OVERVIEW OF IFC IN ENERGY EFFICIENCY IN THE BUILT ENVIRONMENT ACROSS ECA REGION

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INVESTING IN GREEN BUILDINGS IS GOOD BUSINESS

Green Building is one of the biggest investment opportunities of the next decade

- $24.7 trillion across emerging market cities by 2030
- $881 billion in ECA

Green Buildings

- lower operational costs while earning profits
- potentially enhance revenues through higher sales premiums, faster sales and higher occupancy rates
- materially impact the building sector and be an effective tool for reaching net zero emissions
- spur low-carbon economic growth

IFC FOCUS ON INVESTMENT AND ADVISORY IN CLIMATE BUSINESS

CLEAN ENERGY
Investments in large-scale renewable energy projects with a focus on frontier markets

CLIMATE-SMART CITIES
Sustainable Cities platform with project preparation and advisory services

GREEN BUILDINGS
Investments in resource-efficient commercial and residential buildings

GREEN FINANCE
Climate finance through 750 client banks and development of capital market solutions

CLIMATE-SMART AGRI
Focus on animal protein, land and crops, and food waste
IFC HAS A FOUR-PART STRATEGY TO SUPPORT GREATER INVESTMENT IN GREEN BUILDINGS

**Building Sector**
Investment and Advisory

Advise and directly invest in the property sector through IFC’s own balance sheet

**EDGE Certification**
Create a certification system and software to empower the property industry to build green

**Enabling Environment**
Advisory

Incentivize green decision making by fostering an enabling environment of supporting government policies to rise the bar on building regulations

**Banking Sector**
Investment and Advisory

Activate financing through banking partners and support product design (green bonds and green mortgages)

**IFC’s Green Building Market Transformation Program**

Creating Markets, Creating Opportunities
## IFC SOLUTIONS IN GREEN BUILDINGS: SELECTED PROJECTS IN ECA

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GREEN BUILDINGS EXAMPLE

Romania WDP

IFC’s first Green Loan to the semi-industrial property sector in ECA

- IFC’s first-ever property-sector European green loan to build one million m² of resource-efficient warehouses and commercial properties in Romania
- It is expected to save 12,083 tons of carbon dioxide every year
- WDP benefited from IFC’s EDGE Green Building Certification and worked closely with IFC to set a clear target on carbon neutrality and formalize resource-efficiency measures
- WDP has now achieved EDGE certification for all its 48 warehouses in Romania and become the first major warehouse owner in Romania with the highest number of green certified buildings, which will help improve the uptake by the sector in Romania

€205 million investment 2020

Photo credit: WDP
GREEN BONDS EXAMPLE

Romania CTP Green Bonds

In June 2021 IFC made its very first investment in a publicly issued Green Bond

• IFC invested €42.5 mn in a €500 mn, 8-year, senior, unsecured, Green, Eurobond issued by CTP
• The aim is to develop of low carbon, Green-certified business enabling industrial & logistics infrastructure in Romania & Serbia.
• IFC will also contribute to CTP’s sustainability goal of achieving operational carbon neutrality by the end of 2023.
• IFC’s investment is also in line with the WBG’s efforts to build climate capital markets:
  • IFC’s participation enabled CTP to meaningfully contribute to achieving benchmark-size (i.e. above €500 million) at launch for each of the Eurobond issues, thereby fostering liquidity in the secondary market.
GREEN HOUSING EXAMPLE

Georgia m2 Residential LLC

IFC Supports Affordable Green Housing in Georgia

- IFC funded fund green, low-to-middle-income housing in Tbilisi:
  - 1,800 apartments, efficiently using energy, water, and materials
  - to reduce negative impacts on health and the environment, and
  - to improve living standards for Georgian families
- IFC’s loan includes $11.5 million mobilized from the Green for Growth Fund, Southeast Europe (GGF)
- The housing projects of M2 Residential LLC achieve an estimated 40% energy savings compared to similar-sized new buildings in the Georgian market, demonstrating the demand for high quality, green buildings

$23 million investment 2015
EDGE, AN INNOVATION OF IFC

EDGE Makes It Easy to Design and Certify Resource-Efficient and Zero Carbon Buildings

IFC created a certification system and software to empower the property industry to build green in 170 countries

1,130,984 34,271,098 59,192,771 554,067 29,851,804

Energy Savings MWh/year Water Savings m³/year Embodied Energy in Materials Savings GJ CO₂ Savings tCO₂/year Floor Space Certified m²
There are three ways to certify:

Reach at least 20% savings in water and materials, then choose the energy savings.

1. **EDGE Certified**
   - Achieve the minimum standard of 20% in energy, water and embodied energy in materials.
   - Resource: [EDGE Certification](#)

2. **EDGE Advanced**
   - Earn 40% or more energy savings for a higher level of recognition, with at least 20% savings in water and materials.

3. **Zero Carbon**
   - Go all the way to carbon neutral with 40% or more energy savings on-site, achieving 100% through renewables or topping off with carbon offsets.

EDGE is currently funded by the UK Government with original funding by Switzerland’s State Secretariat for Economic Affairs (SECO). Additional support has been provided by Austria, Canada, Denmark, ESMAP, EU, Finland, GEF, Hungary and Japan.
EDGE CERTIFICATION: 14 PROJECTS IN ECA

Seven million square meters has been EDGE certified globally

- WDP Warehouses in Romania
- Renault Bucharest Connected Offices in Romania
- Vilnius Fabijoniskes by Lidl Retail in Lithuania
- WINGS by Studium Green Homes in Romania
- ProCredit Bank Georgia Head Office Offices in Georgia
- ProCredit Bank Bulgaria Head Office Offices in Bulgaria
- Kaufland Retail in Bulgaria
- Dr. Lutfi Kirdar Kartal Training and Research Hospital Hospitals in Turkey
- Greenox Residence Homes in Turkey
- MINT Caglayan Homes in Turkey
- MINT E-5 Homes in Turkey
- ProCredit Bank N. Macedonia Head Office Offices in Macedonia
- Hotel Sun Hotels in Cyprus
- Citadines Arnulfpark Munich Hotels in Germany
EDGE CERTIFICATION EXAMPLE

Turkey Vertical Forest Greenox

With 900 trees climbing up its geometric façade, Greenox is an urban landmark for the growing green building trend

- Greenox is resource-efficient building certified with EDGE
- The building contains 170 residential units that conserve energy, water and embodied energy in materials
- Greenox has high-efficiency boilers for space heating and hot water, low-flow faucets in kitchens and bathrooms and concrete filler floor slabs.
- The building saves up to 35% energy, 42% water and 41% embodied energy in materials compared to a conventional apartment building
- Features like solar panels, gray water treatment and rainwater collection systems also contribute to its efficiency

$23 million investment 2015
GREEN BONDS EXAMPLE

Romania Raiffeisen Bank Green Bonds

Green bonds to help boost climate finance and enhance the resilience of the banking sector

- IFC invested in the first green bond to be issued by a financial institution in Romania, placed by Raiffeisen Bank S.A.

- This was also IFC's first investment in bonds expected to qualify for the European Union's Minimum Requirement for own Funds and Eligible Liabilities (MREL)

- While the bonds have been issued in compliance with RBRO's Green Bond Framework, 100% of the proceeds (incl. IFC's investment) will be used only for eligible climate finance projects in 5 key areas:
  1. green buildings
  2. renewable energy
  3. energy efficiency
  4. clean transportation, and
  5. sustainable agriculture

$20 million in bonds 2021

Photo credit: Raiffeisen Bank S.A
ADVISORY: UKRAINE RESIDENTIAL ENERGY EFFICIENCY PROJECT (UREEP 2010-2021)

Goal: to promote energy efficiency in the residential sector and drive housing reform in Ukraine

UREEP promotes energy efficiency in Ukraine’s residential sector (2018–2021):

- Creating a market of professional housing management service providers
- Raising awareness of the rights and obligations of consumers and providers of housing management services
- Empowering women: capacity building program stimulating employment opportunities for women on maternity leave and at pre-retirement age

UREEP contributed to housing reform in Ukraine by (2010–2017):

- Developing financial instruments/programs to stimulate demand for EE modernization
- Establishing a legal foundation that kick-started housing reform in Ukraine

Sets principles of the relations between producers/contractors/consumers, their rights and obligations

- Law on housing and communal services
- Law on ownership in multifamily buildings
- Law on energy efficiency in buildings
- Law on commercial metering

Stipulates rules and methods of metering of energy resources

Sets principles of decision-making and management of common property in multifamily building

RESULTS

- $286.4 million facilitated for EE modernization of multifamily buildings
- 804,055 CO₂/year greenhouses gases emissions reduced
- 2,929 multifamily buildings reduced energy consumption
- 99,612 people received access to improved housing services
- 6,637 people participated in project training (on EE modernization, housing management, business acumen)
  - 4,061 of these were women

In partnership with

International Finance Corporation
Creating Markets, Creating Opportunities
ADVISORY: UKRAINE ENERGY EFFICIENCY FUND PROJECT (2019-2023)

Goal: $330 million to be facilitated for EE modernization through private and state-owned business by 2025

Ukraine’s outdated housing stock
• high energy consumption
• €3 billion or 7% of state budget is spent annually on utilities subsidies

Project supports the GoU to create the Ukraine Energy Efficiency Fund, build up demand for EE retrofits in the residential sector and stimulate business environment around them

• Capacity building of 4 partner banks to lend to Homeowners Associations, participating in the program

• Creating opportunities for private sector along the residential EE renovations supply chain: banks, housing managers/companies, construction, equipment, materials producers, energy auditors, engineering, etc.

• Providing grants to Homeowners Associations for EE renovations

In partnership with
ADVISORY: UKRAINE ENERGY EFFICIENCY FUND PROJECT (2019-2023)

Project results

- 832 applications
- $252 m - total cost of projects
- $159 m - value of grants
- 76,538 families will benefit upon completion of their EE renovations
- 103 K tons’ year – declared annual reduction of CO2 emissions
- 391 m kW*hour/year or $19 m - energy savings
THANK YOU

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