



#### Form 4: New Work Item Proposal

Circulation date: <a href="#">2017-05-30</a>	Reference number: <a href="#">ISO/NP 14030</a> (to be given by Central Secretariat)
Closing date for voting: <a href="#">2017-07-26</a>	
Proposer (e.g. ISO member body or A liaison organization) <a href="#">ANSI</a>	<a href="#">ISO/TC 207/SC 4</a>  <a href="#">N 472</a>
Secretariat <a href="#">ANSI</a>	

A proposal for a new work item within the scope of an existing committee shall be submitted to the secretariat of that committee with a copy to the Central Secretariat and, in the case of a subcommittee, a copy to the secretariat of the parent technical committee. Proposals not within the scope of an existing committee shall be submitted to the secretariat of the ISO Technical Management Board.

The proposer of a new work item may be a member body of ISO, the secretariat itself, another technical committee or subcommittee, an organization in liaison, the Technical Management Board or one of the advisory groups, or the Secretary-General.

The proposal will be circulated to the P-members of the technical committee or subcommittee for voting, and to the O-members for information.

- The proposer has considered the guidance given in the Annex C during the preparation of the NWIP.

**Proposal** (to be completed by the proposer)

**Title of the proposed deliverable.**

**English title:**

Green bonds -- Environmental performance of nominated projects and assets

**French title:**

Obligations vertes -- Performance environnementale des projets et actifs designés

*(In the case of an amendment, revision or a new part of an existing document, show the reference number and current title)*

**Scope of the proposed deliverable.**

This International Standard specifies eligibility requirements and defines procedures for evaluating the environmental performance of green bonds. It defines requirements for green bonds monitoring and disclosure and provides guidance on assurance methods.

**Purpose and justification of the proposal\***

This standard will harmonize multiple definitions of green bonds, specify requirements for nominating projects and assets for funding; specify eligibility, use of proceeds, and disclosure requirements; and describe assurance options.

The last ten years have seen the issuance of hundreds of billions of US dollars in debt that has been issued with declared environmental benefits. These issuances have helped meet an increasing demand for investments that are considered “socially responsible.” In addition, significant investments are needed to meet the challenges of global climate change. Countries, companies, and investment funds will be called upon to devote trillions of US dollars over the coming decades to transition to a low carbon economy, build sustainable and resilient infrastructure, augment mitigation efforts and adapt to changes in climate that efforts to curb global warming have been unable to prevent.

The deployment of capital to improve environmental outcomes will take multiple forms, but a growing proportion will be issued as debt obligations that are sold to investors as “green” bonds. The issuers of such bonds are already rated for credit worthiness by a credit rating agency. Increasingly they will also be evaluated, either by a second-party evaluator or by a third-party verification body, for their ability to deliver promised environmental benefits. Annual issuance of labeled green bonds tripled in 2014 to reach USD 36.6 billion. It reached USD 50 billion in 2015 and exceeded USD 80 billion in 2016.

The intended users of the standard include issuers of debt obligations, legal advisors who create disclosure documents, underwriters who market green bonds, and investors who make investment decisions based not only on the creditworthiness of the debt issuer but also on the environmental benefits that the deployed capital will generate. In addition, policy makers and regulators are expected to consult the standard when developing incentive measures for certain types of investments or when creating regulations to ensure the fair application of laws intended to promote the public good and to ensure transparency for investors when they evaluate the environmental performance of specific debt issuances.

To evaluate the effectiveness of the standard, TC207/SC4 will track the amount of labeled green bonds issued and their nominal value, the number of sectoral programs that reference the ISO standard in their guidelines to green bond issuers, and the citation of the ISO standard in ratings or verification reporting that address environmental performance claims.

ISO TC207/SC4 will follow the guidance of Annex SO in the ISO Directives as it is known that some governments have already developed regulations dealing with green bonds and other governments have undertaken or will undertake similar regulatory initiatives. At the time of this writing China has published guidelines for green bonds and it is known that the Ministry of Finance of the Republic of Korea is engaged in a regulatory development process.

ISO TC207/SC4 has also apprised the ISO TMB Climate Change Coordination Task Force of the development of this NWIP.

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*Consider the following: Is there a verified market need for the proposal? What problem does this standard solve? What value will the document bring to end-users? See Annex C of the ISO/IEC Directives part 1 for more information. See the following guidance on justification statements on ISO Connect:*

*<https://connect.iso.org/pages/viewpage.action?pageId=27590861>*

**Preparatory work** (at a minimum an outline should be included with the proposal)

A draft is attached       An outline is attached       An existing document to serve as initial basis

The proposer or the proposer's organization is prepared to undertake the preparatory work required:

Yes       No

**If a draft is attached to this proposal:**

Please select from one of the following options (note that if no option is selected, the default will be the first option):

Draft document will be registered as new project in the committee's work programme (stage 20.00)

Draft document can be registered as a Working Draft (WD – stage 20.20)

Draft document can be registered as a Committee Draft (CD – stage 30.00)

Draft document can be registered as a Draft International Standard (DIS – stage 40.00)

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**Is this a Management Systems Standard (MSS)?**

Yes       No

NOTE: if Yes, the NWIP along with the Justification study (see Annex SL of the Consolidated ISO Supplement) must be sent to the MSS Task Force secretariat (tmb@iso.org) for approval before the NWIP ballot can be launched.

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**Indication(s) of the preferred type to be produced under the proposal.**

International Standard                       Technical Specification

Publicly Available Specification               Technical Report

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**Proposed development track**

1 (24 months)       2 (36 months - default)       3 (48 months)

**Note: Good project management is essential to meeting deadlines. A committee may be granted only one extension of up to 9 months for the total project duration (to be approved by the ISO/TMB).**

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**Known patented items (see ISO/IEC Directives, Part 1 for important guidance)**

Yes       No

If "Yes", provide full information as annex

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**Co-ordination of work:** To the best of your knowledge, has this or a similar proposal been submitted to another standards development organization?

Yes       No

If "Yes", please specify which one(s):

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**A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing ISO and IEC deliverables.**  
**The proposer should explain how the work differs from apparently similar work, or explain how duplication and conflict will be minimized.**

The proposed scope of the ISO TC207/SC7 standard focuses on financial institutions and is broader than the scope of this NWIP. According to its scope, the ISO TC207/SC7 document will “specify a general framework, including principles, requirements and guidance for assessing and reporting investments and financing activities regarding climate change.”

Intended users of the ISO TC207/SC7 NWIP are financial institutions, such as banks. By contrast, this NWIP is intended for issuers of debt obligations which may include corporate financial officers or government bond issuers. The scope of this NWIP is narrowly targeted at defining what makes debt obligations “green” and how their environmental benefits are described and assessed.

ISO TC207/SC4 proposes to establish a liaison with ISO TC207/SC7 to take into account the framework and principles it defines for financial institutions and to the extent applicable to align green bond environmental performance requirements with them.

**A listing of relevant existing documents at the international, regional and national levels.**

Green Bonds Principles, International Capital Markets Association, London, 2016.  
 Green Bond Guidelines for the Real Estate Sector, Amsterdam, 2016.  
 The Brazil Green Bonds Statement, Rio de Janeiro, 2016.  
 Climate Bonds Standard, v. 2.1, Climate Bonds Initiative, London, 2017.  
 Peoples National Bank of China, PBOC-Announcement-No-39-2015, 2015.  
 Green Finance Committee of China Society of Finance and Banking, Preparation Instructions on Green Bond Endorsed Project Catalogue, 2015 Edition by EY, 2015.

**Please fill out the relevant parts of the table below to identify relevant affected stakeholder categories and how they will each benefit from or be impacted by the proposed deliverable(s).**

	<b>Benefits/impacts</b>	<b>Examples of organizations / companies to be contacted</b>
<b>Industry and commerce large industry</b>	Chief Financial Officers will benefit from clarity in the harmonized standard for green bond debt issuances.	Apple, the issuer in 2016 of \$1.5B in green bonds to finance clean energy projects
<b>Industry and commerce SMEs</b>	Same as large corporate issuers (see above). They will also be bidders for work financed by the green bonds.	Renewable energy contractors, firms that retrofit buildings to improve energy efficiency.
<b>Government</b>	Debt issues that demonstrate environmental benefits may contribute to the Nationally Determined Contributions of parties to the Paris Agreement.	National climate officers and negotiators who need to track investments made to mitigate climate change or adapt to their impacts.
<b>Consumers</b>	The public will benefit from investments that improve environmental outcomes, advance energy efficiency, and enhance the resilience of ecosystem-sensitive infrastructure.	Too diffuse to identify.
<b>Labour</b>	Financing of infrastructure projects will create a demand for labour.	National labour organizations.
<b>Academic and research bodies</b>	Harmonization of standards for green bonds will facilitate the tracking of investments and enhance their comparability.	Universities, think tanks, and economists in both public and private employ.
<b>Standards application businesses</b>	Harmonization of standards for green bonds will reduce variability in assessing the “greenness” of projects.	Moody’s, S&P Global, Sustainalytics, NSF International, KPMG, and many others.
<b>Non-governmental organizations</b>	NGOs who advocate for responsible investing will benefit from harmonization of standards for green and climate bond issuances.	NGOs such as CERES (USA), the Overseas Development Institute (UK), 2Degrees Investing (France)
<b>Other (please specify)</b>	Investors. Likely the most positively impacted category. They will benefit from standardized approaches to defining the eligibility of nominated projects and assets and will be able to make investment decisions based on standardized environmental criteria.	Large pension funds, insurance companies, sovereign wealth funds, etc.

<p><b>Liaisons:</b></p> <p>A listing of relevant external international organizations or internal parties (other ISO and/or IEC committees) to be engaged as liaisons in the development of the deliverable(s).</p> <p><a href="#">ISO TC207/SC7</a></p>	<p><b>Joint/parallel work:</b></p> <p><b>Possible joint/parallel work with:</b></p> <p><input type="checkbox"/> IEC (please specify committee ID)</p> <p><input type="checkbox"/> CEN (please specify committee ID)</p> <p><input type="checkbox"/> Other (please specify)</p>
<p><b>A listing of relevant countries which are not already P-members of the committee.</b></p> <p>Note: The committee secretary shall distribute this NWIP to the countries listed above to see if they wish to participate in this work</p>	
<p><b>Proposed Project Leader</b> (name and e-mail address)</p> <p><a href="#">Dr. John Shideler</a> <a href="mailto:john.shideler@futurepast.com">john.shideler@futurepast.com</a></p>	<p><b>Name of the Proposer</b> (include contact information)</p> <p><a href="#">Dr. John Shideler</a> <a href="mailto:john.shideler@futurepast.com">john.shideler@futurepast.com</a></p>
<p><b>This proposal will be developed by:</b></p> <p><input type="checkbox"/> An existing Working Group:</p> <p><input checked="" type="checkbox"/> A new Working Group: <a href="#">(title: TC207 SC4 WG7 Green Bonds)</a></p> <p>(Note: establishment of a new WG must be approved by committee resolution)</p> <p><input type="checkbox"/> The TC/SC directly</p> <p><input type="checkbox"/> To be determined:</p>	
<p><b>Supplementary information relating to the proposal</b></p> <p><input checked="" type="checkbox"/> This proposal relates to a new ISO document</p> <p><input type="checkbox"/> This proposal relates to the adoption as an active project of an item currently registered as a Preliminary Work Item</p> <p><input type="checkbox"/> This proposal relates to the re-establishment of a cancelled project as an active project</p> <p>Other:</p>	
<p><input checked="" type="checkbox"/> Annex(es) are included with this proposal (give details)</p> <p><a href="#">Annex 1: Outline</a> <a href="#">Annex 2: Expression of support</a> <a href="#">Annex 3: Supplemental Information</a></p>	
<p><b>Additional information/question(s)</b></p>	