

On 7 October 2019, [REDACTED] (WWF, Brussels) met with **Elina Melngaile** (CAB-DOMBROVSKIS) and [REDACTED] (DG FISMA) to discuss the proposals included in a recently-published report from various Civil Society Organisations (“Game-changer: Financing the European Green Deal”) and, more broadly, WWF’s ideas on how to enhance sustainable finance at the EU level.

WWF believes that **European Green Deal** creates a major opportunity to develop the sustainable finance agenda further, on the basis on the European Commission’s Action Plan on Financing Sustainable Growth. To that end, they recommend:

1. Urgently revising the **Non-Financial Reporting Directive** (NFRD) in 2020.
2. Revising the **Credit Rating Agencies** Regulation and creating a regulation for **ESG rating agencies**.
3. Creating a **corporate governance sustainability framework**, focused on environmental and human rights due diligence, and **corporate sustainability strategies and targets**.

The Commission replied that the decision to revise the NFRD will be based on the results of a fitness check on the EU framework of corporate reporting, for both financial and non-financial information, which will be published by the end of this year. Regarding the second point, the Commission explained that this year the European Securities and Markets Authority (ESMA) published technical advice on sustainability considerations in the credit rating market. In order to strengthen disclosure on how ESG factors are being considered, in July ESMA updated its guidelines on disclosure requirements for credit rating agencies. With respect to the final point, DG JUST is carrying out two studies related to corporate governance: (i) a study on companies’ interests, boards’ duties and sustainability strategies; and (ii) a study on human rights and environmental due diligence.

Other issues that were discussed at the meeting included:

- The need to ensure a **just transition to a low-carbon and environmentally sustainable world**. Both WWF and COM agreed on the urgency of this issue..
- The issuance of **green bonds by the EIB**. WWF suggested that these could be bought by the ECB in order to give a strong signal to the market.
- The development of a **‘brown taxonomy’**. WWF and other NGOs believe that to complement the proposed classification of sustainable economic activities (i.e., EU taxonomy) COM should also develop a classification of harmful economic activities (i.e., brown taxonomy).
- Efforts to **green the European Semester**. WWF believes that the European Semester should be reformed to fully integrate the goals of a sustainable and fair ecological transition. For example, country reports and country-specific recommendations should capture key environmental and social issues and fiscal rules should be reformed accordingly.
- The importance of **removing harmful subsidies**. COM argued that this should be a decision to be taken at the international level (e.g., G7, G20), since it might compromise the competitiveness of the EU.