IDBI Bank wins 3rd Annual Greentech CSR Award

IDBI Bank won its 3rd Annual Greentech CSR Award at a glittering function held in Chandigarh on January 29, 2014, with Shri B.K. Batra, Deputy Managing Director, receiving it. The awards were presented by Shri Bhaskar Chatterjee, Director General and Chief Executive Officer of the Indian Institute of Corporate Affairs, Ministry of Corporate Affairs, Government of India. IDBI Bank was adjudged the winner in the ‘Platinum Category’ by an erudite jury set up by the Greentech Foundation, New Delhi, for its outstanding work with regard to reconstruction and development of the flood-affected Taru village in Ladakh as a ‘Model Village’ through the “Community-Based Disaster Risk Management” approach and for demonstrating consistent commitment towards the upliftment of socially-weaker sections of the society. IDBI Bank received the same award in the Silver category last year from Greentech Foundation for its “Rural Transformation Fellowship Programme” (RTFP). The elevation of IDBI Bank by two notches – from Silver to the Premier Platinum category – manifests public recognition of the Bank’s enhanced stature as a responsible corporate citizen.

What is green growth?

Green Growth is a term to describe a path of economic growth which uses natural resources in a sustainable manner. It is used globally to provide an alternative concept to standard economic growth. The term green growth has been used to describe national or international strategies. Green growth, as agreed at the 5th Ministerial Conference on Environment and Development in Asia and the Pacific, is a strategy for achieving sustainable development. It is focused on overhauling the economy in a way that synergizes economic growth and environmental protection, building a green economy in which investments in resource savings as well as sustainable management of natural capital are drivers of growth. An economy which is in closer alignment with sustainable development objectives provides opportunities for using financial resources better to meet development needs and reducing the vulnerability of socioeconomic systems to environmental change and resource constraints. Green growth strategies can help economies and societies become more resilient as they work to meet demands for food production, transport, housing, energy and water.

DBJ offers “green” financing & certification program

The Development Bank of Japan (DBJ) offers “DBJ Green Building Certification” in order to support its customers who own or operate real estate properties with high environmental and social awareness. Based on its comprehensive evaluation system, which includes not only an environmental perspective but also a social one (owner response to social needs of the diverse stakeholders of the properties), DBJ identifies and certifies “green buildings” which are essential in today’s real estate market. Taking into account the certification, DBJ, with its diversified and customer-oriented series of financial instruments, will support its clients’ financial needs for new developments and refurbishments.

New Trend: Increase Use of Energy Saving Coatings

The increase in sustainability initiatives and focus on energy efficiency across the globe is driving the adoption of energy saving coatings, particularly in the building and construction sectors, which typically account for 40 percent of a nation’s energy consumption, according to research by Frost & Sullivan. To boost the use of these coatings across multiple industries, market participants should revamp their innovation portfolio and customize energy saving coatings to cater to the unique needs of each application segment. The US and the EU are leading the way in this regard, according to the analysis, which is titled “Innovations in Energy Savings Coatings”. Energy saving coatings reduce a building’s cooling load, minimize solar gain, extend the life of roofing systems, and can be fine-tuned to emit zero or near zero volatile organic compounds. This, along with the other benefits arising from its anti-corrosion, hydrophobic, anti-radiating, and anti-microbial properties, is spurring the uptake of these solutions globally, according to the report. According to research released in March by Markets and Markets, the demand for environmentally-friendly coatings is expected to increase to $85.7 billion over the next five years. In 2013, the global green coatings demand was estimated to be worth nearly $64.2 billion and is expected to reach $85.7 billion by 2018 at a compound annual growth rate of 5.9% from 2013 to 2018, according to Green Coatings Market by Types & Applications – Global Trends & Forecast to 2018.

Source: www.environmetalleader.com
Green Bond Principles (GBP)

The Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuance of a green bond. The GBP are intended for broad use by the market as (a) they provide issuers guidance on the key components involved in launching a credible green bond (b) they aid investors by ensuring availability of information necessary to evaluate the environmental impact of their green bond investments and (c) they assist underwriters by moving the market towards standard disclosures which will facilitate transactions. The GBP include guidelines for use of proceeds, process for project evaluation and selection, management of proceeds, and reporting.


Types of green bonds

Green Bonds are instruments in which the proceeds will be exclusively applied (either by specifying use of proceeds, direct project exposure or securitization) towards new and existing green projects – defined as projects and activities that promote climate or other environmental sustainability purposes. There are currently four (4) types of green bonds:

1. **Green Use of Proceeds Bond**: a standard recourse-to-the-issuer debt obligation for which the proceeds shall be moved to a sub-portfolio or otherwise tracked by the issuer and attested to by a formal internal process that will be linked to the issuer’s lending and investment operations for projects. Pending such investment, it is recommended that the issuer make known to investors the intended types of eligible investments for the balance of unallocated proceeds.

2. **Green Use of Proceeds Revenue Bond**: a non-recourse-to-the-issuer debt obligation in which the credit exposure in the bond is to the pledged cash flows of the revenue streams, fees, taxes etc., and the Use of Proceeds of the bond goes to related or unrelated Green Project(s). The proceeds shall be moved to a sub-portfolio or otherwise tracked by the issuer and attested to by a formal internal process that will be linked to the issuer’s lending and investment operations for projects. Pending such investment, it is recommended that the issuer make known to investors the intended types of eligible investments for the balance of unallocated proceeds.

3. **Green Project Bond**: a project bond for a single or multiple green project(s) for which the investor has direct exposure to the risk of the project(s) with or without potential recourse to the issuer.

4. **Green Securitized Bond**: a bond collateralized by one or more specific projects, including but not limited to, covered bonds, asset back security (ABS), and other structures. The first source of repayment is generally the cash flows of the assets. This type of bond covers, for example, asset-backed securitizations of rooftop solar PV and/or energy efficiency assets.

Why build green?

The built environment has a vast impact on the natural environment, human health, and the economy. By adopting green building strategies, we can maximize both economic and environmental performance. Green construction methods can be integrated into buildings at any stage, from design and construction, to renovation and deconstruction. However, the most significant benefits can be obtained if the design and construction team takes an integrated approach from the earliest stages of a building project. Potential benefits of green building can include:

**Environmental benefits**
- Conserve and restore natural resources.
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- Reduce waste streams.

**Economic benefits**
- Reduce operating costs.
- Create, expand, and shape markets for green products and services.
- Improve occupant productivity.
- Optimize life-cycle economic performance.

**Social benefits**
- Enhance occupant comfort and health.
- Heighten aesthetic qualities.
- Minimize strain on local infrastructure.
- Improve overall quality of life.

Source: [http://www.epa.gov/greenbuilding/pubs/whybuild.htm](http://www.epa.gov/greenbuilding/pubs/whybuild.htm)

By polluting clear water with slime you will never find good drinking water.  
--Aeschylus

Environmental Facts

In the United States, buildings account for:

- 39% of total energy use
- 12% of the total water consumption
- 68% of total electricity consumption
- 38% of the carbon dioxide emissions

Green crowdfunding expands rapidly

Crowdfunding is a rapidly growing alternative investment business model and one that is quickly gaining ground for raising money for green projects. It enables initiatives to raise money, usually online, from a large pool of backers. One of the fastest-growing crowdfunding platforms is Abundance Generation which seeks investments for UK renewable energy projects. Figures released earlier this month by the CrowFunding Centre shows that more than £1,700 per hour is being raised via crowdfunding in the UK and that since the start of 2014 more than 2,600 equity and rewards projects have been launched attracting pledges of more than £5.7 million.

Source: [http://www.greenswisebusiness.co.uk/](http://www.greenswisebusiness.co.uk/)

**con’t...what is green growth?**

Strategies can help mitigate the impacts of adverse shocks by reducing the intensity of resource consumption and environmental impacts, while alleviating pressure on commodity prices. Green growth also offers competitive advantages to those countries that commit to policy innovations. The global market for green goods and services is vast and growing fast, offering countries the dual benefit of prosperity and job creation.