoP instruments, and related guidance, such as the Climate Bonds Taxonomy, provide a globally recognised framework for the selection of projects/assets in thematic issuance.

Further information on this topic can be found in **Chapter 6**.

Project selection and evaluation process

Issuers should also establish, document, and maintain a transparent decision-making process for determining project eligibility. This process should include a clear statement of the environmental and/or social objectives of the financial instrument, the procedures used to assess and determine project eligibility, and the eligibility, exclusion, and risk management criteria applied to identify, assess, and mitigate potential environmental and/or social risks associated with financed projects and activities.

To ensure the robustness and credibility of this process, issuers are encouraged to designate a responsible person or team to oversee the application of the eligibility criteria. This committee should ideally include representatives from relevant internal areas such as sustainability, finance, risk management, legal, and operations, and should also incorporate independent external members or advisors to strengthen its objectivity and technical expertise. The roles, responsibilities, and decision-making procedures of this committee should be clearly documented and made available to investors.[28, 29]

Issuers are further encouraged to position the evaluation and selection process within the context of the issuer's overarching sustainability strategy, objectives, and policies, demonstrating how the financed projects contribute to the issuer's broader environmental and/or social commitments. Where relevant, issuers should disclose information on the alignment of eligible projects with official or market-based taxonomies, green standards, or recognised certifications referenced in project selection.[30]

Issuers should also have a process in place to identify and implement mitigants to known material risks of negative social and/or environmental impacts associated with the relevant projects or activities. Such mitigants may include trade-off analysis and ongoing monitoring where the issuer assesses the potential risks to be meaningful.

Within the framework, the issuer should provide clear information on the categories of eligible GSS+ projects to which the proceeds will be allocated, and any refinancing of specific projects or activities for which resources have already been allocated.

Management of proceeds

To ensure that proceeds are managed in accordance with the commitments established at the time of issuance, issuers should implement robust processes to guarantee transparency, traceability, and accountability in the allocation and management of funds. Proceeds should therefore be allocated to dedicated accounts, sub-accounts, or other reliable tracking mechanisms capable of clearly identifying the use of proceeds throughout the life of the instrument.

Issuers are expected to establish and maintain a formal internal process to monitor the allocation of proceeds until full allocation is achieved, distinguishing between allocated and unallocated amounts.

Any temporarily unallocated proceeds may be invested in cash, cash equivalents, or other financial instruments, provided that such temporary use does not conflict with the environmental and/or social objectives of the instrument. Information regarding the management of unallocated proceeds should be transparently communicated to investors. At all times, the net proceeds should be appropriately identified, tracked, and documented by the issuer.

- To support effective management of proceeds, issuers are encouraged to adopt mechanisms such as:
- Crediting net proceeds to a dedicated sub-account or tracking them through another appropriate internal system
- Using project-specific bank accounts or equivalent structures to channel proceeds to eligible GSS+ projects
- Establishing a clear allocation process to administer, monitor, and account for the financing or refinancing of eligible projects and activities
- Allocating proceeds as soon as reasonably practicable after issuance, and in any case within 36 months of issuance as a target best practice timeline. Pending full allocation, the balance of tracked net proceeds should be periodically adjusted to match allocations made during each reporting period. Where this is not feasible, issuers are encouraged to disclose an estimated timeline or allocation schedule.

Integrity considerations

To preserve the credibility and integrity of GSS+ labelled financial instruments, issuers should adhere to recognised market principles, eligibility requirements, and disclosure obligations.

A GSS+ labelled instrument may be denied, suspended, or lose its label where the financed activities do not comply with the eligibility criteria established under the relevant frameworks or taxonomies adopted by the issuer; the issuer fails to meet reporting, transparency, or disclosure obligations associated with the instrument; or the instrument does not comply with applicable market regulations or recognised standards governing thematic financial instruments.

These safeguards are intended to prevent the financing of activities that are inconsistent with environmental sustainability, social progress, or responsible governance objectives, thereby reinforcing market integrity, investor confidence, and the credibility of sustainable finance instruments.

General-purpose sustainability-linked financial instruments

Selection of KPIs

The foundation of sustainability-linked financial instruments lies in the selection of credible and meaningful KPIs, which are used to measure the issuer's sustainability performance over time. The selected KPIs should be material to the issuer's core business activities and sustainability priorities, and relevant to addressing key ESG challenges.

The ICMA's Sustainability-Linked Bond Principles (SLBPs) provide internationally recognised guidance for the structuring of sustainability-linked instruments. These principles emphasise the importance of ambitious SPTs, transparent KPI selection, calibration against credible benchmarks, and ongoing reporting and verification. Together, they support the integrity, comparability, and credibility of sustainability-linked financing across markets.

For sustainability-linked instruments, KPIs should be carefully selected to ensure that they are relevant, core, and material to the issuer's benefits, while also being of strategic importance to its long-term sustainability objectives. They should be consistent with the issuer's broader sustainability strategy and policies, measurable through a clear and consistent methodology, and suitable for external verification. Where possible, KPIs should also be capable of being benchmarked against external references, scientific pathways, or recognised industry standards.

Issuers are encouraged to clearly communicate the rationale and process behind the selection of KPIs, including their definition, scope, calculation methodology, baseline values, and alignment with science-based targets or sector-specific benchmarks where applicable. Reference may also be made to external guidance and market resources, such as the ICMA's KPI Registry, to support the selection and calibration of relevant indicators.

Calibration of SPTs

Following the selection of KPIs, the calibration of SPTs represents the issuer's level of ambition and commitment to achieving measurable sustainability improvements. One or more SPTs may be established for each KPI, depending on the structure and objectives of the instrument.

SPTs should be set in good faith, supported by transparent disclosure, and designed to demonstrate a meaningful improvement in sustainability performance over time. In line with the SLBPs, SPTs are expected to be ambitious, credible, and benchmarked against relevant external references where feasible.

They should also be set in a way that demonstrates a meaningful improvement in the selected KPI(s), rather than simply reflecting a continuation of the issuer's existing trajectory. Where possible, they should be supported by credible benchmarks, such as external references, peer performance, scientific pathways, official targets, or recognised best available technologies. They should also be clearly aligned with the issuer's broader sustainability and business strategy and established within a predefined timeline, either before or at the time the financial instrument is issued.

When calibrating SPTs, issuers are encouraged to disclose sufficient historical performance data for the selected KPIs, ideally covering at least the previous three years. This historical context helps demonstrate the trajectory of performance improvements and supports the credibility of the proposed targets. Issuers should also consider peer benchmarking, whether against best-in-class or average sector performance, as well as science-based scenarios and recognised sectoral pathways, particularly for climate, environmental, and social objectives.

To support transparency and accountability, issuers should clearly explain how targets have been set and how progress will be assessed over time. This includes setting out the expected timelines for achieving each target, the relevant observation dates or periods, any trigger events, and the frequency with which SPT performance will be reviewed. Disclosure should also include the verified baseline values or reference points used to measure improvements in KPI performance, together with an explanation of when and why recalculations may be needed. Issuers should also provide an overview of the strategy and action plan intended to support achievement of the SPTs, including the main initiatives and, where feasible, quantitative implementation details, while taking into account commercially sensitive information. In addition, issuers should describe any relevant external factors or circumstances beyond their control that could materially affect their ability to meet the SPTs.

Financial and structural characteristics of sustainability-linked instruments

A defining characteristic of sustainability-linked financial instruments is that their financial and/or structural features may vary depending on whether the selected KPI(s) achieve the predefined SPTs. Any such variation should be meaningful in relation to the instrument's original financial characteristics, thereby reinforcing the credibility and incentive structure of the instrument.

The selected KPI(s), associated SPT(s), their calculation methodologies, and the potential adjustments to the financial and/or structural characteristics of the instrument should all be clearly disclosed within the financial instrument's documentation. The most common adjustment mechanisms are step-up and step-down structures, which may also be combined within a single instrument.

Under a step-up mechanism, investors receive a higher coupon or return if the issuer fails to meet the predefined SPTs, effectively creating a financial penalty for underperformance. As a result, sustainability-linked instruments incorporating step-up features may benefit from a sustainability premium at issuance, often reflected in a lower initial yield.

Conversely, a step-down mechanism results in a reduction in the coupon or financing cost where the issuer successfully achieves or exceeds the designated SPTs, thereby rewarding stronger sustainability performance.

Issuers should also disclose any fallback mechanisms applicable in cases where KPI performance or SPT achievement cannot be calculated or observed. In addition, they should explain how exceptional events or material changes affecting the KPIs or SPTs will be managed, while ensuring the appropriate handling of sensitive information related to the sustainability-linked financial instrument.

External reviews

Globally, a range of tools has emerged to provide investors with assurance regarding the environmental and/or social credentials of financial instruments, as well as the selection of KPIs and SPTs in sustainability-linked instruments. Among these tools, external reviews are considered the best market practice, and it is usually expected by regional and international investors. External reviews are recommended to reinforce the credibility, transparency, and integrity of the label associated with the financial instrument and its underlying framework.

External reviews are carried out by independent reviewers with no conflicts of interest with the issuer, its directors, senior management, or advisors. They are considered international best practice for providing transparency and confidence to investors regarding the alignment of the instrument with recognised market principles, standards, and sustainability objectives.

The most common forms of external reviews include:

Second-Party Opinion (SPO): An SPO is issued by an institution with expertise in environmental and/or social matters that is independent from both the issuer and the structuring process of the financial instrument. The review generally assesses the alignment of the financial instrument framework with the ICMA Principles and/or other relevant criteria, such as Climate Bonds Standards and Sector Criteria or recognised taxonomies (see Chapter 6). An SPO may also assess the issuer's broader sustainability objectives, strategy, policies, and processes, as well as the environmental and/or social characteristics of the projects or activities financed through the use of proceeds.

Certification: Certification involves an independent assessment against internationally recognised GSS+ standards and technical criteria, particularly the Climate Bonds Standard and Certification Scheme. In this process, an approved verifier assesses whether the instrument's green credentials are consistent with the applicable technical criteria and subsequently engages with Climate Bonds, acting as the certifier, for the final Certification assessment. This type of external review includes the assessment of internal operational processes, such as the management and allocation of proceeds, reporting practices, and alignment with GSS+ requirements. However, it does not include an assessment of social criteria.

Rating/scoring: Rating or scoring assessments evaluate the GSS+ financial instrument, as well as the issuer's internal processes and controls, using a proprietary third-party methodology. These assessments may be conducted by specialised analytical providers or rating agencies and are distinct from traditional credit ratings.

Note: Independent external review providers may include entities approved by the Climate Bonds Initiative, as well as local or international reviewers (Climate Bonds provides a full list of Approved Verifiers, including their geographic and technical scope).[31] Reviewers should demonstrate expertise in assessing the technical characteristics, environmental and/or social performance, and credentials of eligible projects and activities. The scope of the review should be publicly disclosed on the issuer's website and submitted as part of the authorisation process for the issuance.

Pre- and post-issuance external review: All GSS+ instruments should undergo both pre- and post-issuance external reviews as part of good international market practice, in line with the recommendations of the ICMA's GBPs, SBPs, and SLBPs. These two reviews serve distinct and complementary purposes: the pre-issuance review verifies the quality and alignment of the framework before the instrument reaches the market, while the post-issuance review confirms that the issuer has fulfilled the commitments made at issuance.[32,33]

The pre-issuance external review should be conducted prior to the issuance of the financial instrument and constitutes the final verification step before the instrument is placed in the market. Issuers should appoint one or more independent external review providers to assess the alignment of the framework, structure, processes, and disclosures with the relevant market guidance and requirements. The reviewer should disclose its credentials, the scope and methodology of the review, and any material assumptions or limitations. External reviews should be made publicly available, including on the issuer's website.[34]

Post-issuance reviews should be conducted at least annually. For sustainability-linked instruments, verification must also coincide with any SPT trigger event. Verification results should be made publicly available.

Table 13: External review at the pre-issuance phase: Scope and assessment criteria

For UoP instruments, external reviews should assess:	For SLBs, external reviews should assess:
• The alignment of the framework with applicable market principles, standards, and taxonomies • The eligibility and environmental and/or social credentials of the financed projects and activities • The processes for project evaluation and selection • The management and tracking of proceeds • The issuer's reporting commitments regarding allocation and impact	• The relevance, robustness, and reliability of the selected KPIs • The rationale and level of ambition of the proposed SPTs • The relevance and reliability of selected benchmarks and baselines • The credibility of the issuer's sustainability strategy and policies to achieve the proposed targets

Table 14: External review at the post-issuance phase: Scope and assessment criteria

For UoP instruments, post-issuance reviews should verify:	For SLBs, post-issuance reviews should verify:
• The allocation and tracking of proceeds to eligible projects • The continued eligibility and alignment of financed projects • The consistency of reporting with the original framework commitments • The accuracy of reported figures and the reliability of the methodologies used to calculate environmental and/or social performance indicators	• The performance of each KPI against the corresponding SPT • Any adjustment to the financial and/or structural characteristics of the instrument resulting from the achievement or non-achievement of SPTs • The transparency, consistency, and reliability of KPI reporting • Any material changes to KPI methodologies, reporting perimeters, baselines, or SPT calibration • The consistency of reporting with the issuer's original sustainability commitments

General legal and regulatory requirements for GSS+ (and vanilla) bond issuances

GSS+ bond issuances must comply not only with the applicable international principles and standards, but also with all legal, regulatory, and listing requirements of the jurisdiction where the securities are issued. This includes compliance with securities legislation, registration requirements, disclosure obligations, stock exchange rules, and clearing and settlement procedures.

Issuers are generally required to provide evidence of legal incorporation, obtain approval from the relevant securities regulator, prepare and disclose a prospectus or information memorandum, appoint registrars and transfer agents, and satisfy the requirements of the relevant stock exchange and clearing system.

In Trinidad and Tobago, bond issuances listed on the TTSE are subject to a specific set of legal and regulatory requirements that apply to all instruments, including GSS+ labelled instruments.

The general issuance process begins with the issuer engaging financial advisors, legal counsel, arrangers, and other stakeholders to determine the structure and objectives of the issuance. In the Trinidad and Tobago market, the listing application must be submitted through a sponsoring stockbroker acting as Lead Broker, who is responsible for submitting the application and supporting documentation to the TTSE on the issuer's behalf. The issuer then identifies the key characteristics of the bond, including the amount, tenor, coupon structure, and intended investor base. Supporting documentation is prepared, including the prospectus, board approvals, financial statements, and other regulatory filings required for the offer and listing process.

Once the documentation is finalised, the issuer submits the necessary applications to the securities regulator, the TTSEC, for regulatory approvals, and to the stock exchange, the TTSE, for listing approvals. The listing application submitted to the TTSE must include, among other items: the bond's key financial characteristics, including face value, coupon rate, interest rate type, maturity date, tenor, frequency of coupon payments, coupon payment dates, day count convention, issue price, and issue currency; a certified extract of the board minutes authorising the application to list; certified copies of the issuer's Memorandum and Articles of Association and incorporation documents; audited financial statements for the prior three years where available; evidence of the appointment of a registrar and transfer agent or sub-registrar in Trinidad and Tobago; and a completed and signed listing agreement.

Note: This list of requirements for listing on the TTSE is not exhaustive, and prospective issuers are required to comply with applicable law and the TTSE's rules.

After receiving the required approvals, the issuer publicly discloses the offering documentation and proceeds with the placement and issuance of the instruments in the market.

Following issuance, the issuer must comply with ongoing obligations, including reporting, disclosure, transparency, and investor communication requirements throughout the life of the bond. For GSS+ labelled instruments, these ongoing obligations extend beyond the standard requirements applicable to conventional instruments and include the allocation reporting, impact reporting, and post-issuance external verification commitments described in **Chapter 5** of these guidelines.

5. Reporting and transparency

Transparent and regular reporting is a fundamental element of the credibility and integrity of GSS+ labelled financial instruments. Reporting enables investors and other stakeholders to assess whether the proceeds of the instrument are being managed in accordance with the commitments established at issuance and whether the expected environmental and/or social objectives are being achieved. Reporting also supports market transparency, comparability, accountability, and investor confidence in sustainable finance instruments.[35]

Issuers of GSS+ labelled financial instruments are therefore encouraged to establish clear reporting practices and publicly disclose relevant information throughout the life of the instrument. Reporting should be made easily accessible through the issuer's website and other appropriate communication channels.

Reporting obligations and recommended disclosures may vary depending on the type of GSS+ instrument issued, particularly between UoP instruments and sustainability-linked financial instruments. Nevertheless, in all cases, reporting should be based on principles of transparency, consistency, materiality, and reliability. These reporting guidelines are in addition to the disclosure regime under chapter 83:02 of the Securities Act and the TTSE's rules and are specific to GSS+ labelled instruments.

Allocation reporting for use of proceeds instruments

Issuers of green, social, sustainability, blue, resilience, transition, or other UoP GSS+ labelled financial instruments should provide regular reporting on the allocation of proceeds until full allocation has been achieved and, where relevant, thereafter in the event of material developments. Allocation reporting should be published at least annually and remain available throughout the life of the instrument.

Allocation reports should provide investors with clear information regarding how the proceeds raised through the financial instrument have been allocated to eligible projects and activities. The reporting should be consistent with the issuer's framework and the commitments established at issuance.

Issuers are encouraged to disclose the total amount of proceeds raised, the percentage allocated to eligible projects and activities, and, where applicable, the balance of unallocated proceeds and how these are temporarily managed. Disclosure should also include a list or description of the eligible projects and activities financed or refinanced, as well as the amounts allocated to each project category, sector, geography, or type of expenditure, where feasible. In addition, issuers should report the share of financing versus refinancing and disclose any material changes to the allocation process, project portfolio, or framework.

Additionally, they should maintain robust internal systems capable of tracking and documenting the allocation of proceeds throughout the life of the financial instrument. Proceeds are expected to be allocated within 36 months of issuance as a target best practice timeline. Where full allocation cannot be achieved within this period, issuers are encouraged to disclose the reasons for the delay and provide an updated expected allocation timeline in subsequent reports.

Where confidentiality agreements, commercial sensitivities, or a large number of underlying projects limit the level of detail that can be disclosed, issuers may present information on an aggregated basis, provided that transparency and the integrity of reporting are maintained.

Reporting for sustainability-linked financial instruments

For sustainability-linked financial instruments, reporting should focus on the issuer's performance against the selected KPIs and corresponding SPTs. Reporting enables investors to assess whether the issuer is progressing towards the predefined sustainability objectives and whether any financial or structural adjustments to the instrument are triggered.

Issuers of sustainability-linked financial instruments should publish reporting at least annually and for any date or period relevant to the assessment of SPT performance. Reporting should remain publicly available throughout the life of the instrument and until the final SPT observation date has passed.

Issuers are encouraged to disclose up-to-date information on the performance of each KPI, including the calculation methodology and reporting perimeter, as well as the baseline values and historical reference data used to assess performance improvements. Disclosure should also cover the level of achievement against each SPT and the corresponding observation periods, supported by verification or assurance reports confirming KPI performance and SPT assessment. In addition, issuers should report any resulting adjustment to the financial and/or structural characteristics of the instrument, including the timing and magnitude of such adjustments, as well as any recalculations, methodological changes, or revisions to baselines, reporting boundaries, or assumptions. Relevant updates regarding the issuer's sustainability strategy, governance, or implementation measures related to the achievement of the SPTs should also be disclosed.

Where annual quantitative information is unavailable or materially affected by exceptional circumstances, issuers should provide a transparent explanation of the main factors affecting KPI performance and any implications for the sustainability-linked structure of the instrument.

Impact reporting

Impact reporting is a distinct layer of disclosure, separate from allocation and KPI/SPT reporting, focused on communicating the real-economy environmental and/or social outcomes associated with the instrument. It is considered an important component of market good practice, as it enhances transparency regarding the real-economy outcomes associated with GSS+ financing and enables investors and stakeholders to better understand the contribution of the instrument to achieving sustainability objectives.

In line with the [ICMA Harmonised Framework for Impact Reporting for Green Bonds] and the [ICMA Harmonised Framework for Impact Reporting for Social Bonds], issuers are encouraged to report both qualitative and quantitative performance indicators, where feasible, using recognised harmonised methodologies and transparent calculation approaches. Impact reports should clearly describe the methodology, scope, assumptions, and data sources used, as well as the reporting period and the criteria applied for the inclusion of projects or activities.

For green and environmental projects, impact reporting may include information related to GHG emissions reduced or avoided, renewable energy capacity installed or rehabilitated, renewable energy generated, energy savings achieved, water saved or treated, waste reduced or recycled, ecosystems protected or restored, and climate adaptation or resilience-related outcomes, such as hurricane-resistant buildings and infrastructure, drought-resistant agriculture, or flood-resilient communities. Where appropriate, issuers may also disclose the estimated lifetime impact of financed projects and the methodologies used to calculate environmental performance indicators.

ICMA Harmonised Frameworks for Impact Reporting

The ICMA Harmonised Frameworks for Impact Reporting are the leading international reference tools for standardising post-issuance impact disclosure across GSS+ bond markets. They were developed to address a core challenge in sustainable finance: the lack of consistency and comparability in the way issuers report on the real-economy outcomes of their instruments.

These frameworks are structured to apply to any type of issuer and designed to be compatible with different approaches to the management of proceeds. They provide core principles and recommendations for reporting that are applicable across all instrument types and sectors, as well as sector-specific impact metrics and reporting templates covering all green project categories included in the GBPs and social project categories under the SBPs. They also include illustrative summary templates in Excel format that issuers can adapt to their own circumstances, together with guidance on output, outcome and impact indicators. This guidance distinguishes between expected and achieved results and encourages year-on-year trend analysis where possible.

For social projects, issuers should identify the target populations expected to benefit from the financed activities and explain the rationale for their selection, particularly where projects are intended to support underserved, vulnerable, or marginalised groups.

For sustainability-labelled instruments financing a combination of environmental and social projects, issuers are encouraged to adopt an integrated approach to impact reporting that reflects both dimensions of sustainability in a balanced and transparent manner.

Where feasible, impact reporting should be supported by external verification, assurance, or review processes to strengthen the reliability and credibility of disclosed information and reinforce investor confidence in the environmental and/or social outcomes associated with the instrument.

Verification and transparency considerations

To strengthen the credibility and reliability of reporting practices, issuers are encouraged to obtain post-issuance external verification or assurance over allocation reporting, KPI/SPT performance reporting, and impact reporting, where appropriate. Independent verification supports investor confidence and helps demonstrate continued alignment with the commitments established at issuance.

Issuers should also ensure that reporting remains consistent, comparable, and decision-useful over time. Any material changes affecting the framework, eligible projects, KPIs, methodologies, baselines, or reporting assumptions should be transparently disclosed to investors as soon as reasonably practicable.

In line with international good market practice, reporting should remain publicly accessible throughout the life of the GSS+ labelled financial instrument. Issuers are encouraged to leverage recognised transparency and disclosure platforms to facilitate investor access to information. To support this, the Green Bond Transparency Platform (GBTP) provides a centralised platform through which issuers can disclose allocation, impact, and post-issuance reporting information in a structured and comparable format.

The use of platforms such as the GBTP can support greater transparency, standardisation, and accessibility of information for investors and market participants, while also helping issuers demonstrate alignment with recognised market practices and strengthen the credibility of their GSS+ labelled financial instruments.

Post-issuance reporting and data transparency

The IDB has created the GBTP to strengthen transparency, harmonise post-issuance reporting practices, and address challenges related to the accessibility and comparability of sustainable bond data. The platform is public and free, and data is uploaded directly by issuers and external reviewers of thematic debt instruments, ensuring credible, standardised, and decision-useful information for investors and market participants. It standardises financial instrument reporting across GSS+ bonds, including detailed data on use of proceeds, financed projects, key impact indicators, and supporting documentation. The platform also offers the clients visibility in international markets.

The GBTP promotes alignment with international market standards (ICMA and the Climate Bonds Standard) and encourages greater data integrity and transparency across the sustainable capital market. Recognised as the Initiative of the Year at the Green Bond Awards in 2022, the platform has become a leading regional reference for post-issuance reporting in LAC. Since its launch in April 2021, the GBTP has onboarded more than 100 issuers and published reporting for over 200 thematic bond transactions across the region.

6. Internationally recognised standards

A taxonomy is a classification system that defines and categorises economic activities based on their environmental and/or social characteristics and sustainability impacts. Thus, a taxonomy provides a common language and framework for identifying and assessing sustainable investments, projects, and financial products.[36]

Classification systems and taxonomies relevant to the Trinidad and Tobago context

Sustainable finance taxonomies can be a relevant tool that can support issuers, investors, external reviewers, and market authorities in assessing whether projects, assets, or activities are aligned with credible environmental and social objectives. Unlike standards, which focus mainly on issuance processes, taxonomies provide classification systems for determining which economic activities may be considered sustainable under defined objectives, criteria, and thresholds.

Such instruments can serve as complementary references that can help strengthen project selection, eligibility assessment, transparency, and comparability. This is particularly relevant for an emerging GSS+ market such as Trinidad and Tobago, where issuers may benefit from practical tools to identify eligible projects, substantiate their eligibility claims, avoid greenwashing risks, and communicate alignment with recognised sustainability objectives to domestic and international investors.

The following taxonomies are of particular relevance for issuers and market participants in Trinidad and Tobago, spanning international frameworks, relevant regional references, and an emerging Caribbean-specific initiative.

Climate Bonds Taxonomy

The Climate Bonds Taxonomy was the first guide to climate-aligned projects and assets. Currently it is a tool for issuers, investors, governments, and municipalities to understand the key investments that will deliver a low-carbon economy.

The taxonomy is grounded in the latest climate science and defines clear inclusion and exclusion criteria for assets and activities across eight categories: energy; transport; water; buildings; land use and marine resources; industry; waste and pollution control; and information and communications technology (ICT). For each category, the taxonomy sets out asset types, asset-specific characteristics, decarbonisation trajectories, and screening indicators that determine eligibility for green bond certification under the Climate Bonds Standard.

The taxonomy is designed to be used as an initial screen for clear inclusions and exclusions across sectors, based on climate science and 2°-aligned scenarios. It serves as an important resource for common green definitions across global markets, supporting the growth of a cohesive thematic bond market.

Climate Bonds Resilience Taxonomy

The CBRT is the first comprehensive international framework specifically designed to classify and assess investments that contribute to climate adaptation and resilience.

The taxonomy is structured around seven climate resilience themes: resilient infrastructure, resilient cities and settlements, resilient health systems, resilient agrifood systems, resilient natural systems, resilient industry and commerce, and resilient social systems, spanning sectors such as energy, transport, water, health, agriculture, natural systems, and cities. Within this structure, the CBRT identifies more than 1,400 potential investments, categorised as either adapting measures and adapted activities (investments that make a specific asset or activity more climate resilient) or enabling measures and enabling activities (investments that make other activities more climate resilient).

To be eligible under the CBRT, an investment must meet three key requirements: (i) it must make a substantial contribution to climate resilience; (ii) it must manage any potential maladaptation risks; and (iii) it must do no significant harm (DNSH) to climate change mitigation objectives and other environmental and social goals. The resilience criteria based on the CBRT are now available through the Climate Bonds Standard v4.3, offering issuers a formal Certification route for resilience-aligned instruments.

European Union Taxonomy for Sustainable Activities

The European Union (EU) Taxonomy for Sustainable Activities is the most comprehensive regulatory classification system currently available for environmentally sustainable economic activities. It serves as an important international reference point and is increasingly cited by global institutional investors when assessing the credibility of sustainable finance frameworks and the robustness of issuer eligibility assessments.

The EU Taxonomy defines six environmental objectives: (i) climate change mitigation; (ii) climate change adaptation; (iii) sustainable use and protection of water and marine resources; (iv) transition to a circular economy; (v) pollution prevention and control; and (vi) protection and restoration of biodiversity and ecosystems. An activity is considered environmentally sustainable if it makes a substantial contribution to at least one of these objectives, does no significant harm (DNSH) to any of the others, and meets minimum social safeguards. The DNSH and minimum-safeguards concepts underlying the EU Taxonomy are broadly consistent with the eligibility principles applied across the other taxonomies described in this section.

For issuers in Trinidad and Tobago seeking to attract international institutional investors (particularly European asset managers, development finance institutions, and impact investors), familiarity with the EU Taxonomy's structure and criteria can support stronger project selection and disclosure practices, even where formal alignment with its technical screening criteria is not claimed. The EU Taxonomy may also serve as a benchmark reference when developing or refining a Trinidad and Tobago-specific sustainability classification framework in the future.

Dominican Republic Green Taxonomy

The Dominican Republic Green Taxonomy is a particularly relevant regional reference for Trinidad and Tobago because it is the first green taxonomy published in the Caribbean region and is highly oriented towards sustainable blue economic activities. It was launched in June 2024 by the Securities Market Superintendency and the Ministry of Environment and Natural Resources, with support from the International Finance Corporation (IFC), and is intended to help investors, companies, and other market participants identify strategic investment opportunities aligned with the country's environmental objectives.

The taxonomy is structured around environmental objectives such as climate change adaptation, climate change mitigation, water and water resources, ecosystems and biodiversity, pollution prevention, and circular economy. Its first phase covers seven sectors: energy, waste management and emissions capture, construction, transport, water supply and treatment, ICT, and industry.

Guatemala Sustainable Finance Taxonomy

Guatemala provides two useful references for TTSE: a Green Finance Taxonomy and a Social Finance Taxonomy. The Green Finance Taxonomy establishes a common language to identify and classify investments and financial products as 'green', with the purpose of mobilising capital towards activities that contribute to climate change adaptation and mitigation. Its priority objectives include climate adaptation, climate mitigation, pollution prevention and control, circular economy, and the sustainable use and protection of natural resources. Its priority sectors include construction, energy, industry, waste, agriculture, water, ICT, and transport.[37]

Guatemala's Social Finance Taxonomy is also relevant for the development of social and sustainability labelled instruments in Trinidad and Tobago. Launched in 2025 by IDB Invest, the Sustainable Finance Advisory Council of Guatemala and CentraRSE, it helps identify projects with positive social impact, particularly those that strengthen MSME competitiveness and productivity, improve access to finance for vulnerable populations, and attract impact capital through thematic instruments. Its priority social objectives include financial inclusion for MSMEs, productivity and competitiveness of MSMEs, inclusion of women-led businesses and indigenous entrepreneurship, broader social inclusion, access to basic services, and gender equality as a cross-cutting objective.[38, 39]

Caribbean Community Green Finance Taxonomy

At the regional level, the Caribbean Community (CARICOM) Green Finance Taxonomy is currently under development. In 2025, the English-speaking Caribbean entered the development phase of a regional green finance taxonomy, following an operational agreement between the CARICOM Committee of Central Bank Governors and IFC. The initiative is expected to develop guidelines and parameters to define green assets, support lending and investment for climate mitigation and adaptation, and strengthen the regional green finance ecosystem. IFC has also indicated that the process will be aligned with international best practices and market standards and informed by engagement with financial institutions, regulators, and supervisory bodies.[40]

For the TTSE, the future CARICOM Green Finance Taxonomy could become one of the most relevant regional references, as it would provide a common approach for the English-speaking Caribbean and support greater comparability across markets. Until the taxonomy is formally published, TTSE issuers may consider ICMA guidance, the Climate Bonds Taxonomy, the CBRT, the EU Taxonomy, the Dominican Republic Green Taxonomy, and Guatemala's green and social taxonomies as practical reference tools for identifying eligible activities and strengthening the credibility of labelled financial instruments.

ICMA Climate Transition Finance Handbook and Climate Transition Bond Guidelines[41]

The ICMA Climate Transition Finance Handbook and Climate Transition Bond Guidelines (CTBGs) provide a framework for issuers seeking to finance climate transition activities, particularly those operating in high-emitting and hard-to-abate sectors.

The CTBGs offer four key disclosure recommendations for issuers of transition labelled instruments: (i) the issuer's climate transition strategy and governance; (ii) the scientific soundness of the business model and activities being financed; (iii) transparency of implementation; and (iv) forward-looking targets and interim milestones aligned with a credible decarbonisation pathway. Activity types that may be eligible under transition finance frameworks include:

- Emissions reduction and energy efficiency improvements in industrial facilities, including petrochemical plants and refineries
- Methane abatement and gas-flaring reduction in oil and gas operations
- Carbon capture and storage (CCS) technologies in industrial and energy production contexts
- Production of low-carbon fuels and feedstocks for industrial decarbonisation
- Energy system upgrades, including modernisation of liquefied natural gas (LNG) processing and distribution infrastructure to reduce fugitive emissions.

For issuers in hard-to-abate sectors such as refining, petrochemicals, and LNG, the CTBGs provide a credible and transparent pathway to access the sustainable debt market while demonstrating a measurable commitment to decarbonisation. Issuers considering transition labelled instruments are encouraged to align with the CTBGs, applicable Paris Agreement-aligned sectoral decarbonisation pathways, and any relevant national climate commitments under Trinidad and Tobago's NDC.

Supplementary sustainability disclosure and risk management frameworks

Beyond classification frameworks and taxonomies, several international standards for sustainability disclosure and climate- and nature-related risk management are increasingly relevant for market participants in Trinidad and Tobago, particularly financial institutions and regulators.

Principles for Responsible Banking

Developed by the United Nations Environment Programme Finance Initiative (UNEP-FI), the Principles for Responsible Banking provide a framework for the banking sector to align strategy, portfolio composition, and practices with the United Nations SDGs and the Paris Agreement. Signatory banks commit to six principles: alignment with society's goals; impact analysis and target-setting; responsible client and customer relationships; proactive stakeholder engagement; effective governance and a culture of responsibility; and transparency and accountability. For financial institutions in Trinidad and Tobago considering GSS+ issuance, adherence to or engagement with these principles can strengthen internal sustainability governance and support the credibility of labelled bond frameworks and UoP reporting.

International Financial Reporting Standards sustainability disclosure standards

The International Sustainability Standards Board has published two foundational standards for sustainability-related financial disclosures: International Financial Reporting Standards (IFRS) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). IFRS S1 establishes general requirements for how entities disclose material sustainability-related risks and opportunities in connection with financial statements, while IFRS S2 sets specific requirements for disclosing climate-related risks and opportunities, building on the recommendations of the Task Force on Climate-related Financial Disclosures.

As jurisdictions across Latin America, the Caribbean, and globally begin to adopt or reference the IFRS sustainability disclosure standards, issuers and financial institutions in Trinidad and Tobago that align their sustainability reporting practices with these standards will be better positioned to meet evolving investor expectations and potential future regulatory requirements. It is important to note that the IFRS S1 and S2 standards are sustainability reporting standards and therefore complementary to, rather than substitutes for, the GSS+ issuance process standards (ICMA Principles, Climate Bonds Standard) described elsewhere in these guidelines.

Network for Greening the Financial System Conceptual Framework on Nature-Related Financial Risks

The Network for Greening the Financial System (NGFS) has published a Conceptual Framework on Nature-Related Financial Risks, which provides central banks and financial supervisors with guidance on understanding, measuring, and managing the financial risks arising from nature loss and biodiversity decline. The framework identifies two primary channels through which nature-related risks affect the financial system: physical risks resulting from policy and technology, and market changes associated with the shift to a nature-positive economy. The 2026 NGFS Nature Package further elaborates on supervisory expectations and scenario analysis methodologies.

For the Central Bank of Trinidad and Tobago and financial sector regulators, the NGFS framework provides a relevant foundation for integrating nature-related financial risks into prudential supervision, climate stress testing, and financial stability assessments. For issuers, awareness of nature-related risks can strengthen the robustness of green and blue bond frameworks, particularly for projects in agriculture, coastal sectors, or natural systems with significant dependencies or impacts on biodiversity and ecosystems.

Sector-to-framework reference table

To support issuers in identifying which of the above taxonomies and frameworks are most applicable to a specific sector or project type, Table 15 provides a practical sector-level mapping. This tool is intended to help bridge the gap between international classification frameworks and the Trinidad and Tobago context. It should be used as an indicative guide rather than an exhaustive or definitive eligibility assessment.

Table 15: Sector-to-framework reference table

Sector/activity type	Relevant frameworks and standards	Key eligibility considera-tions
Renewable energy	Climate Bonds Taxonomy (energy); Dominican Republic Green Taxonomy; Guatemala Green Taxonomy; EU Taxonomy (climate mitigation); ICMA GBPs	Technology-specific criteria; capacity, performance thresholds; exclusion of fossil fuel-based power
Energy efficiency	Climate Bonds Taxonomy (buildings, industry); CBRT (resilient industry and commerce); EU Taxonomy; Guatemala Green Taxonomy	Minimum energy savings (percentage vs. baseline); building energy-performance certificates; lifecycle assessment
Energy sector transition	ICMA CTBGs; Climate Bonds Taxonomy (industry); EU Taxonomy (transitional activities)	Issuer-level transition strategy; Paris-aligned decarbonisation pathway; methane abatement; CCS; no lock-in of high-carbon assets
Low-carbon transport and mobility	Climate Bonds Taxonomy (transport); Dominican Republic Green Taxonomy (transport); EU Taxonomy; Guatemala Green Taxonomy	Zero-emission or low-emission thresholds; fleet replacement ratios; charging infrastructure coverage
Water management and treatment	Climate Bonds Taxonomy (water); CBRT (resilient infrastructure, resilient cities); Dominican Republic Green Taxonomy (water); Guatemala Green Taxonomy	Efficiency improvement targets; climate resilience stress testing; DNSH to water-body quality
Coastal and marine conservation/blue economy	IFC Blue Finance Guidelines; ICMA Blue Bond Guidance; Climate Bonds Taxonomy (land use and marine resources); CBRT (resilient natural systems); Dominican Republic Green Taxonomy (water)	Ecosystem integrity; sustainable resource-use limits; community benefit-sharing; blue carbon accounting
Nature-based solutions and biodiversity	IFC Biodiversity Finance Reference Guide; CBRT (resilient natural systems and biodiversity); Climate Bonds Taxonomy (land use); Kunming-Montreal Global Biodiversity Framework alignment	Additionality; permanence of conservation outcomes; DNSH to other ecosystems; no signifi-cant conversion of natural habitats
Agriculture and food systems	Climate Bonds Taxonomy (land use); CBRT (resilient agriculture and food systems); Guatemala green and social taxonomies; ICMA SBPs	Regenerative practices; reduced agrochemical use; smallholder inclusion; traceability of supply chains
Affordable housing and social infrastructure	ICMA SBPs; Guatemala Social Finance Taxonomy; ICMA Sustainability Bond Guidelines	Income thresholds for target populations; affordability definitions; accessibility standards; social impact reporting
MSME finance, financial inclusion, and women-led enterprises	Guatemala Social Finance Taxonomy; ICMA SBPs; UNEP-FI Principles for Responsible Banking	Target population definitions (income, gender, geography); additionality vs. existing loan books; outcome indicators
Healthcare, education, and access to essential services	ICMA SBPs; Guatemala Social Finance Taxonomy; ICMA Sustainability Bond Guidelines	Beneficiary demographics; geographic reach; quality-of-service metrics; alignment with SDGs 3 and 4
Waste management and circular economy	Climate Bonds Taxonomy (waste and pollution control); Dominican Republic Green Taxonomy (waste management); EU Taxonomy (circular economy); Guatemala Green Taxonomy	Waste diversion rates; recycling vs. disposal ratios; DNSH to water and soil; landfill avoidance
ICT and digital infrastructure	Climate Bonds Taxonomy (ICT); Dominican Republic Green Taxonomy (ICT); EU Taxonomy; Guatemala Green Taxonomy	Energy efficiency of data centres; renewable energy procurement; digital inclusion outcomes for underserved communities

7. Strategic outlook: Financing Trinidad and Tobago's resilient and low-carbon future

With less than five years to achieve the goals assumed by the 2030 Agenda for Sustainable Development in its 17 SDGs, the United Nations 2025 report reinforced that challenges persist, and the pace of change remains insufficient to meet the commitments, with 35% of the goals indicating adequate progress: 18% are on track, and 17% are making moderate progress.[42]

In LAC, this progress is even slower, with only 23% of targets on track for 2030.[43] Achieving the SDGs will require a much stronger level of collective action, with international cooperation, commitment from all key stakeholders, and access to capital to deliver lasting solutions.

This situation is no different for Trinidad and Tobago, as the country stands at an important moment in its development trajectory. As a Small Island Developing State (SIDS) with an economy dependent on the production of oil and its derivatives, Trinidad and Tobago faces a wide range of simultaneous environmental, social, and fiscal challenges, with the potential to limit the achievement of the SDGs.[44]

Trinidad and Tobago's transition to a resilient, low-carbon economy requires structural change, with investments in resilient infrastructure, clean energy, innovation, climate adaptation, and social development – a move that unlocks new opportunities for the country.

Based on this scenario of challenges and opportunities, this section intends to present some strategic paths that will allow the country to strengthen its sustainable investment agenda and attract private capital for the transition.

Strategic investment pathways: Converting challenges into investments

The challenging scenario of economic dependence and limited progress towards meeting the SDG targets can be addressed as investment opportunities for Trinidad and Tobago's transition and development, with consequent potential to attract private capital that seeks to combine return and measurable positive impact.

To mitigate this, the country's National Climate Change Policy (NCCP) 2025 can serve as the definitive framework for this approach, by providing policy and strategy guidance for the country's climate action and acting as a reference in defining the objectives to be pursued by local agents. Among the main objectives of the NCCP are:[45]

- Reduce or avoid GHG emissions from all emitting sectors in accordance with NDCs commitments
- Enhance existing carbon sinks
- Protect the natural environment and human health while ensuring improved quality of life, with equitable opportunities
- Implement urgent actions to build resilience and improve adaptive capacity
- Facilitate the just movement/transition from an extractive economy towards a low-carbon regenerative economy
- Enhance agricultural production and food security.

By providing a strategic framework for the transition to a low-carbon and resilient developed economy for Trinidad and Tobago, the NCCP indicates to public and private actors operating in the country a path to seek economic opportunities that also generate social and environmental value.

Strategic economic sectors and activities for the transition to a low-carbon and resilient developed economy

Grounded in the NCCP's strategy for GHG mitigation and adaptation and resilience-building, the following strategic pathways shed light on opportunities that could develop into a strategic investment pipeline for the country, for which financing can be mobilised through labelled debt instruments, in line with the concepts and processes outlined in these guidelines.

Renewable and alternative energy, and low-carbon mobility

This pathway aims to scale up the production and use of renewable energy and low-emission alternative sources through regulatory reforms, tax incentives, and public–private partnerships, with the goal of achieving 30% renewable energy production on the grid by 2030.

In this pathway, the need to build a pipeline of investment opportunities in power generation, green hydrogen, electric vehicle infrastructure, and industrial decarbonisation is foreseen. The objective to reduce public transportation emissions by 30% by 2030 and total transportation emissions by 50% by 2035 presented in Trinidad and Tobago's NDC also demonstrates the need to invest in public and private fleet electrification to meet this target.

Energy efficiency and conservation

This pathway promotes energy efficiency and energy demand management in buildings and industrial operations by meeting local and international building standards and requirements, developing tax incentives to encourage energy efficiency measures, and market development.

In this pathway, the need to build a pipeline of investment opportunities in efficient buildings, cooling, retrofits, and efficient public lighting is foreseen. There are multiple benefits provided by energy efficiency investments beyond cost savings. Although there are important differences across countries and sectors, the International Energy Agency estimates the average payback period of energy efficiency measures in SMEs in the United States to be less than two years.[46]

Green and blue carbon sinks and reservoirs

This pathway points to the protection, restoration, and sustainable management of terrestrial and marine ecosystems as critical activities for efficient and sustainable climate action, using policy structures, tax incentives, and innovative financing mechanisms as support tools.

In this pathway, investments in forest conservation (including mangrove forests) and conservation of marine ecosystems, recovery of degraded lands, and quantification of carbon sequestration are key to maximise the carbon sequestration potential of the country's territory. Although financing models for this type of investment still rely on concessional capital, new business models that can incorporate the payments for the ecosystems services they provide can be developed to unlock other sources of private capital through blended finance structures.

Resilient and adaptive capacity

SIDS are particularly vulnerable to adverse impacts of climate change, and promoting an adapted and resilient economy is key to the survival and viability of their people, natural ecosystems, and overall sustainable development.[47] To address this vulnerability, this pathway strengthens the adaptive capacity of communities, ecosystems, and infrastructure through nature-based solutions or structural engineering interventions.

This pathway foresees investments in green infrastructure practices, climate-smart agricultural practices (i.e., integrated production systems, reducing inorganic fertilisers, and avoiding soil compaction, among others), preventive maintenance programmes, and community-based capacity-building to mainstream climate change impacts and solutions.[48]

Climate finance

Public funding alone will not be sufficient for Trinidad and Tobago to achieve the objectives set out in the NCCP. Thus, scaling up climate action will also depend on the mobilisation of capital through the private sector and multilateral finance.

In this context, the NCCP points to other mechanisms that can be driven by the government to combine different sources of capital. They include, for example, the development of a national taxonomy, improvement of the transparency and monitoring system, and the periodic updating of investment planning in line with the NDC.

To increase the mobilisation of private capital, the NCCP suggests, for example, that financial institutions should be encouraged to develop low-interest loans and mortgages that support climate action and resilient development, at both the corporate and the domestic level. At the same time, it emphasises the importance of establishing and/or participating in innovative financial mechanisms that utilise blended finance to de-risk private sector investment into priority areas.

The NCCP explicitly recognises the role of capital markets in mobilising private capital, indicating that the use of green and blue instruments, as well as other climate-focused financial instruments, should be explored to unlock private capital and channel investments to priority sectors.

Among the resource options for climate finance, capital from multilateral institutions is also expected to play a complementary role, especially in supporting the development of early-stage projects or projects requiring technical assistance. The NCCP highlights the importance of strengthening the capacity of local institutions so that they are skilled at accessing all forms of climate finance. This training can even be accelerated through the promotion of collaboration between the private sector and specialised civil society organisations.

In summary, the growth of this market will depend on a combination of factors, including a strong regulatory framework, the availability of projects, issuer readiness, investor demand, and the broader environment that facilitates it. Achieving this will also require the active and collaborative engagement of stakeholders across the market ecosystem, with these guidelines intended to be a practical contribution to this process.

Financing the transition

The climate transition can be broadly understood as the process of transformation from an emissions-intensive economy to an economy aligned with low-carbon trajectories. This movement does not happen in a linear or immediate way, but involves, at the same time, the expansion of climate solutions, the progressive reduction of emissions in existing activities, and, in some cases, the gradual replacement of activities that are not compatible with a long-term scenario of climate neutrality. In this context, transition finance emerges as a central element, directing capital to sectors and activities that are not yet low-carbon but that need significant and long-term investments to decarbonise, especially those considered difficult to abate.[49]

A key challenge in operationalising transition finance is balancing flexibility with credibility. In this context, the development of a local taxonomy can be considered an important step to support and structure the transition by providing a clear and practical framework for defining and classifying climate-aligned activities. This includes supporting the scale-up of climate solutions that will drive the transition, the rapid decarbonisation of existing high-emitting activities that remain economically relevant, and the gradual phase-down of activities for which low-carbon alternatives are already available, while enabling short-term emissions reductions where needed to facilitate this shift.[50]

As highlighted in the Government of Trinidad and Tobago's Budget Statement 2025, while the energy sector will remain a central contributor to the country's economic stability in the near term, there is also a clear recognition of the need to strengthen and expand the non-energy sector as a means of building resilience in the face of declining resources and external volatility.[51]

This points to an important opportunity to position the transition as a long-term development strategy, rather than a short-term adjustment. In this context, transition finance can play a catalytic role by supporting both the decarbonisation of existing industries and the development of new areas of economic activity, helping to lay the foundation for a more resilient, diversified, and future-ready economy.

The social dimension

The climate transition in Trinidad and Tobago is closely linked to the dynamics of the country's social and economic development. Beyond financial mobilisation, the success of the country's development strategies in all its dimensions will depend on how well they address structural inequalities and expand economic participation, especially among MSMEs, women, youth, and vulnerable populations. In this context, the national development agenda must emphasise the importance of inclusive growth models that integrate social protection and strengthening human capital.[52]

To advance its economic and social development agenda, Trinidad and Tobago signed the United Nations Multi-Country Sustainable Development Cooperation Framework (MSDCF) 2022–2026 in 2025. The MSDCF is the United Nations development framework for the Caribbean region that aligns the organisation's support with Trinidad and Tobago's national priorities and the SDGs, enabling coordinated action on economic and social development.[53]

For Trinidad and Tobago, the cooperation strategy under the MSDCF was designed based on the alignment between the United Nations instruments and the priority areas defined for the country's development, including, among others: [54]

- **Priority Area 1:** Shared prosperity and economic resilience
  - Strengthening community access to clean, reliable solar power
  - Expanding digital access for all
  - Modernising public sector digital payment options
  - Enhancing the enabling environment for scalable e-commerce growth
  - Scaling digital literacy to improve public governance and economic opportunity
  - Strengthened national capacity for detection of and response to animal disease outbreaks
- **Priority Area 2:** Equality, well-being, and leaving no one behind
  - Reducing child poverty through evidence-based social protection
  - Tackling youth unemployment
  - Modernising neonatal care through infection prevention and control
  - Improving access to essential medicines
  - Embedding core health services into national disaster response
  - Stabilising vulnerable households through food support.

Complementing this, another key reference for incorporating the social dimension into the sustainable finance discussion in Trinidad and Tobago is the country's Vision 2030 National Development Strategy. It provides a longer-term perspective, emphasising investments, for example, in affordable housing, healthcare, education, and support for vulnerable populations, particularly under its 'Putting People First' development theme. By drawing on these frameworks as reference points, social bond issuances can better connect capital market activity with national priorities, helping to scale investments in areas that support inclusive and resilient development outcomes.[55]

The financial system and capital markets can play a key role as enablers of a just and inclusive transition. By mobilising private capital and channelling investments to priority sectors aligned with the country's priorities, financial instruments such as green, blue, social, and sustainability instruments, blended finance structures, and bank loans can help scale climate action while simultaneously expanding access to economic and social development opportunities. If properly designed, these mechanisms can support MSMEs, strengthen communities' livelihoods, and finance interventions in areas such as health, education, and social protection, ensuring that climate investments also bring tangible social benefits. This integrated approach reinforces the idea that climate finance is not just about financing environmental outcomes, but also about accelerating inclusive economic development and improving the well-being and resilience of the population in Trinidad and Tobago.

Perspectives from stakeholder consultations

The development of these guidelines included structured consultations with a range of different stakeholders in Trinidad and Tobago. Perspectives gathered across five stakeholder sessions held between March and June 2026, with representatives from the TTSEC, the Central Bank of Trinidad and Tobago, relevant ministries, and a range of market participants, including brokers, issuers, banks, investors, and non-profit organisations engaged in GSS+, indicate that Trinidad and Tobago's regulatory and policy landscape provides a solid foundation for the sustained development of a GSS+ market. The existing legislative framework allows market participants to structure and issue GSS+ instruments without waiting for new regulation. There is already institutional momentum around the development of the GSS+ market – for example, through discussions on local taxonomy and incorporating risks and opportunities of the climate agenda into the assessment of financial institutions. In addition, sovereign demand for labelled issuances is an alternative under discussion.

The stakeholders consulted also identified several concrete opportunities to accelerate market issuances. On the issuer side, there is strong potential to scale labelled operations: training, offering technical assistance, and discussing the value proposition of emissions by evaluating financial benefits and costs. On the investor side, there is an opportunity to actively increase demand for labelled securities: demonstrating where GSS+ instruments fit into existing investment mandates and discussing in structured roadshow rounds how sustainable projects, with financial return and socio-environmental impact, can be incorporated into portfolios.

Looking ahead, perspectives have converged around a shared agenda: putting GSS+ instruments on the national policy agenda, investing in capacity-building for both issuers and investors, and using targeted market engagement to connect participants across the ecosystem and identify where demand exists. Tax incentives for GSS+ issuers have also been raised as a measure that could significantly stimulate listings and support market depth. These guidelines are designed to support just such an agenda by providing the common language, practical tools, and a credible framework that market participants need to move from interest to action.

Climate Bonds toolkit

In this context of discussion of the strategic perspective for financing a resilient and low-carbon future for Trinidad and Tobago, it is important to emphasise the importance of aligning such plans or strategies with recognised international frameworks, whenever possible. Climate Bonds offers a robust, science-based toolkit to support the development of investment strategies aligned with the most ambitious climate goals. These frameworks are grounded in climate science and are designed to ensure consistency, transparency, and integrity in financial markets.

This toolkit can play a key role in the process of accessing climate finance, from defining the criteria that identify what can be classified as green or sustainable to monitoring the use of proceeds after the debt issuance. The toolkit can support governments and market participants in identifying and structuring a pipeline of eligible projects, guiding financial institutions in analysing their portfolios and aligning with climate objectives, and assisting issuers and investors in the due diligence process of issuing labelled debt instruments such as green, blue, social, and sustainability instruments. By providing the clear definitions and boundaries, the toolkit helps reduce ambiguity, mitigate greenwashing risks, and facilitate the mobilisation of capital for climate action.

Strategic outlook: Conclusion

With a national climate change policy in place and public commitments made through its recent NDCs, Trinidad and Tobago presents the policy foundation to drive its trajectory towards a just transition to a resilient, low-carbon economy. From there, it is important to properly direct or signal the incentives to encourage all agents (public and private) to fulfil the commitments assumed by the country.

Regarding the volume of investments for the transition, the recently published NDC does not yet present an implementation and investment plan. However, the NDC indicates that there is a future commitment to disclose this information. For reference, the previous Trinidad and Tobago NDC Implementation Plan pointed to an estimated cost of USD2bn – around 8% of the 2024 gross domestic product (GDP) – divided between USD1bn in power generation, USD0.7bn in transport, and USD0.3bn in the industry sector.[56, 57] Considering the proportion of GDP estimated to achieve the NDCs, it is possible that alternative forms of financial support such as the GSS+ instruments should be used to support all required investments.

In this scenario, private capital should be an integral part of this transition. Considering that the cumulative volume of GSS+ instruments originating from the LAC region was USD250–300bn by 2025, it is evident that this market is available to accelerate investments aligned with climate commitments.[58] Economies and countries that are better prepared to attract this capital can accelerate its transformation and development. These guidelines and their consequent use are intended to be a further signal of Trinidad and Tobago's readiness to attract the necessary capital for this transition.

Annexes

1. Trinidad and Tobago Stock Exchange listing requirements checklist as at 30 June 2026

To be eligible to list government or corporate bonds on the Trinidad and Tobago Stock Exchange (TTSE), the applicant must submit the following documents, where applicable:

Legal requirements
The issuer must provide evidence that it has been formed and registered under the appropriate legislation to which it is subject. Issuers incorporated in Trinidad and Tobago must be registered as companies under the Companies Act. Issuers incorporated outside Trinidad and Tobago must be registered as external companies under the Companies Act.

Registration
The issuer must provide evidence that it has been registered as a reporting issuer and that its securities have been registered with the Trinidad and Tobago Securities and Exchange Commission (TTSEC).

Prospectus
The issuer must submit a prospectus that has been approved by the TTSEC. Bonds issued by the Government of Trinidad and Tobago must submit an information memorandum that has been approved by the TTSEC. An issuer that is cross-listing on the TTSE must submit an information memorandum that has been approved by the TTSEC. The prospectus or information memorandum must be submitted to the TTSE for review before a final version is submitted to the TTSEC. The primary concern of the TTSE in this regard is to ensure that all required information is disclosed to enable the potential investor to make an accurate assessment of the securities being offered for sale.

Classes of securities
All securities issued in a particular class must be listed.

Transferability
All securities must be freely transferable.

Registrar and transfer agent
An issuer incorporated under the laws of Trinidad and Tobago must appoint a registrar and transfer agent in Trinidad and Tobago. An issuer that is not incorporated under the laws of Trinidad and Tobago but issues securities in Trinidad and Tobago must appoint a sub-registrar in Trinidad and Tobago.

Clearing and settlement
The issuer must submit an application to become a participant of the Trinidad and Tobago Central Depository Limited (TTCD) to facilitate the clearing and settlement of transactions executed on the TTSE.

Auditor
The fund must appoint an independent auditor to carry out the audit of its annual financial statements.

Private placements
In the case of bonds issued via limited offering, the issuer must provide evidence that it has been granted exemptions from the prospectus requirements pursuant to section 79 of the Securities Act (2012).

Credit rating
In the case of an initial public offer of corporate bonds above TTD75m, the issuer may have to be rated by a recognised rating agency subject to the discretion of the Board of the TTSE.

Government and corporate bond market listing application
The following documents and information must be submitted by a sponsoring stockbroker, along with an application to list:

1. Name of issuer
2. International Securities Identification Number (ISIN) (if available)
3. Listing date
4. Face value of bond
5. Coupon rate
6. Interest rate type (fixed or variable)
7. Maturity date
8. Tenor
9. Frequency of coupon payments
10. Coupon payment dates
11. Day count convention for interest payments
12. Issue price
13. Issue currency
14. Evidence that a registrar and transfer agent or sub-registrar has been appointed
15. A completed and signed listing agreement
16. Evidence that the security and issuer have been registered with the TTSEC
17. A certified extract of the Board minutes authorising the application to list the bond on the TTSE
18. A certified copy of the issuer's Memorandum and Articles of Association
19. A certified copy of the incorporation documents for the issuer
20. A copy of audited financial statements for the prior three years where available
21. Evidence that a bond that was issued via limited offering has been granted an exemption from the prospectus requirements pursuant to section 79 of the Securities Act (2012) (if applicable)
22. A credit rating issued by a recognised rating agency subject to the discretion of the Board of the TTSE.

Note: Requirements 14–22 are not applicable to bonds issued by the Government of Trinidad and Tobago.

If the new listing application is approved by the TTSE Board of Directors, the following should be subsequently submitted:

- The applicable listing fees and the remaining balance of the admission fee
- A signed TTSE bond listing agreement
- A signed TTCD issuer participant agreement
- A signed TTCD registrar/sub-registrar agreement.

Note: Where a copy of an original document is submitted, this copy must be duly certified as a true copy of the original by the Lead Broker, a Commissioner of Affidavits, or a Notary Public.

2. Frequently asked questions

What should an issuer consider before issuing a green, social, sustainability, or sustainability-linked (GSS+) instrument?

Before starting the issuance process, issuers should have a clear sustainability strategy that supports the selection of the label. For use of proceeds (UoP) instruments, this means identifying eligible green and/or social projects. For sustainability-linked instruments, this means selecting material key performance indicators (KPIs), ambitious sustainability performance targets (SPTs), and the related financial or structural characteristics. Issuers should also establish an internal working group involving, as relevant, finance, treasury, sustainability, legal, risk, operations, investor relations, and reporting teams.

What is the difference between UoP instruments and sustainability-linked instruments?

UoP instruments finance or refinance eligible projects, assets, activities, or expenditures with environmental and/or social benefits. This includes green, social, sustainability, and blue bonds. Sustainability-linked instruments are not tied to specific eligible projects; instead, their financial or structural characteristics are linked to the issuer's achievement of predefined sustainability performance targets.

How should an issuer choose the most appropriate label?

The label should reflect the instrument's primary objective and structure and should be dependent on the issuer's sustainability strategy and objectives. A green label is appropriate where proceeds are dedicated to environmental projects; a social label where proceeds finance social projects; a sustainability label where proceeds combine green and social projects; and a sustainability-linked label where the instrument is tied to measurable sustainability targets. Blue instruments are generally treated as a sub-category of green or sustainability instruments focused on sustainable marine and coastal activities.

How long does it take to prepare the due diligence to issue a labelled financial instrument?

The timeline depends on the issuer's internal readiness, transaction complexity, data availability, governance arrangements, external review process, and listing requirements. As a practical reference, preparation may take between several weeks and a few months, particularly where the issuer needs to develop a new framework, identify eligible projects, define KPIs, or establish reporting systems for the first time.

Are GSS+ instruments priced differently from conventional bonds?

Pricing is generally determined by the same market factors as conventional bonds, including issuer credit quality, tenor, currency, liquidity, market conditions, and investor demand. The sustainability label does not replace credit analysis, but a credible and well-structured instrument can broaden the investor base, improve transparency, and support investor engagement.

What standards should issuers use?

For the Trinidad and Tobago market, issuers should primarily refer to the International Capital Market Association (ICMA) voluntary market standards: the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and Sustainability-Linked Bond Principles. Issuers may also use complementary tools such as the Climate Bonds Standard and Certification Scheme, sector criteria, the Climate Bonds Resilience Taxonomy, relevant national or regional taxonomies, and applicable TTSE or regulatory requirements.

What types of external review are available?

There are different types of external reviews, such as Second-Party Opinions, verification, certification, assurance, ratings, or scoring. For UoP instruments, reviews typically assess the framework, eligible project categories, project selection, management of proceeds, and reporting commitments. For sustainability-linked instruments, reviews usually assess KPI materiality, target ambition, calibration, benchmark relevance, and reporting arrangements (for more information, see Chapter 4).

Is a Second-Party Opinion required?

Market practice strongly encourages issuers to obtain an external review, especially a Second-Party Opinion before issuance, to strengthen credibility and investor confidence. Specific requirements will depend on the applicable listing rules, offering documents, investor expectations, and any future TTSE sustainable finance segment requirements.

How should proceeds be managed for UoP instruments?

Issuers should track proceeds transparently through internal systems, such as a dedicated account, portfolio tracking system, or equivalent process. They should disclose how unallocated proceeds will be managed and report periodically until full allocation.

What should be reported after issuance?

For UoP instruments, issuers should report on allocation and, where feasible, expected or actual environmental and/or social impacts. For sustainability-linked instruments, issuers should report on KPI performance, progress against SPTs, verification results, and any implications for the instrument's financial or structural characteristics.

What makes a KPI or target credible for a sustainability-linked instrument?

A KPI or target is credible for a sustainability-linked instrument when it is material to the issuer's core business, ambitious, and aligned with science-based pathways (such as the Paris Agreement), covers all relevant emission scopes (including scope 3 if material), is clearly defined and transparently disclosed (including methodologies and baselines), uses absolute or production-intensity metrics (not economic-intensity or opaque environmental, social, and governance scores), and is time-bound and measurable, subject to external assurance, and integrated with the issuer's broader transition plan, with regular, high-quality reporting on progress and any changes.

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