9th ICO Sustainable Bond Forum

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This forum serves as a platform for dialogue among issuers, investors, regulators, and market intermediaries—bringing together diverse perspectives and expertise to shape the future of sustainable finance.

By fostering open discussion and collaboration, we can build the partnerships and trust necessary to drive transformative change across our markets.

There has been a remarkable evolution of the green bond markets, which have grown from niche instruments into a powerful force for sustainable development.

These markets are not only channeling high volumes of capital towards sustainable projects, but are also setting new standards for transparency, and accountability.

In this regard, Europe leads the global green bond market, driven by a strong regulatory framework, increasing investor demand, and the commitment of companies and governments to sustainability.

The new European Green Bond Standard enhances transparency and trust, consolidating the EU's position as a global benchmark in sustainable finance.

At the same time, ongoing regulatory simplification efforts across Europe and the implementation of the new Bond Regulation are creating both opportunities and challenges for bond markets.

I will structure my presentation in three different blocks.

First, I will review the current state of the green bond market in Europe and Spain.

Second, I will outline the regulatory landscape for green bonds, focusing on the recent option to apply the European Green Bond Standard.

I will conclude by highlighting the challenges faced by companies and supervisors, as discuss possible measures to address them.

Sustainable bonds in European and Spanish Markets in 2025

As you all know, Europe remains the region with the largest volume of green bond issuance, exceeding 97,3 billion euros in the first quarter of 2025, although this represents a 27% drop compared to the same period in 2024. Elevated interest rates and cautious capital markets have suppressed overall bond issuance—including green bonds.

Despite the drop, Europe generated more than three times the green bond volume of Asia-Pacific ($31 bn) and nearly five times North America ($20 bn) in Q2 of 2024. Europe's green bond stock reached around €388 billion in 2024—58% of global volume—illustrating sustained dominance.

Spain ranks as the fourth-largest issuer in the EU and the seventh-largest globally.

During the first half of this year 2025, the accumulated nominal value of ESG issuances in Spanish Primary Markets was 3,2 billion euros, almost the same as the first half of 2024.

Spain continues to position itself as one of the leading issuers of green debt in Europe in 2025. Both the public (Treasury, ICO, autonomous communities) and private sectors are leading significant issuances, with a strengthened regulatory framework and a very strong appetite from ESG investors.

Regulatory status of Green Bonds

Since December 2024, a new standard has joined ESG's standard list, the European Green Bond Standard.

The new Regulation sets specific requirements for the issuance of green bonds, including alignment of the financed projects with the EU taxonomy with a flexible pocket, mandatory reporting, external verification and supervision by competent authorities.

This standard is already operational, and issuers can use it now. Nevertheless, certain technical and reporting details are still under construction and will be fully implemented by mid-2026.

For instance, the European Commission has recently adopted guidelines and delegated regulations to standardize pre-issuance and post-issuance disclosure templates for green bonds and sustainability-linked bonds.

ESMA has just published its proposal to the Commission as part of Listing Act developments to improve the accuracy of the ESG declarations.

Comunidad Autónoma de Madrid has been a pioneer in the use of this label in the Spanish markets; it has become the first regional government in Europe to issue a bond under the EuGB standard, raising €500 million. The bond followed all the EuGB rules: aligned with the EU taxonomy, externally verified, and fully transparent.

While the European Green Bond Regulation introduces important new standards, it is still early to fully assess its impact; so far, Spanish issuers have largely continued to follow existing market practices—most notably the ICMA Green Bond Principles—reflecting both ongoing regulatory developments and the time needed for market participants to adjust.

A similar trend can be observed across other European markets.

Looking ahead, the key question is: what expectations can we realistically have for the adoption of the Green Bond Standard?

We believe that the market is currently in a "wait-and-see" phase regarding broader adoption of the EU Green Bond label, as issuers weigh the costs, added rigour, and evolving regulatory landscape associated with compliance.

Early indicators suggest the Green Bond Standard is poised for meaningful growth in the near future.

The strong demand for inaugural EU Green Bond Standard bonds indicates robust investor interest in this new standard.

Overdemand for EU Green Bonds has become a notable and consistent trend in today´s market.

Recent large EU Green Bond Standard deals—such as the European Investment Bank's (EIB), Iberdrola or Comunidad de Madrid—have seen overwhelming investor demand. This reflects a market where investor appetite for high-integrity green bonds outstrips available supply.

At the CNMV, we firmly believe in the value of applying the European Green Bond Standard.

It provides the confidence that proceeds are used as intended—and that they effectively contribute to achieving the EU's environmental objectives, including climate neutrality. The label also strengthens investor protection.

But we are fully aware that, to support broader uptake, we must ensure the regulation does not impose unnecessary burdens on issuers—and that the Standard is practical and workable in real-world conditions.

One key barrier has been clearly identified: the application of the Taxonomy's Do No Significant Harm criteria. As proposed by the EU Platform on Sustainable Finance, these requirements must be significantly streamlined. The European Commission has already announced a review of both the criteria and the way their compliance is assessed.

In parallel, we are closely monitoring the implementation of the Standard and maintaining an active dialogue with market participants. We are fully committed to analysing any shortcomings and, where needed, proposing improvements to the regulatory framework—working in close coordination with our Ministry of Finance.

Let me give you some concrete examples.

First, we are currently reflecting on how to ensure that EuGB-labelled bonds are not unintentionally penalised compared to other securities. One issue under discussion is the current requirement to publish a full prospectus simply to use the EU Green Bond designation.

In our view, the prospectus obligation should apply only when the general conditions outlined in the Prospectus Regulation are met—namely when bonds are offered to the public or admitted to trading on a regulated market, and subject to existing exemptions. This would prevent unnecessary administrative hurdles and help support the broader use of the EU Green Bond label.

Second, we are considering the possibility of allowing the issuance of EUBonds via a supplement to a previously approved base prospectus—even if that prospectus did not originally contemplate this type of bond.

This will avoid the need for issuers to prepare a new prospectus for the issuance of EUBs.

In addition, we are also examining the possibility of developing a dedicated CNMV guide outlining the information required from issuers wishing to use the standard—similar to the guide published by the AMF in December.

In a nutshell, we are open to exploring additional measures to support the uptake of the EU Green Bond Standard.

Beyond regulatory adjustments, we also intend to engage directly with issuers—both those who have already used the standard and those considering it.

Our objective is to share experiences, address common challenges, and identify practical solutions. Open dialogue and close collaboration will be essential.

At the EU level, authorities are already working to streamline regulations—seeking to enhance their effectiveness, remove unnecessary obstacles, and reduce administrative burdens for market participants.

I am firmly convinced of the value of the European Green Bond Standard. It is a powerful tool—one that can help issuers finance their transition and, at the same time, give investors confidence that their capital is making a genuine environmental contribution and not being exposed to greenwashing.

Conclusion

Before concluding, I would like to briefly touch on a broader issue related to bonds.

As many of you may know, the CNMV has been actively working to foster the development and attractiveness of bond markets in Spain.

We are convinced and committed to demonstrating that listing in Spain is a competitive and compelling option—thanks to simplified procedures, flexible market access, regulatory responsiveness, and strong support for sustainable finance.

And yet, in 2024 76% of corporate debt issued by Spanish companies was listed outside of Spain.

We recognise that longstanding factors—such as international perception, established issuer habits, and the global investor networks offered by financial hubs like Ireland and Luxembourg—continue to shape these dynamics.

This is why we are taking concrete steps to make Spain's capital markets increasingly competitive, particularly in the context of global financial integration and the growing need to attract both issuers and investors.

We are confident in the direction we are taking—and we look forward to working with all of you to make that vision a reality.