

CASE STUDY



MF Case 2: Sweden - Green Bonds of Kommuninvest

Kommuninvest Green Bonds Framework

Adhering to the four pillars of the Green Bond Principles

<p>1. Use of Proceeds Investment projects undertaken by Swedish local governments that promote the transition to a low-carbon and climate-resilient society.</p>	<p>2. Project Evaluation and Selection</p> <ul style="list-style-type: none"> i) Project identification and verification by the environmental and treasury functions in Kommuninvest's member municipalities/county councils; ii) screening and pre-approval by Kommuninvest's Lending department; iii) review and final approval by consensus vote in the Kommuninvest Green Bonds Environmental Committee. <p>+ 2nd opinion from Cicero (environmental research institute)</p>
<p>3. Management of Proceeds Earmarked account for proceeds. Lending to Eligible Projects precedes Green Bond issuance.</p>	
<p>4. Reporting</p> <ul style="list-style-type: none"> i) Annual investor impact report regarding green bond issuance and Eligible Projects; ii) Annual sustainability reporting. 	

Eligible project categories



All projects must:

- ✓ Promote the transition to a low-carbon and climate-resilient society
- ✓ Be part of the systematic environmental work in the applicant municipality or county council/region
- ✓ Be related to Sweden's national environmental objectives, or to regional environmental goals
- ✓ Target either mitigation of climate change, adaptation to climate change, or be a project related to environmental management in other areas than climate change.

Additional requirement for Green buildings and energy efficiency

Be either:

1. New buildings with at least 25 per cent less energy use per square metre and year than required by applicable regulations (Swedish Building Regulations (BBR 21)). Preferably a minimum certification of either 1) LEED gold, 2) BREEAM very good, 3) Environmental Building (Miljöbyggnad silver), 4) Svanen, 5) EU Green Building or 6) Feby-12 (Mini-energy building)
2. Energy efficiency measures in existing buildings, activities and operations leading to at least 25 per cent less energy use
3. Major renovation of buildings leading to a reduced energy use per square metre per year of at least 35 per cent or compliance with applicable regulations for new buildings (Swedish Building Regulations (BBR 21)).

Blaiken wind farm – phases 2 & 3

One of Europe's largest onshore wind farms

Committed funds	Whereof disbursed	Project start	Project completion	Category
SEK 650 million	SEK 650 million	1 Jan. 2012	31 Dec. 2015	Renewable Energy

- Skellefteå Kraft (owned by Skellefteå Municipality) develops one of the largest wind farms in Europe, in collaboration with energy company Fortum.
- Once completed, in 2017, the wind farm will contain 99 wind turbines with an installed capacity of 247.5 MW
- Annual production of 700 GWh, equivalent to annual electricity use in 161,500 apartments.
- Phases 2 and 3 consist of 30 + 30 wind turbines.



Umeå – Electric buses for public transport

Energy-efficient, clean and quiet system for public transport

Committed funds	Whereof disbursed	Project start	Project completion	Category
SEK 77 million	SEK 77 million	1 Jan. 2012	30 Apr. 2016	Public Transportation

- The city of Umeå, in northern Sweden, is investing in a sustainable system for local transport, based on ultra-rapidly-charged electric buses (10 min. charging – 30 min. driving)
- Electrical buses replace diesel buses, reducing noise and emissions of carbon dioxide, nitrogen dioxide and particulate matter.
- In 2016 there will be 9 electric buses and two fast charging stations in regular traffic.
- Vision 2020:
 - another 24 buses in operation
 - share of electric bus transport kilometers to have increased from zero in 2010 to 70 percent.
- Due to high degree of renewables in local energy mix, there is near-zero emissions of greenhouse gases.



References

People's Bank of China, Research Bureau and GIZ. 2016. Green Bonds and Green Finance in China. Seminar. Beijing, 7 April.

Credentials

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