GLOSSARY

The lender's view

The lender's view is the reading of a sustainability rule, claim or project as a credit decision: what must be proved before the money moves, and what could stop it coming back. It turns "is this green?" into two questions a credit committee can answer from the file: is the evidence in place, and does the…

AUTHOR	Omar Hamdy, Sustainable Finance specialist, Cairo
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Omar Hamdy, on the lender's side, in Cairo. Written in a personal capacity.

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Where is the term used?

On this site and in my newsletter, Condition Precedent, and its Arabic edition, «الشرط المسبق». Every issue and guide closes with a short section headed "The lender's view" («رأي المُقرِض» in Arabic): two sentences on what the topic means for a credit file. It is my working term, not a regulatory one. No rule defines it.

02

How does the lender's view differ from an ESG view?

An ESG rating scores a company on what it reports. The lender's view asks what the lender can rely on and enforce. Three differences:

- **Evidence over intention.** A plan to get certified is not a certificate. The lender reads what is on paper, signed, dated and issued by someone accountable.
- **Timing.** Evidence has to arrive before a drawdown, as a condition precedent, or during the loan, as a covenant. Evidence that arrives after the money has gone protects no one.
- **Repayment.** A sustainability risk matters to a lender when it can change cash flow: a carbon cost on exports, a permit that can be withdrawn, a buyer that can walk away.

03

What does it look like on a real question?

CBAM. The question in the press is whether Egypt is exempt. The lender's view is different: does the exporter's margin survive if it is not? Egypt's default for most solid urea is 1.390 tCO2e per tonne (F10), and the first CBAM declaration for 2026 imports is due by 30 September 2027 (F13). A lender reads the file for the CN lines shipped, verified data or defaults, and who carries the certificate cost in the buyer contracts. See is Egypt exempt from CBAM?

A green building loan. The question is whether the building is green. The lender's view: does the certificate the facility names arrive, at the level it names, before the tranche that depends on it? EDGE Certified needs at least 20% savings in energy, water and embodied energy (F18). See green finance in Egypt.

An environmental and social screen. The question is whether the company has a policy. The lender's view: did each of the five gates (exclusion, categorisation, due diligence, covenants, monitoring) produce a record on this file? See ESMS for non-bank lenders.

04

Frequently asked questions

Is the lender's view the same as credit risk?

It is credit risk applied to a sustainability topic. It adds the evidence and timing questions that a sustainability claim raises and a normal credit file may not.

Who should use it?

Anyone who needs a bank to say yes: exporters, developers, non-bank lenders raising DFI money, and the consultants who prepare their files. It is also a test for a journalist or analyst reading a green claim: what would a lender accept as proof?

Can I cite this definition?

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Sources

1. IFC, Guidance Note on Financial Intermediaries, 29 September 2023 (the environmental and social management system a lender runs) (https://www.ifc.org/content/dam/ifc/doc/2023/202309-ifc-guidance-note-on-financial-intermediaries.pdf)
2. EBRD, ESR 9: Financial Intermediaries, 2024 (https://www.ebrd.com/content/dam/ebrd_dxp/assets/pdfs/environment---sustainability/environmental-and-social-policy-esp/esp-2024/EBRD-Environmental-and-Social-Policy-2024-ESR-9.pdf)
3. Implementing Regulation (EU) 2026/1740 of 20 July 2026, Annex I (Egypt's CBAM defaults) (https://eur-lex.europa.eu/eli/reg_impl/2026/1740/oj)
4. Regulation (EU) 2025/2083 amending the CBAM Regulation, 17 October 2025 (https://eur-lex.europa.eu/eli/reg/2025/2083/oj)
5. IFC EDGE, Certify (https://edgebuildings.com/certify/)

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Glossary terms on this page

- Condition precedent omarhamdy.com/glossary/condition-precedent/
- Covenant omarhamdy.com/glossary/covenant/
- Eligibility criteria omarhamdy.com/glossary/eligibility-criteria/
- E&S due diligence omarhamdy.com/glossary/eands-due-diligence/
- Greenwashing omarhamdy.com/glossary/greenwashing/

Terms used in this document

ESG	Environmental, social and governance: the non-financial things investors and lenders look at in a company.
DRAWDOWN	Taking money out of an agreed credit line, usually in parts.
CONDITION PRECEDENT	Something you must deliver before the lender pays out, such as a permit, a study or a signed policy.
COVENANT	A promise in the loan agreement that you keep for as long as the loan runs, such as a reporting date or a financial ratio.
CBAM	An EU charge on the carbon in imported steel, aluminium, cement, fertiliser, electricity and hydrogen. EU importers pay it, so they ask their suppliers for emissions data.
EDGE	A green building certificate from IFC. A building qualifies when its design saves at least 20 per cent on energy, water and the energy in its materials.
E&S DUE DILIGENCE	The check of a client's or project's environmental and social risks before the lender says yes.

DFI	A development finance institution: a lender backed by governments, such as EBRD or IFC, that funds projects for their development impact as well as their returns.