

# »» Green Housing

Dr. Wolfgang Ryll

KfW Development Bank

6<sup>th</sup> Global Housing Finance Conference - Washington, D C

May 29, 2014

Bank aus Verantwortung

**KFW**

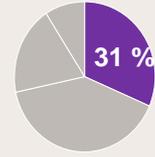
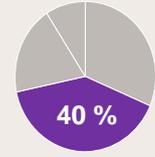
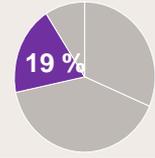
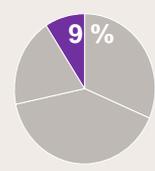
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- 2 KfW Promotion of Residential Buildings in Germany
- 3 KfW Promotion of Green Housing in Emerging Markets

# »» Domestic and International Business Areas

KfW Group aims for sustainable improvement of the economic, social, and ecological conditions of people's lives (on-lending principle)

Total New business 2013: **EUR 72.5 billion**

	Domestic business	<b>SME Bank</b>	Promotion of SME, business start-ups and other commercial clients in Germany	
		<b>Municipal and Private Client Bank/ Credit Institutions</b>	Housing, environmental and climate protection, educational finance for private clients as well as financing for public clients	
	International business	<b>Export &amp; project finance</b>	Customized financing for exports and project & corporate financing world-wide <b>KfW</b> IPEX-Bank	
		<b>Promotion of developing &amp; transition countries</b>	KfW Development Bank (public) & DEG (private) development cooperation activities <b>KfW</b> DEG	

**Environment investment quota: 38 %**

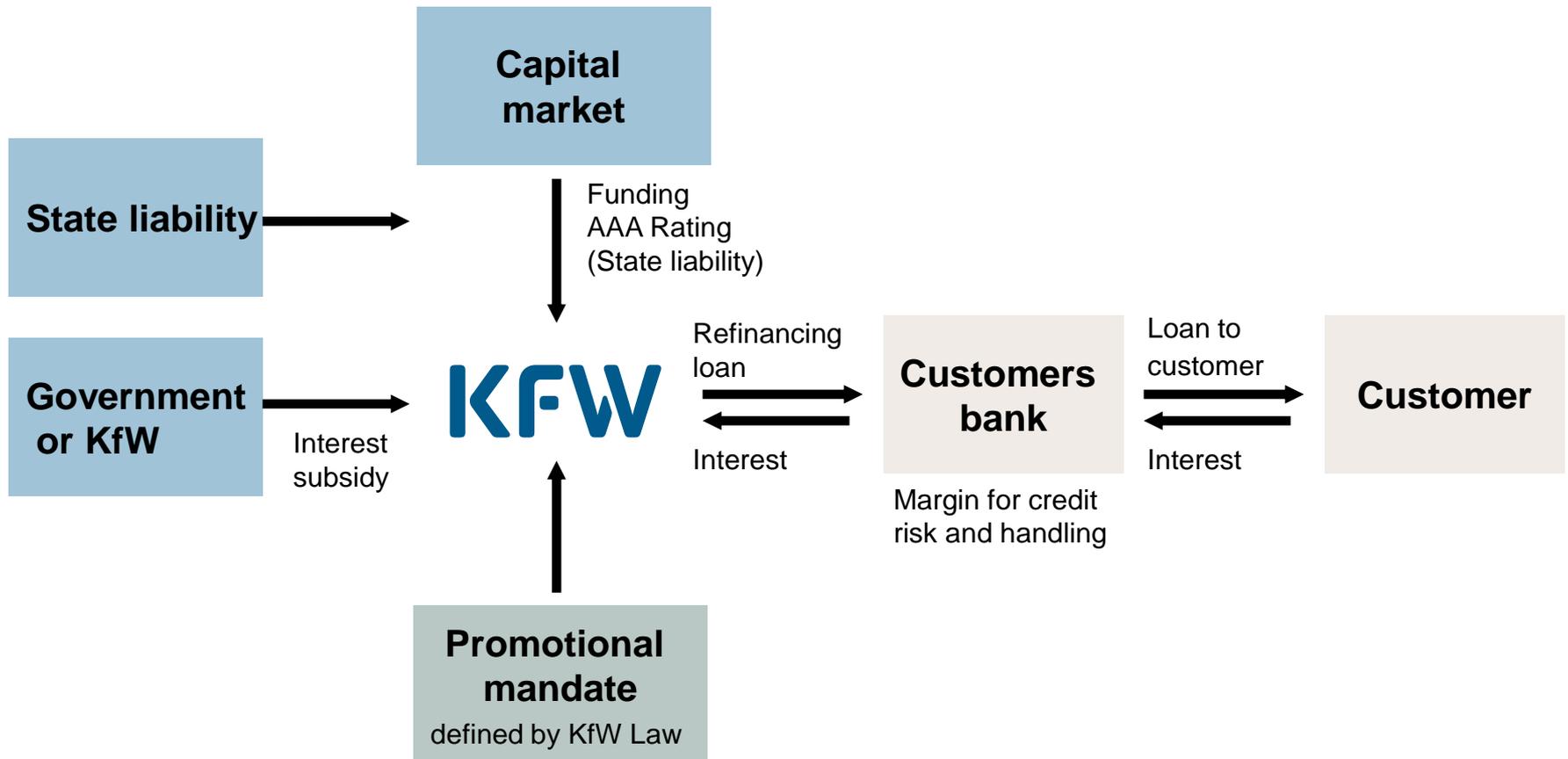
**Domestic SME quota: 47 %**

Based on year-end 2013 data.

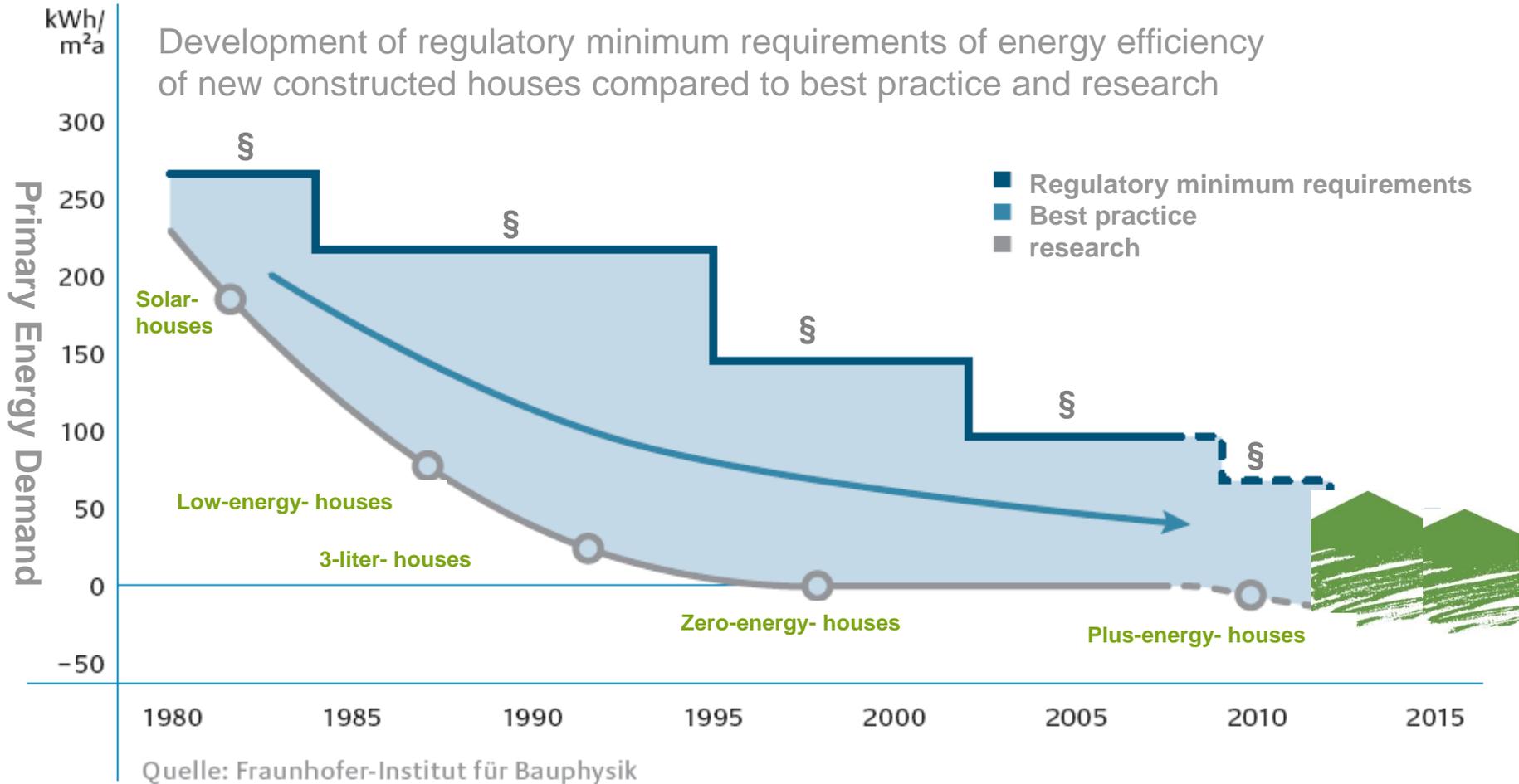
# »» On-lending Principle

Neutrality in lending business (no branch network of our own)

› Refinancing through KfW and on-lending through commercial banks.

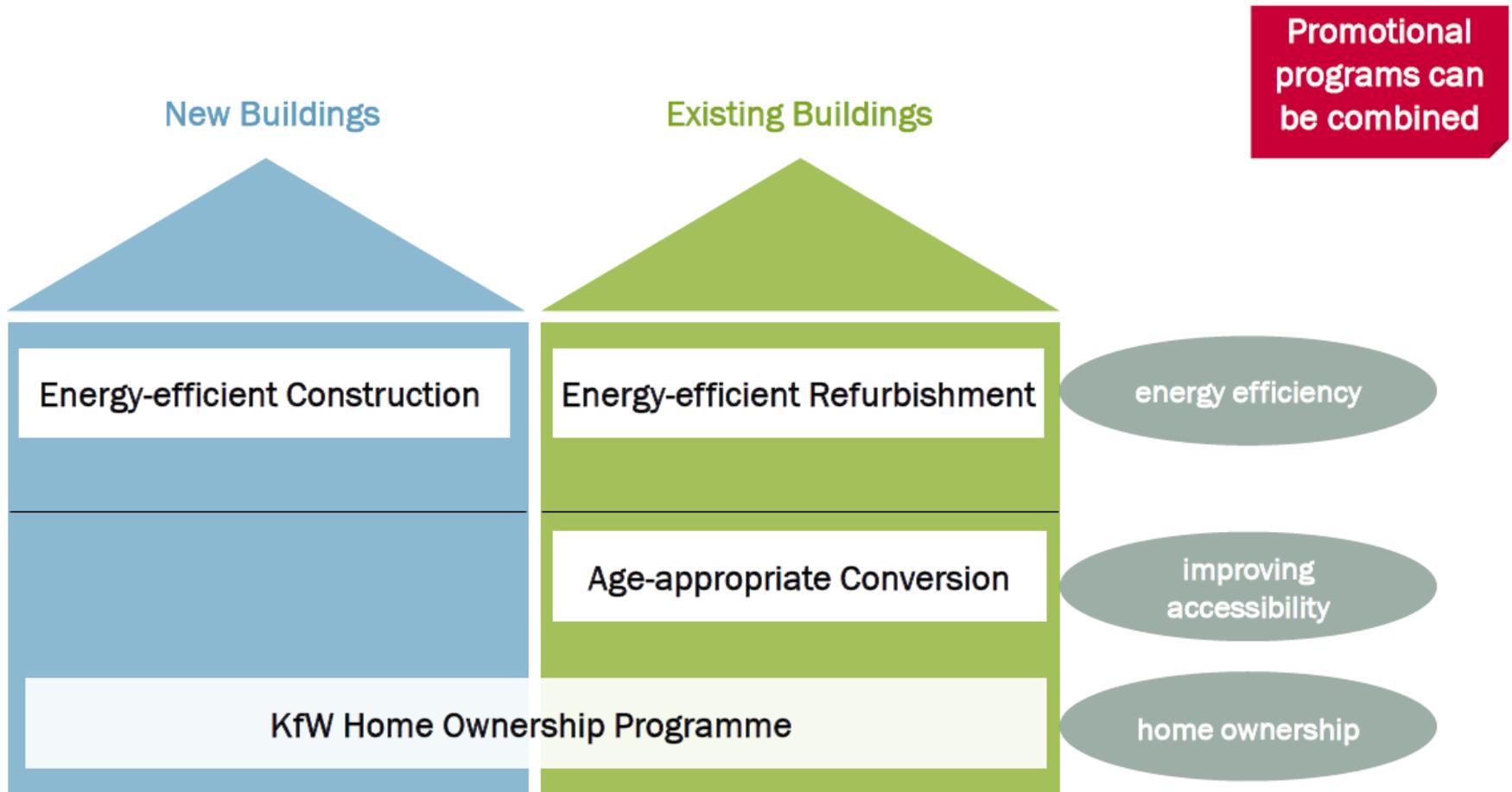


# »» Development of Energy Efficiency in Buildings in Germany



# »» Promotional Programs for Residential Buildings

## Overview



## »» Domestic Lessons Learnt in Germany

### Comprehensive Framework

- Harmonization of regulation, legislation and promotion
- Technical standards
- Information and awareness

### Eligibility Criteria's

- All groups of investors can apply
- Incentives for different investor groups provided

### KfW-Efficiency House

- Brand for energy efficiency
- Creates visibility & transparency

### Assessment & Evaluation

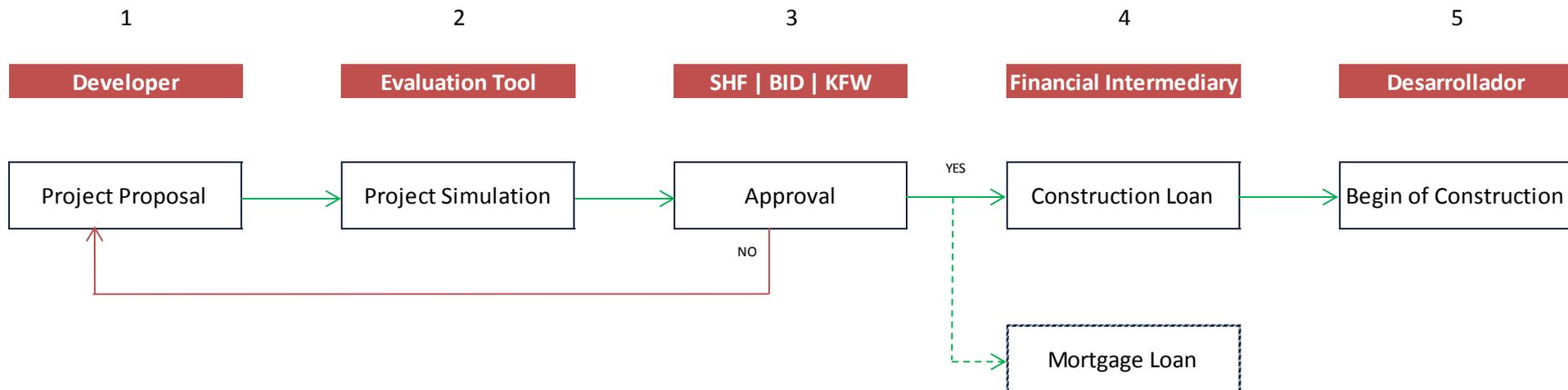
- Auditors
- Assessment and calculation tools
- Meters, measuring devices

# »» ECOCASA Mexico

## Project Cycle and Operation



SHF-IDB-KfW define an operational outline to determine the eligibility of the proposed projects in a efficient manner; under 5 stages:



1. The housing developer presents a low carbon housing project for ECO-CASA financing.
2. An independent consultant runs a simulation of the project, considering the energy performance of the house with the SISEVIVE-ECO-CASA tool, developed by INFONAVIT\*.
3. SHF, IDB and KfW accept or reject the project proposal on the basis of clear eligibility criteria.
4. SHF notifies the financial intermediary and assigns the concessional loans to the project.
5. The developer with the concessional funds begins construction of the project.

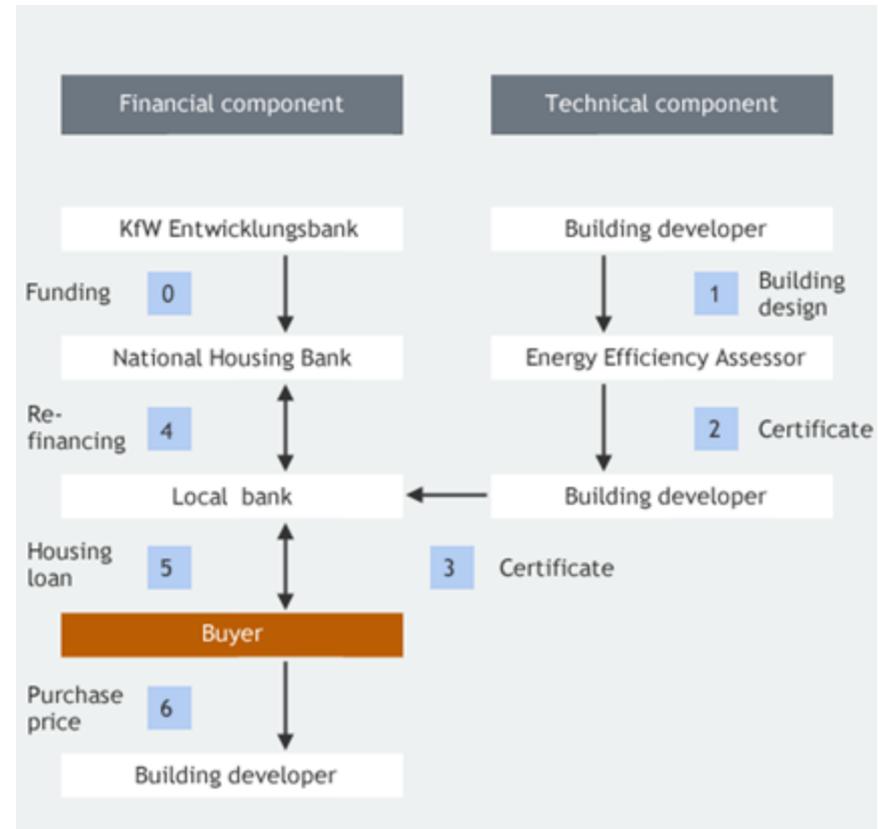
\*INFONAVIT, the National Workers' Housing Fund, It is the largest social mortgage financial institution in Mexico, and a strategic partner in the implementation of the ECO-CASA Program

# »» Energy Efficient Homes in India

## Project Volume and Financing Mechanism

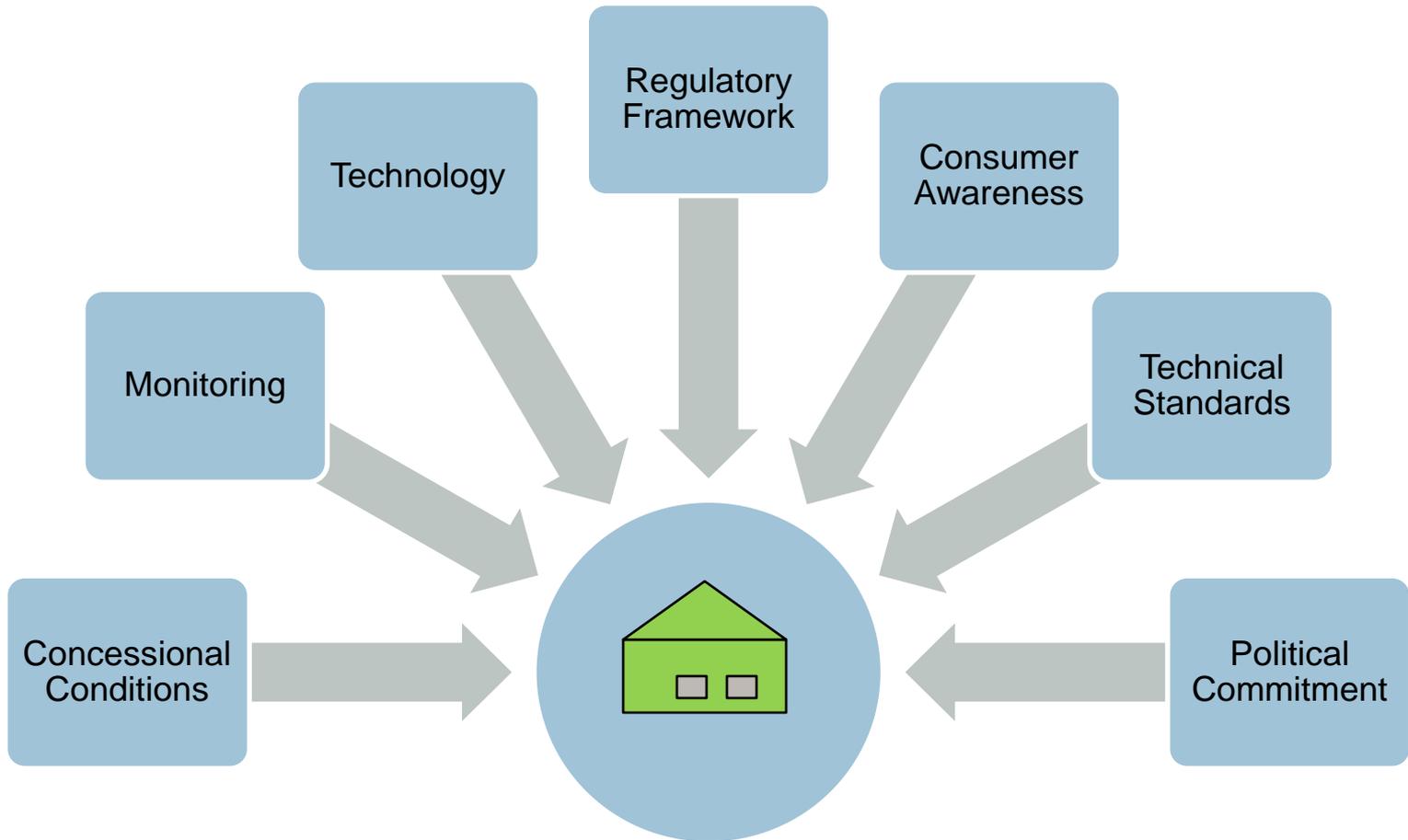


- KfW provides concessional loan of EUR 50 million to NHB
- NHB refinances local banks and housing finance companies
- Banks issue loans to the buyers of energy efficient apartments
- Complementary technical assistance for capacity building of stakeholders (e.g. developers and finance institutions)



## »» Conclusion

### Catalysts for the Promotion of Green Housing



## »» Conclusion

### Lessons Learnt

#### **A Stick is always good to have**

Legal, regulatory framework is a must



#### **Political Will and Support essential for Success**

Creation of Awareness and Financial Incentives



#### **The potential is there where energy is being consumed**

Unfortunately not necessarily where the poor people live

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