IFC HAS A **FOUR-PART STRATEGY** TO SUPPORT GREATER INVESTMENT IN GREEN BUILDINGS

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**IFC’s Green Building Market Transformation Program**

**Investment & Advisory for Banks**
- Activate financing through banking partners and support product development such as green mortgages and green bonds

**Investment & Advisory for the Building Sector**
- Advise and directly invest in the property sector through IFC’s own balance sheet

**EDGE Certification**
- Create a scalable voluntary certification system and software to empower the property industry to build green

**Green Building Codes & Incentives**
- Incentivize green decision-making by fostering an enabling environment of supportive government policies to raise the bar on building regulations

Source: [About EDGE](https://www.ifc.org/wps/wcm/connect/7a575d2b-5b44-4e87-8f3e-57f24c0a1298/AboutEDGE_ENGLISH)
VALUE OF GREEN BUILDING INCENTIVES AND CERTIFICATION

DEVELOPERS
• Financial or non-financial benefits offset the cost of green measures
• Opportunity to attract a different type of buyer
• Potential for differentiation

GOVERNMENT
• Avoided infrastructure costs
• No-cost incentives can bring additional tax revenue
• Long-term planning for resource efficiency

CONSUMERS
• Reduced utility bills
• Potential for higher re-sale value
• Insight on energy and water consumption

EDGE EXPERTS AND AUDITORS
• Added value to profession
• Capture a growing market
• Opportunity to work with architects on green design
TOP 10 WAYS GOVERNMENTS CAN INCENTIVIZE GREEN BUILDING ADOPTION

- **Property Tax Incentive**: Offer a lower property tax rate to developers for one or more years.
- **Reduced Permitting**: Waive or partially reimburse permit fees for developers who certify their projects green.
- **Expedited Permitting**: Limit the permitting process to a minimum number of days for green construction.
- **Height Bonus**: Allow increased building height, either as extra floors or a percentage of total floor area.
- **Grants**: Incentivize solutions such as solar power by providing block grants to developers or local governments.

IFC - International Finance Corporation
Creating Markets, Creating Opportunities
TOP 10 WAYS GOVERNMENTS CAN INCENTIVIZE GREEN BUILDING ADOPTION

- **Reduced Interest**: Set up a loan fund at the central bank level so developers who build green can receive reduced interest rates.
- **Technical Assistance**: Train developers, planners, and building inspectors how to qualify green building design.
- **Net Metering**: Work with utility companies to enable building owners to generate renewable energy to the grid.
- **Public Campaigns**: Generate public support through advocacy efforts. Build evidence of results and communicate successes.
- **Green Legislation**: Require stronger performance or introduce carbon tax for underperformers.
RETURN ON INVESTMENT IN GHANA FOR 20% EFFICIENCY ACCORDING TO AN EDGE APP DESKTOP STUDY

<table>
<thead>
<tr>
<th></th>
<th>Incremental Cost</th>
<th>Utility Savings / month</th>
<th>Payback Period in Years</th>
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</thead>
<tbody>
<tr>
<td>Homes</td>
<td>$250/unit</td>
<td>$20/unit</td>
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<tr>
<td>Hotels</td>
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<td>$43,290</td>
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<tr>
<td>Shopping Centers</td>
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<tr>
<td>Offices</td>
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<tr>
<td>Schools</td>
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<td>Hospitals</td>
<td>$83,420</td>
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<tr>
<td>Light Industry</td>
<td>$173,580</td>
<td>$14,870</td>
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</tr>
</tbody>
</table>
EDGE HELPS GOVERNMENTS INCENTIVIZE GREEN BUILDING ADOPTION

1. FREE SOFTWARE
2. ACHIEVABLE STANDARD
3. VERIFIED GREEN LABEL

20%
THE FREE SOFTWARE SHOWS HOW TO CUT BACK ON THE RESOURCE INTENSITY OF A BUILDING'S DESIGN
THE EDGE STANDARD FOCUSES ON THREE CATEGORIES OF RESOURCE EFFICIENCY
AN EDGE CERTIFICATE REDUCES REPUTATIONAL RISK AND CAN BE USED AS A VERIFICATION INSTRUMENT TO SIMPLIFY COMPLIANCE
City: Salvador

Building Typology: Residential

Government Entity: City of Salvador

Incentive: Point-based system for a 5%, 7% or 10% discount on property taxes with re-application each year; certification guarantees a 7% discount.

Available Certification Systems: ACQUA, CASA AZUL, EDGE, GBC BRASIL, LEED
LIMA, PERU – HEIGHT BONUS INCENTIVE

City:
Lima (San Borja)

Building Typology:
Residential

Government Entity:
District of San Borja

Incentive:
Zone-based height bonus for two, three or four extra floors.

Available Certification Systems:
EDGE, LEED
COLOMBIA – EXCLUSION OF VAT AND INCOME TAX DEDUCTION

City: All

Building Typology: Residential & Commercial

Government Entity: National Mining & Energy Planning Unit

Incentive: Exclusion of VAT (19%) and income tax deduction (25%) for project design services and technical solutions such as insulation and energy-efficient air conditioning systems

Available Certification Systems: CASA, EDGE, LEED
City: All

Building Typology: Light Industry

Government Entity: Bank of Bangladesh

Incentive: Discounted financing rate for the extra cost of green measures at 9%. All commercial banks must offer the 9% rate for green measures.

Available Certification Systems: BREEAM, CASBEE, EDGE, GRIHA, LEED, SREDA
ARGENTINA – EXCLUSION OF VAT

City: All

Building Typology: Residential

Government Entity: Secretary of Housing

Incentive: Exclusion of VAT (10%) for projects that include: insulation Class B, solar hot water collectors, and LED lighting, up to 140,000 UVA. Available to first 60,000 units that apply; must be built by August 2022.

Available Certification Systems: EDGE, LEED
EDGE WEBSITE HAS A LIBRARY OF CASE STUDIES GLOBALLY, WHICH CAN BE USED FOR PROMOTION OR PROOF-OF-CONCEPT

CLICK ON LINKS FOR IN-DEPTH PROJECT STUDIES

- **Tema Port – Terminal 3 (GH)**
  By MPS

- **Hilton Cucuta (COL)**
  Hotel by Hilton

- **Takoradi Mall (GH)**
  By RMB Westport

- **Sakura Montessori School (VNM)**
  School by EMC Education

- **Antananarivo Airport (MDG)**
  Airport by Bouygues and Colas

- **ALP North (KEN)**
  By Africa Logistics Partners

- **Villa del Rio (COL)**
  Retail by ASHMOREAvenida

- **King Hussein Business Park (JOR)**
  Offices by the Business Park

- **Komfo Anokye Hospital (GHA)**
  Hospital by ABP

- **Esteban Echeverria (ARG)**
  Warehouse by Plaza Logistica
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Confederaziun svizra

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Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO

UK Government

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