



การเคหะแห่งชาติ
National Housing Authority

NHA Experience in Issuance of Social and Sustainability Bonds.

Sukumaporn Jongpukdee
Assistant Governor
National Housing Authority of



Policy and Support



PDMO

“Ministry of Finance by PDMO has acknowledged the significance of balanced and sustainable economic, social and environmental development, which is in line with the principal agenda stipulating in the National Strategy. Consequently, PDMO promotes development of the sovereign sustainability bond to enable the government and state enterprises to meet its funding needs. At the same time, this would help promoting social and environmental advancement. PDMO plays roles in providing support and advices to state enterprises on actions related to the issuance of bonds in complying with ESG guidelines, as well as building a network of cooperation among organizations both domestically and internationally to enhance academics and readiness for bonds issuance of the state-owned enterprises.”

MSDHS



Ministry of Social Development and Human Security designated the development of Social Bond as a flagship project to raise capital in the domestic bond market. This is to provide more equal opportunities to access to basic necessities basing on civil rights and human dignity, as well as stability in life for Thai society.

ADB

ADB

ADB provides technical and financial support to the NHA. This starts from the process of drafting framework to the provision of an external reviewer.



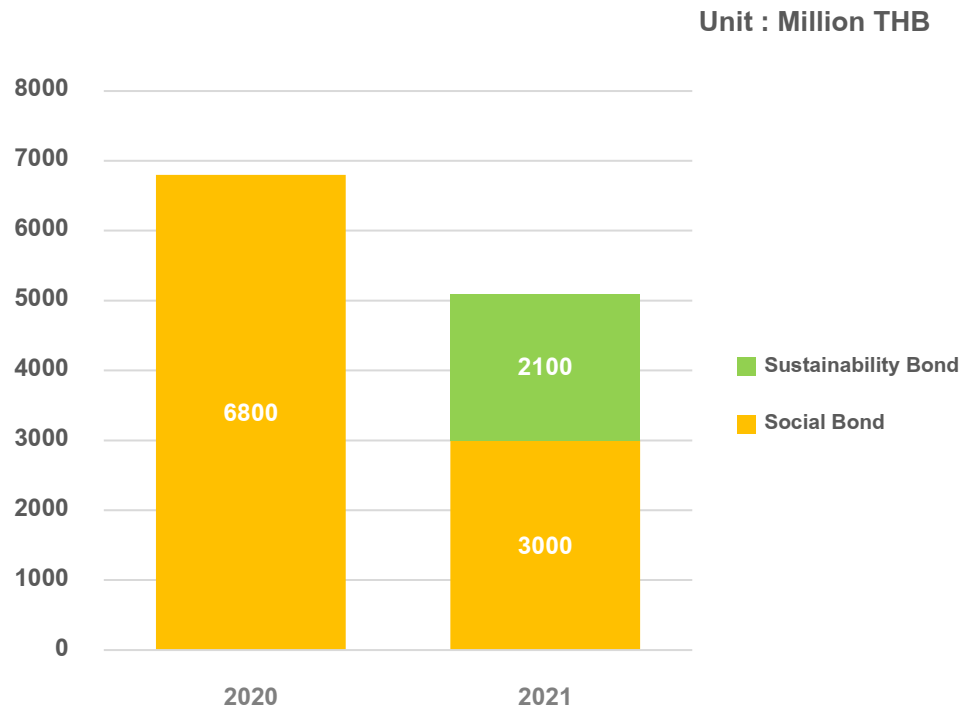
การเคหะแห่งชาติ
NATIONAL HOUSING AUTHORITY



The Overall NHA's Social and Sustainability Bonds

In fiscal year 2020 - 2021, NHA issued ESG Bonds totaling

11,900 million Baht, comprising of **Social Bond** amounting 9,800 million Baht, and **Sustainability Bond** amounting 2,100 million Baht.



Social and Sustainability Bonds.

1st Social Bond Issuance



Loans Refinance

6,800 Million Baht.

Assets of 5 eligible social housing projects:

1. Baan Eua-Arthorn housing project Phase 4
2. Baan Eua-Arthorn housing project Phase 5
3. Housing Development Project Package 1 B.E. 2557
4. Housing Development Project Package 1 B.E. 2558
5. Din Daeng Urban Renewal Project (G Plot)

With support from ADB, in FY 2020, NHA initiated to raise capital in the domestic bond market through the issuance of social bond amounting 6,800 million Baht.

Subsequently in FY 2021, Social Bond amounting 3,000 million Baht, and Sustainability Bond amounting 2,100 million Baht were issued.

In compliance with the government policy of Green Growth, Green Finance, and Green Investment, NHA initiated to raise capital in the domestic bond market through the issuance of Social Bonds.



Bond allocation:

Details	Bond period		
	5 Y	10 Y	15 Y
Amount	1,000 m. Bht	2,800 m. Bht	3,000 m. Bht
Fixed Interest Rate/year	1.02 %	1.64 %	1.90 %
Type of Interest Rate	Fixed Rate		
Issuance Date	23 September 2020		

million baht

project name	Number of housing units constructed	Outstanding debt	hire-purchase		Work in Process		Building on the process of sale		Waiting for Repayment	
			Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount
			Baan Eua-Arthon	88,214	4,500.000	3,349	1,339.518	-	-	3,154
Housing Development Project package 1 (B.E. 2557 - 2558)	12,286	2,000.000	903	586.950	530	344.500	4,366	2,744.903	294	226.891
Din Daeng Urban Renewal Project (G Plot)	334	300.000	-	-	-	-	-	-	-	-
Total	100,834	6,800.000	4,252	1,926.468	530	344.500	7,520	4,006.503	933	522.529

Bond allocation:

In FY 2021 social bond amounting 3,000 million Baht.

Details	
Amount	3,000 m . Bht
Bond period	7 Y
Fixed Interest Rate/year	1.40 %
Type of Interest Rate	Fixed Rate
Issuance Date	10 M arch 2021

Assets of 2 eligible social housing projects:

million baht

project name	Number of housing units constructed	Outstanding debt	Purchase agreement		hire-purchase		Rent		Building on the process of sale		Waiting for Repayment	
			Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount
Residential projects	31,164	2,000.000	-	-	96	28.800	31,068	9,320.400	-	-	-	-
Baan Eua-Arthon	30,277	1,000.000	1,377	550.800	3,850	1,540.000	883	353.200	1,970	788.000	22,197	8,878.800
Total	61,441	3,000.000	1,377	550.800	3,946	1,568.800	31,951	9,673.600	1,970	788.000	22,197	8,878.800



Bond allocation:

In FY 2021 sustainability bond amounting 2,100 million Baht.

Details	
Amount	2,100 m . Bht
Bond period	6 Y
Fixed Interest Rate/year	1.12 %
Type of Interest Rate	Fixed Rate
Issuance Date	23 September 2021

Assets of 5 eligible social housing projects:

million baht

project name	Number of housing units constructed	Outstanding debt	Achieve Label No.5			Purchase agreement		hire-purchase		Rent		Building on the process of sale		Waiting for Repayment	
			Unit	Amount	%	Unit	Amount	Unit	Amount	Unit	Amount	Unit	Amount		
Residential projects	15,719	1,000,000	-	-	-	-	-	9	2,700	15,710	4,713,000	-	-	-	-
Housing Development Project package 1 (B.E. 2558 - 2559)	8,965	950,000	2,400	265,330	28%	5,286	3,435,900	304	197,600	-	-	2,580	1,677,000	795	516,750
Government Welfare House Project (Songkhla, Pattani)	606	100,000	-	-	-	-	-	606	424,200	-	-	-	-	-	-
Transit-Oriented Development (Prachaniwet 3)	556	50,000	556	50,000	100%	518	466,200	-	-	-	-	38	34,200	-	-
Total	25,846	2,100,000	2,956	315,330	15%	5,804	3,902,100	919	624,500	15,710	4,713,000	2,618	1,711,200	795	516,750





With ADB's assistance:



- ✓ Drafting of social bond framework and sustainable finance framework.
- ✓ Classifying NHA assets to enhance evaluation and selection of the eligible housing projects valued as green elements.
- ✓ Supporting the issuance of second party opinion from DNV.
- ✓ Building knowledge body on development of green housing, through reviewing NHA Eco-Village certification system
- ✓ Providing pathway for future development of



Example : NHA's working plan for Social Bond issuance in FY 2020

Process	Operator	Processing time	Jun-20				Jul-20				Aug-20				Sep-20				Notes
			W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	W1	W2	W3	W4	
1) NHA selected eligible projects.	NHA.	2 week		■	■														
2) Meeting with the ABD to set up Social bond issuance plan, and to provide technical and financial assistance.	NHA. ADB.	2 week			■	■													
3) Created the draft of NHA Social bond framework.	NHA. ADB.	4 week				■	■	■	■										
4) Meeting with ABD to evaluate a project to issue a Social Bond	NHA. , ADB	2 week							■	■									
5) The external reviewer starts to create secondary parties opinion review	External Reviewer	3 week								■	■	■							
6) PDMO and NHA announce RFP and select the bond arrangers.	PDMO. NHA.	3 week										■	■	■					
7) Book building date.	Arranger	2 week												■	■				
8) Bond issuance date.	NHA. PDMO.	1 week															■		

issuance bond
September 23, 2020



NHA's Framework

To implement the NHA's social and sustainability agenda of enhancing people's accessibility to affordable and energy efficient housing, especially the low- and middle-income earners, NHA establishes Sustainable Finance Framework ("the Framework"), to guide the issuance of relevant financial instruments. The Framework is designed in compliance with the Social Bond Principles 2021 (SBP), Green Bond Principles 2021 (GBP), Sustainability Bond Guidelines 2021 (SBG) and the Sustainability-Linked Bond Principles (SLBP) of the International Capital Market Association (ICMA), the ASEAN Sustainable Bond Standards 2018 (ASEAN SUS) of the ASEAN Capital Market Forum (ACMF), as well as the Loan Market Association's Green & Social Loan Principles consisting of the following core components.

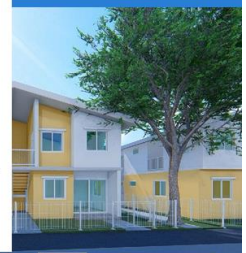
1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting



National Housing Authority Sustainable Finance Framework

AUGUST 2021

National Housing Authority











Eligibility Criteria of Affordable and Sustainable Housing.

Eligible Categories	Eligibility Criteria and example Projects	Benefit/Impact	UN SDG Alignment and Commitments/ Contributions
<p>Affordable Housing</p>	<p>Financing of construction, retrofit, modernization of public housing or roll over/ refinancing public housing project and assets associated with affordable housing e.g.</p> <ul style="list-style-type: none"> • Development of new or retrofit of existing public housing. This includes upgrades to provide better health and well-being outcomes for the dwellers. • Redevelopment of NHA’s public Housing Project. (Urban Renewal Project.) • Development of accessible units according to universal design principle in new home/building as well as for redevelopment for the elderly and disabled people. 	<p>Increase in number of affordable and decent homes available for target populations.</p>	 <p>The table lists four UN Sustainable Development Goals (SDGs) that align with affordable housing: SDG 11 (Sustainable Cities and Communities), SDG 7 (Affordable and Clean Energy), SDG 1 (No Poverty), and SDG 10 (Reduced Inequalities). Each goal is represented by its corresponding icon and color: 11 (orange), 7 (yellow), 1 (red), and 10 (pink).</p>



Eligibility Criteria of Affordable and Sustainable Housing.

Eligible Categories	Eligibility Criteria and example Projects	Benefit/Impact	UN SDG Alignment and Commitments/ Contributions
Socioeconomic Advancement and Empowerment	Financing Social and Economic activities to enhance quality of life of people e.g. <ul style="list-style-type: none"> ● Implementing of vocational training projects, environmental management training projects, capacity building projects, etc. ● “Waste-to-Wealth” Project: the project turns trash into money resulting in zero waste in the community. 	<ul style="list-style-type: none"> ○ Empowering target populations especially women to capable to generate income for their living and paying for affordable housing. ○ Good community’s environmental management. 	    
Green Building	Financing the construction of green building e.g. <ul style="list-style-type: none"> ○ energy-efficient housing, using the EGAT Building No. 5 efficiency benchmark. ○ eco- friendly building using eco-friendly construction materials sourced sustainably, contributing to the acceleration and high growth in the eco-friendly construction material industry and sustainable consumption. 	<ul style="list-style-type: none"> ○ Increase in number of energy and water efficient homes available for target population. ○ Contribution toward zero carbon society. ○ Reduction of Greenhouse Gas emissions. ○ Increase number of eco-friendly construction products and/or appliances to market. 	   

Impact Reporting

Eligible Categories	Potential Impact Indicators
Affordable Housing	<ul style="list-style-type: none"> ○ Number of households housed with new and /or retrofit affordable housing provided by the NHA. ○ Number of households who own homes under hire-purchase housing scheme with the NHA. ○ Number of Urban Housing Redevelopment Projects financed. ○ Number of new and/or upgraded facilities financed that were designed under the Universal Design Principle.
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> ○ Number of dwellers who attended the training provided e.g., vocational training, environmental management training, community management training, etc. ○ Number of women led-household who have access to affordable housing. ○ Number of women who lead community committee.
Green building	<ul style="list-style-type: none"> ○ Green certification obtained using the EGAT Label No. 5 efficiency benchmark ○ Energy/CO2 savings from renovations and upgrades ○ Materials sourced sustainably ○ Number of people housed by NHA in energy-efficient, environmentally-friendly buildings.

Impact Reporting





Thank You

For further queries contact :

Ms.Sukumaporn Jongpukdee
Assistant Governor
National Housing Authority of Thailand.
E-mail : sukumaporn@gmail.com

