

An official EU website



NextGenerationEU Green Bonds

The Commission will seek to raise up to 30% of the NextGenerationEU funds through the issuance of NextGenerationEU green bonds and use the proceeds to [finance green policies](#). With the NextGenerationEU green bond programme of up to €250 billion, the EU will become the largest green bond issuer worldwide.

After adopting an independently evaluated NextGenerationEU Green Bond framework, the Commission proceeded with the issuance of the first NextGenerationEU green bond in October 2021. The [Commission issued](#) a €12 billion bond, the world's largest green bond to date.

Importance of NextGenerationEU green bonds

The European Commission's intention to issue up to 30% of NextGenerationEU as green bonds will generate numerous advantages for the EU and for the capital markets, the markets of sustainable finance in particular. It will:

- Confirm the European Commission's commitment to sustainable finance;
- Bring a new highly rated and liquid green asset to the market, giving access to green investments for a wide range of investors;
- Help the European Commission access a wider range of investors;
- Allow investors to diversify their portfolio of green investments with a highly rated liquid asset, thereby potentially accelerating a virtuous circle of sustainable investments;
- Further boost the green bond market and serve as an inspiration to other issuers;
- Strengthen the role of the European Union and of the euro in the sustainable finance markets.

NextGenerationEU Green Bond framework

To be able to issue NextGenerationEU green bonds, the Commission has adopted a NextGenerationEU green bond framework.

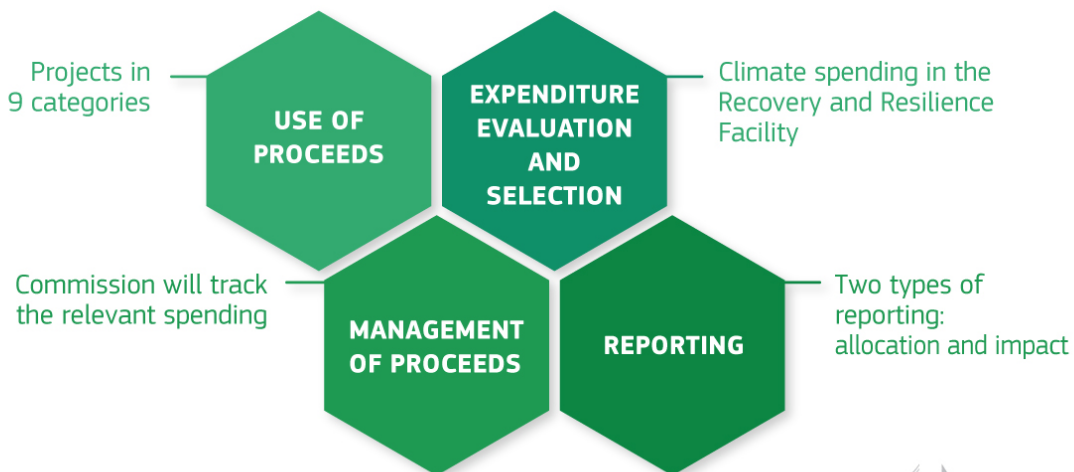
In line with established market practice, the framework is organised around four main pillars. These are:

1. **Use of proceeds.** Under the NextGenerationEU green bond framework, the funds will be used for nine broad categories of expenditure, including energy efficiency, clean energy and climate change adaptation.
2. **Process for expenditure evaluation and selection.** The investments will be identified based on the 37% climate expenditure of the Recovery and Resilience Plans – the spending roadmaps under the Recovery and Resilience Facility at the heart of the NextGenerationEU recovery instrument.
3. **Management of proceeds.** Under the NextGenerationEU green bond framework, the Commission will track the relevant spending.
4. **Reporting.** The Commission will use two types of reporting to show how funds have been spent (allocation reporting) and what they have achieved (impact reporting).

The framework is aligned with the green bond principles of the International Capital Market Association (ICMA), which is a market standard for green bonds. In line with standard practice, it has been reviewed by a second party opinion provider, Vigeo Eiris, part of Moody's ESG Solutions.

The evaluator has confirmed that the Framework is aligned with the ICMA's Green Bond Principles, is coherent with the EU's wider Environmental, Social and Governance (ESG) strategy and will provide a robust contribution to sustainability.

NextGenerationEU GREEN BOND FRAMEWORK



Next steps

For the most recent information on NextGenerationEU green bonds, please check our [latest news](#) and the most recent [Investor Presentation](#).

Documents

All documents linked to the NextGenerationEU Green Bond framework are available in the [documents' section](#) of our website.

Q&A

For further information, check the dedicated [Q&A document](#).