



Green finance market in Russia: current situation and the role of VEB.RF in its development

December 2020



STATE
DEVELOPMENT
CORPORATION

Russian green finance market: key actors and initiatives



Key milestones in launching of the Russian national green finance system



Government decree on the development of Green Finance system

- Decree signed on November 18th 2020
- **VEB.RF** was designated as **Methodological Center**
- **National Green Finance Taskforce** (consists of ministries, other government entities, major banks, expert community) to be set up. It will develop, introduce and co-ordinate government policies related to Green Finance



National Green Finance system design

- Methodology includes: **National Taxonomy** (including quantitative and qualitative criteria), **Green Finance Guidelines**, **Verification Methodology** and other documents that will define the system architecture
- VEB.RF will finalize a set of documents and introduce them to the National Green Finance Taskforce in the next several months



Green Finance government stimulus

- The **National Taxonomy** will be introduced to and, consequently, **signed by the Government**
- The Ministry of Economic Development will develop a **roadmap with measures of Green Finance government support (Stimulus)**



Launch of a fully functional National Green Finance system

- The national green finance system is expected to be **launched by VEB.RF and properly functioning by mid 2021**
- It will include an officially **approved methodology** and a **list of approved verifiers**
- **Processes** for receiving green status for financial instruments will be **well-defined and transparent**
- **Stimulus will be linked with a green status** of a financial instrument

November 2020

January 2021

May 2021
(estimated)

July 2021
(estimated)

Development of the Russian National Taxonomy based on international taxonomies and key government documents in Russia

Input documents



International Taxonomies



Climate Bonds Taxonomy



Taxonomy Technical Report



Green Bond Principles



IDFC Green Finance Mapping Report



Green Bond Endorsed Project Catalogue



Strategic government documents in Russia



National Projects of Russia



Best available technology (NDT) guidebooks



Industrial development strategy for processing, recycling and neutralization of production and consumption waste for the period until 2030



National action plan for the first stage of adaptation to climate change for the period until 2022



Energy security strategy of Russia until 2035



Russia's economic recovery plan



Paris climate agreement (ratified by Russia in 2019)

Resulting taxonomy

Russian national taxonomy for green projects, including quantitative and qualitative criteria



Таксономия зелёных проектов

Основное направление Таксономии: детальный перечень ключевых направлений, отражающих национальные приоритеты и перспективы мировых тенденций в области экологии и охраны окружающей среды:

- 1. Углеродная экономика
- 2. Циркулярная экономика
- 3. Энергоэффективность
- 4. Чистая вода
- 5. Устойчивые здания и инфраструктура
- 6. Повседневная жизнь
- 7. Чистый транспорт и инфраструктура
- 8. Биоразнообразие, леса и экосистемы
- 9. Биоразнообразие, леса, вода и биодиверсификация
- 10. Цифровая экономика

Alignment of the taxonomy with international taxonomies and with strategic Russian government documents

| | Alignment with international taxonomies | | | | | Alignment with strategic Russian government documents | |
|---|---|---------------|------|----|-------|---|---------------------------|
| | ICMA Green Bonds | Climate Bonds | IDFC | EU | China | National projects | Other strategic documents |
| 1. Waste Management and Recycling | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. Energy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3. Construction | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4. Industrial Production | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5. Transport and Industrial Infrastructure | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6. Water Supply and Wastewater Treatment | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7. Natural Landscapes, Forests, Water Bodies and Biodiversity | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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