

EU Sustainable Finance in external action: an opportunity to promote sustainable buildings?

Programme for Energy Efficiency in Buildings (PEEB)

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What is the impact on non-EU countries?

Agenda

1. Context
2. The role of the EU
2. Relevance for the buildings sector outside the EU
3. Conclusion

Have a look at the paper here !





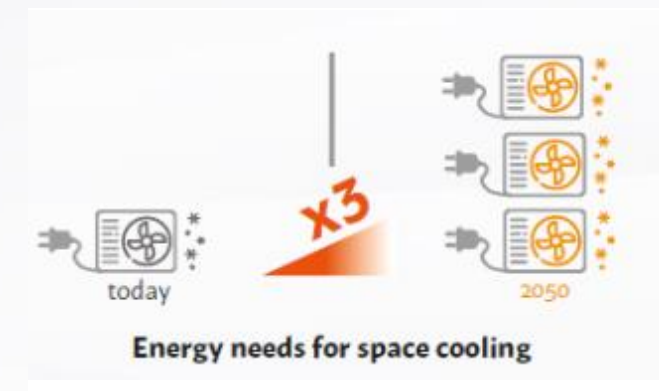
1- Context

Buildings – a sleeping giant for climate action

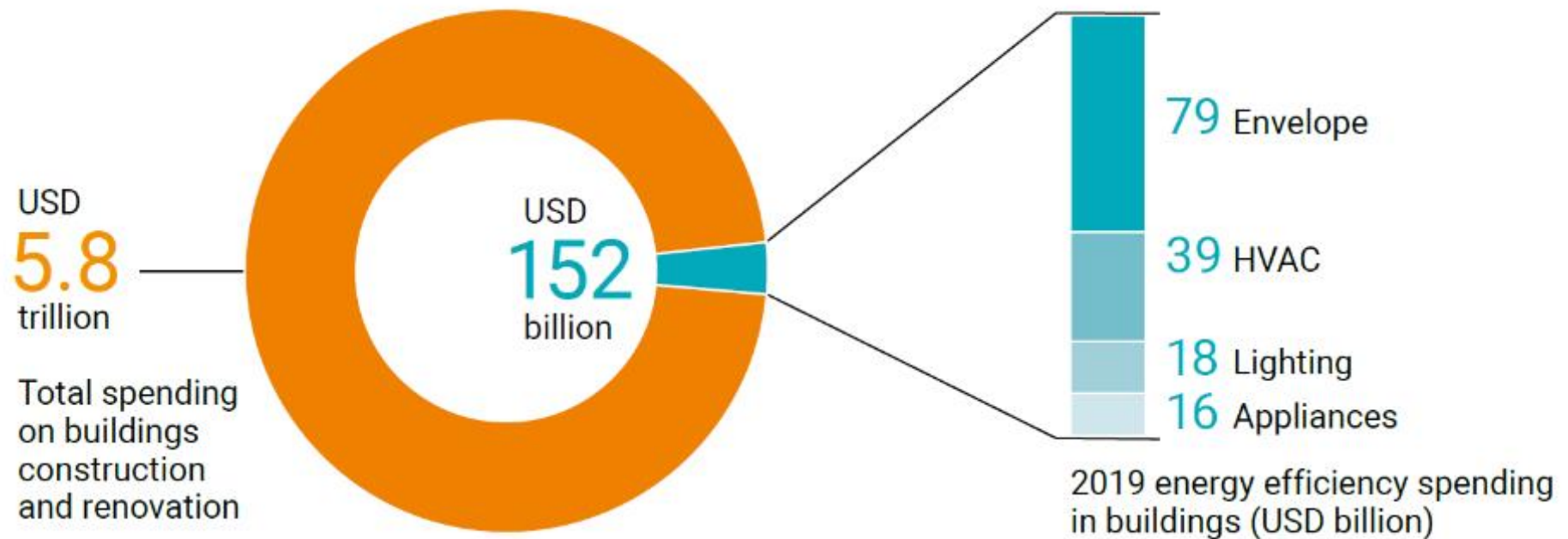
40% of global CO₂ emissions come from the building sector

Construction is booming, particularly in emerging economies in hot climate zones

Urgent and growing need for **cooling and adaptation**



5.8 trillion USD of investment need to shift rapidly



Source: IEA (2019b). All rights reserved. Adapted from "Energy efficiency policies: Buildings"

PEEB – an international initiative to transform the buildings sector



Funded by



PEEB supports the **GlobalABC roadmap** :
“Towards low-carbon and resilient buildings”
by **mobilising investments in energy efficient buildings.**

Implemented by



International agenda-setting

Increase international momentum through Global Alliance for Buildings and Construction (GlobalABC)

- 20+ international meetings since 2018
- Lead GlobalABC Work Area Finance
- Preparations for Buildings Day at COP26



Global Alliance
for Buildings and
Construction

21 April 2020



COVID-19 Stimulus Spending for Green Construction Means Building Back Better



1 July 2020 Join us for a Cool Coalition webinar on:

Cool Buildings

Greening Real-Estate Investments To Curb The Rise In Cooling Demand

3:00 pm to 4:30 pm (Paris Time) | 6:30 pm to 8:00 pm (Delhi Time) | 9:00 am to 10:30 am (New York Time)


 Brian Dean, Lead, Energy Efficiency and Cooling at Sustainable Energy for All (SEforALL)	 Andreas Gruner, Advisor, Programme for Energy Efficiency in Buildings (PEEB)	 Dan Hamza-Goodacre, Cool Coalition, Non-Executive Director of the Kigali Cooling Efficiency Program (K-CEP), COP26 Champion	 Ashok B. Lall, Principal of Ashok & Lall Architects, India	 Emeka Nwandu, President, Green Building Council in Nigeria	 Martina Otto, GlobalABC, Head of Cities Unit, UNEP	 Lily Riahi, Coordinator Cool Coalition, UNEP
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To register:
<https://register.gotowebinar.com/register/6349529424948253199>

PEEB PROGRAMME FOR ENERGY EFFICIENCY IN BUILDINGS | Cool Coalition | Global Alliance for Buildings and Construction | SUSTAINABLE ENERGY FOR ALL

BUSINESS MODELS FOR GREEN BUILDINGS

Real estate actors around the globe show the way

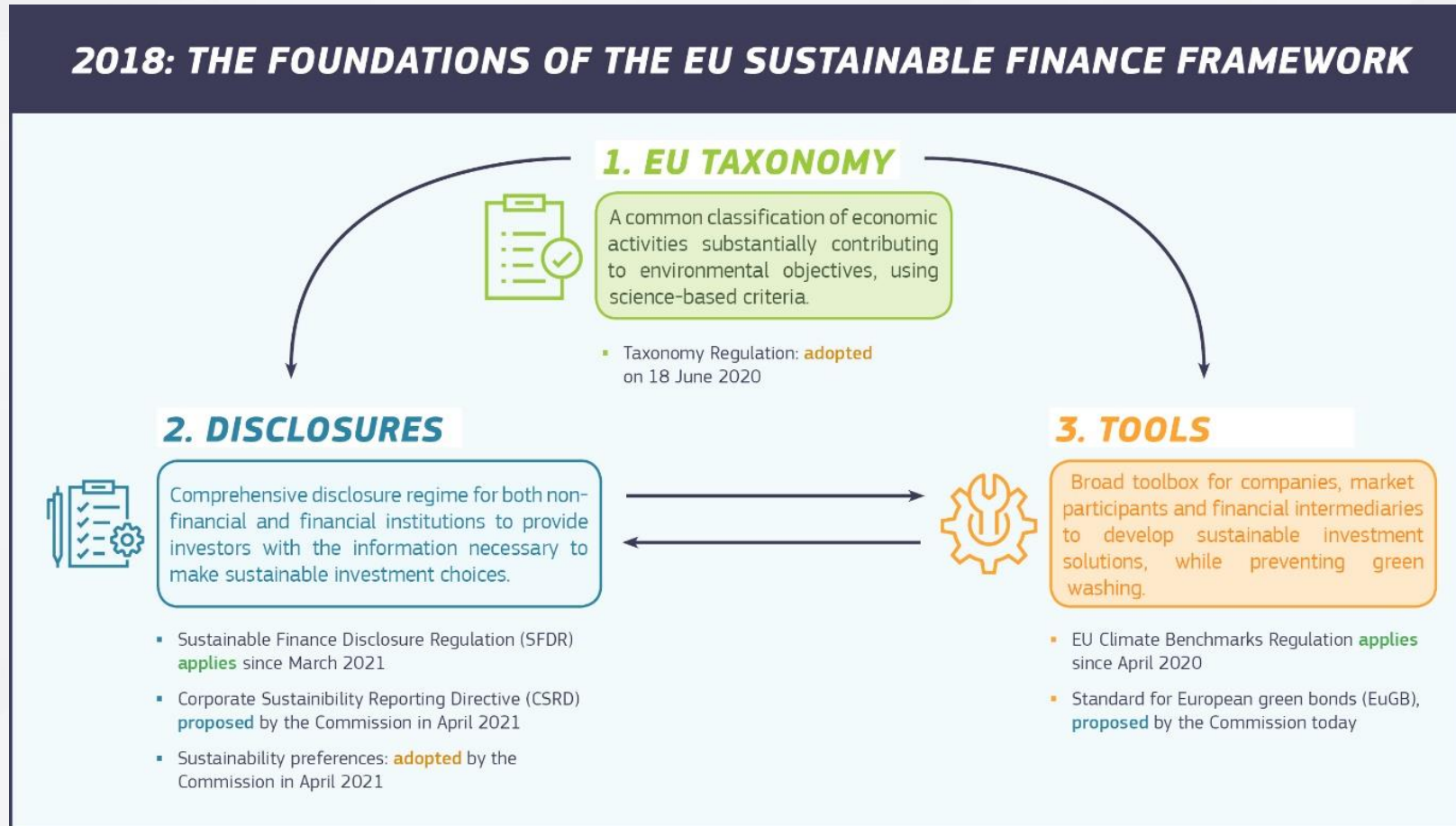


PEEB PROGRAMME FOR ENERGY EFFICIENCY IN BUILDINGS



2. The role of the EU

2018 EU sustainable finance strategy



The taxonomy is:

- A list of activities engaging in which will bring us on the path to reach climate neutrality
- A push to move private capital into sustainable economic activities

The taxonomy is not:

- A „whitelist“ for activities for which public funding will be made specifically available
- A prohibition to invest in non-listed activities

2021 EU Renewed Sustainable Finance Strategy



FINANCING THE TRANSITION TO SUSTAINABILITY

This strategy provides the tools and policies to enable economic actors across the economy to finance their transition plans and to reach climate and broader environmental goals, whatever their starting point.



INCLUSIVENESS

This strategy caters for the needs of, and provides opportunities to individuals and small and medium companies to have greater access to sustainable finance.



FINANCIAL SECTOR RESILIENCE AND CONTRIBUTION

This strategy sets out how the financial sector itself can contribute to meet Green Deal targets, while also becoming more resilient and combatting greenwashing.



GLOBAL AMBITION

This strategy sets out how to promote an international consensus for an ambitious global sustainable finance agenda.



3. Relevance for the buildings sector outside the EU

There will be spillover effects



search



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FREE Japanese climate experts propose national “transition taxonomy” for finance

The recommendations are another blow to the EU’s plans to drive a global classification system



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Russia’s Green Taxonomy could come into effect imminently, says Head of ESG Finance at International Chamber of Commerce

Develop

May 04
2021

Malaysia Publishes Climate Taxonomy For Financial Institutions

[Eye on ESG Blog](#)

ASEAN to Develop Sustainable Finance Taxonomy for Southeast Asia

By [Alexandra W. Burdulia](#) & Alexander W. Burdulia on April 1, 2021

ASIA-PACIFIC, REGULATION

Common ground taxonomy?

[Perspectives & Events](#) | [Malaysia Publishes Climate Change Taxonomy For Financial Institutions](#)

Authors

[Alexa](#)

Taxonomy v...

On April 30, 2021, Bank taxonomy for the financial Guiding Principles (GPs) according to the extent t

In this Blog Post, we disc taxonomy could mean fc

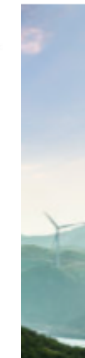
Scope and Applicabil

The CCPT is intended to banks, insurers and reins Other financial sector ste asset selection decisions

Posted: May .

Taxonomy Roadmap for Chile

The report c...es different pathways for the Chilean Government to consider in creating a national green taxonomy and provides an overview of existing taxonomies, analysing its potential benefits and challenges.



On March 30, 2021, finance ministers and central bank governors from members of the Association of Southeast Asian Nations (**ASEAN**) [announced](#) their support for an ASEAN Taxonomy of Sustainable Finance (**ASEAN Taxonomy**). Like the [Taxonomy Regulation](#) in the European Union, the ASEAN Taxonomy will serve as ASEAN’s common language for sustainable finance and account for

SEAN’s specific needs. The initiative is supported by a

[range of ASEAN bodies, including its Capital Markets Forum, Insurance Regulators’](#)

There will be spillover effects



- International diplomacy
- Governments decarbonization paths



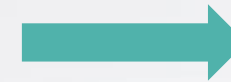
- Individual investment decisions
- Fund managers
- Real estate actors

There will be spillover effects

An opportunity to close the the green buildings investment gap?

All EU external action/NDICI funding to be taxonomy aligned

Likely shortage of "taxonomy aligned" activities that can be financed by private sector actors wishing to green their portfolio



importance of pipeline development and implementation !



There will be spillover effects

(Summarized) example from the draft delegated act on environmental objective: mitigation and adaptation

Type of activity	Technical Screening Criteria	Do No Significant Harm Criteria
Construction of new buildings	<ul style="list-style-type: none"> Primary Energy Demand of new construction is at least 20% lower than nearly zero energy building requirements in national measures. Energy performance certified by certificate. For buildings > 500m²: life cycle global warming potential calculated, and level of performance is tested post construction, both disclosed to investors and clients 	<ul style="list-style-type: none"> Adaptation: general criteria Water: Minimum criteria for water use of installations Waste: at least 70% of non hazardous construction and demolition waste prepared for re-use, recycling or other material recovery Pollution: no use of substances of very high concern (i.e. asbestos), low levels of formaldehyde etc. Biodiversity: Environmental Impact Assessment carried out, no construction on arable/crop land, forest land, or greenfield land of high biodiversity
Renovation of existing buildings	<ul style="list-style-type: none"> As applicable in national regulations for major renovations Or reduction of primary energy demand of at least 30%. 	<ul style="list-style-type: none"> As above, without biodiversity



4. Conclusions

Key take-away

EU institutions, member states and citizens are in a strong position for increasing capital available for sustainable development aligned to the Paris Agreement

The taxonomy is meant to boost private finance for green buildings by providing clear guidance on what is sustainable (and what not)

Spillover effects in non-EU countries can be expected



PEEB – Programme for Energy Efficiency in Buildings

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