The consultation "**Establishment of an EU green bond standard**" promoted by DG FISMA aims to further increase public and private financial contributions for sustainable investments by establishing a high quality and easily recognizable European standard for green bonds and offer a clear definition of eligible green activities and projects. It is based on the report of the Commission's group of technical experts on sustainable finance of June 2019.

The European Green Deal of 11 December 2019 underlined the need for long-term signals to direct the financial situation and capital flows towards ecological investments and avoid problem activities. The Commission has announced that it will present a renewed sustainable financing strategy in 2020, including a range of actions, including simplification for investors in investing sustainable and guaranteed investments that are credible.

Within the European Green Deal, the EU investment plan presented on January 14, 2020, the Commission has announced that it will establish an EU green bond standard. Green Bonds are recognized as a key financial instrument in achieving the climate and environmental objectives set by the Paris Agreement of 2015, relating to the 2030 time horizon, laying the foundations for a transition towards a carbon neutral society and a circular entrepreneurial model : in 2019 the share of Green Bonds issued on the economic and financial market was around 225 billion euros, an increase compared to previous years but with a low impact of use in the financial bond sector which stands at around 4%.

In presenting this public consultation, the European Commission described the reasons for the low percentage in relation to the use by investors (public and private) of Green Bonds:

a) **The lack of homogeneity and agreement on the definition of "Green**"

b) **A reduced ability to define and combine green bonds with sustainable projects and assets**

c) **Process of definition and characterization of Green Bonds often complex and expensive**

The poplar cultivation project, of which the MissagliaeAssociati, is a partner, and the primary purpose of implementing a National Agency for the Support of Poplar Cultivation (ANSaP) during the project implementation, can respond to the points raised by the European institutions regarding the difficulties on the part of the Green Bonds to permeate as the main financial instrument to achieve the environmental and climatic targets outlined in the institutional community offices.

Starting from point a), the poplar cultivation project falls within one of the 6 Climate Change Mitigation action guidelines, drawn up in 2019 by the Technical Committee of Experts, within which an obligation that is based on projects falling within these axes can be defined as Green Bonds: the project as a whole, having clear actors and providing for the development of well-identified and contract-supported production chains (agricultural supply chain, forest supply chain), can be built within the Green Bonds issue path, determining clarity for end investors. **For this purpose, the National Poplar Growing Agency can be a key stakeholder in clarifying the green concepts regarding the wood arboriculture sector**, filling the technical and economic gaps behind the knowledge of a sector recognized as not strategic. only at national level, but also at community level, as evidenced by the text of the New European Forestry Strategy and by the objectives set within the Green New Deal program plan.

**In this sense, the National Poplar Growing Agency would help to ensure a clear standard format for defining what in a project and, consequently, a bond-type financial issue can be defined as Green**: in fact, forest investment funds (pension funds, bonds, life insurance ..) are attracting increasing interest in various geographical and socio-political spheres (USA, Central and South America, Ireland, Denmark, etc.), also due to the continuing uncertainty of investments in stocks and bonds. **The good returns generated by forest investment funds in recent years have often been higher than those of traditional forms of investment**, as evidenced by the Investment Property Databank, according to which the annual returns of the British forests have reached an average of 16.1% in the past three years, unlike 6.9% for the real estate sector and -1.3% for the stock market.

Forestry funds are low-risk as returns are generated from the assets of the same fund, i.e. trees.

The creation of the National Agency for the support of Poplar cultivation responds very well to point c) expressed by the European Commission as an obstacle for the diffusion of this tool on the market, linked to the excessive difference in knowledge and cultural background of the financial market operators in terms of sustainability, with an average cost of defining and characterizing a Green Bond estimated at around € 40,000, making the purchase of this bond already very expensive, thus making the purchase unattractive on the market. **In this case, the Agency would allow not only to lower these external consultancy costs thanks to its action to increase knowledge in the poplar sector and more generally of wood arboriculture, but would work with the main economic-financial actors and institutions in drafting a standard protocol to be used both nationally and in the respective areas of Community intervention, making available its know-how in this sector and thus clarifying the principles and activities of issuing a green bond in the field of wood arboriculture.**

Always referring to point a) and c), point b) through the purpose of promoting and financing research on innovative and alternative uses in the field of wood arboriculture and in the field of ecosystem services, trying to establish partnership relationships with third parties interested in payments for ecosystem services (PES), broadens the spectrum of green construction projects within the Green Bonds issue: in this way it could be possible to start with force and through the development of an economic-financial market to give a stable monetary value to Ecosystem Services, thus promoting their development not only within the business fabric but also within the reality tailored to the individual private investor.

**The National Agency for the Support of Poplar Growing (ANSaP), would prove to be an important legal actor capable of characterizing and developing projects, filling the lack of existing projects, as evidenced by the European Commission:** projects related to wood arboriculture concern in fact, well-defined actors and subjects, from the primary sector (agriculture) to the secondary sector (wood and wood transformation industry), concern a very precise axis characterizing the principle for defining a green obligation (Mitigation and Adaptation to Climate Change) fully falling within the indications set by the EC.

From the idea of ​​linking the issue of Green Bonds to projects related to the recognition of ecosystem services and consequently to the value that timber, as such, can be enhanced within the market not only as a sustainable material with respect to the various materials deriving from fossil sources, but also for its intrinsic value as an element capable of naturally fixing carbon dioxide during its entire life phase, the idea arises to structure a concept of "**Carbon Free**" certification, recognized by an institution third-party certifier, to be extended to the entire wood-furniture supply chain, from the moment the virgin wood from the forest is picked up in the woods up to the process of transforming the timber and final sale on the retail market through the finished product: also with a view to creating a market structured exchange of credits based on ecosystem services, the need to valorise wood biomass as driver of CO stock ₂ it is more current than ever with the development times of national and community policies in the environmental and forestry field. The wood, used according to the principle of cascade use recommended by the European Bioeconomy Strategy 2019-2024, remains within the market for various production principles: once taken from the forest and the forest, the wood used to produce items to be placed within the market, it will keep track of the CO₂ fixation that the single wood species, from which the wood raw material derives, had during its biological cycle.

As a consequence, once made, a piece of furniture, a panel or any manufactured item made of wood will contain within it a share of carbon dioxide incorporated, net of the loss of processing waste following the first treatment phase of post-harvest timber.

From this logical line came the idea of ​​thinking of a Carbon Free certification for the entire national wood-furniture supply chain: in fact, the ability of the wood material to fix CO₂ internally for as long as it remains on the market, allows to compensate for environmental emissions and energy consumption deriving from activities along the supply chain, from the extraction of wood in the forest, to logistics, to the transformation and production phase, up to the retail sale and trade of raw materials.

In this way, the traditions of carbon offsetting through afforestation and / or reforestation are directly shifted to the role that the wood worked by the companies in the wood-furniture supply chain possesses inside, that is, the ownership of greenhouse gas stocks: the in fact, in its entire cycle, from extraction to final sale, the company is automatically in a phase of CO compensazione compensation, since it processes a material which by nature fixes the atmospheric carbon, thus avoiding its release into the atmosphere.

From the legislative point of view, favoring the use of national wood and recognizing the intrinsic property of wood as a raw material capable of storing and fixing carbon dioxide, would allow Italy and the European Union to deal more effectively and the negative effects deriving from climate change and the loss of biodiversity are faster, reducing the withdrawal of non-renewable raw materials and the high environmental impact and at the same time reducing the emissions of climate-changing gases linked to international trade and transport, in particular from sensitive areas at risk of deforestation and with serious problems from a socio-economic point of view (South East Asia, Central-Equatorial Africa, Latin America).

Another problem treated by the European Commission regarding **the difficulty of affirming the spread of Green Bonds on the financial market is the different implementation by the Member States for the assessment and definition of sustainable investments;** the same difficulty can be seen with regard to the worldwide CO₂ taxation schemes, divided into 57 different types, equally divided between regional or state taxes and emission markets, involving 74 countries.

However, these schemes cover only 20% of global emissions and less than 5% impose an adequate price to keep the average increase in world temperature well below 2 ° C, aiming to limit the increase in average temperature to 1, 5 ° C.

The International Monetary Fund in the 2019 Fiscal Monitor estimates an adequate carbon tax of $ 75 per tonne of CO₂, to be gradually introduced by 2030.

The affirmation of a community scheme shared not only at a general level (taxonomy and indicators for defining an investment green) but also at the individual sector level, would allow a more precise and technical definition and organization of projects linked to sustainable investments, guaranteeing the possibility for individual legal entities to have greater clarity regarding their investment and the topic it deals with.

**In this sense, the National Agency for the Support of Poplar Growing (ANSaP) would act as a natural national and community reference stakeholder for the definition and characterization of sustainable investments in the wood arboriculture sector, in synergy with the other sectoral community stakeholders, giving the Commission clear and precise guidelines.**

In order to overcome the limits of the lack of projects to be linked to Green Bonds issues and the lack of a single European standard, this scheme should be applied to all sectors that can give rise to actions and project developments related to the principle of sustainability and circularity: by adopting this Action Plan it is possible to broaden the spectrum of the sectoral areas affected by sustainable investments even outside the perimeter of the ETS Directive, following the path strongly recommended by the European Union for the achievement of the energy-environmental objectives to 2030 (reduction of EU emissions of 40% compared to 1990 levels, 32% of the EU gross energy mix from renewable sources, 32.5% of average energy consumption savings compared to the levels of the early Duemlia’s) with a forecast of additional 180 billion coming from green investment funds and thus avoiding macroeconomic imbalances within the individual Member States, dictated by different lines of intervention within the same product sectors.

As a demonstration of the need to extend the action capacity of compensation to more commodity sectors, also not belonging to the perimeter of the ETS directive, Germany in September 2019 approved the New Climate Strategy for 2030 ("Klimaschutzprogramm") containing several points that should lead Germany to reduce its CO2 emissions by 55% in 2030, compared to 1990 levels.

The strategy developed by the executive's "climate cabinet" led by Angela Merkel provides, in particular, **a national carbon market in two sectors - buildings and transport - which are not covered by the European ETS (Emissions Trading Scheme) market**. Let's talk about a carbon pricing mechanism: the aim is to make those who pollute the most pay carbon emissions. It will start with a price of 10 euros for the single ton of CO2 in 2021, and then gradually increase to 35 € / tCO2 in 2025. Only from 2025 will the exchange of emission certificates start. And from 2026 Germany will establish a predetermined budget for emissions, which will decrease every year in line with the climate objectives to 2050; the CO2 quotas will be assigned to the auction with market dynamics, but within a minimum-maximum corridor of € 35-60 / tCO2 (the price corridor for subsequent years will be defined in future updates of the climate program). Then Berlin is in favor of extending the ETS system to all sectors, in order to create a continental CO2 market with the possible setting of a certain minimum value (floor price) for each ton of carbon dioxide in the sectors already included in the ETS.