

EBRD: GEF ECW Minsk

July 2019



European Bank
for Reconstruction and Development

What we do



European Bank
for Reconstruction and Development

- The EBRD invests to support effective market economies
- Make a positive impact on people's lives
- With a focus on private sector investment and support for policy reform



Short Video



European Bank
for Reconstruction and Development



EBRD: Supporting the development of sustainable well-functioning market economies

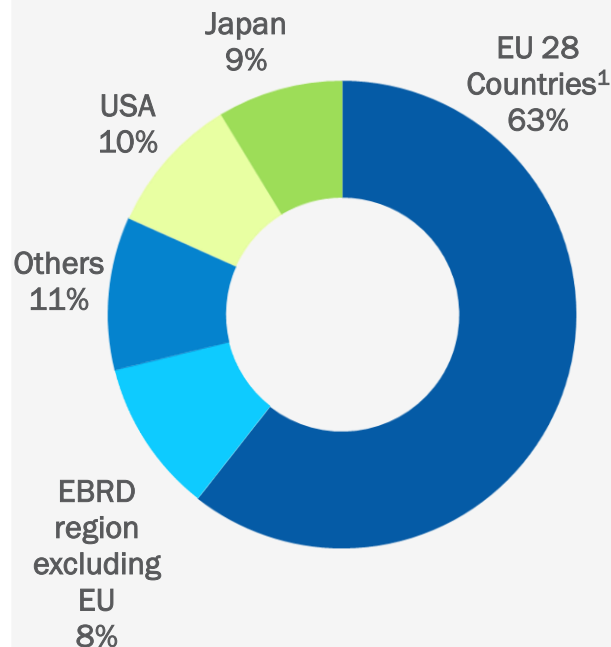


European Bank
for Reconstruction and Development

**Owned by 68 countries and
2 inter-governmental
institutions
(the EU and EIB)**

**Highest credit rating
(AAA/Aaa)**

Shareholding structure



1. Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, Italy, and the UK each holds 8.6%

An IFI with a private sector mandate



European Bank
for Reconstruction and Development

**Since 1991, EBRD
invested over €130
billion in around
5,325 projects**

In 2018

€9.6
billion

395
projects

Private sector
accounted

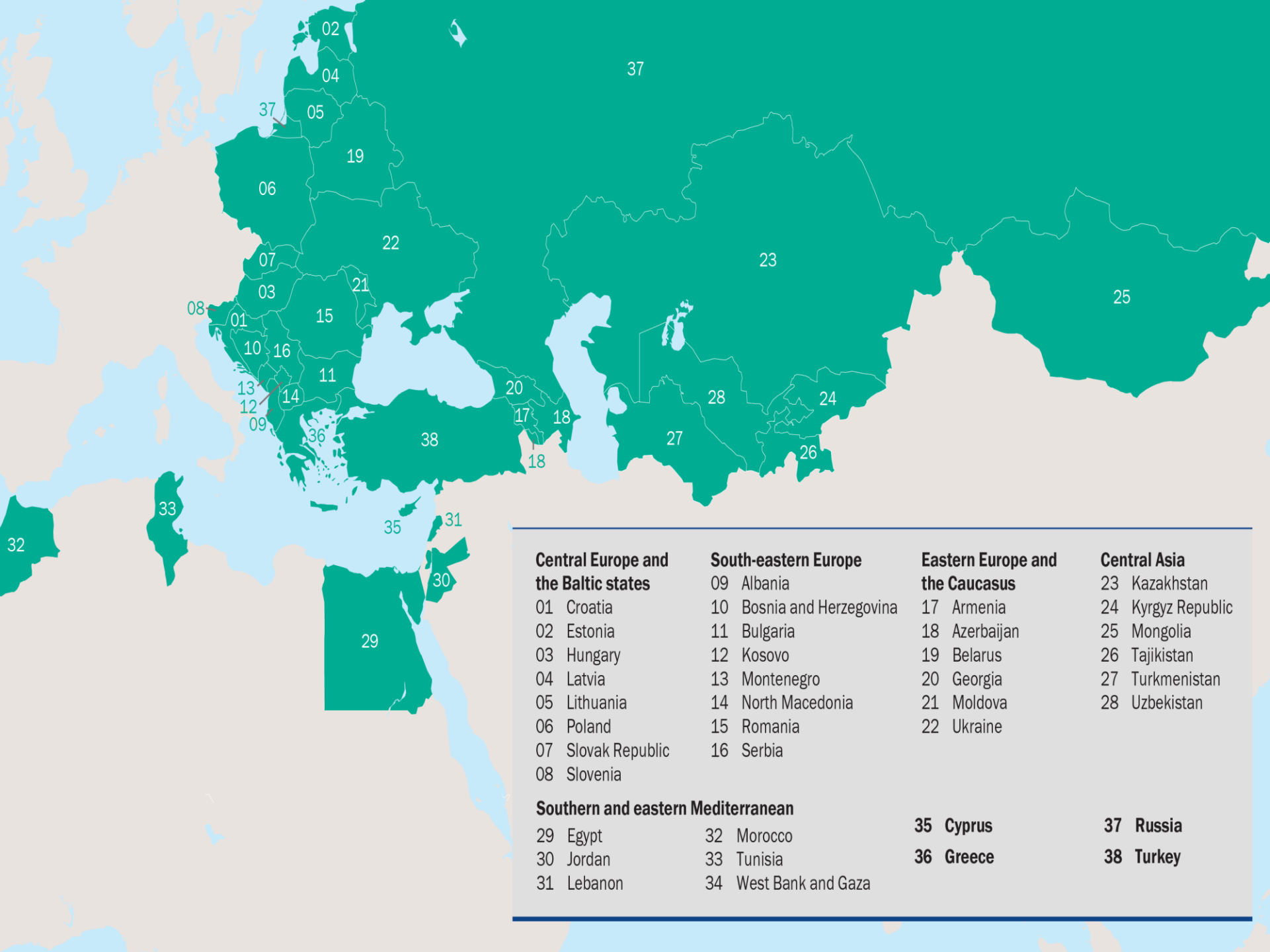
73%

Debt

83%

EBRD Top 10 investee countries in 2018 (€m)

1	Egypt	1,148
2	Turkey	1,001
3	Greece	846
4	Poland	556
5	Ukraine	543
6	Kazakhstan	472
7	Romania	443
8	Uzbekistan	397
9	Serbia	396
10	Belarus	360



Central Europe and the Baltic states

- 01 Croatia
- 02 Estonia
- 03 Hungary
- 04 Latvia
- 05 Lithuania
- 06 Poland
- 07 Slovak Republic
- 08 Slovenia

Southern and eastern Mediterranean

- 29 Egypt
- 30 Jordan
- 31 Lebanon

South-eastern Europe

- 09 Albania
- 10 Bosnia and Herzegovina
- 11 Bulgaria
- 12 Kosovo
- 13 Montenegro
- 14 North Macedonia
- 15 Romania
- 16 Serbia

Eastern Europe and the Caucasus

- 17 Armenia
- 18 Azerbaijan
- 19 Belarus
- 20 Georgia
- 21 Moldova
- 22 Ukraine

Central Asia

- 23 Kazakhstan
- 24 Kyrgyz Republic
- 25 Mongolia
- 26 Tajikistan
- 27 Turkmenistan
- 28 Uzbekistan

35 Cyprus

36 Greece

37 Russia

38 Turkey

Corporate

- Manufacturing and services
- Agribusiness
- Property and tourism
- Information and communication technologies
- Equity Funds

Energy

- Power and energy
- Natural resources

Financial Institutions

- Bank lending
- Bank equity
- Small business finance
- Insurance and financial services

Infrastructure

- Municipal and environmental infrastructure
- Transport

Basic Principles

Transition
Impact



European Bank
for Reconstruction and Development

Profitability

Additionality

Transition Qualities

Competitive

Well-
governed

Inclusive

Integrated

Resilient

Green

- ✓ Strong focus on private sector
- ✓ Projects driven institution
- ✓ Each project should have two or more of our six transition qualities



European Bank
for Reconstruction and Development

Section 2: Green Economy Transition

The Green Economy Transition (GET)

Since 2006 the EBRD has adopted cross-sectorial strategies:

- to **mainstream** across the Bank's projects, and
- to increase the share of the Bank's business with measures which enhance the efficient use of energy and resources (water, materials) and contribute to limiting the effects of climate change.

Green projects can be from the following areas:

Energy efficiency

Renewable energy

Water efficiency

Resilience to climate change

Waste minimisation and material efficiency

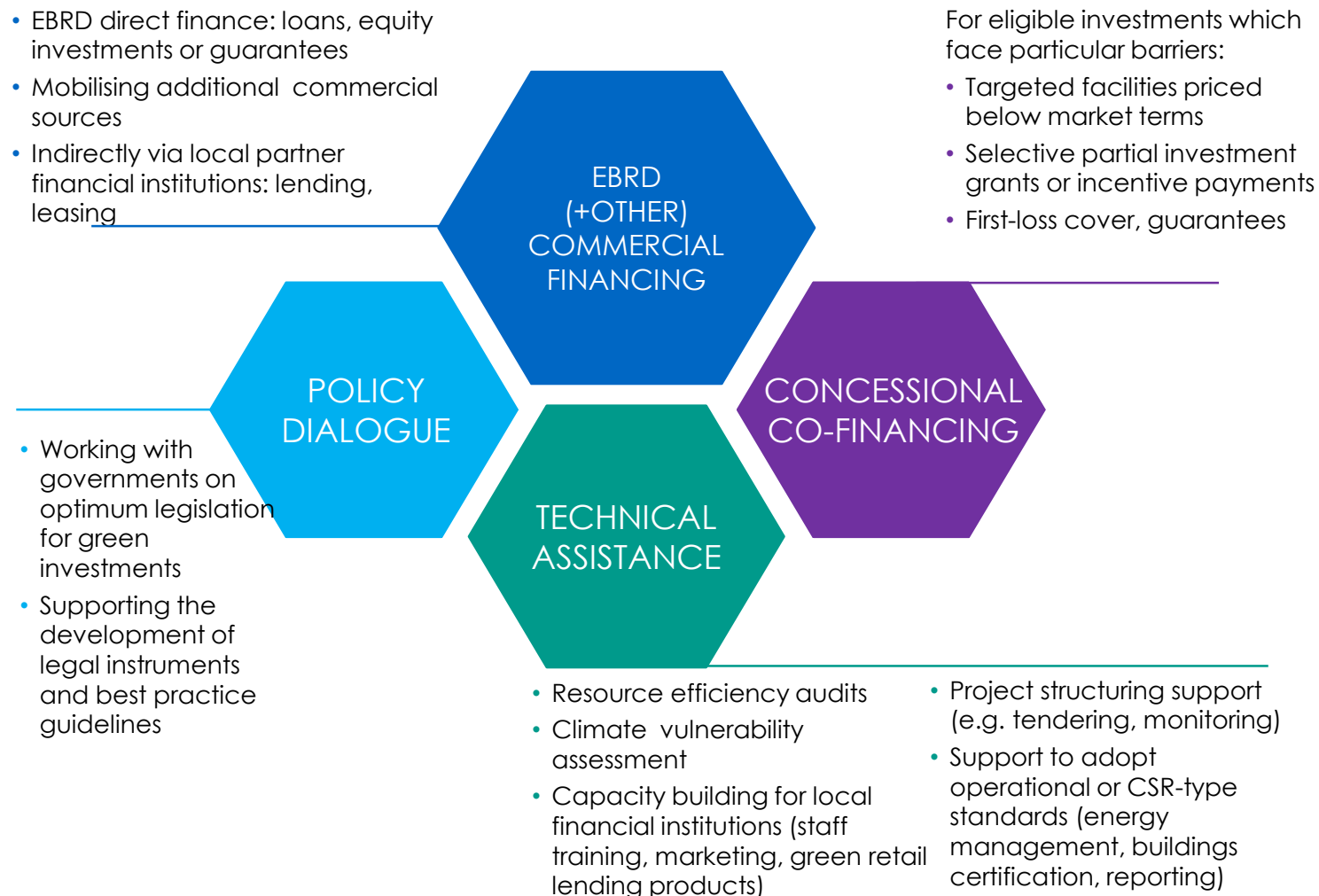
Pollution control and environmental compliance



The EBRD GET business model



European Bank
for Reconstruction and Development



Green Economy Financing Results in 2006 – May 2019



European Bank
for Reconstruction and Development

FINANCED

1,700+
green projects

1200+ directly financed projects with green components, and 466+ credit lines to local financial institutions for on-lending to smaller projects

SIGNED

€ 30 billion
of green financing

For projects with a total value of €182+ billion

Since 2016 green financing has represented 36% of EBRD's total business.

2018 RESULTS

- €3.3 billion GET Annual Business Volume
- 36% GET share in Annual Business Volume

Green Economy Transition

Impacts in 2006 – May 2019



European Bank
for Reconstruction and Development

REDUCED

98 million

tonnes of CO₂/year

Emission reductions equal to the annual energy use related emissions of Greece

SAVED

332 million

m³ water /year,
since 2013

Equal the annual water use of more than a third of London's population

AVOIDED

3.1 million

tonnes of material
use /year, since 2013

This amount weighs as much as the waste generated in Latvia in 2014



European Bank
for Reconstruction and Development

Section 3: EBRD and the Climate Funds

Our Climate Fund Partners



European Bank
for Reconstruction and Development



**GREEN
CLIMATE
FUND**



**CLIMATE
INVESTMENT
FUNDS**







European Bank
for Reconstruction and Development

Section 4: EBRD and the GEF



EBRD Key areas for engagement

- Climate Change
- Food, Land Use and Restoration
- Sustainable Cities
- Chemicals & Waste
- Non Grant Instrument

11 projects (USD 77 million) active portfolio

[Expected to mobilise over USD 700 Million in EBRD finance]

Portfolio	
Romania	<ul style="list-style-type: none"> Financing Public Building Efficiency
Kazakhstan	<ul style="list-style-type: none"> Reducing GHG Emissions through a Resource Efficiency Transformation Programme (ReSET)
Tajikistan	<ul style="list-style-type: none"> Increasing Climate Resilience through Drinking Water Rehabilitation in North Tajikistan
EBRD CoOs	<ul style="list-style-type: none"> Finance and Technology Transfer Centre for Climate Change (FINTECC)
Kyrgyzstan	<ul style="list-style-type: none"> Promoting Climate Resiliency of Water Supplies in Kyrgyzstan
Tunisia	<ul style="list-style-type: none"> Bizerte Lake Environnemental Project Lagoon and Marine de-Pollution
Global	<ul style="list-style-type: none"> Global Energy Efficiency Facility (GE2F2) - Design of Strategies and Deployment Mechanisms
Ukraine	<ul style="list-style-type: none"> Finance and Technology Transfer Centre for Climate Change (FINTECC) Ukraine
Morocco	<ul style="list-style-type: none"> Enhancing the climate resilience of the Moroccan port sector
EBRD CoOs	<ul style="list-style-type: none"> Green Logistics Program (non-grant)
SEMED	<ul style="list-style-type: none"> EBRD Integrated Approach for Private Sector Sustainable Energy Projects Across the South Eastern Mediterranean (SEMED)

Pipeline

Ukraine

- Sustainable Bioenergy Value Chain Innovations

Regional

- Promoting Accelerated Uptake of Environmental Technologies and Promotion of Best Practices for Improved Water, Chemicals, and Waste Management in the Black Sea Basin

SEMED

- Financing Advanced Environmental Technologies in the Mediterranean Sea Region for Water Systems and Clean Coasts (EnviTeCC)

Ukraine

- Transition towards low and no-emission electric mobility in Ukraine: strengthening electric vehicle charging infrastructure and incentives

Tunisia

- Sustainable Cities Child Project

NGI Call

- [Agribusiness concept]
- [Circular economy concept]

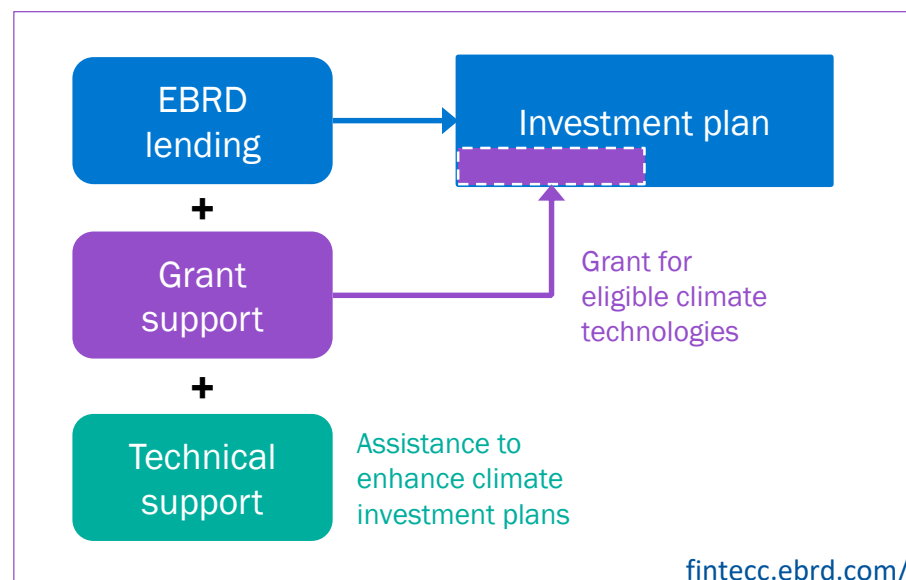
The Finance and Technology Transfer Centre for Climate Change (FINTECC) facilitates technology transfer to private companies in countries where advanced solutions have low market penetration rates.

FINTECC grants cover up to 25% of the costs of eligible technologies. Examples include:

- Tri-generation, high-grade thermal insulation, heat pumps, energy efficient cooling systems,
- Water recycling systems and advanced irrigation
- Carbon dioxide recovery systems, by-pass dust recycling, other material saving technologies in manufacturing.

FINTECC is supported with technical assistance assignments such as:

- Energy and resource audits to enhance companies' green investment plans
- Ascertaining that financed technologies are eligible for FINTECC grants
- Assessments of local technology markets and building of knowledge sharing networks.



Currently active in the Caucasus, Central Asia, Egypt, Jordan, Lebanon, Morocco, Tunisia and Ukraine.

46 projects supported since 2013

€140 million EBRD green lending supported with €12 million in FINTECC grants

230,000 tonnes CO₂ in estimated annual emission reductions

1.6 million m³ of estimated annual water savings.

Increasing climate resilience of water supplies in Tajikistan



European Bank
for Reconstruction and Development

CLIENT AND PROJECT

A loan to State Unitary Enterprise KMK on-lent to seven North Tajik water companies to fund priority capital investments and improve municipal water supply in the cities of Chkalovsk, Gafurov, Isfara, Kanibaidam, Karaikkum, Khorog and Taboshar. The project supports also improvements in financial and operational management of water utilities through activities such as installation of individual water meters, tariff reforms and development of public service agreements.

FINANCIAL STRUCTURE

EBRD loan:	€ 7.3 million
<i>of which GET adaptation</i>	€ 4.0 million
SECO grant:	€ 7.3 million
<u>GEF grant:</u>	<u>€ 2.0 million</u>
Total Project Value:	€ 16.50 million



CLIMATE RESILIENCE MEASURES

- Provision of critical infrastructure, including supply network, metering and operations equipment
- Technical capacity development for water companies and municipalities on adapting to climate change combine with improvements in corporate planning and fulfilment of national and international environmental and social standards
- Stakeholder participation and awareness raising activities focused on climate change risks to end-users.

** This project has helped to develop replicable approaches for other municipal water projects in climate sensitive countries.*



FINTECC Video

Contacts



European Bank
for Reconstruction and Development

Vincent Duijnhouwer

Associate Director
Energy Efficiency and Climate
Change Team

Email: duijnhov@ebrd.com

Guy Henley

Associate Manager
Donor Co-Financing Unit

Email: henleyg@ebrd.com

www.ebrd.com

Find us on social media





European Bank
for Reconstruction and Development

ANNEX



European Bank
for Reconstruction and Development

Lower carbon footprint for Belarusian toys

CLIENT AND PROJECT

A leading integrated producer of children's plastic toys and games in Belarus. It is one of the major exporters of toys to Russia.

The EBRD is supporting energy efficiency upgrades at its main manufacturing site, and helping the company to strengthen its balance sheet given weaker recent macroeconomic performance in its main outlet markets.

INVESTMENT PLAN

EBRD loan (in local currency and US\$)	€ 10 million
of which finance for sustainable energy measures	€ 2.4 million
FINTECC grant support for adopting advanced technologies	€ 0.36 million

TRIGENERATION SOLUTION

The loan supports the installation of a combined cooling, heat and power plant (CCHP) to supply these services throughout the year. It will use two 1.2MWe engines and a 1MW absorption chiller.

The CCHP has an IRR of 48% and a payback period of 2 years. The plant and the wider energy use optimisation potential of the company were reviewed via an audit funded by the Central European Initiative.



Photo credit: www.polesie-toys.com

GREEN ECONOMY IMPACT

Annual natural gas consumption savings of 24,100 MWh and annual electricity savings of around 3,000 MWh. Emission reductions of 7,500 tCO₂ per year, which are equivalent to the footprint of 1,900 Belarussian households.

TECHNOLOGY TRANSFER SUPPORT

The CCHP benefits from partial grant from EBRD's Finance and Technology Transfer Centre for Climate Change programme.

FINTECC is funded by the Global Environment Facility (GEF). It aims to accelerate the uptake of advanced resources efficiency technologies in countries with low market penetration levels.

see: www.fintecc.ebrd.com



Supporting greener beverages in the Kyrgyz Republic

CLIENT AND PROJECT

Bear Beer, a leading Kyrgyz beer and bottled water producer benefitted from EBRD financing for the purchase of necessary soft drinks and beer brewing equipment to modernise water and beverage production. EBRD will assist in implementing:

- Energy management system
- CO₂ recovery system
- High efficiency steam boiler
- Energy efficient equipment

FINANCIAL STRUCTURE

EBRD finance :	€ 7 million
FINTECC grant:	€ 0.1 million
<u>Other finance:</u>	<u>€ 12.1 million</u>
Total Project Value :	€ 19.2 million



PROJECT IMPACT

- Climate technology has driven down energy costs and greenhouse gas emissions by 700 tonnes of CO₂ per year.
- The savings made from its investment in energy efficient equipment has made the business more competitive.
- Environmental, health and safety standards will improve to a level beyond current industry practice (e.g., environmental/health and safety management system will be implemented, international certification such as ISO14001 will be obtained, BAT equipment installed, etc.)