



Form 4: New Work Item Proposal

Circulation date: 2017-06-20 Closing date for voting: 2017-09-12	Reference number: Click here to enter text. (to be given by Central Secretariat)
Proposer (e.g. ISO member body or A liaison organization) SAC	ISO/TC Click here to enter text. /SC Click here to enter text. <input checked="" type="checkbox"/> Proposal for a new PC
Secretariat SAC	N Click here to enter text.

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.

IMPORTANT NOTE: Proposals without adequate justification risk rejection or referral to originator.

Guidelines for proposing and justifying a new work item are contained in [Annex C of the ISO/IEC Directives, Part 1](#).

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 Finance: Assessment of Green Financial Projects

French title (if available):

[Click here to enter text.](#)

(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 the classification of green financial projects. This International Standard also specifies a framework for assessing green financial projects, including principles, scope, methodologies, procedure, reporting, and assessment bodies.

This International Standard helps users to identify and assess green financial projects.

Purpose and justification of the proposal*

Green finance is a kind of financing of investments that provide benefits in the broader context of reduction in air, water and land pollution, reductions in GHG emissions, improved energy efficiency while utilizing natural resources and their co-benefits. Green finance could also facilitate the growth of high-potential green industries, promote technological innovation and create business opportunities for the financial industry. The green finance market has a rapid growth recently. In 2015, global investment in energy efficiency was USD 221 billion and in renewable energy was USD 442 billion.¹ Notably, the green bond market is booming and the global value is close to USD 90 billion in 2016².

Meanwhile, the development of green finance faces general challenges: 1) there is no universally accepted definition of green financial activities, either internationally or even at the country or market level³. As most green financial activities are based on projects, it is difficult to allocate financial resources, manage risks, evaluate progress, understand impact, communicate information, and design policy and regulations without appropriate definitions and classification of green financial projects. 2) there are no common guidelines for assessing green financial projects before investment decisions. Therefore, financial institutes have difficulty to technically identify and assess the green financial projects. It also weakens the credibility of the assessment by the third-party bodies. The lack of standard in such areas can result in overinvestment in pollution intensive sectors and underinvestment in green sectors. Therefore, the market needs are urgent for international harmonized definitions and guidelines to avoid investor confusion.

This International Standard will provide a universal definition and classification of green financial projects based on international consensus and best practices. The harmonized definition and classification will avoid the danger of not adequately reflecting different contexts and priorities in different countries or markets as well as costly comparison across institutions and markets and for cross-border green investment. This International Standard will also provide a comprehensive framework for assessing green financial projects. Considering many financial institutes have yet to develop the capacity to identify and assess green financial projects, this framework can increase the confidence of green financial projects as it can be assessed by financial institutes or the third-party bodies on a common basis.

Therefore, it is necessary for policy makers, international organizations and the private sectors to work together to develop a voluntary standard for classifying and assessing green financial projects. This standard may help investors, firms, governments and the wider public for better projects identification, risk mitigation, understanding impact, and mobilizing capital for green investment. This could help level the playing field within and among countries, and provide the foundations for scaling up green finance globally.

As the proposed working item does not fall in the scope of any existed ISO technical committee, China (SAC) proposes to lead the process to develop the above-mentioned standard through the establishment of a Project Committee. Liaisons will be established and maintained with related ISO technical committees for good coordination and consistency of approach, and avoiding clashes or duplication.

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>

¹ Source: IEA report: World Energy Investment(2016)

² Source: www.climatebonds.net

³ Source: G20 Green Finance Synthesis Report (2016)

<p>Preparatory work (at a minimum an outline should be included with the proposal)</p> <p><input type="checkbox"/> A draft is attached <input checked="" type="checkbox"/> An outline is attached <input type="checkbox"/> An existing document to serve as initial basis</p> <p>The proposer or the proposer's organization is prepared to undertake the preparatory work required:</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>If a draft is attached to this proposal,:</p> <p>Please select from one of the following options (note that if no option is selected, the default will be the first option):</p> <p><input checked="" type="checkbox"/> Draft document will be registered as new project in the committee's work programme (stage 20.00)</p> <p><input type="checkbox"/> Draft document can be registered as a Working Draft (WD – stage 20.20)</p> <p><input type="checkbox"/> Draft document can be registered as a Committee Draft (CD – stage 30.00)</p> <p><input type="checkbox"/> Draft document can be registered as a Draft International Standard (DIS – stage 40.00)</p>
<p>Is this a Management Systems Standard (MSS)?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>NOTE: if Yes, the NWIP along with the <u>Justification study</u> (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.</p>
<p>Indication(s) of the preferred type or types of deliverable(s) to be produced under the proposal.</p> <p><input checked="" type="checkbox"/> International Standard <input type="checkbox"/> Technical Specification</p> <p><input type="checkbox"/> Publicly Available Specification <input type="checkbox"/> Technical Report</p>
<p>Proposed development track</p> <p><input type="checkbox"/> 1 (24 months) <input checked="" type="checkbox"/> 2 (36 months - default) <input type="checkbox"/> 3 (48 months)</p> <p>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).</p>
<p>Known patented items (see ISO/IEC Directives, Part 1 for important guidance)</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "Yes", provide full information as annex</p>
<p>Co-ordination of work: To the best of your knowledge, has this or a similar proposal been submitted to another standards development organization?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "Yes", please specify which one(s):</p> <p>Click here to enter text.</p>

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 item has no duplication or conflicts with existing work. The proposed item will improve the consensus on green financial activities among different areas of energy, environment and finance. It will not duplicate deliveries of related technical committees but facilitate users to adopt best available international standards in those areas. It will also provide opportunities for relevant technical committees to be aware of emerging needs for standardization. Especially, it will increase effective implementation of relevant ISO deliverables such as ISO 14000 series, ISO 10845 series, ISO 50001 series and ISO 52000 series in financial sector.

ISO/TC 207/SC 7 is developing ISO 14097 on the Framework and principles for assessing and reporting investments and financing activities related to climate change. Although it focuses on the climate related investment of organization, this proposed item is distinct from that standard as it will be applicable at project level. Additionally, green finance is more extensive than climate finance as it covers sectors such as renewable energy, sustainable construction, energy efficiency and waste management.

ISO/TC 207/SC 1 is developing ISO 14007 Environmental management: Determining environmental costs and benefits – Guidance and ISO 14008 Monetary valuation of environmental impacts and related environmental aspects — Principles, requirements and guidelines. This proposed item will not touch upon the evaluation of environmental costs and benefits or monetary valuation of environmental impacts and related environmental aspects. The proposed item will refer to these available ISO standards but will not develop technical approaches.

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

ISO

ISO 10006:2003 Quality management systems -- Guidelines for quality management in projects

ISO 10845-1:2010 Construction procurement -- Part 1: Processes, methods and procedures

ISO 13065:2015 Sustainability criteria for bioenergy

ISO 14001:2015 Environmental management systems -- Requirements with guidance for use

ISO 14064-2:2006 Greenhouse gases -- Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements

ISO 16075-1:2015 Guidelines for treated wastewater use for irrigation projects -- Part 1: The basis of a reuse project for irrigation

ISO 16075-2:2015 Guidelines for treated wastewater use for irrigation projects -- Part 2: Development of the project

ISO 16075-3:2015 Guidelines for treated wastewater use for irrigation projects -- Part 3: Components of a reuse project for irrigation

ISO 17741:2016 General technical rules for measurement, calculation and verification of energy savings of projects

ISO 20121:2012 Event sustainability management systems -- Requirements with guidance for use

ISO 21500:2012 Guidance on project management

ISO 50001:2011 Energy management systems -- Requirements with guidance for use

Climate Bonds Initiative (CBI)

Climate bonds standard and sector specific standards for water, solar, wind, low carbon buildings, geothermal and low carbon transport

Equator Principles (EP) Association

The Equator Principles

G20 Energy Efficiency Finance Task Group

Energy Efficiency Investment Toolkit

International Capital Market Association (ICMA)

Green Bond Principles

International Finance Corporation (IFC)

Performance Standards on Environmental and Social Sustainability

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).

	Benefits/impacts	Examples of organizations/companies to be contacted
Industry and commerce – large industry	Financial institute will improve investment on reliable green financial projects and reduce the risks; Large industry and commerce companies will invest more on energy saving and environmental technology	Banks, institutional investors, assurance companies, bond issuers, green technology companies, renewable energy operators
Industry and commerce – SMEs	Business opportunity for new services and more incentives for R&D of green technology	Energy Service Companies (ESCOs), environmental protection consulting firms, the third-party assessors
Government	Government can promote the green finance on a common technical basis. It will help government to design policy and regulations to achieve energy and environmental target through green finance.	Regulators for financial institutes, regulators for resource and environment
Consumers	More efficient and environmental products/services	Consumer associations
Labour	More development opportunity in new and green business	Labour organization
Academic and research bodies	Incentives for R&D on energy saving and environmental technology	University, Research Institutes
Standards application businesses	New business for certification and verification of green financial projects	Certification bodies
Non-governmental organizations	Better technical basis to promote green finance	NGOs for environment, UNEP, IPEEC
Other (please specify)	Click here to enter text.	Click here to enter text.

<p>Liaisons: 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>External: Climate Bonds Initiative (CBI) Equator Principles (EP) Association International Capital Market Association (ICMA)</p> <p>Internal: ISO/TC 28/SC 7 Liquid biofuels ISO/TC 59/SC 18 Construction procurement ISO/TC 68 Financial services ISO/TC 163/TC205/JWG 4 Energy performance of buildings using holistic approach ISO/TC 180 Solar energy ISO/TC 207 Environmental management ISO/TC 228 Tourism and related services ISO/TC 238 Solid biofuels ISO/TC 255 Biogas ISO/TC 258 Project, programme and portfolio management ISO/TC 282 Water reuse ISO/PC 295 Audit data collection ISO/TC 301 Energy management and energy savings ISO/PC 305 Sustainable non-sewered sanitation systems</p>	<p>Joint/parallel work: Possible joint/parallel work with:</p> <p><input type="checkbox"/> IEC (please specify committee ID) Click here to enter text.</p> <p><input type="checkbox"/> CEN (please specify committee ID) Click here to enter text.</p> <p><input type="checkbox"/> Other (please specify) Click here to enter text.</p>
<p>A listing of relevant countries which are not already P-members of the committee. Click here to enter text.</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>Proposed Project Leader (name and e-mail address) Li Pengcheng, China National Institute of Standardization lipch@cnis.gov.cn Click here to enter text.</p>	<p>Name of the Proposer (include contact information) Li Yubing Director General, Department of International Cooperation, SAC</p>

This proposal will be developed by:

- An existing Working Group (please specify which one: [Click here to enter text.](#))
 - A new Working Group (title: [Click here to enter text.](#))
- (Note: establishment of a new WG must be approved by committee resolution)
- The TC/SC directly
 - To be determined

Supplementary information relating to the proposal

- This proposal relates to a new ISO document;
- This proposal relates to the adoption as an active project of an item currently registered as a Preliminary Work Item;
- This proposal relates to the re-establishment of a cancelled project as an active project.

Other:

[Click here to enter text.](#)

- Annex(es) are included with this proposal (give details)

Annex A. Outline of Green Finance: Assessment of Green Financial Projects

Annex B. Analysis of the scopes of the proposed new working item and relevant TCs/SCs

Additional information/questions

NOTE from ISO/CS:

ISO/CS would like to draw the attention of the ISO members to the fact that TC 207 projects cover 'Climate finance' and that this proposal could therefore lead to a potential overlap.

If the NWIP is approved by ISO members, ISO/CS would recommend to the ISO/TMB that this proposal is developed under a new WG in ISO/TC 207.

ANNEX A. Outline of Green Finance: Assessment of Green Financial Projects

1. Scope

This International Standard specifies classification of green financial projects. This International Standard also specifies a framework for assessing green financial projects, including principles, scope, methodologies, procedure, reporting, and assessment bodies.

This International Standard helps users to identify and assess the green financial projects.

2. Terms and conditions

3. Classification of green financial projects

3.1 Principles of classification

3.2 Hierarchical classification

3.2.1 Energy efficiency project

3.2.2 Renewable energy project

3.2.3 Pollution reduction project

3.2.4 Resource saving project

3.2.5 Others

4. Principles of assessment

5. Scope of assessment

5.1 Compliance

5.2 Resource and Environmental Benefits

5.3 Control of Risks

5.4 Management Arrangement

5.5 Information Disclosure

5.6 Verification Arrangement

6 Methodology of Assessment

6.1 Standard Control

6.2 Comparison Test

6.3 Peer Review

7 Procedure of Assessment

8 Reporting

9 Assessment Bodies

ANNEX B. Analysis of the scopes of the proposed new working item and relevant TCs/SCs

We have investigated the scopes and business plans of relevant TCs/SCs in ISO as listed in table 1.

Table 1. The scopes of relevant TCs/SCs

TC	Scope
ISO/TC 68	Standardization in the field of banking, securities and other financial services.
ISO/TC 207	Standardization in the field of environmental management systems and tools in support of sustainable development. Excluded: • test methods of pollutants, setting limit values and levels of environmental performance, and standardization of products. Note: The TC for environmental management will have close cooperation with ISO/TC 176 in the field of environmental systems and audits.
ISO/TC 207/SC 1 Environmental management systems	Standardization in the field of environmental management systems to support the achievement of sustainability.
ISO/TC 207/SC 2 Environmental auditing and related environmental investigations	Standardization in the field of environmental auditing and related environmental investigations.
ISO/TC 207/SC 4 Environmental performance evaluation	Standardization in the field of environmental performance evaluation in support of sustainability.
ISO/TC 207/SC 7 Greenhouse gas management and related activities	Standardization related to the management of greenhouse gas emissions and removals and related activities.
ISO/TC 301	Standardization in the field of energy management and energy savings.

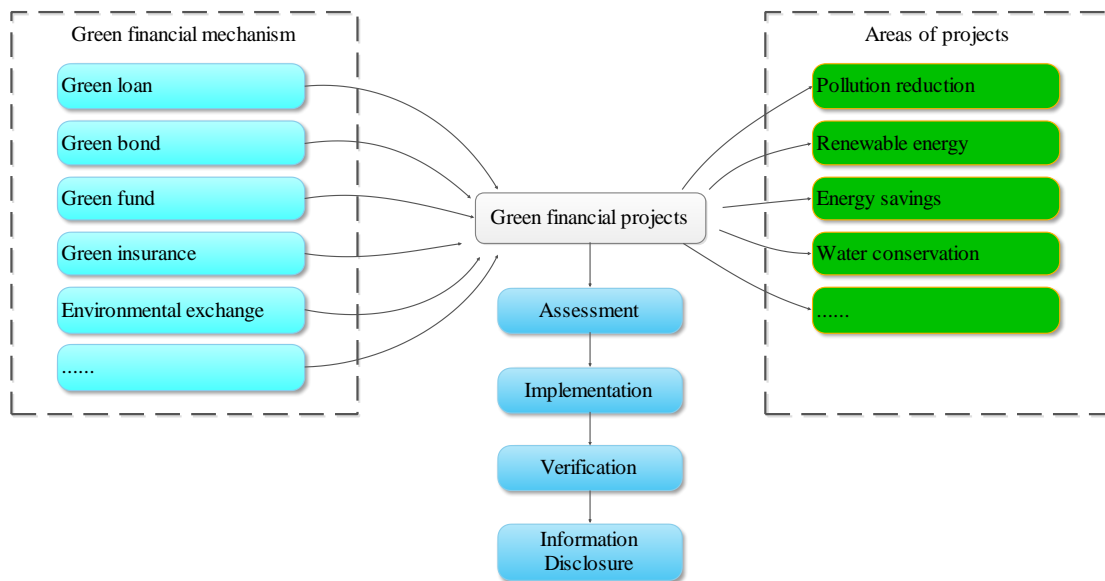


Figure 1. Context of green financial projects assessment

According to the analysis, we think the proposed item brings forward an emerging topic which doesn't fall in the scope of existed TCs. Firstly, the scope of the proposed item is beyond the scope of environmental management system or tools standard. The assessment framework of green financial projects has very loose connection with environmental management, environmental audit or environmental performance. The scopes of relevant TCs are defined so it is difficult to cover the broad theme of green finance. Secondly, the proposed standard will not touch the specific environmental issue, energy saving issue or financial service as its main purpose is to harmonize conception and guidelines for internal/external bodies assessing green financial projects before investment decision. It will consider the broader context of pollution reduction, GHG emission reduction, energy efficiency improvement, renewable resources utilization and their co-benefits.

Therefore, we think it is logical to develop the standard in a project committee. We also think this is an efficient and effective way especially when market demand grows rapidly.