

# Panel discussion: Innovative Financing for Industrial Energy Efficiency

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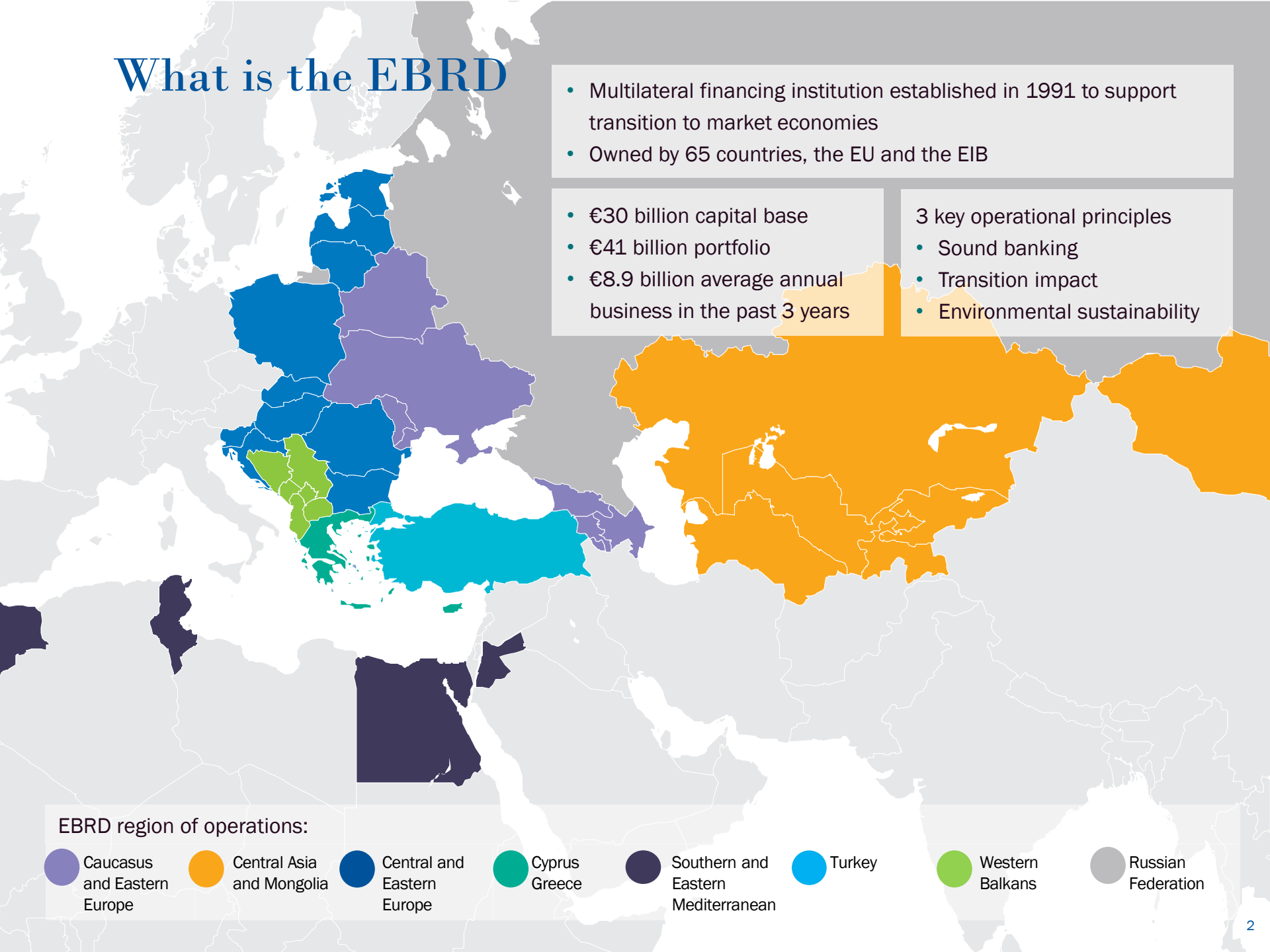
**European Bank**  
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# What is the EBRD

- Multilateral financing institution established in 1991 to support transition to market economies
- Owned by 65 countries, the EU and the EIB

- €30 billion capital base
- €41 billion portfolio
- €8.9 billion average annual business in the past 3 years

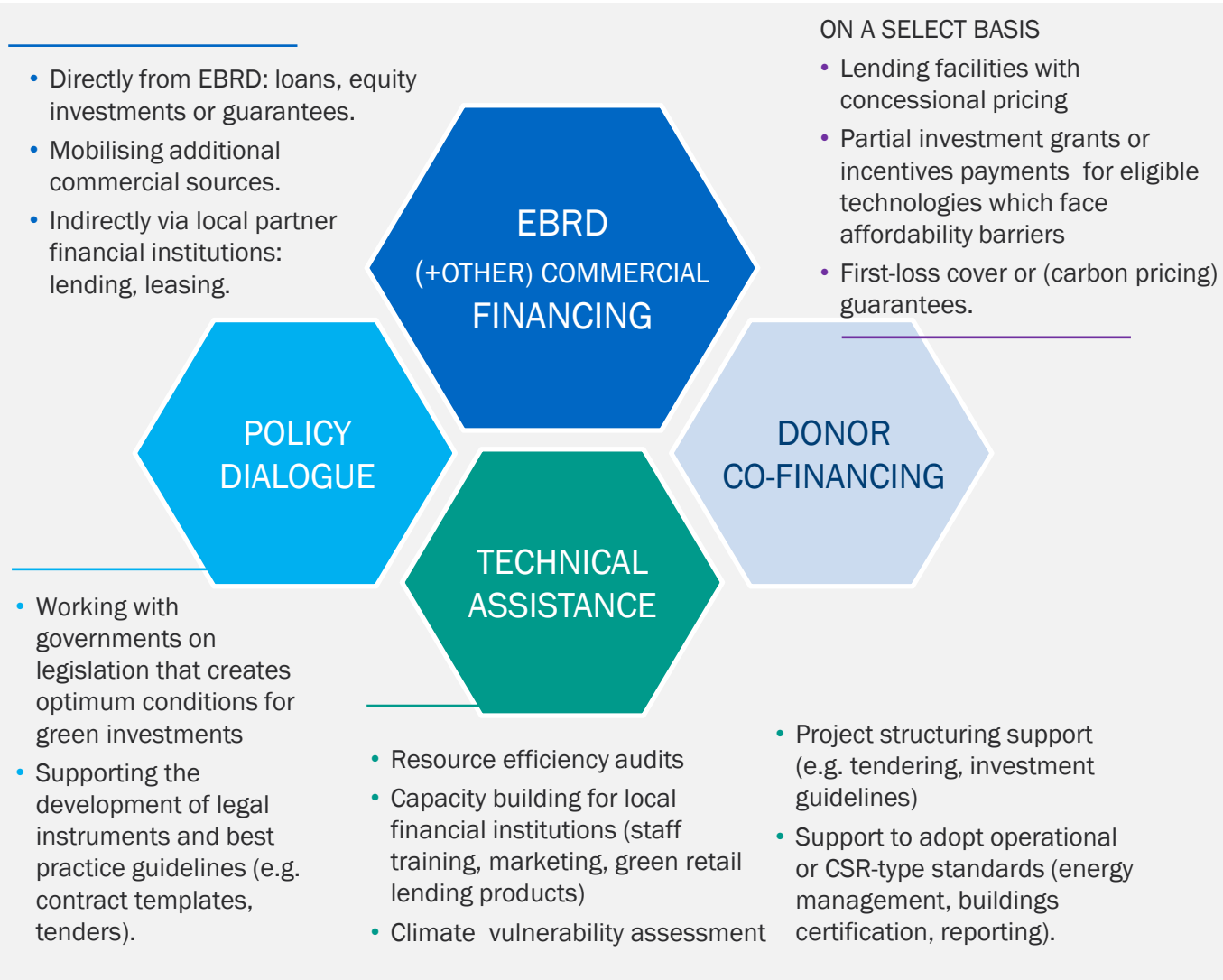
- 3 key operational principles
- Sound banking
  - Transition impact
  - Environmental sustainability



## EBRD region of operations:

- Caucasus and Eastern Europe
- Central Asia and Mongolia
- Central and Eastern Europe
- Cyprus Greece
- Southern and Eastern Mediterranean
- Turkey
- Western Balkans
- Russian Federation

# Mainstreaming green financing: The EBRD business model



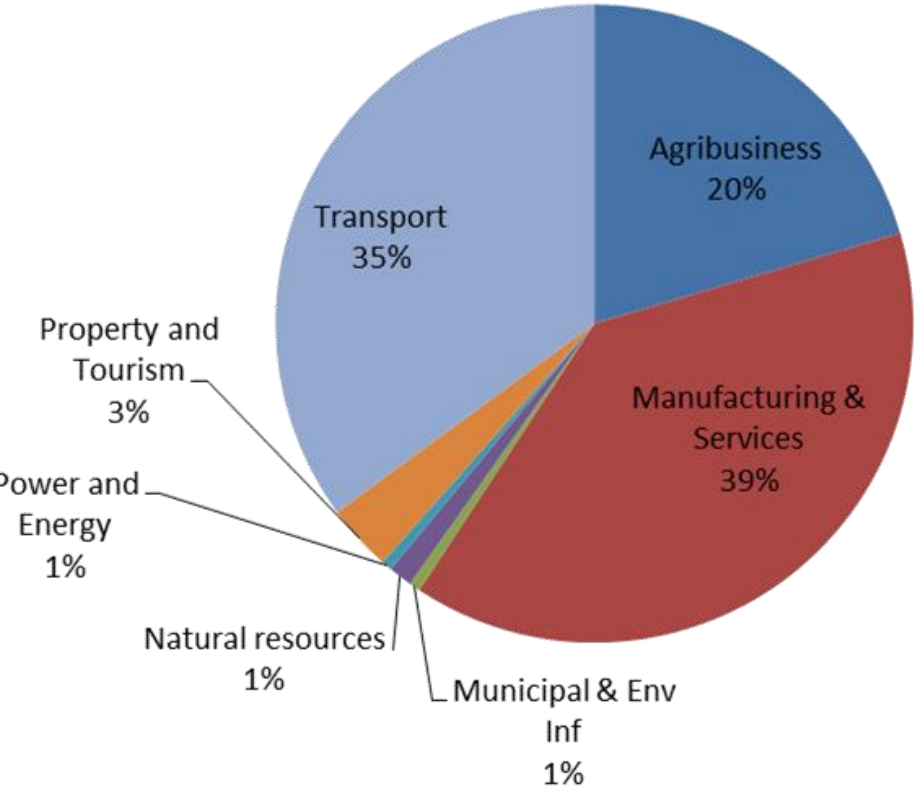
Depending on the maturity of the markets, the EBRD develops and applies different innovative, customized finance instruments. Relevant examples include:

- **Energy efficiency audits (several donors)**
  - CAPEX investment appraisal is the essential tool to identify opportunities for energy efficiency improvements. Contributes in the reduction of the transaction cost.
- **FINTECC programme (donors: GEF, EU, EBRD)**
  - Through provision of grants and technical assistance, the programme aims to improve deployment rates of the best available climate technologies in markets which lag behind. Around 25 EURm available across the region.
- **Innovation vouchers scheme (donor: DRIVE fund/NIF)**
  - R&D financing support mechanism for SMEs to develop innovative resource efficient technologies. 0.5EURm available in Serbia and 1EURm in Ukraine.
- **Value chain competitiveness assistance and financing**
  - Addressing energy and resource efficiency along product value chains is of critical importance. VCC programme provides technical assistance and CAPEX grants to remove resource efficiency linked competitiveness bottlenecks in operations of SMEs. (the programme is not exclusively for resource efficiency)

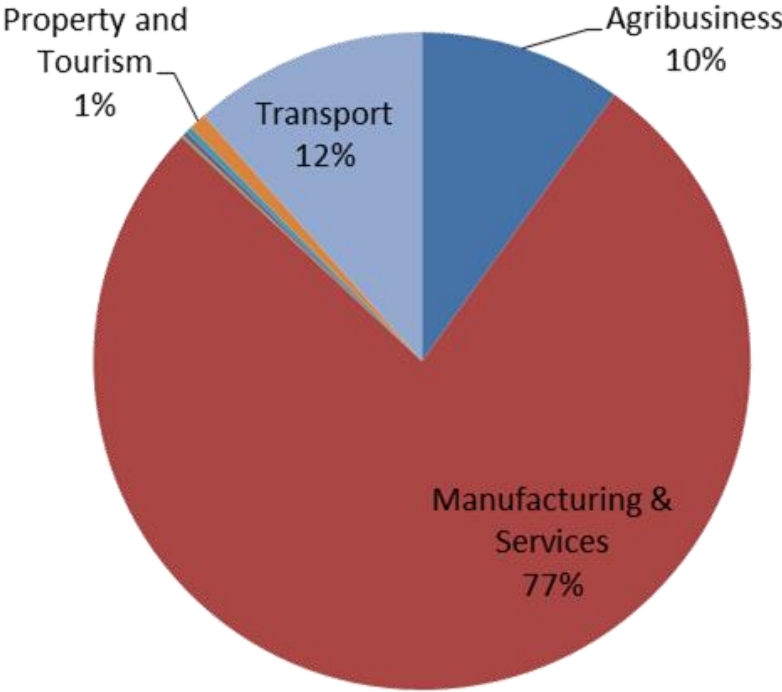
# The impact

- Investments related to industrial energy efficiency amount to about 6,000 mEUR and have led to 16.5 Mtons CO<sub>2</sub> saved, with this breakdown:

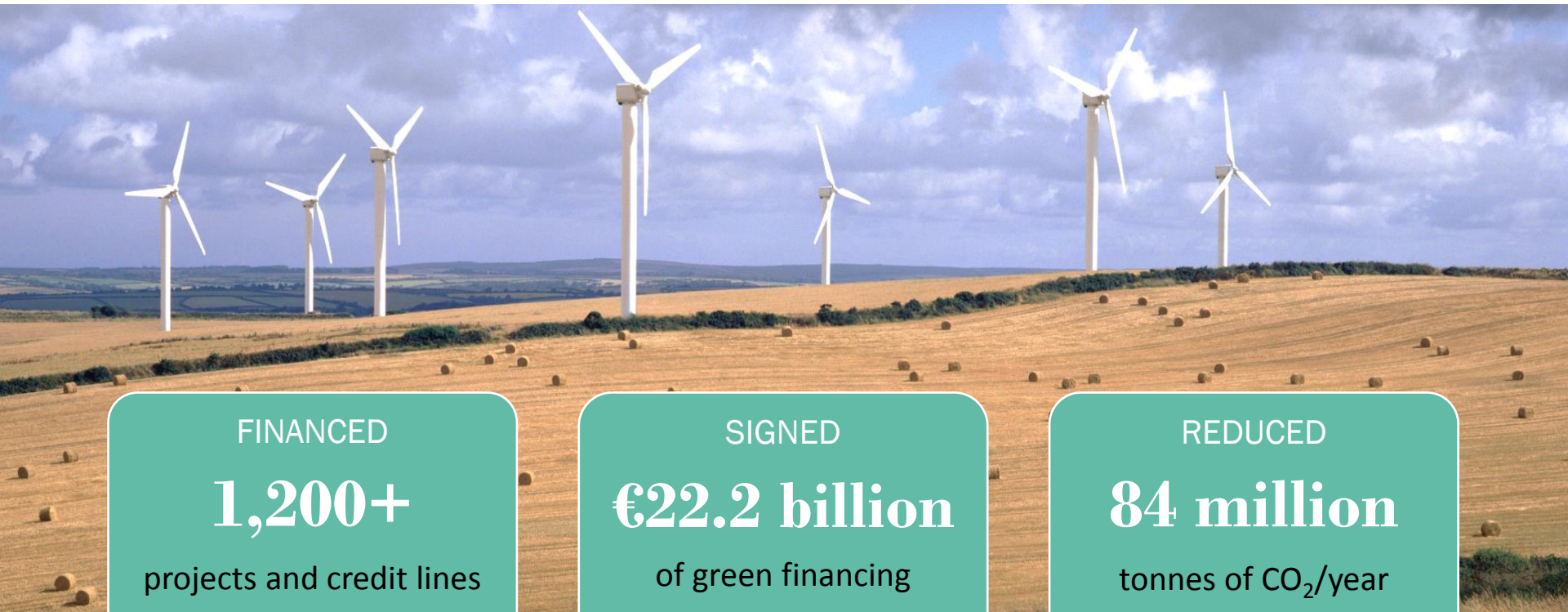
### EE finance (EUR m)



### GHG Reduced (kCO<sub>2</sub>/y)



# Mainstreaming green financing: Results in 2006 - 2016



FINANCED

**1,200+**

projects and credit lines

>900 directly financed projects with green components, and  
>280 credit lines to local financial institutions for on-lending to smaller projects

SIGNED

**€22.2 billion**

of green financing

For projects with a total value of €1,122 billion  
In 2014-2016 green financing represented 36% of EBRD's total business, up from only 15% in 2006.

REDUCED

**84 million**

tonnes of CO<sub>2</sub>/year

Emission reductions equal to twice the annual energy emissions of Sweden  
Plus annual water savings of 62 km<sup>3</sup> since 2013 equal to 2/3 Prague's water needs

# Support material - examples



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- Part of a global technology transfer initiative created at COPs 13 and 14.
- Aims to improve deployment rates of the best available climate technologies in markets where deployment is very slow compared to others.

### Participating countries

**Ukraine, Kazakhstan**

### Early Transition Countries (ETCs):

**Armenia, Azerbaijan, Belarus, Georgia, Kyrgyz Republic, Moldova, Mongolia, Tajikistan, Turkmenistan and Uzbekistan**

### Southern and eastern Mediterranean (SEMED) countries:

**Egypt, Jordan, Morocco and Tunisia**

### Projects eligible for technical assistance

**Any projects financed by the EBRD are eligible for donor-funded technical audits, subject to a preliminary review of the potential for energy and water efficiency investments.**

### Technologies eligible for incentive grants

**Climate technologies, including energy efficiency, renewable energy, carbon emission reduction and water efficiency technologies, as identified by the audits\***

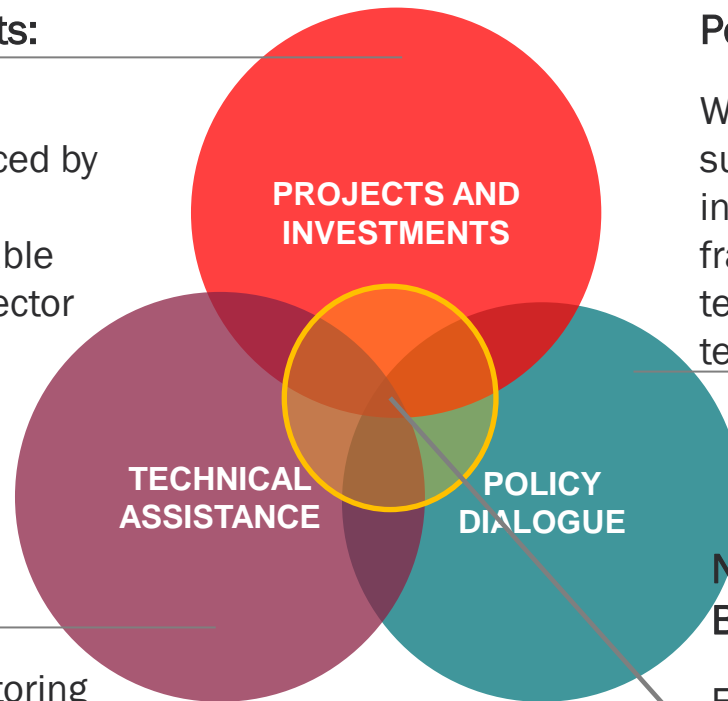


## Financial support for projects:

Needs based incentives for demonstration projects financed by the EBRD, incentivizing implementation of best available technologies in the specific sector and country.

## Technical Assistance (TA) :

Development of market monitoring tools and techniques, project assessment tools and methodologies together with a needs-based technical assistance for individual projects.



## Policy Dialogue:

Working with governments to support development of a strong institutional and regulatory framework that incentivises technology transfer and climate technology deployment

## Networks, Insights, Capacity Building and Market-Building:

Establishment or support to networks promoting technology transfer, organization of stakeholder events and sharing information on climate technology markets.

# Contacts



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