

GREEN FINANCE DEVELOPMENT IN RUSSIA

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ИНСТИТУТ
ИССЛЕДОВАНИЙ
И ЭКСПЕРТИЗЫ

Key milestones in launching of the Russian national green finance system



Government decree on the development of Green Finance system

- Project task force established at VEB.RF in February 2020
- Government decree signed on November 18th 2020
- **VEB.RF** was designated as **Methodological Center**



National Green Finance system design

- VEB.RF presented to the National Green Finance Taskforce set of documents:
- **National Taxonomy**
- **Green Finance Guidelines**
- **Verification Methodology**
- Discussion with Russian business, international organizations (OECD, ICMA, CBI, World Bank), NGO's started



Green Finance System configuration defined

- September 21st **National Taxonomy** and Verification requirements approved by the Government of Russia
- **It includes taxonomy, methodology and a list of approved verifiers**



Launch of a fully functional National Green Finance system

- **Russian Taxonomy presented internationally**
- **OECD**
- **Glasgow: IDFC, CBI**
- **Green finance system should be fully completed by July 2022**

February 2020

November 2020

January 2021

September 2021

July 2022
(Defined by the President of Russian Federation)

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

Input documents



Climate Bonds Taxonomy



Taxonomy Technical Report



Green Bond Principles



IDFC Green Finance Mapping Report



Green Bond Endorsed Project Catalogue



National Goals



Best available technology (BAT) guidebooks



National projects



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



Paris climate agreement



Russia's low carbon strategy



Sectoral strategic documents

Resulting Documents

1

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

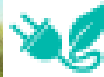
2

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

TAXONOMY: GREEN PROJECTS



Waste management



Energy



Construction



Industry



Transport and industrial vehicles



Water treatment



Natural landscapes, rivers, lakes, biodiversity



Agriculture

- **CO2 emission is key criterion of eligibility. Thresholds based on EU Taxonomy**
- **Waste incineration included**
- **Nuclear energy included**
- **Large Hydro included if fits emission criteria (CBI as benchmark)**

TAXONOMY: ADAPTATION PROJECTS



Waste Management



Energy



Sustainable Infrastructure



Transport and industrial vehicles



Industry



Agriculture

- **BAT requirements, material (not less than 20%) energy efficiency improvement and CO2 emission reduction are key criteria of eligibility. Thresholds based on Russian benchmarks**
- **Fossil fuel projects (brownfield) in upstream and midstream included**
- **Thermal power plant retrofit, Energy-efficiency improvement in existing thermal power plant included**

GREEN FINANCE IN RUSSIA – NEXT STEPS

1

Verification system launched

- Verifiers selected
- Pilot verifications according to 1587 Decree
- Adjustment of the verification system

2

Government efforts coordinated

- Government support in different sectors, like Waste Treatment, Renewables, Transportation, BAT coordinated
- Central Bank rules adjusted
- MICEX rules adjusted

3

Coordination with the Eurasian Economic Union countries

- Each Eurasian Economic Union country requires national taxonomy
- Common approach
- Mutual recognition