JBIC supports RE projects in the Philippines

The Japan Bank for International Cooperation signed a general agreement for establishing a credit line (a facility based on untied loans) in the amount of up to USD50 million (of which JBIC’s portion is USD25 million) with BDO Unibank, Inc. (BDO), a Philippine entity. The credit line is co-financed with Japanese private financial institutions, with JBIC providing a partial guarantee for the co-financed portion.

This credit line is intended to finance, under the GREEN operations, necessary funds for environment-related projects which contribute to reducing greenhouse gas (GHG) emissions, with a focus on renewable energy projects in the Philippines. This will be the first time for JBIC to provide GREEN finance to the Philippines.

JBIC and BDO have been building a cooperative relationship, such as signing a memorandum of understanding (MOU) in March 2013 for the development and the strengthening of frameworks to support business expansion into the Philippines by Japanese mid-tier enterprises and small and medium-sized enterprises (SMEs) through Japanese regional financial institutions. This credit line is intended to further strengthen such partnership between the two organizations, with a target on the environmental sector.

As Japan’s policy-based financial institution, JBIC will continue to support global environmental conservation efforts in cooperation with local banks, by drawing on its various financial facilities and schemes for structuring projects, and performing its risk-assuming functions.

Kfw IPEX-Bank participates in the financing of North Sea wind energy project

Kfw IPEX-Bank is contributing a EUR 97.4 million loan to the financing of the Merkur wind energy project in the North Sea. KfW IPEX-Bank has assumed the role of Technical Bank within an international consortium comprising ten banks, which are jointly providing debt capital totalling approx. EUR 1.2 billion. The borrower is the project company Merkur Offshore GmbH, a joint venture between the financial investors Partners Group, the global private markets investment manager (with a 50% equity share on behalf of its clients), and a fund managed by InfraRed Capital Partners in the UK (with a 25% equity share on behalf of its infrastructure investors), as well as DEME Concessions Wind, the infrastructure investment arm of the DEME Group (12.5%), GE Energy Financial Services, the energy investing arm of the industrial company (6.25%) and L’Agence de l’environnement et de la maîtrise de l’énergie (ADEME), acting in the name and on behalf of the French State (6.25%).

The total volume of investment in the North Sea wind farm amounts to approx. EUR 1.6 billion. The farm is to be built some 45 kilometres north of the island of Borkum in a water depth of 28-34 metres and will consist of 66 Haliade 150-6 MW wind turbines, which GE is producing in the French city of Saint-Nazaire. With its installed capacity of 396 megawatts the wind farm, which is scheduled for commissioning in 2019, will generate clean energy for around 500,000 households. In addition to Kfw IPEX-Bank, Kfw, the group parent company, is also financing the Merkur project with more than EUR 360 million through its Offshore Wind Energy Programme.

FSMDB finances energy efficient homes via HELP

Conserving the environment, providing its constituents with energy-efficient and climate-friendly abodes, and achieving sustainable economic growth in the Federated States of Micronesia are the objectives of the FSM Development Bank (FSMDB) in developing its Home Energy Loan Program (HELP).

HELP is a loan scheme which aims to help FSM citizens and homeowners construct new homes or renovate existing homes with emphasis on energy efficiency, environment-friendly, cost savings and home comfort.

This program will ultimately contribute to the overall campaign of green environment efforts of the Bank as it promotes efficient energy uses in the household sector, encourages new type of green environment housing designs and construction, and reduces demand for electricity as well as reduces energy costs. Ultimately, the program will benefit the whole FSM’s economic development efforts and the environment.

FSM DB’s HELP was a recipient of a Merit Award in the 2016 ADFIAP Outstanding Development Project under the Environmental Category.
According to the article (The Corporate Sustainability Professional’s Guide to Better Data Management) published by Urjanet, www.urjanet.com, few years ago corporate sustainability programs were considered “extra” — something only a handful of forward-thinking companies took on. Since then, corporate sustainability has fast-tracked its way into the mainstream to the point where programs fall just short of mandatory for organizational success. It adds that, as of 2016, 50% of energy executives report a commitment to sustainability and/or energy efficiency projects, and only 6% say senior management has no interest in sustainability or energy efficiency. The article enumerated these 5 tips to gain buy-in for your corporate sustainability programs:

1. Get executives on board.
2. Align goals and activities with business value.
3. Determine date requirements based on customer expectations.
4. Make all data collection activities automated and scalable.
5. Be adaptable.

The Corporate Sustainability Professional’s Guide to Better Data Management)

**Laws and guidelines for environmental conservation and sustainability**

**Equator Principles.** These are the framework for the risk management. These frameworks are being adopted by various financial institutions including the banks. These frameworks aim at managing various environmental and social risks in the projects. The various services to which the equator principle is applicable are Project Finance Advisory Services, Project Finance, Project-Related Corporate Loans and Bridge Loans. Currently, 80 Financial Institutions have adopted the equator principle which covers 70% of the international Project Finance debt in the emerging market. (About the Equator Principles).

**CERCLA.** Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) is a United States federal law designed to clean up sites contaminated with hazardous substances as well as broadly define “pollutants or contaminants”. Under CERCLA, Environmental Protection Agency (EPA) can require liable parties to conduct cleanups or EPA can conduct a cleanup and subsequently seek cleanup costs from liable parties. Under CERCLA many banks in United States had to face loss when they were found responsible for the pollution activities performed by their clients.

**The Carbon Disclosure Project.** The Carbon Disclosure Project (CDP) is an organization based in the United Kingdom which works with shareholders and corporations to disclose the greenhouse gas emissions of major corporations. It conducts the climate change programme for the reduction of greenhouse gas emissions in order to reduce the climate change risk. CDP maintains the largest database on the climate change. It is an independent non-profit organization. Various Indian financial institutions which are signatory to the CDP are SBI, HDFC Bank Ltd, IDBI, IDFC, Reliance Capital, Tata Capital, IndusInd Bank and Yes Bank. (Business Standard, 2011).

**BSE Greenex.** Bombay Stock Exchange has launched its carbon-efficient equity index called ‘BSE-GREENEX’ which measures the performance of the companies in context to their Carbon Emissions (Shree, 2012). This is the second thematic index launched by BSE and this index has been launched in collaboration with IIM Ahmadabad. The index will target those investors who are socially-aware and concerned with the environment and are also willing to pay a premium for green investments in companies to get better return. The BSE Greenex will assess the energy efficiency of firms, based on energy and financial data. The selection of companies was on the basis of greenhouse emissions in the last four financial years from 2007-08 till 2010-11(Gupta, 2012).

**International Finance Corporation (IFC):** The IFC is a member of the World Bank Group. It finances various private sector investments and provides advisory services to various business and government. It promotes the sustainable growth of the economy. It finances various private sector investment and provides advisory services to various business and government. It promotes sustainable growth of the economy through various activities like generation of tax revenues, job creation, improving corporate governance and environmental performance. (IFC: World Bank).

**United Nations Environment Programme – Finance Initiatives (UNEP-FI):** UNEP was established in the year 1972. It promotes environment protection and facilitates the wise use of the natural environment for the promotion of the sustainable development across the globe. UNEP through its initiatives works with the financial institutions towards encouraging the sustainability issue in the corporates’ financial decisions. UNEP FI is a global partnership between UNEP and the financial sector. Over 200 institutions, including banks, insurers and fund managers, work with UNEP to understand the impacts of environmental and social considerations on financial performance (UNEP FI, 2007).

**Bank Track:** The prime focus is towards the working of the private banks and the project they are involved in context to the environment, society and human rights. Bank Track releases research reports focused on sustainability in the banking sector. The main purpose is to promote changes in the operations of the bank so that the banks consider the ecological well-being of the society and be accountable for the activities of their shareholders.
