



Evaluation of the European Investment Bank's climate awareness bonds (CABs)

The EIB has played a foundational role in the development of the green bond market.

The EIB is a major supplier of green bonds in multiple currencies and tenors:

- Issuing €34 billion of green bonds between 2007 and 2020
- Issuing green bonds in 18 currencies with maturities ranging from two - 30 years
- Opening up new markets and new currencies e.g. BRL, CHF, DKK

The EIB has pioneered the implementation of market standards, most notably:

- ICMA's Green Bond Principles
- The EU Sustainability Taxonomy
- The EU Green Bond Standard

The evaluation finds that the Bank's green bond framework is among the best-in-class:

- Use of proceeds aligned with EU legislation on sustainable finance
- Dedicated sub-portfolio in treasury for unallocated proceeds
- Dedicated IT-tool for automated allocations
- Assurance by supervised external auditor
- Detailed allocation and impact reporting

There is opportunity for further improvement.

- Engaging effectively with intermediaries on environmental, social and governance issues
- Align impact reporting with the EU Taxonomy Regulation
- Clarify links between CABs and Sustainable Development Goals

Recommendations for the EIB's green bond future include:

- Provide more volume and liquidity to the green bond market through reference transactions
- Leading the way in the application of the EU Taxonomy Regulation and the EU Green Bond Standard
- Continue to expand the scope of EIB's green bonds
- Monitor greenium to inform future pricing decisions for green investments

Access the report >>

<https://www.eib.org/en/publications/evaluation-of-the-eibs-climate-awareness-bonds>