Het opzetten van een sustainability finance voor framework voor duurzame financiering

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GENK

Agenda

Waarom?

Terugblik

Resultaten?

Minder grijs en meer groen in het nieuwe meerjaarplan 2026-2031

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Waarom?

- Shift naar meer duurzame investeringsprojecten in Genks investeringsportfolio (blauw-groen, energie, ontharding, sociaal,…)
  ➔ Meer aanbod van lokale duurzame projecten
- Behoefte in financiële markten om middelen te kunnen inzetten in veilige, duurzame en lokale investeringsprojecten
  ➔ Meer vraag uit financiële markten naar duurzame projecten
- Sluitstuk van duurzame BBC-cyclus (duurzame projecten realiseren m.b.v. duurzame financieringsbronnen)
- Ook goedkopere financieringsbronnen ??? (nog even geduld…)

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Waarom?

- De Sustainable Development Goals van de Verenigde Naties zijn de doelstellingen die de wereld zicht stelt, richting 2030 om aan duurzame ontwikkelingen te werken. De 17 hoofddoelstellingen en 169 subdoelstellingen vormen het belangrijkste internationaal duurzaamheidskader voor de komende 15 jaar.

Hoe?

SUSTAINABILITY FINANCE FRAMEWORK: DUURZAME FINANCIERING

In lijn met het duurzaamheidsbeleid van Groep Genk in het algemeen en de bijzondere engagementen van Groep Genk zoals de Convenant of Mayors, het Genkse 2030 klimaatplan en het lokaal energie en klimaatpact met de Vlaamse overheid, werd een Sustainability Finance Framework uitgewerkt. Dit betekent dat Groep Genk door middel van een transparant kader en methodologie in staat is om duurzame financieringsmiddelen aan te trekken (via groene, sociale en/of sustainability financieringsvormen zoals leningen, obligaties, kortlopende geldmarktinstrumenten,…) en deze middelen vervolgens transparant kan laten doorstromen naar duurzame lokale investeringsprojecten. Dit framework is bovendien volledig ingebed in de lokale beleids- en beheercyclus zodat er een volledig geïntegreerde cyclus van plannen, uitvoeren, financieren en rapporteren ontstaat. Dit geheel werd vervolgens door onafhankelijke partij (ISS – Corporate als second party opinion provider) beoordeeld op kwaliteit, compliance en diverse parameters waarvoor een positief rapport werd afgeleverd.

RELEVANTE WEBSITES

- ISS-Corporate - Second Party Opinion

BIJLAGEN

- SFF_Sustainability Finance Framework Genk [1,5Mb] (pdf)
- second party opinion SFF [839,3Kb] (pdf)

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Terugblik

2024

- Concept / programma van eisen: Wat wenst Groep Genk te bereiken? Één financieringsframework voor een breed spectrum van investeringsprojecten / toepasbaar op verschillende instrumenten / geïntegreerd in BBC-cyclus / geïntegreerd in besluitvormingsflow MAT-CBS-GEM
- Externe expertise (plaatsingsprocedure overh. opdr.) om samen dit concept uit te werken in een framework
- Tussentijdse bespreking en goedkeuring in MAT en CBS i.f.v. draagvlak

Terugblik

2025

- Aanstellen van SPO (plaatsing overheidsopdracht beperkte waarde) voor validatie van framework (intensief)
- Finale goedkeuring door stad Genk & SPO en publicatie op website
- Totale kostprijs externe expertise & SPO : < € 30k
- Organisatie marktbevraging voor opname van LT-leningen & gunning

➔ Totale doorlooptijd van concept-uitwerking-validatie-toepassing: 1 jaar

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Hoe?

INTENSIEF SPO-PROCES

Clara Schouler

@Genk: Could you share a report on this topic? Or a publication?

Van Gurp Rudi

We can share the report' Klimaatplan 2030' (februari 2023) which was the endreport of the convenant of Mayors 2020 and the first report of the convenant of Mayors 2030.

Clara Schouler

@Genk: Is Stadt-Genk part of any alliances and municipality commitments (i.e., EU initiatives, Collaborative projects etc...)?

15 november 2024, 11:23

Van Gurp Rudi

The city of Genk is part of the European convenant of mayors since 2008. Since 2022 Genk joined also the Local Energy and Climate Pact with the Flemish Governement.

25 november 2024, 9:39

Clara Schouler

@Genk: Could you justify whether there is a clear link to renewable energy/ energy efficiency (i.e., integration of RES into the grid). If it is not exclusively linked to RE, the assessment will be No Net Impact.

Also could you precise what do you mean by appliances and products?

15 november 2024, 11:04

Van Gurp Rudi

The city of Genk is investing in solar and wind energy projects and needs to make additional investments in its grid and systems in order to balance production and consumption of renewable energy. For instance using its electrical car fleet as a energy storage system when there is more production than consumption of renewable energy. In order to implement that strategy, the city needs appliances such as smart charging stations, smart software products,...

25 november 2024, 10:44

GENK

Hoe?

INTENSIEF SPO-PROCES

Clara Schouler

@Genk: do you have a framework in place to implement the 2030 SDG Agenda and track its progress?

15 november 2024, 11:31

Van Gurp Rudi

There are several frameworks in place such as the overall strategic city plan "Samen Genk verbinden 2000-2025" (13 strategic objectives). The city of Genk is now preparing the next overall strategic city plan 2026-2031. There is also the Genk 2030 climate plan. In order to track the progress, periodic reporting to the city council and other stakeholders is organised.

25 november 2024, 9:48

Van Gurp Rudi

The city of Genk is in the process of finalizing a strategic real estate plan (157 active buildings - 298.874 square meter). The future city investmentplan will be based on this strategic plan: assets to invest in will be selected taken into account the energy efficiency improvements in the buildings to make them futureproof (also decisions for assets to sell or to demolish will be taken based on this strategic plan).

25 november 2024, 10:17

Clara Schouler

@Genk: Could you precise what type of energy storage will you finance (i.e., battery storage, thermal storage, pumped storage)?

can you confirm that the energy input will exclusively be from renewable energy?

15 november 2024, 10:54

Van Gurp Rudi

For the current and next (2026-2031) overall city plan, we are analyzing possibilities for battery storage. In a longer term perspective other types like thermal or pumped storage could be possible.

25 november 2024, 10:20

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Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina's:

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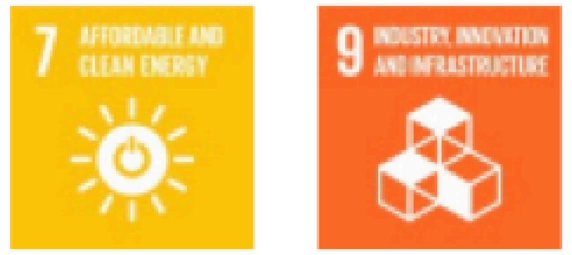
Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina’s:
Focus op ‘use of proceeds’

2.1 The use of proceeds

The net proceeds of Genk’s Sustainability Finance Instruments will be used to finance and/or refinance, in whole or in part, assets, new and/or existing investment expenditures falling within one of the Eligible Sustainability Categories.

ICMA / LMA CATEGORY	Eligible Sustainability Investments	Contribution to UN SDG
GREEN INVESTMENTS		
Renewable Energy	Investments in or investment subsidies to the production or distribution of energy stemming from natural sources or processes that are constantly replenished, such as • Onshore wind projects • Solar photovoltaic power	
Energy Efficiency	Investments in or investment subsidies to energy efficiency projects, such as • in new and refurbished buildings • battery storage , with energy input coming from renewable energy production • district heating[1] • smart grids, appliances and products[2]	

Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina's:

Focus op 'use of proceeds'

Pollution prevention and control	Investments in or investment subsidies to projects, such as • Soil remediation[3] [Geen titel]	15 LIFE ON LAND
Environmentally sustainable management of living natural resources and land use	Investments in or investment subsidies to projects[4], such as • afforestation or reforestation • preservation or restoration of natural landscapes • creation of green public spaces	15 LIFE ON LAND
Clean Transportation	Investments in or investment subsidies to clean transportation projects, such as • Cycling infrastructure • Infrastructure for clean energy vehicles • EV public transportation or tramways	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Sustainable water and wastewater management	Investments in or investment subsidies to projects[5], such as • River training and other forms of flooding mitigation[6] • Conversion of impermeable soil to permeable surface	13 CLIMATE ACTION 15 LIFE ON LAND

GENK

Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina's:

Focus op 'use of proceeds'

Climate change adaptation	Investments in or investment subsidies to projects, such as efforts to make infrastructure more resilient to impacts of climate change, as well as information support systems, such as climate observation and early warning systems[7]	13 CLIMATE ACTION

Green Buildings	Investments in or investment subsidies to development, construction, acquisition and/or refurbishment of green buildings such as
	• Buildings built after 31 December 2020 with energy performance meeting the local threshold set for nearly zero-building (NZEB) requirements[8]
	• Buildings built before 31 December 2020 with an EPC label of at least "A"
	• Buildings that have achieved or are in process of achieving an environmental certification comparable to e.g.
	    • BREEAM certification (at least "Very good") or
	    • LEED certification (at least "Gold")
	• Buildings that undergo a renovation that leads to a reduction of primary energy demand (PED) of at least 30%[9]
		11 SUSTAINABLE CITIES AND COMMUNITIES
		13 CLIMATE ACTION

Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina's:

Focus op 'use of proceeds'

SOCIAL INVESTMENTS			
ICMA / LMA CATEGORY	**ELIGIBLE SUSTAINABILITY INVESTMENTS**	**TARGET POPULATION**	**CONTRIBUTION TO UN SDG**
Access to Essential Services [Geen titel]	Investments in or investment subsidies to in Infrastructure and services for , children day care, schools, community centres for people with disabilities or elderly care	Infants Children People with disabilities Elderly people with care needs	1 NO POVERTY 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES
Affordable Housing	Investments in or investment subsidies to in social housing infrastructure	Low-income household meeting the criteria set by the Flemish government	1 NO POVERTY 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES

Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina's:

Focus op 'management of proceeds'

➔ soorten instrumenten: KT- en LT-financiering

➔ breed venster voor investeringsuitgaven: look back (-2j) & look forward (+2j)

2.3 The management of proceeds

Genk aims to allocate the proceeds of its Eligible Sustainability Investments to investment expenditure until full allocated. Therefore, the net proceeds collected will be equal to the amount allocated. With regards to Short term Sustainability Finance Instruments (i.e. commercial paper), the Eligible Sustainability Investments allocated to it, should be at least the highest amount of outstanding Short term Sustainability Finance Instruments over the corresponding calendar year (unless fully rolled over into Long term Sustainability Finance Instruments before the end of calendar year).[12]

Pending the allocation of the net proceeds of issued Sustainability Finance Instruments to the Eligible Sustainability Investments, or in case insufficient Eligible Sustainability Investments are available, Genk will manage the unallocated proceeds in cash or cash equivalent, in line with its regular treasury criteria. Full allocation of the net proceeds is expected at issuance, or ultimately at the end of the second calendar year following the issuance of a given Sustainability Finance Instruments.

In the allocation of proceeds, Genk will also look back to the Eligible Sustainability Investments made in the two calendar years prior to the issuance of the Sustainability Finance Instruments.

The allocation of the net proceeds of issued Sustainability Finance Instruments to the portfolio Eligible Sustainability Investments will be reviewed and approved Genk's College of the Mayor and the

Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina’s:

Focus op ‘evaluation and selection process’

2.2 The evaluation and selection process

Genk will follow a transparent process for selection and evaluation of Eligible Sustainability Investments. Investments financed through the Sustainability Finance Instruments issued under its Framework are evaluated and selected based on compliance with the Eligibility Criteria as set under paragraph 2.1 Use of Proceeds. All potential Eligible Sustainability Investments comply with local laws and regulations, including applicable regulatory environmental and social requirements.[10]

The management committee[11] prepares a list of potential Eligible Sustainability Investment to be selected as part of the city’s planning and management cycle. It will produce This committee will produce a proposal to the College of the Mayor and the Aldermen who will discuss and finalise the selection and allocation in line with the Framework’s eligibility criteria. The College of the Mayor and the Aldermen will sign-off on the selection and the allocation. This will be based on the investment expenditures foreseen in the multi-annual budget and realized in the investment budget.

Resultaten?

Een compact en bruikbaar sustainability finance framework van 19 pagina's:
Focus op 'reporting'

2.4 The reporting

For all issuances of financing instruments under this Framework, Genk intends to produce an allocation report (the "Allocation Report") as well as an impact report (the "Impact Report") annually until full allocation of the Sustainability Finance Instrument proceeds.

The Allocation Report and the Impact Report will be prepared by the management committee as part of the annual evaluation and reporting processes leading to the official annual accounts of the city of Genk. The full set of documents will go through the formal approval process of the city council.

Genk will make and keep readily available annual reporting on the allocation and impact of the portfolio of Eligible Sustainability Investments after a year from the issuance of the first Sustainability Finance Instruments, to be renewed annually until full allocation or in case of material change. This report will be publicly available on https://www.genk.be/bestuursdocumenten.

Genk has the willingness to report on an aggregated basis for all the Sustainability Finance Instruments outstanding.

Genk intends to the extent practical to align its impact reporting with the Handbook for Harmonized Framework for Impact Reporting - June 2021[13]

Resultaten?

- Marktverkenning bij banken (veel interesse) en gevoerde marktprocedure:
  - Perceel ‘grijs’ en perceel ‘sustainable’
  - 2 x € 10 mio en 2 x vaste rentevoeten
- Commerciële strategieën banken: verschillende insteken (al of niet differentiatie)
- Gem. bandbreedte marges op referentierente (ICE Swap):
  - Vast tarief ‘grijs’: 42/56,2 bp
  - Vast tarief ‘sustainable’ : 36,2/46,7 bp
  - Delta ‘grijs’ vs. ‘sustainable’ : 6/10 bp

indicatie op termijn: €100 mio sust. fin.x 6/10 bp geeft
€ 60/100k besparingspotentieel per jaar op rentelasten

GENK

MJP 2026-2031

Minder ‘grijze’ en meer ‘groene’ projecten en financiering:

- Versterkt mindset rond duurzaamheid & SDG’s
- Versterkt BBC- en PDCA-cyclus (meer KPI-gericht, meer meten, rapporteren, bijsturen,…)
- Zet de sterke stedelijke portfolio aan duurzame investeringsprojecten in de kijker (city marketing)
- Scherpt concurrentie tussen financiële instellingen aan en verlaagt kostprijs (verwachting dat ‘grijze’ financiering duurder gaat worden…)

GENK

BEDANKT

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