

Press release

Emerging Market Green Bonds Report 2024

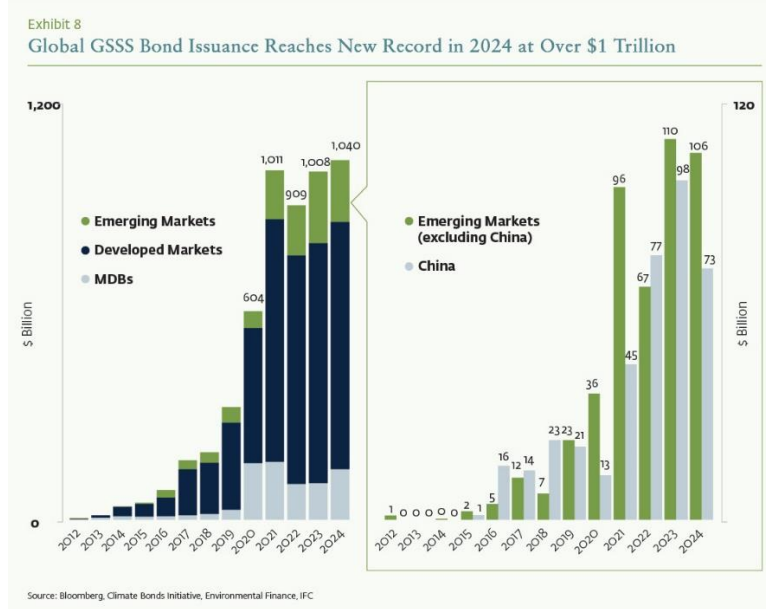
Elevated uncertainty complicates short-term forecasts, despite robust long-term outlook

IFC and Amundi published the 7th edition of its *Emerging Market Green Bonds Report*, as global GSSS bond issuance hit an all-time high of over \$1 trillion.

Paris, 5th June 2025 – Amundi, the largest European asset manager¹ and IFC, a member of the World Bank Group, have unveiled their Emerging Market Green Bonds annual report. Green, social, sustainability, and sustainability-linked bonds (GSSS) are a relatively young asset class, established with the first green bond transactions just over a decade ago. At the time of writing (April 2025), the global economy faces heightened levels of uncertainty, making it challenging to forecast near-term issuance of GSSS bonds in emerging markets. That said, underlying market drivers are apparent, such as a likely pickup in new issuance to refinance an estimated \$330 billion in bonds that are approaching maturity in next three years. On the other hand, three factors are likely to constrain new GSSS bond sales: weaker global economic growth, recent regulatory changes in Europe, and a downward sentiment among investors on Environmental, Social, and Governance.

Over the longer term, the outlook for GSSS bonds in emerging markets continues to be robust. Annual investments in clean energy that deliver greater efficiency, and supply security are likely to double in the coming years. This growth will likely be supported by an increasingly competitive renewable energy sector and ambitious commitments by multilateral institutions.

Global GSSS Bond Issuance Reached \$1 Trillion, a Record High, in 2024



¹ No 1 European asset manager based on global assets under management (AUM) and the main headquarters being based in Europe Source: IPE "Top 500 Asset Managers" published in June 2024, based on assets under management as at 31/12/2023

This analysis shows that global GSSS bond issuance hit an all-time high of over \$1 trillion in 2024 on a gross basis, up 3% from a year earlier. However, the asset class's share of total fixed income issuance declined to 2.2% in 2024 from 2.5% the previous year. This remains well above the levels of 0.6% seen in 2018.

Within emerging markets, GSSS bond sales fell 14% year-on-year. Much of this decline can be attributed to lower issuance in China as local borrowers shifted to conventional bonds in the onshore market. Another factor behind the market retreat was a 23% contraction in overall fixed income issuance in emerging markets outside China amid weaker economic growth in Asia and Europe. Despite this, GSSS bond penetration amounted to more than 5% in emerging markets outside China, a new record and ahead of the rates seen in China and in developed markets.

In terms of pricing, the so-called green premium or “greenium” (a yield discount for issuers of GSSS bonds) more than halved to an estimated 1.2 basis points in 2024 from 2.5 bp in 2023, according to Amundi calculations. For emerging markets, meanwhile, the greenium effectively disappeared in 2024 as supply caught up with demand for this type of asset.

Increasing Diversification

Cumulative global GSSS bond issuance between 2018 and 2024 reached approximately \$5.1 trillion. Over this period, emerging market issuers contributed around \$800 billion or 16%. A key driver behind this growth is the energy transition from carbon-based power generation to cleaner alternative energy forms or technologies. Clean energy investments in emerging markets have surged over 70% since 2018, with China alone experiencing a 170% increase. Investor appetite has also intensified markedly. Sustainable funds have hit \$3.6 trillion of assets under management in 2024—up from \$1.4 trillion in 2018 - —with fixed income allocations within investment portfolios rising to 22%. Additionally, multilateral institutions have channeled \$238 billion of climate finance to emerging markets since 2016 and 2022, according to the OECD.

Yerlan Syzdykov, Global Head of Emerging Markets at Amundi, adds: *“The GSSS bond market is experiencing significant diversification. Although green bonds have long dominated GSSS emerging market bond issuance, there is a growing shift toward sustainability bonds. This trend is pronounced among multilateral institutions and, more generally, among issuers outside China that are seeking the flexibility of sustainability bonds to finance both environmental and social projects.”*

Since the end of the COVID-19 pandemic, demand for healthcare funding has subsequently contracted resulting in a stabilization in social bond sales. This asset class represent 6% of overall GSSS bond issuance in emerging markets between 2022 and 2024. In contrast, sustainability-linked bonds experienced a sharp decline. This may reflect mounting criticism of their design shortcomings and weak penalty structures which do not effectively incentivize issuers to meet the sustainability targets set out in the assets' terms.

**[Access here to the
Amundi Emerging Markets Green Bonds report 2024](#)**

Press contacts:

Aude Humann, Amundi

+33 6 71 32 12 57

aude.humann@amundi.com

About Amundi

Amundi, the leading European asset manager, ranking among the top 10 global players², offers its 100 million clients - retail, institutional and corporate - a complete range of savings and investment solutions in active and passive management, in traditional or real assets. This offering is enhanced with IT tools and services to cover the entire savings value chain. A subsidiary of the Crédit Agricole group and listed on the stock exchange, Amundi currently manages more than €2.2 trillion of assets³.

With its six international investment hubs⁴, financial and extra-financial research capabilities and long-standing commitment to responsible investment, Amundi is a key player in the asset management landscape.

Amundi clients benefit from the expertise and advice of 5,700 employees in 35 countries.

Amundi, a trusted partner, working every day in the interest of its clients and society

www.amundi.com   

This material is solely for the attention of journalists and professionals of the press/media sector. The information contained herein, is given solely in order to provide journalists and professionals of the press/media sector with an overview of the fund and the use of same falls within their sole editorial independence, for which Amundi assumes no responsibility.

² Source: IPE "Top 500 Asset Managers" published in June 2024, based on assets under management as at 31/12/2023

³ Amundi data as at 31/03/2025

⁴ Paris, London, Dublin, Milan, Tokyo and San Antonio (via our strategic partnership with Victory Capital)