



Assurance Roundtable

Online via Webex – 26 September 2017



Agenda for today's meeting

1. Welcome
2. Introductions and updates from verifiers
3. State of the Market report released 18 September in New York
4. Updating the Climate Bonds Standard to version 3.0
5. Updating the Guidance for Verifiers
6. Discussion and Q&A
7. Next session of the Assurance Roundtable



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Updating to version 3.0 of Climate Bonds Standard

- The changes will create a much more widely applicable approach to demonstration of good practice in issuing green debt instruments:
 - Clearer alignment with the terminology and pillars of the **Green Bond Principles** to minimise any confusion around competing approaches
 - A **simpler structure** with four sections: pre-issuance requirements, post-issuance requirements, green definitions, certification process
 - Use of the **broader taxonomy as the basis for asset eligibility**, with sector-specific criteria used where it is available. This is in contrast to only allowing certification of assets covered by existing sector criteria
 - Focus on **post-issuance reporting** as per the Green Bond Principles, including **more explicit requirements on impact reporting**
 - **More targeted use of post-issuance verification** to address risks around allocation to new projects or uncertain eligibility of assets. This is in contrast to post-issuance verification being mandatory for all.



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Updating the Guidance for Verifiers

- As the approved verifiers gain experience and undertake a broader range of verifications, the guidance for their work needs to be updated and enhanced
- This process needs the input from verifiers who are at the forefront of the market's development
- Assurance Roundtable will be the focal point for this work through a new **Guidance Working Group** which we would like to form
 - *Who would like to volunteer?*
- Key issues being addressed in this update:
 - Alignment with domestic guidance in major markets (China, EU, USA)
 - Templates for Verifier Reports
 - Clarifying what assurance standards are “equivalent” to ISAE3000
 - *What else needs to be addressed???*



Templates for Verifier Reports is the first topic

- So far verifiers have created their own templates for reporting based on the very high level guidance in the Guidance for Verifiers
- The market is now calling for more consistency in how the verifier presents their contribution to the certification and investor confidence
- There are some key issues which have been identified:
 - Providing detail on the formal procedures which have been used
 - Providing summary information on how the bond meets the Green Bond Principles and the requirements of the Climate Bonds Standard
 - Stating the verifier's opinion so that it is clear what it means and does not mean
- The Guidance Working Group will develop draft templates for the Pre-Issuance Verifier Report, Post-Issuance Verifier Report, and Annual Verifier Report
- ***Who would be interested in contributing to this important work?***



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www.climatebonds.net

