



Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework)

D3 - Selection of Beneficiaries

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Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework) - D3 - Selection of Beneficiaries

This report has been prepared for the Green Climate Fund (GCF) and ArmSwissBank CJSC as part of work for the assignment “Engagement of International Consulting Company for designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework) and assistance to 2 competitively selected entities in negotiations with potential investors” with the donor being the GCF under the “Readiness and Preparatory Support Programme”.

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1. Background / introduction

The Government of Armenia through the Ministry of Environment (Designated National Authority) has requested support of Green Climate Fund (GCF) within the framework of “Readiness and Preparatory Support Programme” to implement comprehensive assessment of the constraints for further expansion of “green finance” practices, mapping of available instruments and to come up with comprehensive set of methodological, awareness raising and capacity building interventions. The main objective of the Readiness Project is to achieve paradigm shift in design and utilization of “green finance” instruments through incorporating into policies, operational modalities of national banks and non-banking financial institutions the climate-resilient approaches and guidelines, as well as regulatory simplification and introduction of policy incentives for designing respective on-lending facilities.

As part of the Readiness Project, the assignment “**Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework)**” is being carried out by the Consultant. The objective of the Assignment is to contribute towards advanced utilisation by Armenian banks and non-banking financial institutions of the opportunities to attract financing through issuance of the Green Bonds through design of the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework) and assistance to 2 competitively selected entities¹.

This report describes the process by which **2 competitively selected entities** were chosen for technical assistance under this assignment. The technical assistance to be provided to the two entities includes the following key aspects:

- Developing a green bonds framework and standards to be met in the eventual issuance of the green bond(s) - including uses of proceeds which align to certain international standards.
- Provision of advice on how to integrate into business practices
- Development of tools / checklists for measurement, reporting, and verification
- Assistance in preparation for approaching the market - specifically verification providers (but potentially also other actors).

An additional phase (final structuring bringing the bonds to market - including legal aspects and final pricing of the bond issuance) would be necessary but is beyond the scope of the technical assistance assignment.

¹ Could be either banks willing to finance/refinance its green portfolio or private sector entity seeking attraction of funds for implementation of the green project/s

2. Process for selection of beneficiaries

The process for selection of beneficiaries was an open process carried out through the following steps:

Step 1: Alerting market participants to the technical assistance programme - The Consultant team carried out bilateral meetings with a number of financial institutions to gauge potential interest in engagement with the assignment. This included a meeting with the Armenian Stock Exchange (AMX), and the Central Bank of Armenia.

Step 2: Carrying out an introductory workshop for Green Bonds - The Consultant team invited 10+ financial institutions to participate in a Green Bonds introductory workshop where the concepts of Green Bonds were described, the potential for technical assistance was introduced, and the process by which the beneficiaries would be chosen was also described. This workshop took place on 26/4/2022 via the Zoom platform. A total of 25 participants attended the workshop (16 women) from 14 institutions. Minutes of the workshop can be found in Annex 1.

Step 3: Request for applications - Immediately after the workshop, an application for the technical assistance was submitted widely to stakeholders - including but not limited to the 14 institutions that participated in the introductory workshop. A deadline for the application was given as a little over 2 weeks after the workshop (6/5/2022). The application form can be found in Annex 2 of this report. It was specifically designed to be straightforward and not overly burdensome for interested entities. Specific weighted criteria were established within the application form to make it possible to evaluate potential beneficiaries in the event that there were more than 2 applications.

Step 3: Applications received and evaluated - In the end, only 2 institutions applied for the technical assistance - **ARMSWISSBANK** and **UniBank**. The applications were reviewed by the Consultant team and found to be appropriate for moving forward. ***Both institutions are reputable financial institutions with a track record of “green” investments, appropriate ideas for use of proceeds, and experience working with various International Financial Institutions.*** The scores allocated and descriptions of their applications can be found in Annex 3 of this report.

The GCF was also reached out to in order to let them know that this process was being undertaken and to invite them to participate in the evaluations of the applications. It should be noted that ARMSWISSBANK which is officially the client on this assignment was not involved in the promotion of the competition, in the development of evaluation criteria, or the evaluation of applications. The Consultant acted independently and - given that there were only two applications - the Consultant believes it is appropriate to move forward with ARMSWISSBANK.

3. Lessons learned and next steps

The Consultant considers this step in the process to be successful as 2 viable institutions have submitted applications for the technical assistance.

Lessons learned in the process include:

- Information about potential technical assistance for beneficiaries should be distributed widely, and coupled with workshops / bilateral meetings - but even still this does not guarantee many interested parties when the subject matter is new.
- There is interest in Green Bonds from the perspective of financial institutions - and potentially non-financial institutions (companies), but this interest is not yet mature. It is the Consultant's hope that if this process succeeds for one or more of the chosen beneficiaries, then there will be increased interest from other financial institutions. If one or more additional Green Bonds can be issued, then this will be the second from the Armenian market.

Next steps include:

- Ongoing collaboration with the 2 selected beneficiaries of technical assistance in order to finalize the green bond framework, provide assistance on integration of green bonds into business practices, and develop tools for monitoring and reporting.
- Assistance to the 2 selected beneficiaries in approaching key market participants internationally - notably 3rd party reviewers.

These activities will be undertaken before 1/7/2022 - after which time it is hoped that the 2 beneficiaries can move forward in the steps towards final issuance (either on the Armenian Exchange, on an international exchange, or via dual listing).

Annex 1: Report - Workshop to introduce the topic of Green Bonds

Title: “Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework)” Workshop to introduce the topic of Green Bonds

Time and venue: 26th of April, 10:00 - 12:00 Armenian time, zoom meeting

Agenda

Time	Topic	Presenter
10:00 - 10:10	- Introduction to the assignment	Seth Landau - Team Leader, E Co.
10:10 - 10:40	- Green bonds standards - international market standards and their characteristics	Yves Speeckaert, Green Bonds Expert, DAI James Naughton - Green Bonds Expert, DAI
10:40 - 10:55	- Potential relevance of Green Bonds for Armenian financial institutions	Lilit Gharayan, Financial Expert, ADWISE Consulting
11:55 - 12:00	- Questions and answers - including related to the selection of 2 financial institutions to provide more in-depth advisory services	Seth Landau - Team Leader, E Co.

Outcomes

The workshop has covered the following points:

- Assignment objective and plan
- Announcement of competition process for beneficiary selection
- Green bonds issuance process
- Advantages of green bonds
- Comparison of green bond standards, including eligible sectors and reporting requirements
- Main listing markets for green bonds
- Relevance of green bonds to the Armenian market

The outcomes are as follows:

- 25 participants attended the workshop.
- Representatives of 15 banks and credit institutions attended the workshop > ACBA Bank CJSC, Unibank CJSC, HSBC Armenia CJSC, Inecobank CJSC, DICA, EVOCABANK, Ardshinbank CJSC, Armenian Leasing Company, ArmSwissBank, CARD, Ardshinbank CJSC, ACBA Leasing CJSC. Representatives from the Central Bank of Armenia and Armenia Stock Exchange attended the workshop.
- In general, a number of Armenian banks appear to be interested in issuing green bonds.
- Next steps agreed: issuing application form for banks to apply for green bond framework assistance, 2-months of highly-intensive work with selected banks, assisting selected banks in reaching out to investors.

Discussion points

IS THERE AN INTEREST AMONG THE BANKS IN ISSUING GREEN BONDS?

- UniBank representatives stated how this assignment would help to train their staff.
- ArmSwissBank representative stated that greening of assets is very important direction for their bank, as well as gaining experience in fundraising for special projects.
- HBSC expressed its interest in working on developing their green bond approach.

DO BANKS HAVE EXPERIENCE WITH IMPACT REPORTING?

- During the presentation of impact reporting requirements, UNIBANK representatives commented how they (and other Armenian banks) have experience with IFIs / bilateral IFIs which also require reporting. For example, for the FMO, they have to report on how women use financial allocation.

WHAT IS THE STATUS OF PRESENTLY ISSUED GREEN BONDS IN ARMENIA?

- Representatives of Armenia Stock Exchange commented how they only have 3 green bonds listed so far. In case more banks will be interested in issuance of green bonds (e.g. 10 banks) they will consider development of a separate green platform.
- Unibank bonds are traded on Armenian Stock Exchange, but also on Moscow Stock Exchange.
- Central Bank of Armenia representatives said that they are working with Deloitte to develop Green Finance Roadmap. After this is developed, they will have definite steps to developing regulatory framework and one of them is to develop green bond market. The time frame for this action will be known once the roadmap is finalised.
- Armenian Stock Exchange is interested in connecting with the Luxembourg Stock Exchange as they would like to have access to foreign investors in the future (e.g. in case the Government will be issuing green bond).

HOW CAN THE NEED FOR GREEN BONDS BE JUSTIFIED?

- ArmSwissBank representatives think that additional financing for green transition needs to be secured, and they see green bonds as a new source of finance.
- The green bonds market should be developed, to reduce bank's dependency on IFIs or large funds, and allow private sector to invest in bonds.
- Banks might want to diversify their source of financing.

WHICH TYPES OF GREEN INVESTMENTS COULD BE FINANCED?

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- UniBank sees a gap in financing for SMEs wanting to invest in green technologies. They have a demand now, but e.g. German Armenian Bank/Fund now has no money to provide. However, this demand could be confirmed by additional research.
- UniBank representatives shared their experiences with financing green projects: so far, their bank is providing financing for solar projects, but also for SMEs investing in machinery. They would be interested in expanding the type of green projects they are financing. Moreover, they commented how clients investing in machinery seem to be very sophisticated, in terms of business management.
- ArmSwissBank sees the potential in green construction i.e. new green buildings. Also, they see the market for renewables already being matured so they want to activate other sectors.
- Multi-programming bond is also possible.
- The issue of economic indicators that guide the choice of priority green investment areas was raised by the representatives of the Central Bank of Armenia.

HOW TO SELECT AMONG DIFFERENT GREEN BOND STANDARDS?

- Representatives of the Central Bank of Armenia asked how beneficiaries decide on the green bond standard they want to adhere to.
- The Consultant team briefly highlighted the advantages of each of the green bond standards. For example, Luxembourg Stock Exchange is using ICMA a lot, and ICMA can serve just a guidance.
- On the other hand, the EU Taxonomy is going to be very interesting as it is going to establish the criteria for more green investments and less green investments i.e. it will include a broader range of eligible activities. For example: if a government is trying to replace coal plant with any other green energy option, it is already making a great contribution to climate targets. As a shortcoming of the EU Taxonomy, is the question of how will countries outside of the EU be able to comply with the green criteria and DNSH requirements.
- Climatic circumstances of each country as well as the technologies that banks are comfortable to work with can influence the choice of the sector and green bond standard.

List of participants

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Annex 2: Introductory letter and application form for the technical assistance

Introductory letter regarding technical assistance for development of green bonds for the assignment “*Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework)*”

E Co., DAI, and our local partners ADWISE Consulting are carrying out the assignment “*Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework)*” to assist the Ministry of Environment within the framework of the Green Climate Fund (GCF) funded “Readiness and Preparatory Support Programme”. The objective of the assignment is to assist Armenian banks in attracting financing through issuance of the Green Bonds through (1) design of the Model Framework Structure and Content for the issuance of Green Bonds in Armenia and (2) assistance to two competitively selected entities in preparation for approaching the market.

Technical assistance will be provided to up to two (2) financial institutions. This application form will be evaluated by the Consultancy team and the Nationally Designated Authority (representatives of the Ministry of Environment). The criteria for choosing the partners include:

- Experience of the institution of issuing debt securities at local and international level (25%)
- Level of alignment of the institution's investment / lending strategy with green bonds frameworks (10%)
- Previous experience in financing / building green infrastructure projects (25%)
- The extend to which Environment and Social Governance (ESG) and responsibility is part of the core policy of the institution . 20%
- Level of staff competence and training on Sustainable Finance (self appraised) / size of the Debt issuance team (20%)

The specific scoring system is described in the table below. Scores will be tabulated by the Consultancy Team.

We will also be holding an online workshop to further introduce the topic of Green Bonds - currently planned for Tuesday 26/4 at 14:00 - 16:30 Yerevan time.

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If you have any questions related to this application form, please do not hesitate to contact the Team Leader Seth Landau at seth@coltdgroup.com.

Application form: Green and Sustainable Bond Framework in Armenia & Green Bond Issuance needs assessment

Global Climate Fund (GCF)

Questionnaire owner: Seth Landau - seth@coltdgroup.com & Y. Speeckaert - yspeeckaert@gmail.com

Name of your Bank:	
Main point of Contact:	
Email:	
Phone number:	

Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Response
1. Has your bank been involved in issuing special purpose bonds on the international market in the past? If so, please provide information on size, geography of placement, etc. (Maximum 25 points)	
2. Referring to Armenia's 2021 NDC (sector and development priorities up till 2030) in which of the following key economic (green) sector is your bank involved in/ interested in getting involved (maximum 25 points - 5 points for each sector with investments over EUR 5 million in the last 5 years):	Please provide brief information on: <ul style="list-style-type: none"> • investments mobilized in previous 5 years • Types of clients / projects
a. Energy (Renewable Energy Production and Energy Efficiency)	
b. Industrial Processes and Product Use (Mineral Industry and F-gases)	
c. Sustainable agriculture (Enteric Fermentation, Direct and Indirect N2O & CH4 Emissions from managed soils)	
d. Sustainable Waste Management (Solid Waste management, Wastewater)	

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e. Sustainable forestry (afforestation, forest protection) and Other Land Use	
f. Other industrial, RE or infrastructure sectors/ projects, with potential GHG reduction (Green buildings, resource efficiency, clean transportation, etc.)	
2. What, if any, is your Bank plans and ambitions with regards to issuing green bonds or getting involved in any way (including GB and sustainable finance in your client portfolio, etc.) in sustainable finance? Level of alignment with green bonds frameworks? <i>(up to 10 points)</i>	
a. What type of products (e.g. renewable energy, energy efficiency, waste management, etc.)?	
b. What type of Bonds (Green Bonds, Sustainable, SLB, Social, Certified Climate Bonds, SDG?)	
c. What size and amount of projects (Investment, use of proceeds)	
d. What maturity, or tenor?	
e. What currency?	
f. What ambitions for timing do you have?	
3. Please describe the status of your current ESI governance (related to environment and social issues) at your institution? <i>(maximum 20 points based on the level of development of internal processes, reporting on environment and social issues, ESG reporting etc.)</i>	
4. Describe the management and technical experience of the internal team that may be responsible for the green bond issuance. 20 points	
5. What geographies for listing would you consider? Armenian Securities Exchange (AMX) or dual listing in an international market such as the Luxembourg Green Exchange (LGX) or the London Sustainable Bond Market? <i>(no points allocated - this is for informational purposes)</i>	
5. What are in your view the top 3 needs in terms of bringing the bank up to speed in terms of enhancing Sustainable finance and issuing a green bond? (e.g. identifying investments for use of proceeds, help in identifying the appropriate stock	

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<p>market, verifying entity, incorporating processes into the institution’s operating procedures, etc.)? <i>(no points allocated - this is for informational purposes)</i></p>	
<p>6. There are a number of Green Bond Framework standards, mainly:</p> <ul style="list-style-type: none"> a. Climate Bonds Standards (from the Climate Bonds Initiative) b. ICMA “Green Bond Principles” c. EU Green Bonds Standards and EU incoming Taxonomy (classification of Economic activities according to their environmental impact, and performance criteria) <p>Have you considered issuing bonds based on any of these specific standards? Are you interested to get information or training on any of these specifically?</p> <p><i>(no points allocated - this is for informational purposes)</i></p>	
<p>7. In the event of issuance of the Green Bonds, who would be the issuer?</p> <p><i>(no points allocated - this is for informational purposes)</i></p>	
<p>8. Is there anything else that you would like to add?</p>	

Total maximum = 100 points

Annex 3: Descriptions of the results of the applications received

Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
1. Has your bank been involved in issuing special purpose bonds on the international market in the past? If so, please provide information on size, geography of placement, etc. (Maximum 25 points)	25	15	Extensive experience in the Armenian market is described - including acting as a market maker for 7 banks in Armenia. No international market issuance experience.	15	Experience in the Armenia and Moscow markets - but not special-purpose bonds
2. Referring to Armenia's 2021 NDC (sector and development priorities up till 2030) in which of the following key economic (green) sector is your bank involved in/ interested in getting involved (maximum 25 points - 5 points for each sector with investments over EUR 5 million in the last 5 years):	25	16	Excellent track record in sustainable energy / sustainable energy infrastructure - with limited track record in other areas.	25	Strong track record in numerous relevant sectors - most notably in agriculture working with IFIs (as verified by consultancy team).
a. Energy (Renewable Energy Production and Energy Efficiency)	5	5	RE and EE investments a target sector - including acting as a Partner Financial Institution (PFI) for «KfW Bank Renewable energy » program, «KfW Bank Energy Efficiency for SMEs» program,	5	5 MEUR - Solar Photovoltaic and Solar Water Heating Installations, Upgrading machinery and production lines with newer more efficient technologies. Target clients: MSME

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Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
			«EBRD GEFF Armenia». program. Specific investments include: - Industrial scale solar PV stations: \$31,655,000 (58,250 kWt capacity) - Own use Solar PV stations for SMEs: \$18,017,000 (101 clients) - Small Hydro Power Plants - \$17,282,000 (19 clients) - Energy Efficient investments - \$ 3,650,000 (29 clients) In total, up to USD 70,500,000 for 161 projects during past 5 years.		
b. Industrial Processes and Product Use (Mineral Industry and F-gases)	5	0	N/A	0	N/A
c. Sustainable agriculture (Enteric Fermentation, Direct and Indirect N2O & CH4 Emissions from managed soils)	5	4	In the sector of sustainable agriculture during past 5 years the bank financed 10 projects in volume of \$3,141,000. Projects include 146 ha of intensive orchards and 2.3 ha of greenhouses.	5	5 MEUR - Infrastructure for agriculture -irrigation, Water distribution and storage, Water treatment Products. Target clients: MSME
d. Sustainable Waste Management (Solid Waste management, Wastewater)	5	0	N/A	5	5 MEUR - Recycling of plastic waste, Re-use of materials. Target clients: MSME
e. Sustainable forestry (afforestation, forest protection) and Other Land Use	5	3	No investments mobilized as such, but the bank initiated forest planting activities in frame of its Environmental and Social responsibility. In 2019 the Bank donated 6,000 sq.m. of orchards to a secondary school of cross border community in Tavush.	5	5 MEUR - Financing of sustainable agriculture, forestry and fishery initiatives. Target clients: MSME

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Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
f. Other industrial, RE or infrastructure sectors/ projects, with potential GHG reduction (Green buildings, resource efficiency, clean transportation, etc.)	0	4	Infrastructure projects could be counted from the RE / EE investments (see above). Additionally, the Bank financed the first EE residential building in frame of «KfW Bank Energy Efficiency for SMEs» program in volume of USD 4,200,000. There are other infrastructure sectors/ projects, with potential GHG reduction in portfolio, which are not reported and appropriate data cannot be presented.	5	5 MEUR - Transportation, Sustainable Buildings Residential and Commercial Buildings, Urban Planning. Target clients: MSME
<p>2. What, if any, is your Bank plans and ambitions with regards to issuing green bonds or getting involved in any way (including GB and sustainable finance in your client portfolio, etc.) in sustainable finance? Level of alignment with green bonds frameworks? (<i>up to 10 points</i>)</p> <p>a. What type of products (e.g. renewable energy, energy efficiency, waste management, etc.)?</p> <p>b. What type of Bonds (Green Bonds, Sustainable, SLB, Social, Certified Climate Bonds, SDG?)</p> <p>c. What size and amount of projects (Investment, use of proceeds)</p> <p>d. What maturity, or tenor?</p> <p>e. What currency?</p>	10	8	<p>Appropriate vision on use of proceeds and size / timeline. Additional detail will need to be developed on the specific standard to be used. The bank considers issuing Green Bonds as a diversification of sources of funding. Green bonds are considered a must-have tool for them. The first issuance of Green bonds would be relatively small in size and we would make a pilot project to test the market needs and potential. In the long run they believe Green Bonds will be a main tool for raising funds to enhance Green projects.</p> <p>Use of proceeds: RE & EE investments (including residential buildings) - in form of senior secured loan. Pricing and maturity</p>	8	<p>Appropriate vision on use of proceeds and size / timeline. Additional detail will need to be developed on the specific standard to be used.</p> <p>Use of proceeds: Renewable energy, Resource efficiency, Energy efficiency finance for businesses, Financing of sustainable agriculture, Fishery, Waste Management, etc.</p> <p>Type of bond: Green Bonds, Sustainable, SDG</p> <p>Size: For the total of 5-10 mln USD</p> <p>Tenor: 3-year period</p> <p>Timing: to be issued within 1 year</p>

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Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
f. What ambitions for timing do you have?			would be designed in accordance with terms of raised funds. Type of bond: Green bond Size: up to 5 million USD Tenor: Up to 5-year period Timing: Target to issue in 2022		
3. Please describe the status of your current ESI governance (related to environment and social issues) at your institution? <i>(maximum 20 points based on the level of development of internal processes, reporting on environment and social issues, ESG reporting etc.)</i>	20	20	ESI governance is part of the bank's lending procedure and they have included the Environmental and Social Risk Management guideline which was adopted with support of EBRD and is periodically updated. The guideline seems appropriate according to the Consultant. Currently the Bank is in process of upgrading the guideline with support of Asian Development Bank. The upgrade would focus on category B risk level transactions for Trade finance instruments. Staff of the bank periodically participate in trainings and workshops for capacity building.	15	Appropriate mechanisms described as follows (though not supported with documentation). Consultants' knowledge of the bank is consistent with the description. Potentially the retail banking function / governance will need to be further developed: Unibank has fully defined Environmental and Social management system through which the rate of potential environmental impact is verified (the framework and base was placed at Bank while cooperating with international financial organizations like IFC, FMO, etc). E&S risk is taken very seriously at Bank, thus the risks are divided into 3 categories. Unibank has an outlined Exclusion list forbidding borrowers that bring negative influence and harmful impact on the Environment from getting a loan. ESMS officer functions and ESMS responsibilities are distributed among Unibank staff, including employees from Underwriting dep, Risk Management dep, Monitoring dep, etc.

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Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
					Throughout loan approval or rejection proceedings Credit Committee of the Bank determines whether E&S risks are acceptable for the Bank's overall exposure.
4. Describe the management and technical experience of the internal team that may be responsible for the green bond issuance. 20 points	20	5	The issuance process of debt securities is being carried out by the Investment Department of ARMSWISSBANK CJSC. CVs of a highly qualified management team are included in the application. Additional experience / awards are highlighted, including: - Award from FrontClear for cross-currency repo transactions with EBRD - Two nominations in the Armenian Securities Exchange (AMX) Awards for 2019 - Awarded the "Best Partner of Data Supplier" by Thomson Reuters	5	Limited detail included, though generally appropriate as follows: The internal team of the Bank responsible for securities issuance are: International Relations department, Treasury under direct supervision of the First Vice Chairman of the Executive Board.
5. What geographies for listing would you consider? Armenian Securities Exchange (AMX) or dual listing in an international market such as the Luxembourg Green Exchange (LGX) or the London Sustainable Bond Market? <i>(no points allocated - this is for informational purposes)</i>	N/A	N/A	Interested in issuance on the local market - Armenian Securities Exchange (AMX)	N/A	Interested in issuance on the local market.
5. What are in your view the top 3 needs in terms of bringing the bank up to speed in terms of enhancing Sustainable finance and	N/A	N/A	The primary purpose for the issuance of Green Bonds is that the Bank plans to diversify sources of funding for Sustainable projects	N/A	The response describes the main needs as: a. Developing internal policy, targets and culture

Designing the Model Framework Structure and Content for the issuance of Green Bonds in Armenia (Green Bond Framework) - D3 - Selection of Beneficiaries

Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
issuing a green bond? (e.g. identifying investments for use of proceeds, help in identifying the appropriate stock market, verifying entity, incorporating processes into the institution's operating procedures, etc.)? <i>(no points allocated - this is for informational purposes)</i>			and mobilize private sector. The top 3 needs of the Bank for issuing Green Bonds are followings: - incorporating processes into the Bank's operating procedures - tools/checklists for measurement, reporting and verification - assistance in finding potential investors for issued Green Bonds Mentioned three directions for assistance would help the Bank to enhance process of issuing Green Bonds		b. Creating corresponding products, training programmes and staff incompetency c. Identifying customer groups for organising sales and promotions The bank indicates that the deal flow is fairly strong even without a special focus.
6. There are a number of Green Bond Framework standards, mainly: a. Climate Bonds Standards (from the Climate Bonds Initiative) b. ICMA "Green Bond Principles" c. EU Green Bonds Standards and EU incoming Taxonomy (classification of Economic activities according to their environmental impact, and performance criteria) Have you considered issuing bonds based on any of these specific standards? Are you interested to get information or training on any of these specifically? <i>(no points allocated - this is for informational purposes)</i>	N/A	N/A	The Bank considers the EU Green Bonds Standards as linked to the EU Taxonomy as the most appropriate. They plan to channel raised funds for financing projects in RE and EE projects, including buildings (mainly residential). This is their understanding of standards, but consultation with experts is required to make a final decision.	N/A	They are not considering issuing bonds based on specific standards, as it will take a while to explore the peculiarities of each standard and its feasible adoption to the local market. They are interested to get information or training on this.
7. In the event of issuance of the Green Bonds, who would be the	N/A	N/A	ARMSWISSBANK CJSC	N/A	Unibank

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Needs Assessment: Green and Sustainable Bonds for Armenia, your FI, specific Green sectors & projects	Maximum	ArmSwissBank	Consultant commentary	UniBank	Consultant commentary
issuer? <i>(no points allocated - this is for informational purposes)</i>					
8. Is there anything else that you would like to add?	N/A	N/A	The Bank sees good potential for successful completion of the pilot program taking into account our sectors of interest, experience of originating and funding green projects as well as experience of issuing bonds for the market. ARMSWISSBANK CJSC would apply gained experience from this project for assisting private sector companies to issue Green Bonds and raise funds for climate projects.	N/A	The bank notes their believe in the potential of green investments - including noting that in 2020 Unibank's data center platform was moved to renewable energy base, thus making our entire IT systems, communications and networks independent with zero carbon footprint. Given the bank's current network of over 50 branches country wide, they are eager to provide our clients with an opportunity to invest in green technologies.
	100	64		68	