



Council of the
European Union

Brussels, 8 April 2022
(OR. fr)

7379/22

LIMITE

EF 87
ECOFIN 246
ENV 247
SUSTDEV 62
CODEC 326

**Interinstitutional File:
2021/0191 (COD)**

NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee

Subject: Regulation of the European Parliament and of the Council on European green bonds
- mandate for negotiations with the European Parliament

I. INTRODUCTION

1. In 2016, the EU concluded the Paris Agreement. The Paris Agreement sets out the objective of strengthening the response to climate change by, among other means, making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.
2. The European Green Deal Investment Plan of 14 January 2020 envisages the establishment of a standard for environmentally sustainable bonds to further increase investment opportunities and facilitate the identification of environmentally sustainable investments through a clear label. In its December 2020 conclusions, the European Council asked the Commission to put forward a legislative proposal for a green bond standard.

3. In light of this, on 6 July 2021 the Commission presented a proposal for a Regulation of the European Parliament and of the Council on European green bonds¹. This proposal aims to lay down a uniform set of specific requirements for bonds issued by financial or non-financial undertakings or sovereigns that voluntarily wish to use the designation ‘European green bond’ or ‘EuGB’ for such bonds.

II. STATE OF PLAY

4. The Council held a policy debate on the Commission proposal at the Economic and Financial Affairs Council meeting on 13 July 2021.
5. The Working Party on Financial Services (Sustainable Finance) discussed the proposal at several meetings during the second half of 2021 and early 2022.
6. The Presidency considers that the required majority has been reached to support the mandate for negotiations.
7. The Commission made a statement for the minutes of the Permanent Representatives Committee, as set out in Addendum 2 to this note.

¹ 10027/21 + ADD1.

III. CONCLUSION

8. In light of the above, it is suggested that the Permanent Representatives Committee:
- approve the mandate for negotiations on the proposal for a regulation, as set out in Addendum 1 to this note;
 - ask the Presidency to enter, as far as possible, into negotiations with the European Parliament on the basis of this mandate, with a view to reaching an agreement at first reading.
9. Unless the Permanent Representatives Committee objects, this note and Addenda 1 (mandate for negotiations) and 2 (Commission statement) will be made public by the General Secretariat of the Council after approval.
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