

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



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

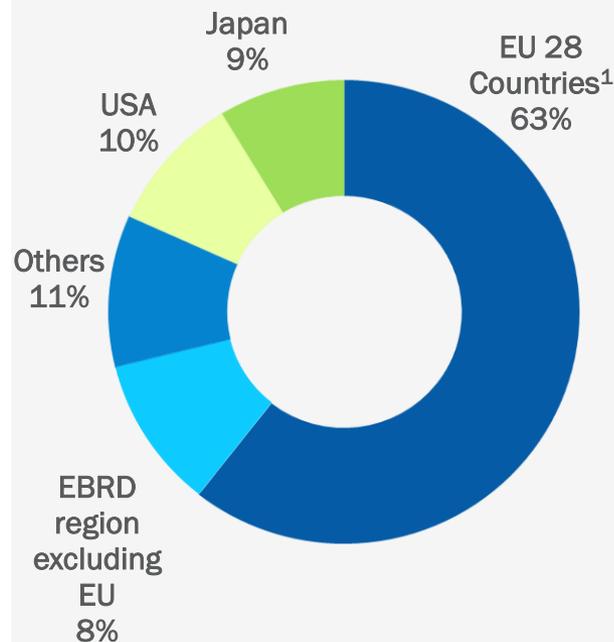


European Bank
for Reconstruction and Development

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



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

In 2018

€9.6
billion

395
projects

Private sector
accounted

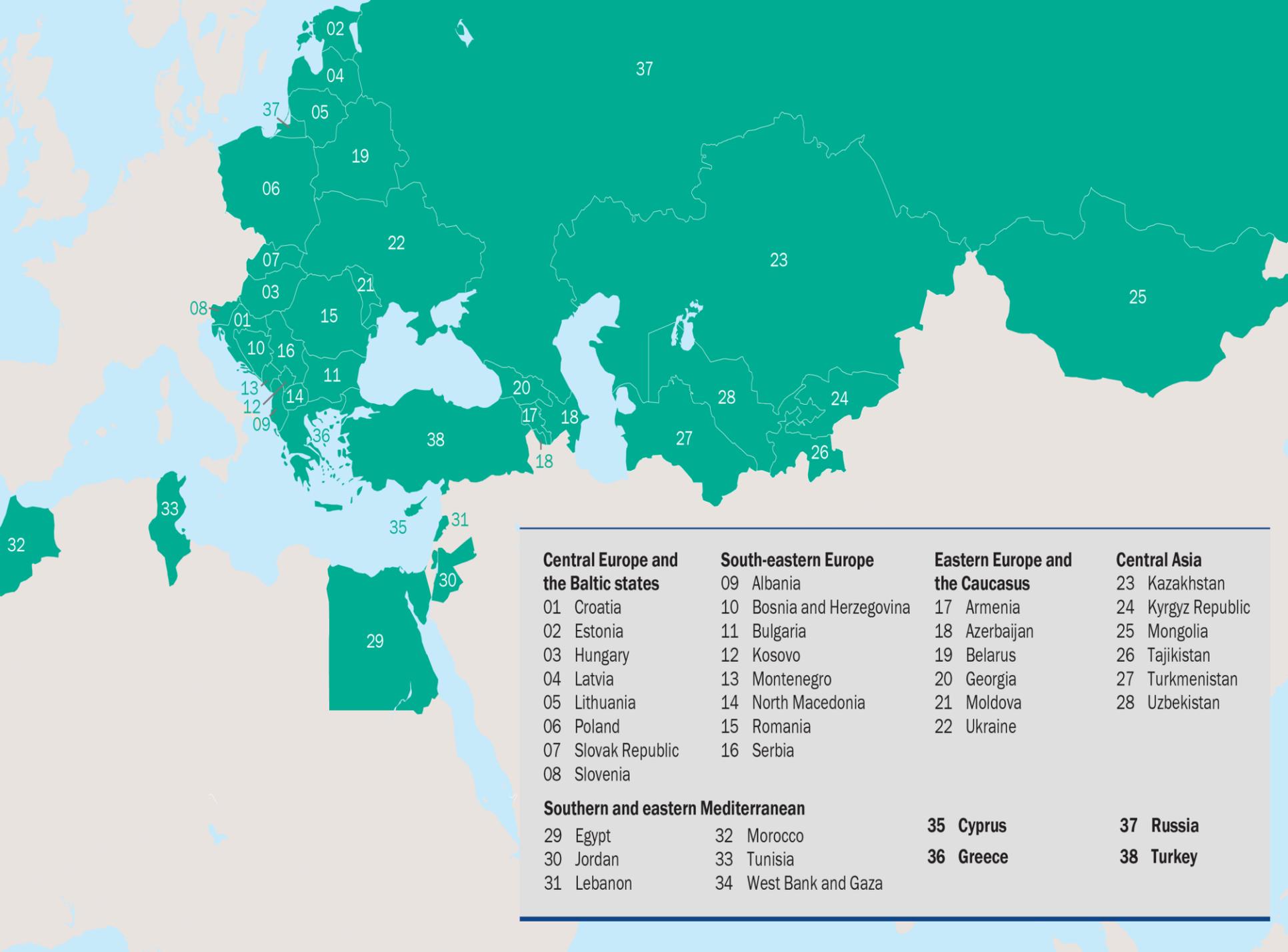
73%

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
- 32 Morocco
- 33 Tunisia
- 34 West Bank and Gaza

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

35 Cyprus

36 Greece

Central Asia

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

37 Russia

38 Turkey



Our Sectors

Corporate

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

Energy

- Power and energy
- Natural resources

Financial Institutions

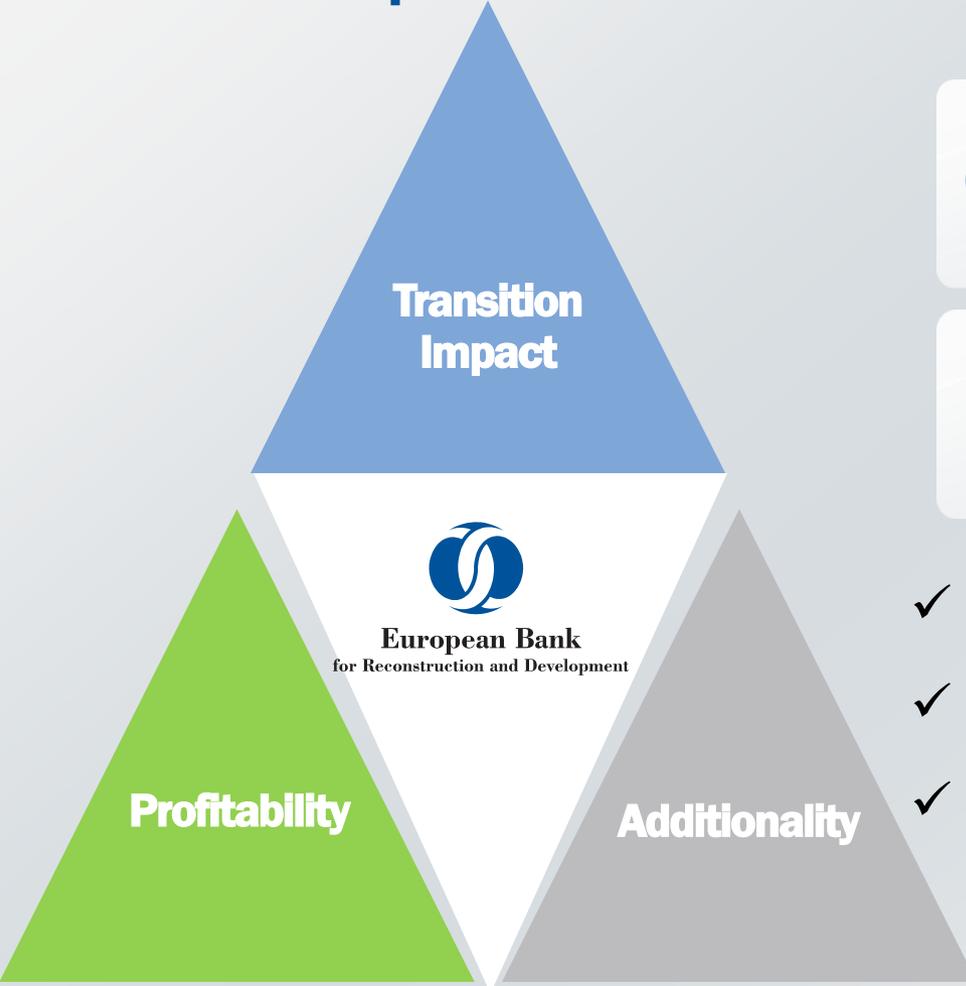
- Bank lending
- Bank equity
- Small business finance
- Insurance and financial services

Infrastructure

- Municipal and environmental infrastructure
- Transport

Basic Principles

Transition Qualities



Transition
Impact



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Profitability

Additionality

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



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Section 2: Green Economy Transition

The Green Economy Transition (GET)



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Since 2006 the EBRD has adopted cross-sectoral 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

- EBRD direct finance: loans, equity investments or guarantees
- Mobilising additional commercial sources
- Indirectly via local partner financial institutions: lending, leasing



For eligible investments which face particular barriers:

- Targeted facilities priced below market terms
- Selective partial investment grants or incentive payments
- First-loss cover, guarantees



- Working with governments on optimum legislation for green investments
- Supporting the development of legal instruments and best practice guidelines



- Resource efficiency audits
- Climate vulnerability assessment
- Capacity building for local financial institutions (staff training, marketing, green retail lending products)



- Project structuring support (e.g. tendering, monitoring)
- Support to adopt operational or CSR-type standards (energy management, buildings certification, reporting)

Green Economy Financing Results in 2006 – May 2019



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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.

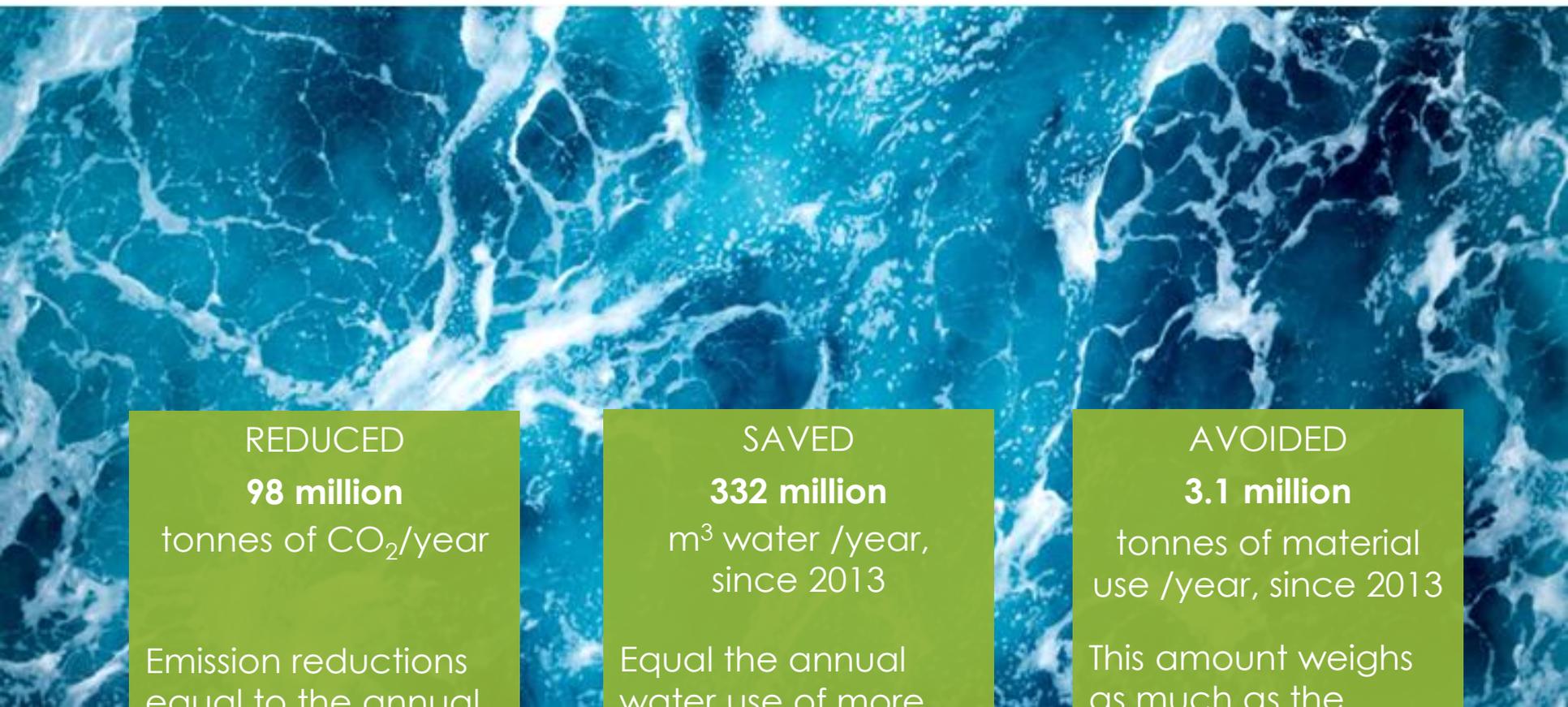
2018 RESULTS

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

Green Economy Transition Impacts in 2006 – May 2019



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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



Section 3: EBRD and the Climate Funds

Our Climate Fund Partners





Our Climate World

Available funds

- GEF
- GCF
- GEF + GCF
- GEF + CIFs
- GCF + CIFs
- GEF + GCF + CIFs





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



Our GEF Portfolio

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	<ul style="list-style-type: none">• Sustainable Bioenergy Value Chain Innovations
Regional	<ul style="list-style-type: none">• Promoting Accelerated Uptake of Environmental Technologies and Promotion of Best Practices for Improved Water, Chemicals, and Waste Management in the Black Sea Basin
SEMED	<ul style="list-style-type: none">• Financing Advanced Environmental Technologies in the Mediterranean Sea Region for Water Systems and Clean Coasts (EnviTeCC)
Ukraine	<ul style="list-style-type: none">• Transition towards low and no-emission electric mobility in Ukraine: strengthening electric vehicle charging infrastructure and incentives
Tunisia	<ul style="list-style-type: none">• Sustainable Cities Child Project
NGI Call	<ul style="list-style-type: none">• [Agribusiness concept]• [Circular economy concept]

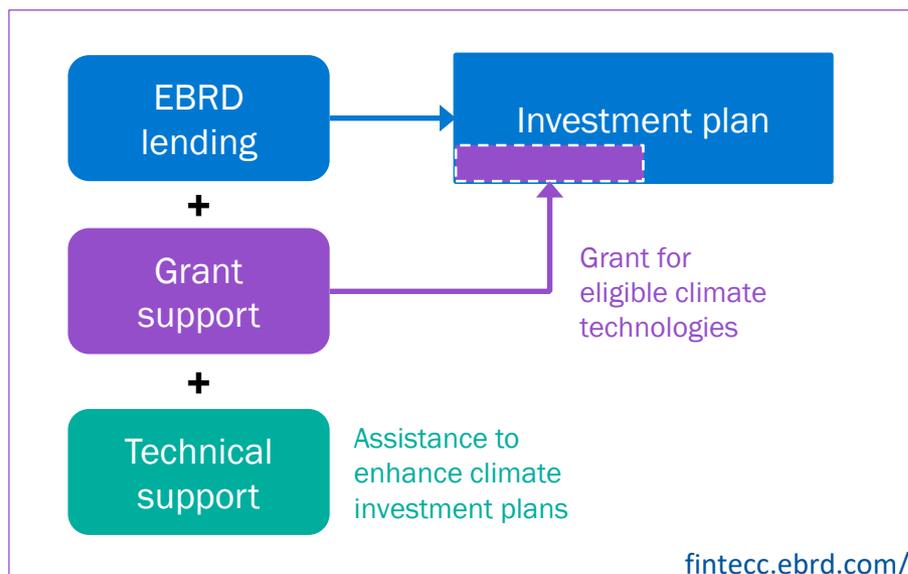
The Finance and Technology Transfer Centre for Climate Change (FINTECC) facilitates technology transfer to private companies in countries where advanced solutions have low market penetration rates.

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



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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>	€ 2.0 million
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



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ANNEX



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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.)