**EDGE DISCOVERY WORKSHOP**

**for Property Developers – Agenda and Script**

#### Script

**SECTION I: introduction**

**SLIDE 1:**

* Welcome to the EDGE DISCOVERY WORKSHOP for Property Developers. Thank you for joining us today.
* I am…
* Our workshop today will cover the following subjects:

1. Understanding the business case for green buildings
2. Defining a green building
3. Summarizing the benefits of green buildings to all
4. Exploring the progress of green buildings in Mexico
5. Considering how IFC’s EDGE answers your needs
6. Demoing the EDGE software together
7. Reviewing the EDGE certification workflow; and
8. Analyzing case studies of developers certifying their portfolios with EDGE

**SLIDE 2:**

* Before we start, I’ll introduce IFC.
* IFC is a member of the World Bank Group.
* IFC is focused on solutions for private sector development and part of its mission is to create markets that support climate business.

**Slide 3:**

* IFC created its Green Building Market Transformation Program to take a leadership role in encouraging a new paradigm where financial institutions, governments, the property sector and consumers all come together to benefit financially through the mainstreaming of green buildings.
* The program addresses the gap in the market for an international green building standard that offers a free software solution to help identify the most cost-effective solutions to design and build green, to unlock the potential for a new era of green construction and development.
* IFC’s 4-part strategy supports diverting investment to green buildings, through working with banks, investing directly into the building sector, advising governments on green building codes and incentives, and the EDGE certification program.
* So far, IFC has mobilized $4.5 billion in green building investments – from its own account and through syndicated loans. Out of that, $876 million – or 20 percent of all investments – is through other financial institutions. IFC believes in the business case for green buildings and how they’re a win-win for all.

**SECTION II: Green building definition and Business Case**

**SLIDE 4:**

* Let’s step back and define what we mean by “a green building.”
* A green building needs to be at least 20% more resource efficient than a comparable baseline building in the local market.
* A green building must also obtain a local or international standard of green building certification, as verified by an independent party.
* Finally, in order to satisfy green finance requirements, projects must have quantified impact reporting – reporting on an individual project basis and on a portfolio basis, such as energy and water saved or reduced GHG emissions.

**SLIDE 5:**

* Let’s summarize the advantages of a green building investment program for developers~~, banks, and home buyers.~~
* You’ll be positioned as a first mover in the market with a marketing and communications push supported by IFC. Through EDGE, you can associate your brand with the World Bank Group.
* This differentiation can lead to higher prices or quicker sales, particularly in a crowded market.
* You can benefit from the easy-to-use EDGE online certification process, which guides you every step of the way, from A to Z. The process is backed by the sophisticated EDGE software which can be used for free.
* By incorporating EDGE early into your project design, you can keep costs low. Many of IFC’s clients say that reaching the EDGE standard had zero incremental costs.
* Certification reduces reputational risk, satisfies compliance criteria with investors, and verifiably communicates value to buyers.

**Slide 6:**

* There’s a leadership opportunity for developers who choose to certify their buildings green – both globally and locally.
* Here in Mexico, the green building market is experiencing rapid growth. Over 1,100 commercial projects are either registered or certified with LEED certification. Because of you, Mexico is a global green leader, ranking as the seventh country in the world for LEED-certified projects, totaling 16 million square meters of floor space.
* This is due to the belief in green buildings by developers such as yourselves and strong local programs.
* As you are well aware, progressive government policies have led to the most innovative green mortgage program in the world through INFONAVIT, which has benefited millions of low-income residents. Tens of thousands of energy-efficient homes have been brought onto the market annually through Sociedad Hipotecaria Federal’s EcoCasa program.
* There is also an active green building council in SUMe.
* This momentum leads to an opportunity to gain a competitive advantage and differentiate properties as green, particularly in the residential sector. IFC projects a $30 billion investment opportunity in green buildings through 2030 with a potential for 170,000 green residential units.

**SLIDE 7:**

* Momentum is building for EDGE in Mexico.
* More than 546,000 square meters of floor space have been either registered or certified by such early adopters as Vinte, FINSA, and Grupo Posadas.
* There are over 1,500 projects uploaded into EDGE, which we consider “early pipeline.”
* Of these, 22 projects are actively looking for green financing.

**SECTION III – Demo of EDGE software**

**SLIDE 8:**

* So, now you may ask – how can you choose the most cost-effective options to design a green building? And how will your customers – whether home owners or commercial tenants – recognize the value of a green building?
* Before, it was difficult to know the best way to build green.
* There wasn’t an easy way to figure out which green ideas would work the best, and how much they would cost.
* There was a need to know the numbers, but no way to find them.
* The time was right for a solution that could measure how to turn an ordinary building into a high performing one – before it’s been built.
* IFC created EDGE to address challenges that emerging markets face and ensure developers gain a competitive advantage for their commitment to high-performance buildings that make a low impact on the environment.

**SLIDE 9:**

* The solution is EDGE, which stands for “Excellence in Design for Greater Efficiencies.”
* EDGE consists of three components:
  + First, the free software helps you choose the most cost-effective ways to build green. The software is free and can be accessed from our website.
  + Second, EDGE is an achievable green building standard with a 20 percent resource-efficiency criteria.
  + And third, EDGE is a certification system to verify and reward green building projects through a green label.

**SLIDE 10:**

* The EDGE software is the first of its kind in the world.
* The complexity of the application is hidden beneath the user interface, making it easy for you to cut back on the resource intensity of your building designs.

**SLIDE 11:**

* EDGE certification is possible for new and existing buildings, suiting a variety of typologies.
* Multiple projects can be certified with a portfolio approach, to transform a company’s business model and maximize profits.

**SLIDE 12:**

* To reach the EDGE standard, a project must reach 20 percent savings in energy use, 20 percent savings in water use, and 20 percent less embodied energy in the construction materials, as compared to a base case building.

**SLIDE 13:**

* All EDGE-certified projects protect natural resources and save on operational expenses.
* EDGE Advanced and Zero Carbon are opportunities for builders to aspire to even higher levels of certification.
* EDGE supports the ambitions of Architecture 2030 and the World Green Building Council for new buildings to be zero carbon by 2030 and all buildings to be zero carbon by 2050.
* The “Advancing Net Zero” initiative of the World Green Building Council aligns with the Paris Agreement to keep rising temperatures well below 2 degrees Celsius.

**SLIDE 14:**

* If your project meets or exceeds the standard, it can be certified for a modest fee.
* Each certificate lists the percentage savings and the measures utilized to achieve the green savings.
* EDGE certification helps to communicate benefits among investors, developers, and your customers. The certificate verifies the claim and serves as a common language.
* Investors don’t need to introduce new due diligence measures to recognize green building projects on their books.
* When it comes to residential projects, EACH unit receives its own green certificate, which can then be used for green mortgages where they exist.

**Slide 15:**

* EDGE is available for buildings designed in more than 150 countries, including Mexico.
* There are country-specific certify pages on the EDGE website where you can find relevant information for your market.

**SLIDE 16:**

* EDGE is different than other certification systems.
* You’ll see first-hand how the EDGE software calculates the incremental cost and ROI for green measures – a unique feature among certification systems.
* EDGE simplifies compliance by focusing on just three parameters: energy, water, and materials, with a one-stop shop for the entire design and certification process.
* EDGE is much faster, more cost-effective, and more streamlined than other international standard certification systems.
* EDGE makes green certification achievable for all, bringing international cachet to certified projects through association with the World Bank Group’s brand, delivering value to both you and your customers.

**SLIDE 17:**

* Let’s proceed to a live demonstration of the EDGE software and talk more about the certification process, in addition to sharing a few case studies.

**ACTION:** Close PowerPoint and open the EDGE website.

* The EDGE software can be accessed at any point from our website at [www.edgebuildings.com](http://www.edgebuildings.com).
* The website has useful information – we encourage you to return often.

**ACTION:** Hover over the “join our email list” stripe at the top of the EDGE website.

* To keep up to date, join our email list.

**ACTION:** Pull down on the language menu of the website.

* EDGE is available in multiple languages, including Spanish. In addition to those shown here, the software is also available in French, Indonesian Bahasa, and Chinese.

**ACTION:** Hover over the EDGE App section (still in the EDGE website).

* Start the EDGE software by clicking the EDGE App button.
* Sign up for an EDGE user account to save a project or log in with your existing account.

**ACTION:** Click on the EDGE App window (which you should have already opened).

* I’ll open a new window where I’ve already logged into the software.

**ACTION:** Click on menu in the upper left-hand corner to find the different building typologies.

* EDGE has multiple building typologies, including homes, hotels, retail, offices, hospitals, and education.
* In the retail category, EDGE also covers warehouses and light industry.

**ACTION:** Click on Homes.

* Let’s select Homes.
* Under Location Data, I’ll choose Mexico, then Mexico City, then Lower Middle income.

**ACTION:** Hover over Building Data.

* I could change my building data, but for now I’ll keep it as is. By choosing my building’s location and keeping the building data defaults, I’ve already designed my base case building.
* Our next step is to reduce our building’s energy, water, and embodied energy in materials.
* Let’s start with energy.

**ACTION:** Click on Energy to open the Energy tab.

* You can see which passive design and technology solutions make the most sense for your project from a cost perspective.

**ACTION:** Click on the Low-E Coated Glass measure.

* For example, if I click on Low-E coated glass, energy-saving lighting systems, and solar hot water collectors, I can more than reach the standard of 20 percent for my project compared to the local baseline.

**ACTION**: Click on the Low-E Coated Glass hyperlink.

* Click on any measure for a short tooltip.

**ACTION:** Hover over More Info. Ideally, you’ve already opened the user guide for this measure in a separate browser tab and can click on that browser tab to demonstrate.

* Click on “More Info” for a deeper explanation in the EDGE User Guide. The guide will open to the page describing that particular measure.

**ACTION:** Click on the X button, then click on the three dots in the upper right-hand corner of this measure to Upload Document(s) for Low-E Coated Glass. Note that if you haven’t saved your document, you won’t be able to do this.

* When I’m ready to certify my project, I’ll upload compliance documents directly into the EDGE App.

**ACTION:** Click on the X button to return to the Energy tab. Hover over Incremental Cost and Payback in Years.

* The main feature that differentiates EDGE is its powerful financial planning tool, which calculates the return on investment for your green interventions, allowing you to see how long it takes to pay back the incremental capital costs before you are saving money that you otherwise wouldn’t have had.

**ACTION:** Hover over Utility Cost Reduction.

* For residential developers, the Utility Cost Reduction is the value that is being passed on to your customers by building green.

**ACTION:** Click on the Water tab and select Low-Flow Showerheads, Low-Flow Faucets for Kitchen Sinks, Low-Flow Faucets in All Bathrooms, Dual Flush for Water Closets in All Bathrooms, and a Rainwater Harvesting System.

* When I select various water-saving measures, I reach more than 20 percent water savings.

**ACTION:** Click on the Materials tab and select Autoclaved Aerated Concrete Blocks for External and Internal Walls.

* For Materials, I need to choose the materials for my floor, roof, and walls to reach at least a 20 percent reduction in embodied energy.

**ACTION:** Click on the File dropdown, then Download EDGE Assessment.

* In addition to sharing your project with your team, EDGE lets you download a PDF of the project.

**ACTION:** Click on the EDGE website, then the Certify page.

* When I click on Certify, then Mexico, I can see certification information customized to Mexico, including pricing information.

**ACTION:** Scroll to the bottom of the Certify page.

* You can also preview projects in Mexico that have already achieved certification.

**ACTION:** Click on the Projects page.

* Or I can see all of the projects around the world where clients have submitted project studies.

**ACTION:** Click on any Project Study.

* Select a project study, and you can see a short narrative on the project, the savings achieved, and the selected technical measures.

**ACTION:** Hover over the Expert page, then choose “Find an Expert” from the dropdown menu.

* To find an EDGE Expert in Mexico, I select Mexico, then scroll down to see the professionals who can help me with my project. While not required to achieve certification, EDGE Experts provide significant value through their skills, insights and technical know-how. We recommend you develop close relationships with EDGE Experts – who can be developed internally through training or out-sourced – to serve as technical advisors on projects.

**ACTION:** Scroll all the way down to Technical section, then click Research.

* I mentioned that we have a robust technical section on our website, and here you can see a small preview.
* In our research section, we post information such as the return on investment for green buildings and country-specific market intelligence.

**ACTION:** Click on the Stories page.

* On the Stories section of our website, you can find deeper profiles on clients around the world who have embraced EDGE, from a hospital funded by the First Lady of Ghana to a project in Vietnam that won the prestigious Financial Times Award for Transformational Business.

**SLIDE 18:**

* Let’s look more closely at the EDGE certification workflow. EDGE projects receive both a preliminary EDGE certificate at the design stage, and final EDGE certification at the post-construction stage. A building currently under construction can skip the preliminary process and go straight to final certification.
* As soon as the certificate is issued, a project study can be submitted for publishing on the EDGE website, with social media coverage provided across EDGE channels. The EDGE logo and brand guidelines are also provided for investor and/or sales promotion purposes.

**SLIDE 19:**

* In Mexico you have a choice between two certifiers with different business models.
* GBCI, the operational entity of the U.S. Green Building Council that also offers LEED certification, has a sliding scale that requires an independent auditor with separately negotiated fees.
* The consortium of thinkstep-SGS has a flat fee for projects with one typology, where both the audit and certification fee are included.

**SECTION V: CASE STUDIES**

**Slide 20:**

* Let’s take a look at a few case studies to see how other property developers have started to adopt EDGE.
* First, we have a case study from FICADE, whose Revolución 757, located here in Mexico City, has brought 168 EDGE-certified homes onto the market for environmentally-conscious residents.
* Green features include external shading, high-efficiency boilers for hot water, and low-flow showerheads.
* The apartments are made of honeycomb clay blocks to reduce the energy that went into the making of the construction materials.
* The concept delivers on FICADE’s ambition to offer its customers properties that are green, with sophisticated urban design.

**SLIDE 21:**

* Vinte has committed to certifying nearly 4,000 homes with EDGE. Vinte has issued a pair of green bonds that were secured in part because of their commitment to EDGE certification.
* Green features include a reduced window to wall ratio, solar technologies, and rainwater harvesting systems.
* The homes are made of medium-weight hollow concrete blocks that lower environmental impacts compared to traditional blocks.
* According to Tobias Contreras, the Director of Sustainability at Vinte, “Our goal is to continue to improve our product and create great communities. Real Granada is a milestone for us and for the Mexican housing market in our transition towards more environmentally efficient housing.”

**SLIDE 22:**

* Casas Krea’s Villas del Fresno will build nearly 2,000 green residences in Melchor Ocampo that are certified with EDGE.
* Green features include solar hot water collectors, energy-saving lighting, and low-flow faucets.
* The payback period due to lower utility bills is less than two years. This is the value that Casas Krea passes on to its customers by building green.
* In this way, Casas Krea demonstrates its commitment to sustainable development.

**SLIDE 23:**

**[CUSTOMIZE SUCH AS THE FOLLOWING]:**

* We know that [X] aims for profitable growth while creating value for your shareholders and clients. In addition to profit, transformation and internationalization are key pillars for [X]. We hope that EDGE will help support all the pillars for [X] and its clients and will become instrumental in supporting your investment relationship. To quote your philosophy on corporate social responsibility, we aim to “anticipate and care for the environment and society through the responsible performance of business activity in all regions in which we operate.”

**SLIDE 24:**

* We also acknowledge IFC’s donor partners who have made EDGE and IFC’s work in green buildings possible. These governments and institutions are the reason IFC is able to offer the EDGE software application for free, as well as all of our awareness raising and promotional activities.

**SLIDE 25:**

* Thank you again for joining us today.
* We appreciate your interest and hope you will decide to adopt EDGE certification for your future projects.