Case Study

Sweden - Green Bonds of Komuninvest

Kommuninvest Green Bonds Framework
Adhering to the four pillars of the Green Bond Principles

1. **Use of Proceeds**
   Investment projects undertaken by Swedish local governments that promote the transition to a low-carbon and climate-resilient society.

2. **Management of Proceeds**
   Earmarked account for proceeds. Lending to Eligible Projects precedes Green Bond issuance.

3. **Project Evaluation and Selection**
   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.

4. **Reporting**
   i) Annual investor impact report regarding green bond issuance and Eligible Projects;
   ii) Annual sustainability reporting.

2nd opinion from Cicero (environmental research institute)
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

<table>
<thead>
<tr>
<th>Committed funds</th>
<th>Whereof disbursed</th>
<th>Project start</th>
<th>Project completion</th>
<th>Category</th>
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- Skellefteå Kraft (owned by Skellefteå Municipality) develops one 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

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<tbody>
<tr>
<td>SEK 77 million</td>
<td>SEK 77 million</td>
<td>1 Jan. 2012</td>
<td>30 Apr. 2016</td>
<td>Public Transportation</td>
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- 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

Credentials
Authors: Ute Zimmermann, Zhuo Yao and Michael Lindfield – with Florian Steinberg.
Edited by: Florian Steinberg