Chapter 25
Green Bonds, Sustainable Development, and Economic Benefits for Investors and Pharmaceutical Companies

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ABSTRACT

This study explores the expansion of the green bond market in emerging countries and global trends, drawing on data from international institutions. It notes that six emerging markets drive 90% of issuances, with China leading by issuing $67.5 billion in green bonds in 2022, up 54% from the previous year. The research also addresses how advancements in autoimmune disease treatments and nutrition debates impact investment and pharmaceutical sectors. A better understanding of nutrition's role

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in autoimmune diseases leads to innovative therapies and investment opportunities, with potential for significant health and economic benefits. This underscores the importance of combining financial strategies and healthcare advancements to enhance societal well-being.

1. INTRODUCTION OF THE STUDY

Green bonds are debt instruments that invest the proceeds in environmentally responsible projects with the intent to generate revenues. This entails investing in waste management, climate adaptation, water conservation, aquatic conservation, and renewable and sustainable energy (Gianfrate & Peri, 2019; Ehlers & Packer, 2017). The International Capital Market Association (ICMA) established the Green Bond Principles (GBP), which serve as the global standard for green bonds. This covers the four central tenets of the Green Bonds Principles (GBP), which support market integrity by promoting transparency, disclosure, and reporting. These are the use of proceeds, the project evaluation and selection process, the management of proceeds, and reporting (World Bank, 2023; Kaur et al., 2023).

Green bonds were initially introduced in 2007 when the European Investment Bank (EIB) released its first Climate Awareness Bond. Additionally, in 2008, the World Bank and the Swedish bank SEB collaborated to issue the first green bond (10 Years of Green Bonds: Creating the Blueprint for Sustainability Across Capital Markets, 2019). However, it was not until 2013 that the green bond market took off. A significant advancement in developing this financial instrument was made when the International Finance Corporation (IFC) introduced the green bond in the US (World Bank 2019). Since then, the market for green bonds has expanded globally, with 433 billion USD being issued in 2021 (Climate Bonds Initiative 2019), up from 11 billion USD in 2013. Governments, businesses, and international organisations have recognised that green bonds can direct finance toward environmentally beneficial initiatives, even though their overall market share is just slightly greater than 1% of the global bond market (Chasan 2019). Because of this, the market for green bonds has expanded exponentially, with issuance hitting record highs in recent years (Flaherty et al., 2017; Obine, 2019; Obradovich and Zimmerman, 2016).

Credit rating agencies, auditors, green bond issuers, partners, investors, intermediaries (including stock exchanges), and regulators are among the parties involved in the growth of the green bond market (Shishlov & Cochran, 2016; European Commission, 2016). In addition, green bonds offer several benefits to the environment, investors, and issuers. Green bonds help issuers build their brand and draw in ethical capital by giving them access to a new group of investors concerned about sustainability (Maltais & Nykvist, 2020). Conversely, investors can take advantage