



Go Green Initiative

by National Housing Bank



राष्ट्रीय
आवास बँक
NATIONAL
HOUSING BANK

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Go Green Initiative

1. Background

The National Housing Bank (NHB) is a statutory body with a charter to shape and grow the housing finance market in India. The development of the financial system (financial deepening) and economic development are closely interrelated. It is widely acknowledged that an increased provision of financial services catering to all strata of societies have a macro effects on the larger economy. Financial Deepening plays critical role in reducing the risk of availability of liquidity in the economy and helps the inclusion of the vulnerable and disadvantaged group into the broader economy. It therefore helps in increasing the ability of individuals and households to access basic services like health, housing and education, thus having a more direct impact on poverty reduction.

NHB, since inception, through its various refinance and direct finance activities has been working to facilitate the supply of affordable housing finance for the "bottom of the pyramid" (BoP). As access to affordable finance is as pivotal as the depth of the financial system, NHB through its varied and accessible financial services has always supported the growth of the Housing sector. NHB has been taking innovative steps and evolving new and existing schemes and products to bridge the gap of housing finance shortage in the Country. During the years, the Bank has provided various innovative financial products and solutions to narrow down the housing shortages prevailing in the country especially for the people with informal income and informal title of property.

2. Urban Housing Scenario:

By 2030, 60% of the world's population will be living in cities. Rural to urban migration and natural increase in population have triggered rampant and unplanned urbanization, accelerating the depletion of natural resources and causing environmental pollution.

Cities today account for two-thirds of global energy consumption and for more than 70% of greenhouse gas emissions. Due to the unsustainable practices and over-exploitation of natural resources its leading to the reduced resilience and increased vulnerability of communities in the face of climate change.

Countries across the world are, thus, converging on the need for advancing development with a reduced carbon footprint. Sustainable urbanization will be key to ensuring holistic human development as well as restoring the planet's environment quality and ecological health.

A key player on the global development stage, India also faces the challenge of sustaining its economic growth while shifting to a low-carbon growth model.

According to estimates, by 2030, 40% of the country's population is projected to live in urban areas, which has alarming implications for the ecosystem. Migration combined with a

depleting resource base to address growing urban housing and infrastructural needs is a real and continued challenge for India.

As per the Government's 2012 estimates, India's urban housing deficit stands at 18.78 million ((1.87 crore) units, of which 96% pertain to economically weaker (56%) and lower income (40%) groups of society. The lack of affordable housing options for economically weaker segments could hamper the country's growth trajectory and poverty alleviation efforts.

Affordable housing initiatives in India target the country's expanding economic workforce and will contribute significantly to social equity and the wellbeing of communities.

At the same time, ensuring the environmental sustainability of such housing initiatives at scale is critical. Combining affordability with sustainable construction strategies can minimize the impact on the environment as well as improve living conditions.

It is also important to change the popular perception of green and sustainable buildings as being expensive or as catering to rich. Housing for lower- and middle-income groups can be sustainable with comfortable living standards. Integrating environmental sustainability with affordable housing can be a game changer for the Indian housing sector, with benefits for the promoters, buyers and at a larger level, the ecosystem.

3. Go-Green initiative of National Housing Bank

National Housing Bank (NHB) has been at the forefront to address various issues concerning the housing and housing finance sector through segmentation of the market and promoting appropriate products for specific segments with primary thrust on the unserved and underserved segments. NHB has identified energy efficient residential housing and habitat in India as a segment that needs to be addressed. The residential housing has not received adequate attention in terms of developing energy efficient technology, designs, products and promotion and distribution.

NHB-KfW Programme on "Energy Efficient New Residential Housing"

NHB, in partnership with KfW, Germany, started promoting energy efficiency in the housing sector. **This was a first of its kind initiative in the Country.** The Bank, in 2010-11, launched the Energy Efficient Housing Refinance Scheme, aimed at encouraging energy efficiency in the residential sector.

These funds were used for 2000 housing loans extended by various PLIs for energy efficient units aggregating to Rs. 380 crore (approx.).

Achievements under the Programme:

- Entire amount of € 50 million utilized

- No. of loans: 2,065
- No. of buildings certified: 21,577 residential units (162 towers)
- Energy savings: 1,864 MWh/p.a.
- CO₂ avoided: 32,800 t/p.a.

This led the foundation for NHB to work with various stakeholders to improve the level of awareness about Energy Efficient Housing as illustrated in our latest partnership with Agence Française de Développement (AFD), France.

Promotion of Green and Affordable Housing by National Housing Bank under arrangement with Agence Française de Développement (AFD), France

Agence Française de Développement (AFD) is a pioneer in advancing an integrated approach to environmental finance, combining a financial and technical assistance approach to promoting green growth. Under its Sustainable Use of Natural Resources and Energy Finance (SUNREF) label, AFD supports the development of innovative green investments through environmental credit lines for local financial institutions specifically in developing countries where financing green growth is a challenge.

Technical assistance and credit lines are extended to local financial institutions under the programme to empower them to finance small and medium size projects of public and private promoters.

Under the SUNREF green financing label, AFD has till date committed over 2.5 billion Euros to more than 70 financial institutions in over 30 developing countries.

In 2017, AFD launched the SUNREF Affordable Green Housing India programme in partnership with the National Housing Bank (NHB), India's apex financial institution in housing finance, with support from the European Union (EU).

4. SUNREF Affordable Green Housing India programme

About SUNREF India:

AFD launched the SUNREF Affordable Green Housing India programme in partnership with the National Housing Bank (NHB), India's apex financial institution in housing finance, with support from the European Union (EU).

Under this programme, Banks and housing finance companies will have access to competitive funding opportunities to finance green and affordable housing projects and thereby funding needs of home buyers and housing developers will be fulfilled. The programme will also capacitate stakeholders on technical aspects related to sustainable and affordable housing. SUNREF India has provided financing of 112 million EUR to the NHB, through an AFD credit line of 100 million EUR, along with an EU grant of 12 million euros. Out of the EU grant, 9

million EUR will be used as an investment grant to reduce the loan cost for final borrowers of the credit line and 3 million EUR Technical assistance will be used for marketing of the facility sub project origination and preliminary screening and capacity building etc.

The 100 million EUR credit facility is to support NHB in providing long term affordable funding to the green housing sector by refinancing home buyers and developers of eligible green building projects certified by local labels via banks and housing finance companies. Half of the funds will be directed towards economically weaker sections and lower income groups.

In line with AFDs mandate in India, the project together by NHB and AFD aims at reducing the negative impact on environment of the dramatic growth of the housing industry in the country by supporting the development of green affordable housing:

The Programme aims at –

- Reducing the negative impact of housing industry on environment
- Increasing saving in energy and water bills by encouraging the development of green residential houses with efficient building material use
- Scaling up green and affordable housing projects in India
- Providing low- and middle-income groups with green affordable housing

The expected outcomes and impacts of the project:

- To create demonstrative effect in order to influence the housing industry,
- To popularize a green labelling approach which is supplementary to necessary regulation measures,
- Earlier adoption by some States of regulation and public policies which favor the green housing industry,
- To make green housing affordable to low-income households,
- To reduce emissions of CO₂, water consumption and waste production through the improvement of energy efficiency, water use and raw material optimization use.

The SUNREF Affordable Green Housing programme aims to demonstrate the possibility of low-income households accessing green housing at affordable price through technical assistance and limited subsidy.

The programme focuses on augmenting NHB's institutional capacities in supporting the green housing market as well as that of primary lending institutions (PLIs) such as housing finance companies and scheduled commercial banks, housing developers and public agencies delivering affordable housing.

SUNREF India provides technical assistance on energy and environment efficiency in the housing sector by promoting two existing local green housing labels, Green Rating for Integrated Habitat Assessment (GRIHA) and Indian Green Building Council (IGBC).

The eligible green rating systems under the programme are:

- IGBC Green Homes Rating System - pre-certified/ certified with gold and platinum rating and IGBC Green Affordable Housing Rating System - pre-certified/ certified with gold and platinum rating
- GRIHA Rating System - pre-certified/ certified with 4 Star and 5 Star rating and GRIHA for Affordable Housing Rating System - pre-certified/ certified with 4 Star and 5 Star rating

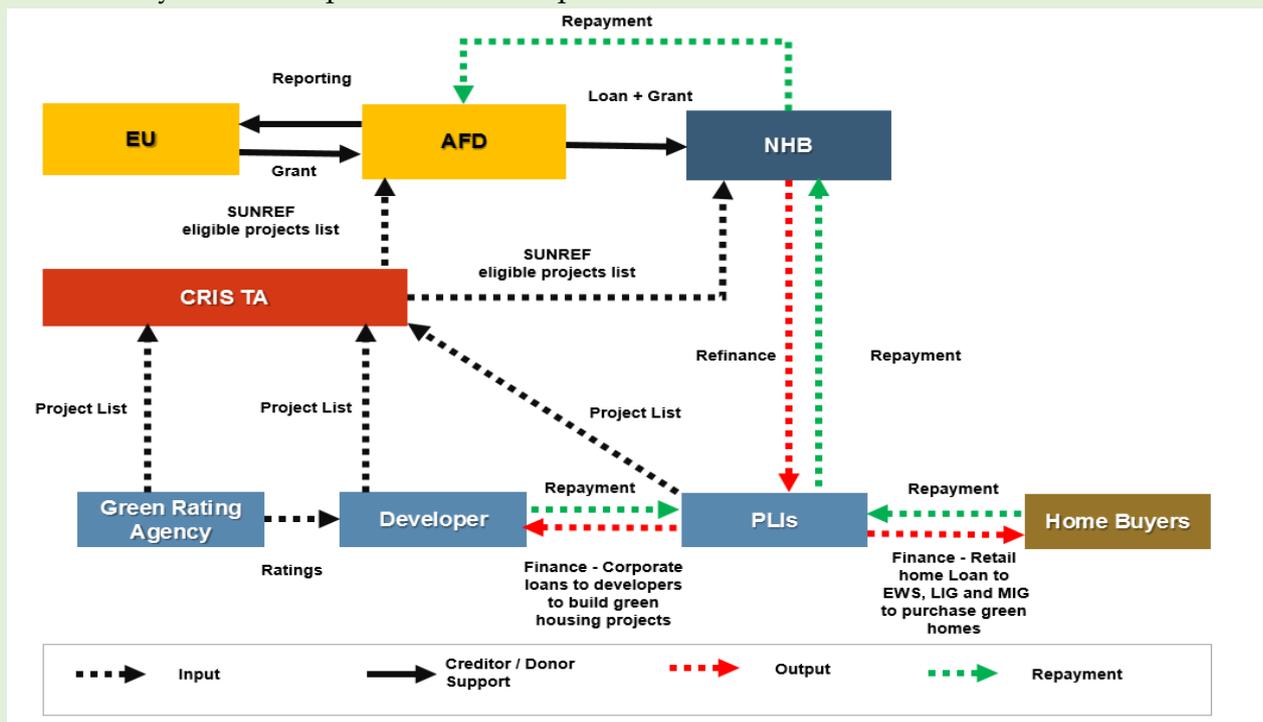
The project approach goes beyond finances and technology, promoting social awareness and capacity building of all relevant stakeholders to advance the cause of affordable green housing in India.

By 2025, more than 4000 households are estimated to benefit from the SUNREF Housing Programme in terms of improved housing conditions, through the construction of an estimated 329,000 square meters of new habitable floor. The project will support 20 residential sub-projects green label certification.

At least 50% of the total number of households benefitting under SUNREF India program will be economically weaker sections and lower income group households. The remaining facility will be allocated to the middle-income group.

As per the Government of India’s definition, individuals having annual income of up to INR 3 lacs, INR 6 lacs and INR 18 lacs fall under the categories of economically weaker section, low-income group and middle-income group, respectively.

The ecosystem of the process flow is depicted below:



Status of the programme

National Housing Bank has formulated 2 Refinance Schemes under the SUNREF Affordable Green Housing India programme and till September 15, 2021 Bank has disbursed Rs. 501 Crores under the SUNREF Programme as per the following details:

	EWS/ LIG (In Cr.)	MIG (in Cr.)	Total in Cr.
Consolidated disbursement under the facility till date	205	296	501
Composition percentage by value	41%	59%	100%
Number of household units	1361	1211	2572
Composition percentage by units	53%	47%	100%

For Brochure of the SUNREF Affordable Green Housing India programme and complete details of Refinance Schemes, pl. click at the following link -

Brochure -

https://nhb.org.in/en/whats_new/sunref/

Refinance Schemes -

<https://nhb.org.in/wp-content/uploads/2016/10/PGHRS-2018-English.pdf>

Till September, 2021, Bank has conducted following events to promote the Programme and also for creating awareness on Green Housing among all the stake holders:

S.No.	Event and Capacity Building Sessions
1	Delhi National Event
2	Mumbai Regional Promotional Event
3	Training for Developers and Architects - Rajasthan
4	Webinar for PLIs - 1
5	Webinar for ICICI HFC
6	Webinar for Ummeed HFC
7	Webinar for IIFL
8	Webinar for Aavas Financers
9	Webinar for Satin HFC
10	Training for Developers and Architects - West Bengal
11	Webinar for HDFC Ltd.
12	Webinar for four PLIs - 2
13	Training to Ghaziabad Development Authority, Uttar Pradesh
14	Training to Haryana Housing Board, Haryana

More than 500 officials/developers attended the above workshop/programmes.

Process flow and Support from TA

The entire ecosystem of the refinance follow/ process and the support provided by CRIS TA;

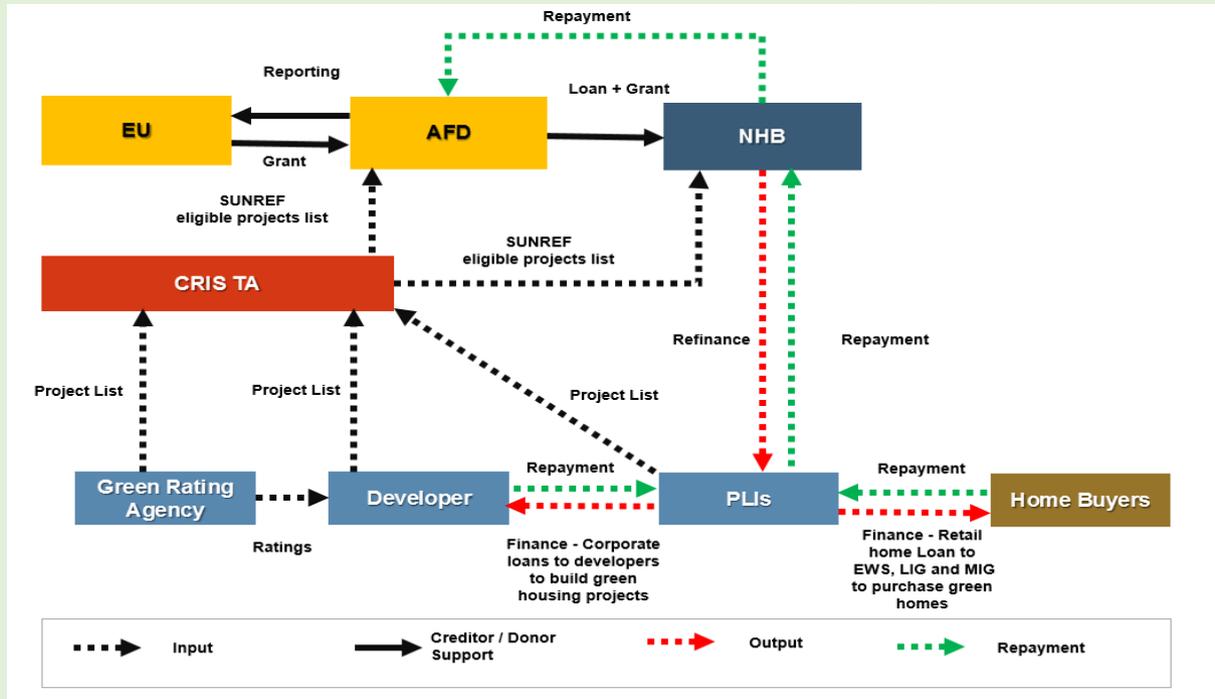


Photo gallery

Some of the pics of the programmes are given below:



Shri S K Hota - Managing Director, NHB addressing the participants in the SUNREF Workshop held on 18th September 2020



EU,AFD and NHB official's in the SUNREF promotional event held on 21st February 2020



AFD and NHB official addressing the participants in the SUNREF Regional event held in Mumbai on 21st February 2020

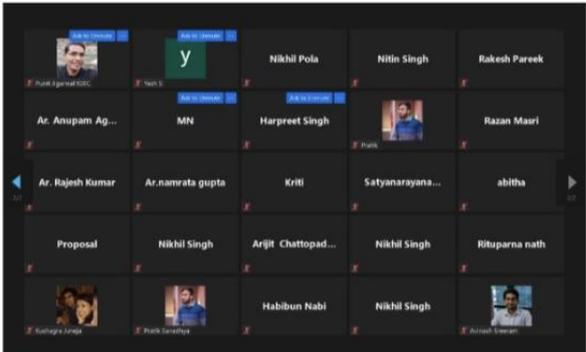


NHB Officer explaining the SUNREF Refinancing Schemes of NHB to the Participants



Training Session for Developers "Green Affordable Housing"

September 04, 2020

Developed by



AGENCE FRANÇAISE
DE DÉVELOPPEMENT

With financial participation of



EUROPEAN UNION

Implemented by



राष्ट्रीय
आवास बैंक
NATIONAL
HOUSING BANK

IGBC Residential Projects

Registered : 2,218
 Pre-Certified : 1,063
 Certified : 290

Participants (57)

- AP Aishwarya Pillai
- AD Akash Deep
- AS Alankrita Soni
- AM Ankush Meena
- AG Ashu Gupta
- HS Harpreet Singh
- IB Isaura de Belleville
- NV Nikunj Verma
- RB ranjan barun
- RS Ravi Singh
- Attendee: 44 (1 displayed)
- RA rahul Agnih...

Sustainable Use of Natural Resources and Energy Finance (SUNREF)

4th September 2020

Developed by: **AFD** Infrastructure Advisory

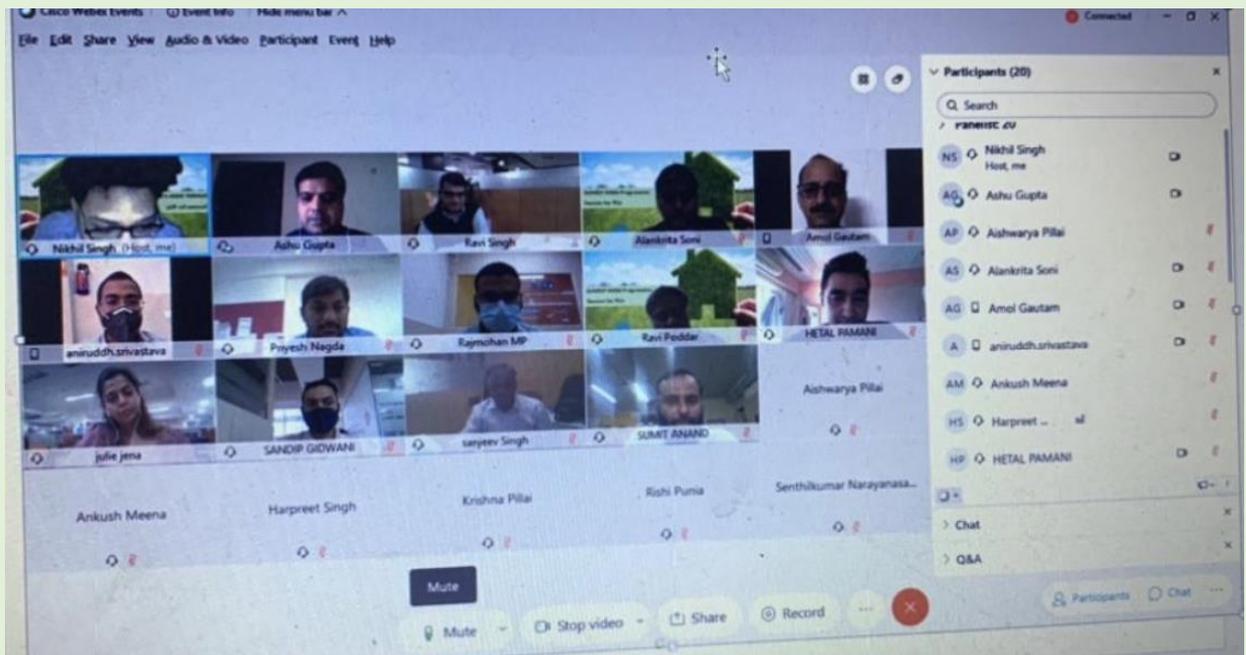
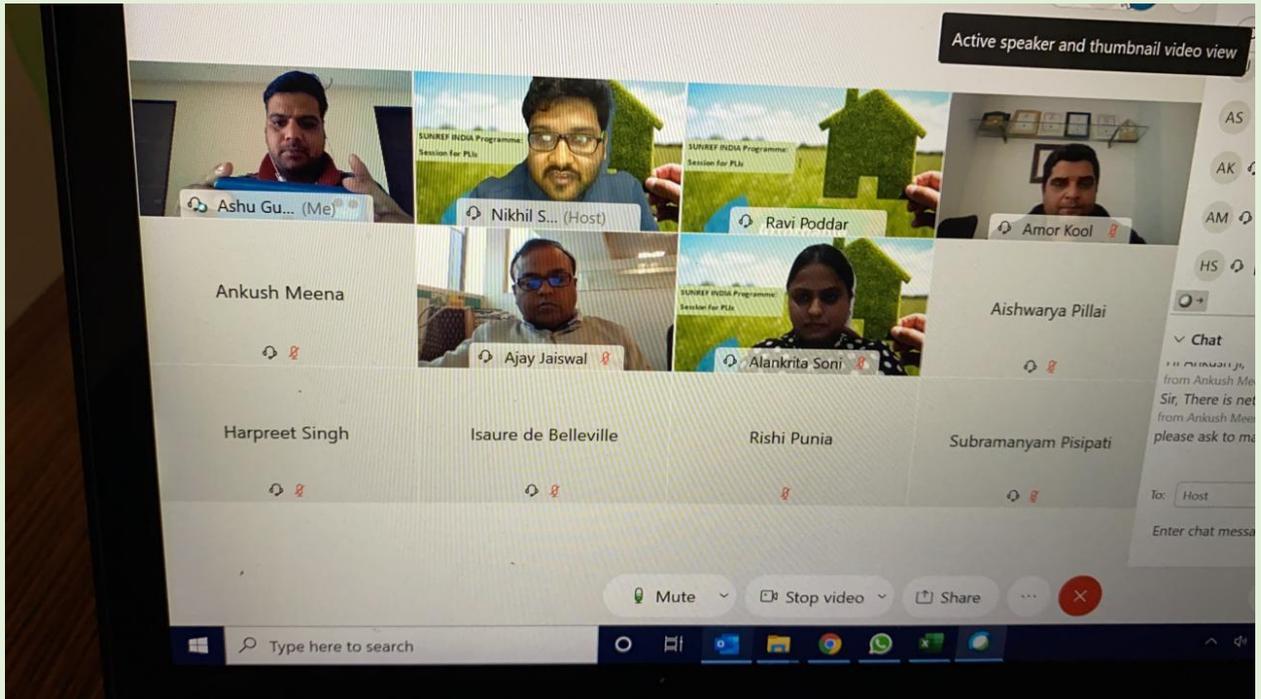
With financial participation of: **EUROPEAN UNION** www.sunref.org

In partnership with: **NATIONAL HOUSING BANK** **CRISIL**

Participants (44)

- AG Anuj Gupta (Co-host, me)
- NS Nikhil Singh (Host)
- Arun Amirtham
- Akash Deep (GRHA Council) (Co-host)
- RP Ravi Poddar (Co-host)
- A Aishwarya (Co-host)
- AG Ashu Gupta (Co-host)
- CC chandan chawla (Co-host)
- HS Harpreet Singh (Co-host)
- Punit Agarwal IGBC (Co-host)
- AS Alankrita Soni
- AS aakanksha Saxena
- A abitha

Webinar to PLIs



Webinar to PLIs



Training Session to Ghaziabad Development Authority



Training Session to Haryana Housing Board

Contact us

For more information about the Programme, Refinance Schemes and application procedures etc. please contact:

National Housing Bank

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Concerned Officers: Sh. Ranjan Kumar Barun, DGM (Cell-9717691296), Sh. Subhash, Regional Manager (Cell- 8155878644) from NHB and Sh. Mukul Dixit (Cell- 9560704941), Sh. Nikhil (Cell- 9810407631) from CRISIL Risk & Infrastructure Solutions Limited may be contacted.

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