

ALIGNMENT OF IFIs' PRACTICE WITH GREEN BOND PRINCIPLES



1. African Development Bank (AfDB)

Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>ELIGIBLE PROJECTS Projects promoting either low-carbon development or climate-resilient development as defined by the AfDB's green bond framework including:</p> <ul style="list-style-type: none"> - Renewable energy - Energy efficiency - Vehicle energy efficiency fleet retrofit or urban transport modal change - Biosphere conservation projects - Solid waste management - Fugitive emissions and carbon capture - Urban development - Water supply and access 	<p>SELECTION OF ELIGIBLE PROJECTS</p> <ul style="list-style-type: none"> - AfDB's Energy, Environment and Climate Change Department identifies and categorises, among all projects approved in any given fiscal year, the climate change projects using the Joint MDB and AfDB's climate finance tracking methodologies - AfDB's Energy, Environment and Climate Change Department will apply the additional selection criteria under the AfDB's Green Bonds Program and categorize the projects that can be part of that program. The final list of projects to be part of the portfolio for any Green Bonds issuance will be agreed upon jointly by the Bank's Energy, Environment and Climate Change Department and Treasury Department based on the proposed list by the former 	<p>ALLOCATION OF PROCEEDS</p> <ul style="list-style-type: none"> - An amount equal to the net proceeds of a green bond are allocated within the AfDB's treasury to a sub-portfolio that will be linked to the AfDB's lending operations in the fields of climate change adaptation and mitigation. So long as the green bonds are outstanding, the balance of the sub-portfolio will be reduced, at the end of each semi-annual period by amounts matching the disbursements made during such semi-annual period in respect of eligible projects. Pending such disbursements, the net proceeds of the issue of the green bond are held in the AfDB's liquidity portfolio 	<p>ANNUAL REPORT</p> <ul style="list-style-type: none"> - Green bond issuance conducted year to date and outstanding volumes <p>http://www.afdb.org/en/documents/publications/annual-report/</p> <p>ANNUAL NEWSLETTER</p> <ul style="list-style-type: none"> - Green bond allocation to eligible projects, portfolio breakdown and project by project impact reporting metrics <p>http://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/green-bond-program/green-bond-newsletter/</p>	<p>CICERO SECOND OPINION</p> <ul style="list-style-type: none"> - The full report can be found on the AfDB's green bond website <p>http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Center%20for%20International%20Climate%20and%20Environmental%20Research%20-%20AfDB%20Second%20Opinion.pdf</p>
<p>See pages 1 and 2 of AfDBs Green Bond Framework: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Green%20Bonds%20Framework%20-%20Portfolio%20Selection%20-%20Allocation%20of%20Proceeds%20and%20Monitoring.pdf</p>	<p>See pages 1 and 2 of AfDBs Green Bond Framework: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Green%20Bonds%20Framework%20-%20Portfolio%20Selection%20-%20Allocation%20of%20Proceeds%20and%20Monitoring.pdf</p>	<p>See page 3 of AfDBs Green Bond Framework: http://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/Green%20Bonds%20Framework%20-%20Portfolio%20Selection%20-%20Allocation%20of%20Proceeds%20and%20Monitoring.pdf</p>		

2. Agence Française de Développement (AFD)



Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>LOAN ELIGIBILITY</p> <ul style="list-style-type: none"> - Renewable energy supply - Energy Efficiency - Low carbon transport - Biological carbon sequestration <p>PROJECT ELIGIBILITY</p> <ul style="list-style-type: none"> - Ex-ante analysis of its carbon footprint - Alignment with local public policies - Carbon footprint with value of less than -10000teqCO₂/y <p>DISBURSEMENT ELIGIBILITY</p> <p>Eligible loans disbursement or refinancing of disbursements</p>	<p>Projects are evaluated regarding ESG and Climate aspects in line within the frame of AFD funding mainstream procedure</p>	<p>As AFD's Climate Bond is issued under its EMTN program, all funding is fungible and there is no ring fencing for the proceeds of the bond.</p> <p>AFD committed to allocating the proceeds of the bond before end of 2014 (3,5 month); for a new issuance, that period would be six months given that the tenor of the issue would be 10 years or above. In the meantime, proceeds are managed together with the entire treasury funds. Climate Bond's proceeds will be used to finance a pool of selected projects. AFD took the engagement to maintain a pool of assets for which the outstanding is equal to the outstanding of the bond until its maturity.</p>	<p>For the allocation of funds:</p> <ul style="list-style-type: none"> - Sector breakdown in EUR - Geographical breakdown in EUR - Number of projects - Examples of projects - Weighted average of projects - disbursement rates <p>Climate objective</p> <ul style="list-style-type: none"> - CO₂ emissions reduced or avoided in tCO₂eq by sector and region <p>ESG</p> <p>Breakdown of projects by categories (A, B, C)</p>	<p>Second party opinion provided by Vigeo</p> <p>External Audit reflected in specific section of annual report on use of proceeds, project selection, reporting</p>

3. Asian Development Bank (ADB)



Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>ELIGIBILITY FOR GREEN BOND FINANCING</p> <ul style="list-style-type: none"> - Climate change mitigation projects: renewable energy, energy efficiency, sustainable transport, etc. - Climate change adaptation projects: energy, water and other urban infrastructure and services, transport, etc. 	<p>PROJECT IDENTIFICATION</p> <ul style="list-style-type: none"> - Potential environmental, involuntary resettlement and Indigenous Peoples impacts are screened in accordance with the Safeguard Policy Statement 2009 - Climate change risks and other social and governance aspects (e.g. poverty reduction, gender, labor and anticorruption) are addressed during project preparation in accordance with ADB's operational policies and strategies. - Eligible projects are identified on a continuous basis firstly using the joint MDB approach for tracking and reporting of climate change mitigation and adaptation finance, then additional selection criteria are taken into account. 	<p>ALLOCATION OF PROCEEDS</p> <ul style="list-style-type: none"> - The Green Bond net proceeds will be allocated within ADB's treasury to a special sub-portfolio that will be linked to ADB's lending operations to Eligible Projects. - So long as the Green Bonds are outstanding, the balance of the sub-portfolio will be reduced at the end of each quarter by amounts matching disbursements made during the quarter in respect of Eligible Projects. (see Copy of ADB Green Bonds Projects) - Pending such disbursement, the sub-portfolio will be invested in liquid instruments, consistent with ADB's liquidity policy. 	<p>MONITORING AND REPORTING</p> <ul style="list-style-type: none"> - Detailed information about ADB projects and green bond issuance is available on the ADB website. - Green Bond annual newsletters will provide highlights of Eligible Projects as well as issuance and disbursement volume. - Development effectiveness and compliance with environmental, social and governance aspects (as covenanted in the legal arrangement) is monitored on an ongoing basis by ADB during project implementation in accordance with ADB's operational policies and strategies. - Each eligible green project loan will have applicable environmental and social safeguard documents which will be available on ADB's website. 	<p>THIRD PARTY SECOND OPINION - Cicero opinion is available on ADB's website.</p> <p>ENSURING COMPLIANCE</p> <ul style="list-style-type: none"> - It is ensured that ADB's safeguard and other requirements are complied with during project preparation and implementation through supervision and monitoring at project level. - If issues with safeguards compliance are identified, borrowers must take corrective action to rectify the situation, as covenanted in the legal agreement. - Project-affected people can directly submit complaints to the Accountability Mechanism which provides a forum where they can voice and seek solutions to their problems and report alleged noncompliance of ADB's operation policies and procedures.

4. European Bank for Reconstruction and Development (EBRD)

Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>The proceeds of the green bonds are earmarked to support a specific portfolio of environmentally and socially sustainable projects (the “Green Project Portfolio” or “GPP”) as set forth in the bond documentation. The GPP currently comprises investments in the following 5 areas:</p> <ul style="list-style-type: none"> - energy efficiency; - clean energy; - water management; - waste management and; - environmental services and sustainable public transport. <p>The GPP will be replenished by new projects as per the eligibility criteria. Green Bond investors will initially refinance the GPP, which was the chosen approach by EBRD as the projects in the GPP have long disbursement periods, which in combination with 3-5 year bond tenors would lead to proceeds being managed in separate accounts for possibly half the life of the bond or more.</p> <p>http://www.ebrd.com/cs/Satellite?c=Content&cid=1395239596383&d=&pageName=EBRD%2FContent%2FDownloadDocument</p>	<p>+ Agreement Establishing the Bank, Article 2 vii) "to promote in the full range of its activities environmentally sound and sustainable development"</p> <p>http://www.ebrd.com/documents/comms-and-bis/pdf-basic-documents-of-the-ebrd.pdf</p> <p>+ 2014 Environmental and Social Policy</p> <p>http://www.ebrd.com/documents/comms-and-bis/pdf-environmental-and-social-policy.pdf</p> <p>+ Green bond selection criteria based on e.g.:</p> <ul style="list-style-type: none"> - Industry classification - Threshold of at least 90% of the funding needs to be directed at environmental goals - Various exclusion criteria - we exclude e.g. fossil fuel production / regeneration / fuel switching, projects funded via equity, projects that are credit impaired - Manual check and sign off by the EBRD Environment and Sustainability Department <p>http://www.ebrd.com/cs/Satellite?c=Content&cid=1395239596383&d=&pageName=EBRD%2FContent%2FDownloadDocument</p>	<p>+ If the total green bond proceeds is < 70% of the GPP, there will be quarterly updates of the GPP.</p> <p>+ If the total green bond proceeds > 70% of the GPP, there will be more frequent assessments of the GPP level. EBRD will also at this point stop issuing any further green bonds</p> <p>+ If, in the unlikely event that the green bond proceeds > 100% of the GPP then the GPP will be assessed on a high frequency basis, and excess proceeds will be tracked separately in the treasury liquid assets. As in the above scenario, EBRD will at this point not issue any further green bonds.</p>	<p>+ Annual reporting from an environmental point of view of all EBRD's projects in the Sustainability Report</p> <p>http://www.ebrd.com/documents/comms-and-bis/pdf-sustainability-report-2014.pdf</p> <p>+ Green Bond reporting:</p> <ul style="list-style-type: none"> - if the total green bond proceeds is < 70% of the GPP, there will be quarterly reports of the GPP. - If the total green bond proceeds > 70% of the GPP, there will be more frequent reports of the GPP. <p>http://www.ebrd.com/cs/Satellite?c=Content&cid=1395240394627&d=&pageName=EBRD%2FContent%2FDownloadDocument</p>	<p>Assurance of compliance with GPP eligibility and exclusion criteria: EBRD’s Environment and Sustainability Department (“ESD”) and Treasury established the underlying criteria for projects to be designated as part of the GPP. ESD reviews the GPP projects quarterly to ascertain they are consistent with the criteria established for the GPP.</p> <p>Independent second opinion on the Green project portfolio framework</p> <p>http://www.ebrd.com/cs/Satellite?c=Content&cid=1395240394682&d=&pageName=EBRD%2FContent%2FDownloadDocument</p> <p>ACCOUNTABILITY AND COMPLIANCE ASSURANCE: EBRD undertakes internal assurance that all GPP projects comply with EBRD’s Environmental and Social Policy (ESP) and Performance Requirements (PRs), and other requirements, through supervision and monitoring at project level. Project-affected people and other interested stakeholders can directly contact EBRD in accordance with EBRD Public Information Policy (PIP). Complaints relating to EBRD-financed projects can be sent to EBRD’s Project Complaint Mechanism (PCM).</p>

5. European Investment Bank (EIB)



Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>LOAN ELIGIBILITY</p> <ul style="list-style-type: none"> - Renewable Energy and Energy Efficiency (RE & EE) - Within RE & EE – conservative approach to eligibility <p>DISBURSEMENT ELIGIBILITY</p> <ul style="list-style-type: none"> - Allocations are only once and to disbursements that take place after bond issuance date (no refinancing) 	<p>COMPETENCE OF PROJECTS DIRECTORATE</p> <ul style="list-style-type: none"> - Institutional and legal framework of the EU reflected in Environmental and Social Principles and Standards (ESPS): http://www.eib.org/infocentre/publications/all/environmental-and-social-principles-and-standards.htm - Operationalisation of ESPS via Environmental and Social Practices Handbook (http://www.eib.org/attachments/strategies/environmental_and_social_practices_handbook_en.pdf), ruling EIB’s due diligence - Selection of eligible financings, assignment of eligibility percentages and their input into IT systems upon Board approval 	<p>COMPETENCE OF FINANCE DIRECTORATE</p> <ul style="list-style-type: none"> - Daily retrieval of CAB-eligible disbursements (automated) - Daily allocation of CAB proceeds on a first-in first-out basis (automated) - Daily booking of unallocated balance of CAB proceeds in dedicated Treasury portfolios (under automation) 	<p>IN AGGREGATE</p> <ul style="list-style-type: none"> - Annual report of issuance/allocation- volumes and year-end balance of unallocated proceeds in the Financial Report <p>PROJECT BY PROJECT</p> <ul style="list-style-type: none"> - Annual report of projects and allocations in the Sustainability Report - Annual report on expected impact of projects in yearly CAB Newsletter <p>BOND BY BOND</p> <ul style="list-style-type: none"> - Semi-annual reports on individual bond allocations in yearly and half-yearly CAB Newsletters 	<p>EU LAW</p> <ul style="list-style-type: none"> - Regulation (EC 1367/2006) prescribes that Aarhus Convention applies to the transparency policy and public disclosure rules of the EIB <p>GOVERNANCE CONTROL</p> <ul style="list-style-type: none"> - Art. 12 of the Statute prescribes that a Committee appointed by the BoD „shall verify that the activities of the Bank conform to best banking practice“ - GBP have been included in EIB’s list of „Best Banking Practices“ <p>EXTERNAL AUDIT</p> <ul style="list-style-type: none"> - Annual external audit of the internal tracking method, the CAB-allocations, and the GHG data underlying the annual report on expected impact of projects in the yearly CAB Newsletter
<p>See p. 3 of 2014 CAB Newsletter: http://www.eib.org/attachments/fi/2014-cab-newsletter.pdf</p>	<p>See p. 4 of 2014 CAB Newsletter: http://www.eib.org/attachments/fi/2014-cab-newsletter.pdf</p>	<p>See p. 5 of 2014 CAB Newsletter: http://www.eib.org/attachments/fi/2014-cab-newsletter.pdf</p>	<p>See p. 8-9 of 2014 CAB Newsletter: http://www.eib.org/attachments/fi/2014-cab-newsletter.pdf</p>	<p>See p. 7 of 2014 CAB Newsletter: http://www.eib.org/attachments/fi/2014-cab-newsletter.pdf</p>

6. International Bank for Reconstruction and Development (IBRD)



Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>Support transition to low-carbon and climate resilient development. Independent review of selection criteria by CICERO (See: http://treasury.worldbank.org/cmd/pdf/CICERO-second-opinion.pdf)</p> <p><u>Examples of Eligible Mitigation Projects:</u></p> <ul style="list-style-type: none"> - Solar and wind installations; - Funding for new technologies that permit significant reductions in greenhouse gas (GHG) emissions; - Rehabilitation of power plants and transmission facilities to reduce GHG emissions; - Greater efficiency in transportation, including fuel switching and mass transport; - Waste management (methane emissions) and construction of energy-efficient buildings; - Carbon reduction through reforestation and avoided deforestation. <p><u>Examples of Eligible Adaptation Projects:</u></p> <ul style="list-style-type: none"> - Protection against flooding (including reforestation and watershed management); - Food security improvement and implementing stress-resilient agricultural systems (which slow down deforestation); - Sustainable forest management and avoided deforestation. 	<p>All World Bank projects – including Green Bond Projects – undergo a rigorous review and approval process to ensure that the projects meet client countries’ development priorities. The process includes early screening to identify potential environmental or social impacts and designing policies and concrete actions to mitigate any such impacts. Every World Bank project is approved by its Board of Executive Directors – a resident Board with 25 chairs representing its member countries.</p> <p>The lifecycle of a project financed by the World Bank follows six stages: identification, assessment, appraisal, negotiations & Board approval, implementation and support, and completion & evaluation. World Bank Green Bond Projects follow the same stages as other World Bank financed projects, including the due diligence and monitoring process throughout the project cycle. In addition, environment specialists review Board approved projects to identify those that meet the Green Bond eligibility criteria.</p> <p>See World Bank Implementation Guidelines for additional information: http://treasury.worldbank.org/cmd/pdf/ImplementationGuidelines.pdf</p>	<p>Green bond proceeds are credited to a Special Account as defined and described in Bond Documentation.</p> <p>Green Bond Proceeds are invested in accordance with IBRD’s conservative liquidity policy until used for the support of the World Bank’s financing of eligible Green Bond Projects. Disbursement requests for eligible projects take place in accordance with IBRD’s established policies and procedures. Disbursements are often made over a period of several years, depending on when each project milestone is reached. As disbursements are made for Green Bond eligible projects, corresponding amounts from the special account are allocated to the general lending pool at least on a quarterly basis.</p> <p>See: http://treasury.worldbank.org/cmd/pdf/ImplementationGuidelines.pdf</p>	<p>Aggregate and detailed World Bank project information is disclosed on the World Bank website.</p> <p>This includes documents on the main World Bank website with detailed information about the projects (e.g., initial Project Appraisal Documents, semi-annual Interim Status and Results Reports). In addition, summaries and key impact indicators of the Green Bond eligible projects are provided on the World Bank’s Green Bond website with links to relevant documents with more detailed project information. Annual Green Bond newsletters also provide highlights of these projects. The World Bank’s green bond impact report provides a comprehensive summary of Green Bond eligible project impacts and the allocation of green bond proceeds to support disbursements to these projects.</p> <p>See: http://treasury.worldbank.org/cmd/pdf/WorldBankGreenBondImpactReport.pdf http://treasury.worldbank.org/cmd/pdf/WorldBankGreenBondNewsletter.pdf http://treasury.worldbank.org/cmd/html/MoreGreenProjects.html http://www.worldbank.org/projects</p>	<p>Multi-level Internal and External Assurances:</p> <p>(1) 2nd opinion by CICERCO (published on website: http://treasury.worldbank.org/cmd/pdf/CICERO-second-opinion.pdf)</p> <p>(2) Projects: Projects eligible under the Green Bond program comply with World Bank safeguards, procurement policies and other procedures addressing project integrity. Compliance is assessed at the individual project level and through independent reviews of about a quarter of all projects. Project level reviews by the Bank’s specialists in environment, social aspects, financial management, and procurement ensure that adequate controls and management capacity are in place at the country/project level. In addition, the Independent Evaluation Group (IEG) conducts a post-review of all closed projects’ completion reports, and in-depth performance assessments of about one out of four projects, measuring outcomes against original objectives, sustainability of results and institutional development impact.</p> <p>(3) Green Bond Process: The World Bank Treasury follows procedures specific to its Green Bond program including selecting and reporting on eligible projects, maintaining the Special Account for Green Bond proceeds and reviewing portfolio implementation progress to provide updated information for impact reporting purposes.</p> <p>See: http://treasury.worldbank.org/cmd/pdf/ImplementationGuidelines.pdf</p>

7. International Finance Corporation (IFC)



Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>Eligible Projects are selected from all Climate projects funded, in whole or in part, by IFC and include investments that IFC’s climate definitions and metrics for climate-related activities.</p> <p>Eligible projects may include the following investments:</p> <ul style="list-style-type: none"> - investments in equipment, systems and services which result in a reduced use of energy per unit of product or service generated, such as waste heat recovery, cogeneration, building insulation, energy loss reduction in transmission and distribution; - investments in equipment, systems and services which enable the productive use of energy from renewable resources such as wind, hydro, solar and geothermal production; - investments to improve industrial processes, services and products that enhance the conversion efficiency of manufacturing inputs (energy, water, raw materials) to saleable outputs, including reduction of impact at source; - investments in manufacturing of components used in energy efficiency, renewable energy or cleaner production, such as solar photovoltaics, manufacture of turbines, building insulation materials; - investments in sustainable forestry; and - lending to financial intermediaries with the requirement that the IFC’s investments be on-lent to specific climate projects that fit the criteria contained herein. <p>For full list of IFC Climate definitions, see: http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/CB_Home/Measuring+Reporting/</p>	<p>IFC has established a process for reviewing the eligibility of projects. All climate-related projects are reviewed by the Climate Finance and Policy Unit to determine a project’s eligibility. Projects eligible for green bond financing are selected from IFC’s climate-related loan portfolio (equity investments and guarantees are ineligible for funding via green bonds).</p> <p>In addition to meeting the green bond eligibility criteria, any project financed through green bond proceeds must follow the IFC’s investment process. All projects financed by IFC undergo a rigorous due diligence process which includes disclosure and consultation requirements and integrity due diligence.</p> <p>All projects comply with IFC’s Performance Standards for environmental and social issues and IFC’s Corporate Governance Framework.</p> <p>Projects eligible under the Green Bond Program also comply with IFC’s Sustainability Framework, Corporate Governance Framework, and other policies and procedures addressing project integrity. Compliance is assessed at the individual project level.</p> <p>“IFC Performance Standards on Environmental and Social Sustainability”, IFC, Effective 1 January 2012. Available at: http://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES</p> <p>“IFC Sustainability Framework”, IFC, Effective 1 January 2012. Available at: http://www.ifc.org/wps/wcm/connect/b9dacb004a73e7a8a273fff998895a12/IFC_Sustainability_Framework.pdf?MOD=AJPERES</p>	<p>Net proceeds from IFC green bonds are credited to a separate “Green Cash Account” and disbursed to green bond eligible projects.</p> <p>Disbursements are often made over a period of time, depending on a project’s amortization schedule. As green bond proceeds are disbursed, corresponding amounts are adjusted from the Green Cash Account accordingly on a regular basis.</p>	<p>On an annual basis, IFC publishes the list of projects which have received funding from green bond proceeds were allocated the previous year.</p> <p>Subject to confidentiality approvals, the list of projects include: a brief description of the project, the amount disbursed, the expected environmental impact and links to relevant public documents about the project.</p> <p>IFC also publishes Socially Responsible Bonds newsletters on an annual basis, which provides investors highlights of projects, news and updates.</p> <p>Newsletter 2014: http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Finance/Newsroom/IFC+Treasury+Newsletter/</p>	<p>2nd opinion by CICERO publicly available http://www.ifc.org/wps/wcm/connect/bcee33804ab6827f8003cde9e68d4b0b/IFC+Final+version+2nd+Opinion+November+23.pdf?MOD=AJPERES</p> <p>IFC supervises all its investments – including green bond investments. The supervision process comprises regular reports by the investee company on project activities and performance and is monitored by IFC throughout the lifetime of the investment.</p> <p>As a member of The World Bank Group, the Independent Evaluation Group assesses the performance of about one out of four IFC projects, measuring outcomes against original objectives, sustainability of results and institutional development impact.</p>

8. Kreditanstalt für Wiederaufbau (KfW)



Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>Category: Renewable Energy projects (RE)</p> <p>https://www.kfw.de/inlandsfoerderung/Unternehmen/Energie-Umwelt/index-2.html</p>	<p>- Projects financed by KfW Green Bonds have to be eligible with KfW's environmental loan programme Renewable Energies - Standard. Selection of eligible financings is based on German law promoting renewable energies in power generation or the German Renewable Energy Act (Erneuerbare Energien Gesetz EEG). Refinancing of projects for which requests of disbursements have been received by KfW since the beginning of the calendar year, of issuance of a Green Bond is permitted. See general information about loan programme:</p> <p>https://www.kfw.de/Download-Center/Foerderprogramme-(Inlandsfoerderung)/Arbeitshilfen-Präsentationen/Präsentationen/Erneuerbare-Energien-Standard-3_2013.pdf</p>	<p>- Immediately following the inflow of funds from the sale of KfW Green Bonds, an amount equal to the net proceeds in euros is allocated to an internal account designated for "green bonds" issuances.</p> <p>- Monthly accounting of received requests for disbursements under the eligible loan program and setting net proceeds from issuing Green Bonds into statistical accounts for Green Bond proceeds. See detailed information about the process:</p> <p>https://www.kfw.de/KfW-Group/Investor-Relations/KfW-Green-Bonds/KfW-Green-Bonds-Funktionsweise/index.html</p>	<p>Quarterly report of issuance and allocation volumes on portfolio level with examples of certain projects, made available via Internet. A final impact report will be published once the impact of the KfW-programme Renewable Energies has been evaluated by ZSW for the respective year.</p> <p>https://www.kfw.de/KfW-Group/Investor-Relations/KfW-Green-Bonds/KfW-Green-Bonds-Reporting/index.html</p>	<p>2nd opinion by CICERO and external evaluation of environmental and social impacts of the loan programme Renewable Energies – Standard by ZSW ("Zentrum für Sonnenenergie- und Wasserstoffforschung"). This is a non-profit foundation under the civil code with scientific capacities in the area of renewable energies (www.zsw-bw.de).</p> <p>https://www.kfw.de/PDF/Investor-Relations/Pdf-Dokumente-Investor-Relations/Second-Opinion-04072014.pdf</p> <p>https://www.kfw.de/KfW-Konzern/Service/Download-Center/Konzernthemen-(D)/Research/Evaluationen/Evaluationen-Erneuerbare-Energien/</p>

9. Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO)

Use of proceeds (§ 1 of GBP)	Process for project evaluation and selection (§ 2 of GBP)	Management of proceeds (§ 3 of GBP)	Reporting (§ 4 of GBP)	Assurance (GBP Recommendation)
<p>Sustainability Bonds proceeds support the financing of green and inclusive finance projects according to FMO's Sustainability Bond Framework.</p> <p>Green projects:</p> <ul style="list-style-type: none"> - climate change mitigation and adaptation (e.g. RE, EE) - FMO has adopted Multilateral Development Banks' eligibility criteria for climate change mitigation and adaptation <p>Inclusive projects:</p> <ul style="list-style-type: none"> - microfinance institutions - thus far FMO has only included microfinance institutions <p>FMO applies exclusionary criteria with regard to use of proceeds Use of proceeds is documented in the final terms of the bond documentation</p> <p>Sus Bond Newsletter No3 p5: https://www.fmo.nl/susbonds</p>	<p>Process to select/define green and inclusive transactions can be found in the Sustainability Bond Newsletter: https://www.fmo.nl/susbonds</p> <ul style="list-style-type: none"> - Eligibility criteria on green - Eligibility criteria on inclusive - Eligible projects selected for the Sus Bond determined in expert panel committee - Expert panel Committee consist of Directors Front Office, Strategy/Sustainability, Risk Management, Treasury 	<ul style="list-style-type: none"> - Sustainability Bonds proceeds in a special sub-portfolio - Linked to lending operations in the fields of green and inclusive finance - Sus bond proceeds will be reduced by amounts matching disbursements in respect of eligible projects - Sustainability Bond proceeds may temporarily be used for different purposes in case of liquidity stress situations <p>Social Responsibility Investments in liquidity portfolio: 30% - in line with target</p>	<ul style="list-style-type: none"> - Semi-annual reporting on use of proceeds via Sustainability Bond Newsletter https://www.fmo.nl/susbonds - Client cases: example of green and inclusive project - Sus bond allocation per project, avoided GHG reported on aggregate level 	<ul style="list-style-type: none"> - KPMG (external audit): tracking of allocations to eligible projects as defined by FMO - Limited Assurance in Annual Report 2014: http://annualreport.fmo.nl/ - Second Opinion on Sus Bond framework provided by Sustainalytics - Sustainalytics review 2014: eligible projects selected are compliant with the eligibility criteria https://www.fmo.nl/susbonds

10. Nordic Investment Bank (NIB)



Use of proceeds (\$ 1 of GBP)	Process for project evaluation and selection (\$ 2 of GBP)	Management of proceeds (\$ 3 of GBP)	Reporting (\$ 4 of GBP)	Assurance (GBP Recommendation)
<p>Energy efficiency - Reduction of energy use by min. 30%</p> <p>Renewable energy - Wind, solar, tidal and wave, geothermal, biofuels and -gas, hydro</p> <p>Transmission - Connect renewable energy to the grid</p> <p>Waste water treatment</p> <p>Waste management</p> <p>Public transport - Improved logistics for rail and waterways (mainly based on electricity and biofuel)</p> <p>Green buildings - Commercial and multi-family buildings certified LEED Platinum or BREEAM Excellent and 25% improvement in energy efficiency (EU green building requirements)</p> <p>New project Project located in NIB member or EUR country</p> <p>Environmental mandate rating: Impact-excellent and good positive potential impact Realisation risk-low (<1%) and moderate (<10%)</p> <p>Sustainability review: Link to : Sustainability policy and guidelines</p>	<p>Sustainability & Mandate unit - Assessment of mandate fulfilment of all projects - Identifies and preselect the projects by eligibility criteria during the assessment - Proposes projects for NEB*</p> <p>Credit Committee - Decides on eligibility for NEB</p> <p>NIB Environmental bond framework</p> <p>NIB Sustainability Policy and Guidelines</p> <p>International financial institution framework for a harmonised approach to greenhouse gas accounting</p> <p>*NIB Environmental Bond</p> <p>Link to Framework http://www.nib.int/filebank/a/1410449130/c14f001e548bdeef346b853a6cd82c2a/3986-NEB_Framework.pdf</p>	<p>Separation of funds into a Green Fund Pool</p> <p>Frequent retrieval of NEB eligible disbursements</p> <p>Daily retrieval of outstanding NEBs and eligible projects (automated)</p> <p>Daily retrieval of unallocated balance of NEB proceeds (automated)</p> <p>NIB's Financial- and Liquidity Policy apply</p>	<p>Daily update on NIB's webpage: http://www.nib.int/capital_markets/environmental_bonds/neb_transactions_and_projects</p> <p>- All projects financed: project description, mandate fulfilment, sustainability report summary - NEB financed amount and share of loan - Disbursement date and maturity - Country and category of project - Capacity information on renewable energy installed (MWh)</p> <p>Frequent update on NIB's webpage: - Total CO2 eq. impact of financed projects by NEBs</p> <p>Annual report Dedicated section on environmental issues</p>	<p>Link to: Second opinion from CICERO</p> <p>Mandate fulfilment reporting to NIB owners</p>