



More than meets the eye: the true story of Green Bonds

21 September 2017





ECB

EIB

Single Market

EC

ESM

Efficiency

Growth
Sustainability

Stability
(Prices,
Financial,
Supervision)

- ALL OUR COLOURS TO THE MAST -

Green Bonds as process

Transparency/accountability of environmental finance

EIB EUR Green Bond issuance

DRIVER: ISSUERS

DRIVER: INTERMEDIARIES/INVESTORS

DRIVER: POLICY

UNFCCC COP 21 in Paris

Pillar: „Transparency, accountability, compliance“

EUR inaugural CAB – first ever Green Bond

First European Public Offering of Securities in all EU-Countries

9bn EUR CABs issued in “ECoop-minibenchmark” format

First CAB benchmark due 11/2019

First EIB-issue via LuxCSD and dematerialised, first capital settlement in CB-money

Second CAB benchmark due 11/2026

Global Capital SRI-Awards

CAB Issuance becomes autonomous strategic goal on EIB’s Corporate Operational Plan

Due diligence on CAB-eligibility criteria/administration and Implementation of new first-class CAB-administration

GBP-OBS.
- Policy makers/regulators
- External reviewers (consultants, certifiers, verifiers, rating agencies)
- Stock exchanges
- NGOs

GBP-MEM:
Investors
Banks
Issuers

Shared taxonomies/multiple assesment standards

Market and policy framework

RE lending target 2007: EUR 800m

RE lending in 2013: EUR 6.5bn

Financial Services Action Plan 2005-2010
Prospectus Directive – EU passporting mechanism

Market push towards benchmarking

Law on Dematerialised Securities in Luxembourg

EU Energy Action Plan

- 9/09/2014: Joint MDB Statement on climate finance, including commitment “to foster the sustainable development of the green bond market”
- 20/9/15: UN SG Climate Summit in NY, explicit mention of “climate bonds”

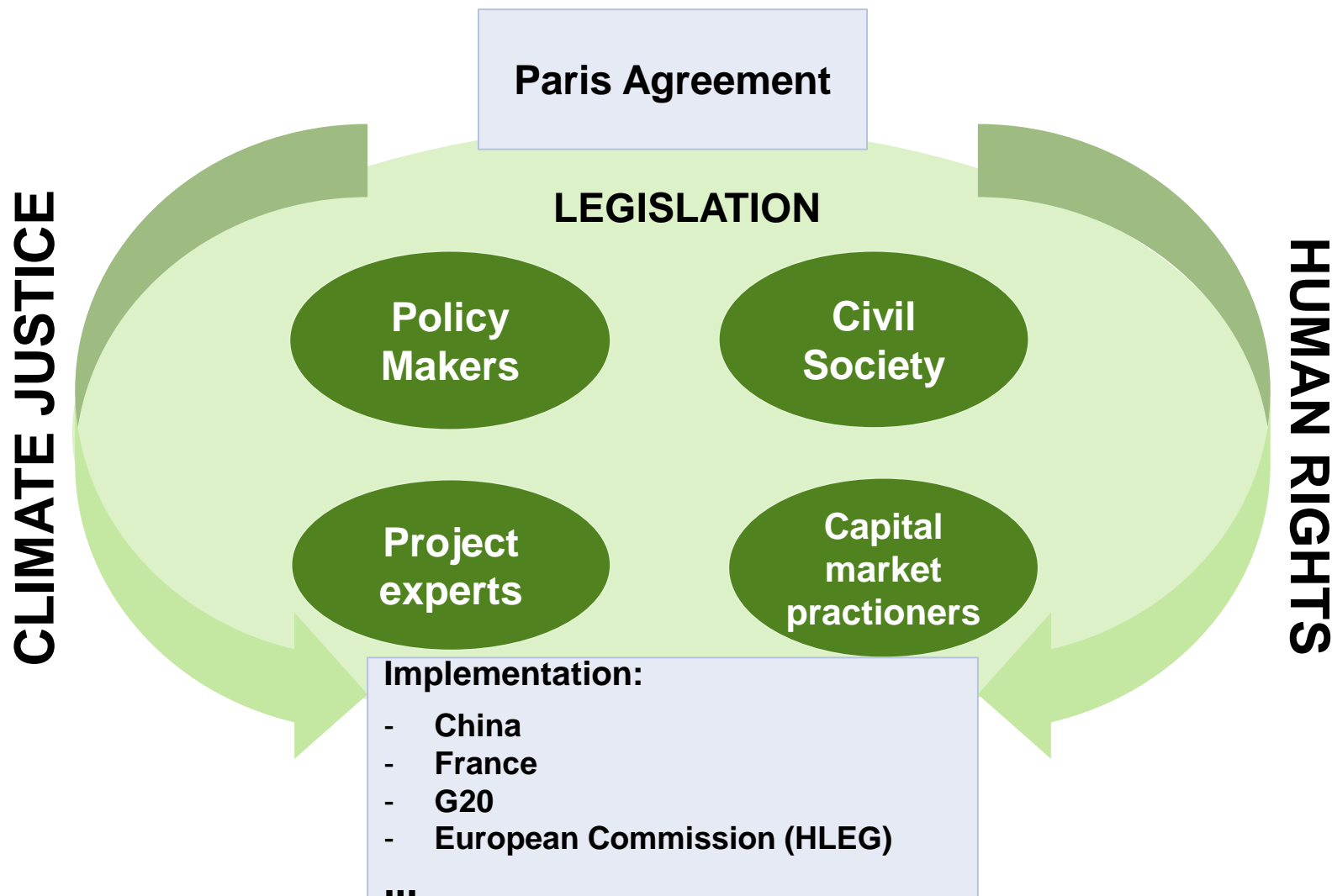
24/10/15: EU 2030 Climate and Energy Package

13/01/14: First edition of Green Bond Principles (GBP)

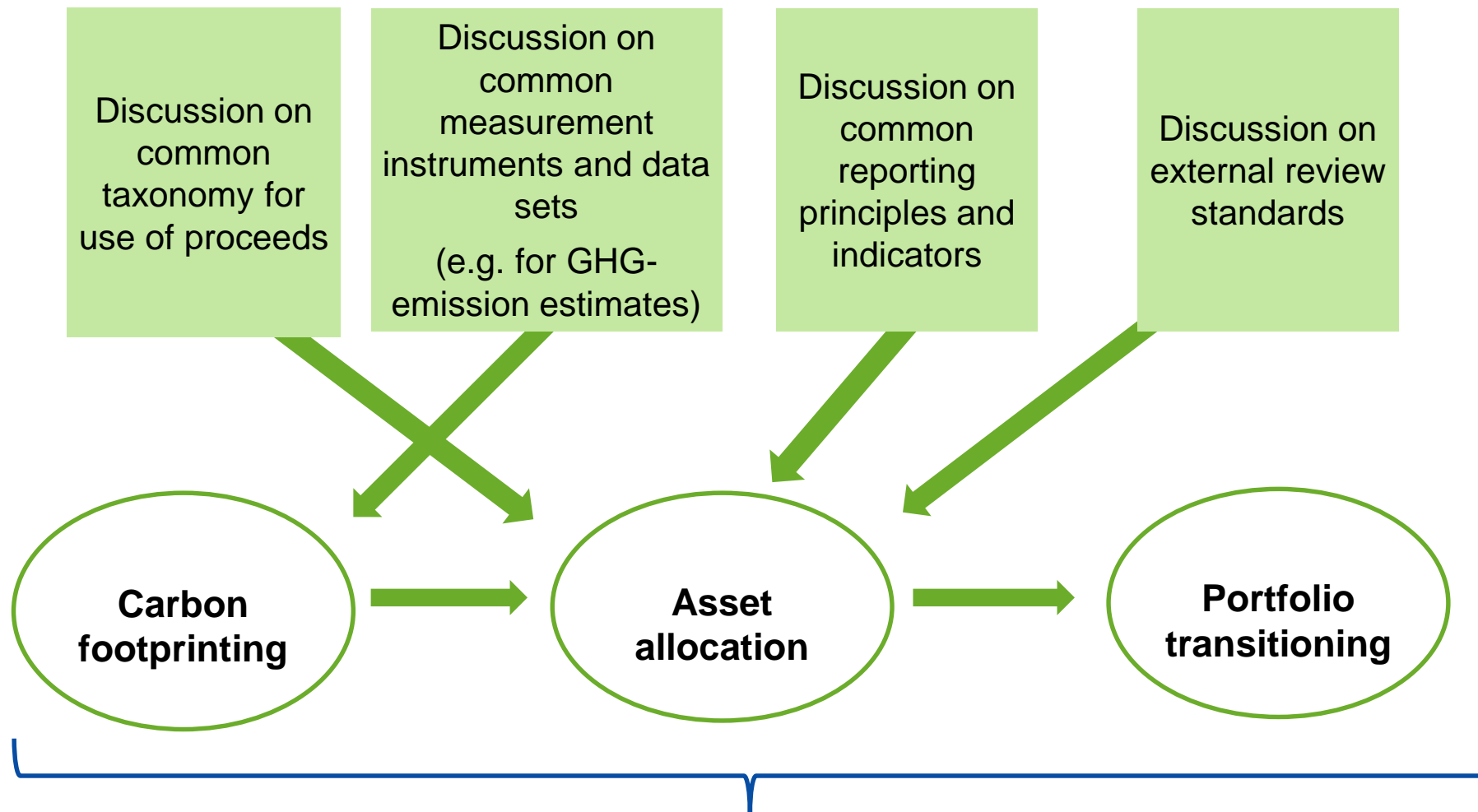
- 27/03/2015: 2015 edition of Green Bond Principles (**essential features**)
- Harmonised framework proposal for Green Bond impact Reporting by AfDB, EIB, IBRD and IFC, then circulated to the GBP-members and observers by ICMA on 18/5/2015
- 2014 CAB Newsletter: Full disclosure of EIB’s practice Impact Reporting – first use of MDBs’ proposed impact reporting template
- 2/10/2015: First semiannual CAB Newsletter: First report on individual CAB allocations to individual CAB-projects

2/12/2015: Revised Proposal for GB impact reporting-harm. (11 IFIs)

PARIS AGREEMENT: without accountability, facts cannot follow words



Classification, metrics, reporting and external review are key (but still to be agreed)



**Increasing market-oriented public guidance in
definitions, measurement, reporting, verification, TARGETING**



The need for a common language in Green Finance

China's Green Bond Endorsed Project Catalogue and
MDB/IDFC's Common Principles for Climate Finance Tracking
mapped and compared



Extensive consultation with IFIs and green bond external reviewers, which EIB is coordinating in the context of the High-Level Expert Group on sustainable finance.

Three core principles:

1. Disentanglement of objectives and sectors to clarify purpose of investment
2. Comparison of sectorial categories by objective to establish equivalences (“Rosetta stone”)
3. Use of a single taxonomy as “unit of account” to compare eligibility criteria by sector



WHITE PAPER
(COP 23?)

Remarks by President Donald Tusk after the EU-China summit in Brussels

Good afternoon, let me first of all welcome Premier Li in Brussels. It is very good to have you here.

Yesterday evening we had a good informal meeting with Premier Li and this morning we have just concluded our plenary session of this year's EU-China summit. We had fruitful and constructive talks that underline the importance we both attach to EU-China relations.

China and the European Union are strategic partners. We have a stake in each other's success. Our cooperation is broad and continues to broaden and strengthen on issues like trade and investment, climate change, the migration crisis, North Korea, and a security partnership in Africa. We share many interests. Most importantly, we share a fundamental interest in upholding and strengthening the rules-based international system. For example, respect for the territorial integrity and sovereignty of Ukraine has been our common position since 2015. And in these difficult times we have a joint responsibility to protect this system and demonstrate its added value in all aspects of our relations.

Today, we are stepping up our cooperation on climate change with China. Which means that today, China and Europe have demonstrated solidarity with future generations and responsibility for the whole planet. We are convinced that yesterday's decision by the United States to leave the Paris Agreement is a big mistake, bigger than not ratifying the Kyoto Protocol, because Paris is fairer. But the fight against climate change, and all the research, innovation and technological progress it will bring, will continue, with or without the US.