

EBRD SUPPORT FOR GREEN ECONOMY INVESTMENTS

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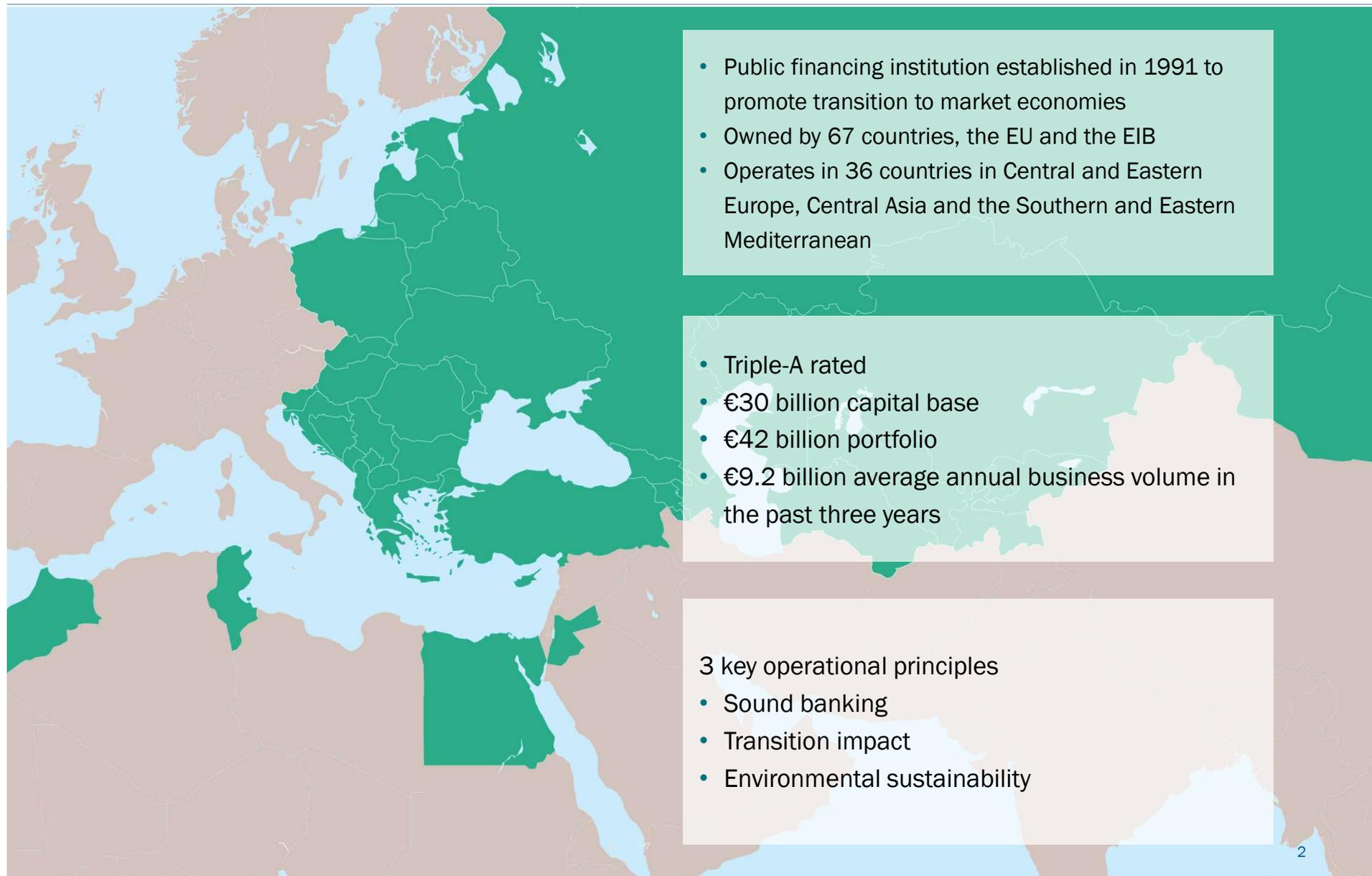


European Bank
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About the EBRD



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- Public financing institution established in 1991 to promote transition to market economies
- Owned by 67 countries, the EU and the EIB
- Operates in 36 countries in Central and Eastern Europe, Central Asia and the Southern and Eastern Mediterranean

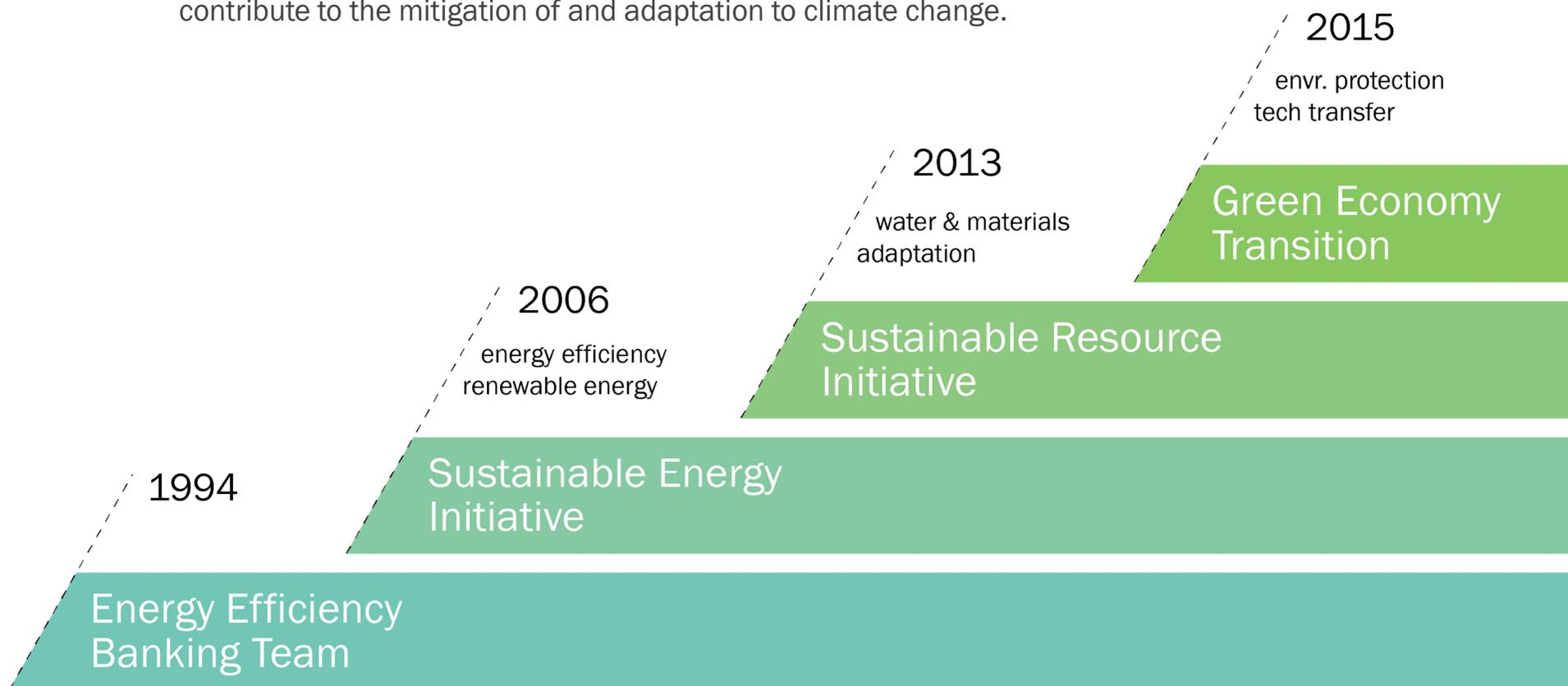
- Triple-A rated
- €30 billion capital base
- €42 billion portfolio
- €9.2 billion average annual business volume in the past three years

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

EBRD Green Economy Transition

Since 2006 the EBRD has adopted cross-sectoral strategies:

- **to mainstream** across the Bank's operations, and
- **to increase** the share of business represented by projects which enhance the efficient use of energy and resources (water, materials) and contribute to the mitigation of and adaptation to climate change.



Results from 2006 to 2016



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FINANCED
1,267
projects and credit lines

957 directly financed projects with green components, and 310 credit lines to locals financial institutions for on-lending to smaller sub-projects

SIGNED
€22 billion
of green financing

For projects with a total value of €122 billion

Since 2014, green financing represented over 30% of EBRD's total business (34% in 2014; 30% in 2015; 33% in 2016).

REDUCED
84 million
tonnes of CO₂ equivalent/year

Estimated emission reductions equivalent greater than the annual CO₂ equivalent emissions of Hungary or Morocco

(Data: World Bank, 2012)

EBRD green financing in the EU Member States

- **€ 5.1 billion** EBRD green financing for projects in EU Member States in 2006 – 2016
- **270 green projects and credit lines** with a total project value of approximately €33 billion
- **16 million tonnes of CO₂ eq** of annual GHG emission reductions (equivalent to more than 25% of Hungary's total annual GHG emissions)
- **€1 billion** channelled via credit lines with 30 partner financial institutions in the region

by sector (in € billion):

Infrastructure

0.7

Industry & agribusiness

0.5

Financial institutions

1.3

Energy

2.7

by country

■ Poland

■ Romania

■ Bulgaria

■ Croatia

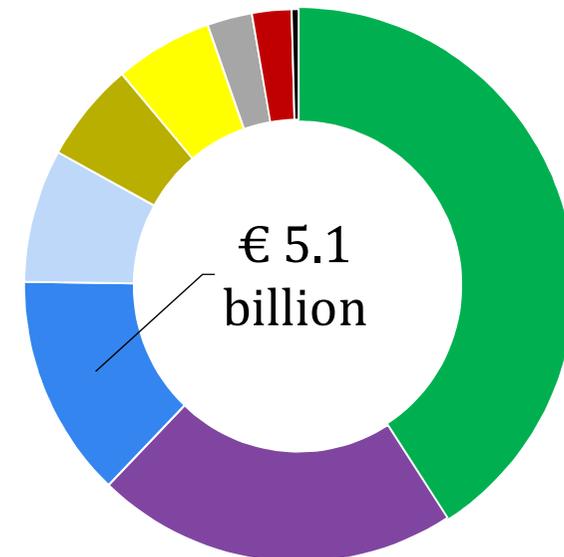
■ Baltic countries

■ Slovakia

■ Slovenia

■ Hungary

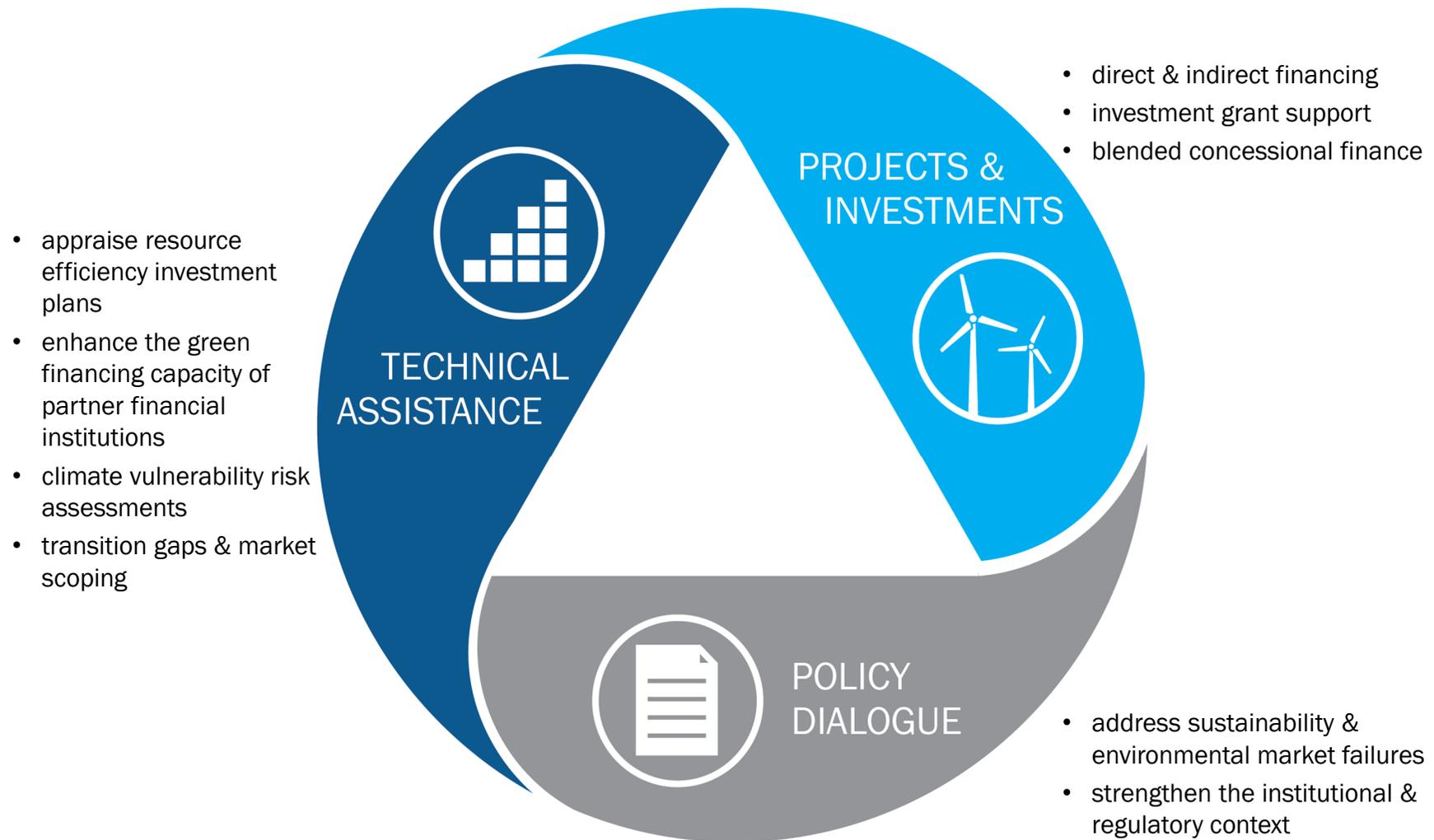
■ Cyprus and Greece



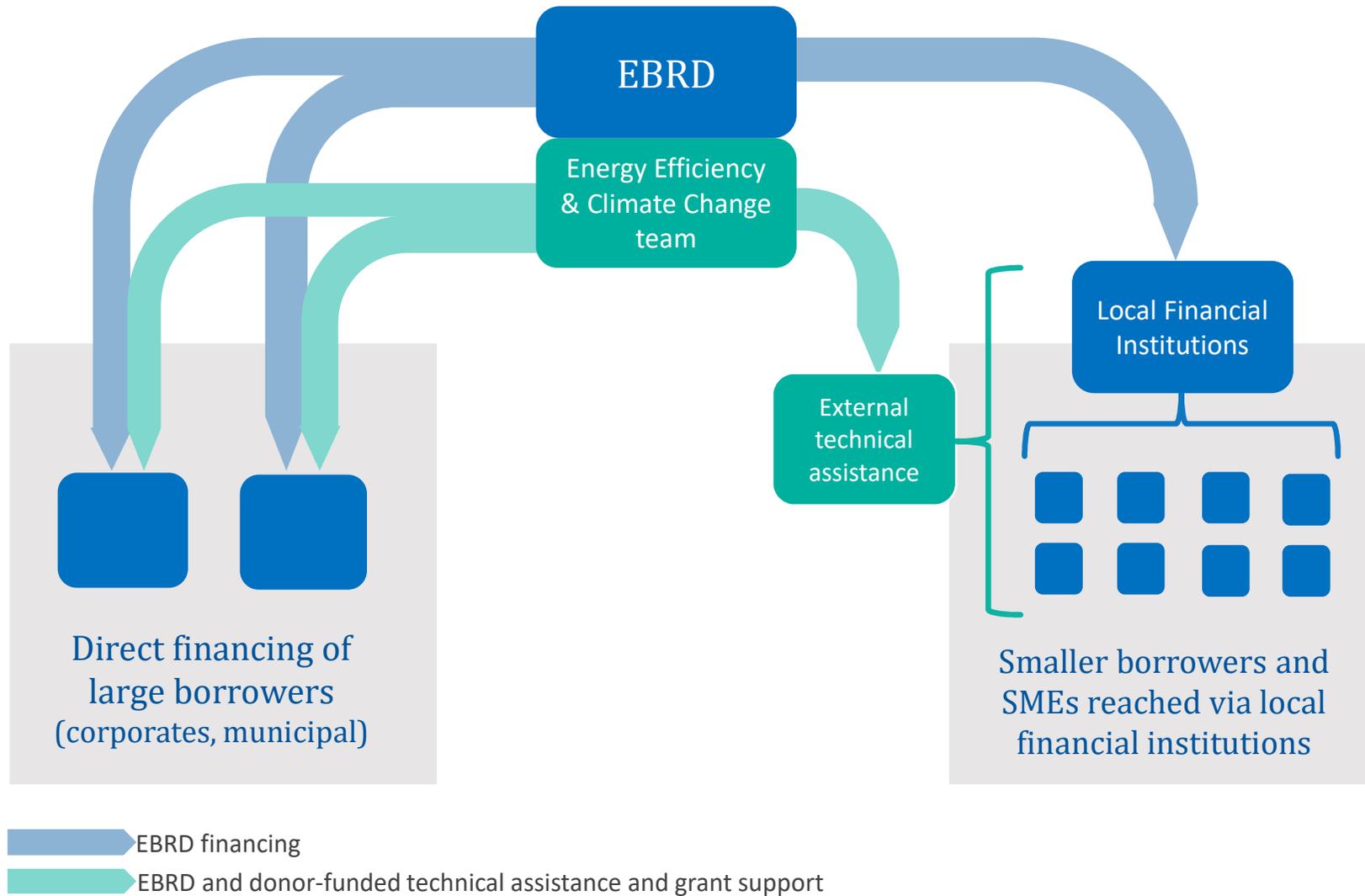
EBRD business model



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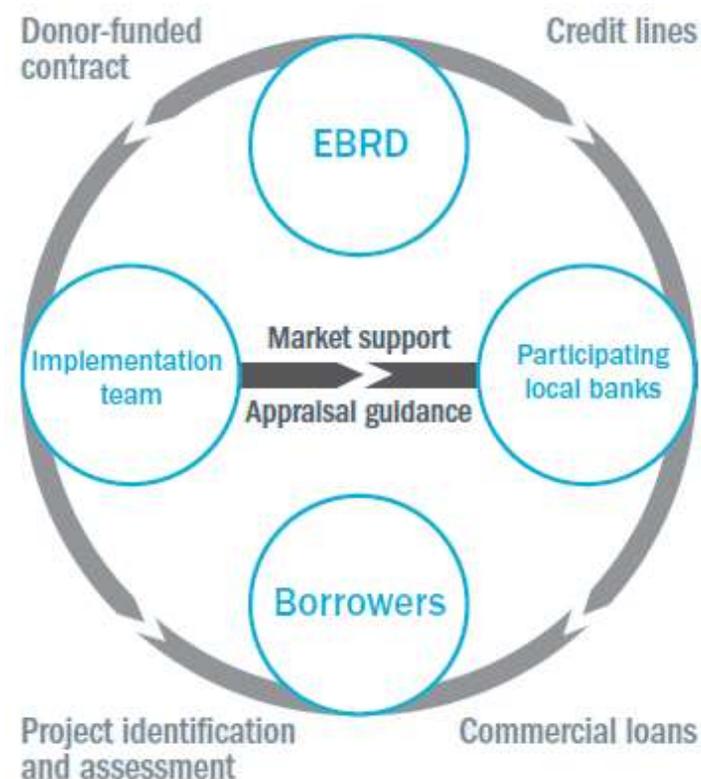


Main Delivery mechanisms



EBRD Green Economy Financing Facilities

- Through Green Economy Financing Facilities (GEFF) the EBRD extends credit lines to local financial institutions.
- Local financial institutions on-lend funds to small and medium-sized businesses, corporate and residential borrowers.
- Finance is provided for energy efficiency and small-scale renewable energy projects.
- GEFFs establish project implementation teams who appraise green project opportunities and support local financial institutions in raising their capacity to market, appraise and finance them.



SlovSEFF - Energy Efficiency via Local Banks



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PROGRAMME

Aims to decrease Slovakia's energy intensity, especially after the closure of the outdated Bohunice nuclear power plant. SlovSEFF targets energy efficiency and renewable energy sub-projects in the corporate and residential sectors.

FINANCING STRUCTURE

EBRD credit lines (2008-2014)	€ 150 million
Technical assistance and incentive grants	€ 30 million

(from the Bohunice International Decommissioning Support Fund, setup after the closure of the Bohunice plant)

EBRD credit lines (2014-Present)	up to € 100 million
Technical assistance and incentive grants	€ 7.7 million

(from the proceeds of a sovereign sale of carbon credits by the Slovak Republic to Spain, a transaction facilitated by EBRD's carbon market development efforts).

RESULTS TO DATE (by Q3 2016)

- 6 local partner banks
- To date, € 162 million on-lent to 713 projects, worth in total €201 million
- 600 loans for residential projects, accounting for 58% of SlovSEFF funds on-lent to date
- 560 SMEs and businesses reached and over 110 companies benefited
- 120,000 tonnes of annual CO₂ emission reductions; 614 GWh of annual primary energy savings.

MunSEFF: Municipal investments via financial institutions



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EBRD credit line financing
utilised by Slovak banks € 90 million

Technical assistance from the EU
(for 3 MunSEFF countries) € 5 million

Grant support for partial incentive
payments from the EU € 13 million

The EU-EBRD Municipal Sustainable Energy Financing Facility is an initiative of the EBRD and the European Union to develop and stimulate commercial bank financing to municipalities and their utility companies in Slovakia, Hungary and Romania.

MunSEFF was active in 2011 – April 2016.

TYPE OF PROJECTS

- public buildings, street lighting, district heating, urban transport
- later residential buildings.



TECHNICAL ASSISTANCE

- Energy audits to prepare the technical proposal and tender documentation
- Capacity building for bankers to understand municipal energy efficiency projects
- Development support for the Slovak ESCO market via workshops
- Raising awareness about energy efficiency among homeowners
- Implementation verification for grant approval

GRANT SUPPORT 15%-20%

MunSEFF results



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- 402 projects
- €84 million of MunSEFF finance disbursed for total investment of €92 million
 - € 16 million in municipal infrastructure
 - € 33 million in municipal buildings
 - € 35 million in residential buildings
- Estimated emission reductions of 300,000 tonnes of CO₂ over the average lifetime of investments
- 80 GWh/year of primary energy savings
- Mobilization ratio of €1 of donor money : €6.8 of EE investments



2020 EBRD green financing objectives



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40%

2020 target for the share of GET financing in EBRD annual new business

€4 billion

Target EBRD annual green business volume by 2020

€18 billion

Target cumulative EBRD green business in 2016-2020



THANK YOU

For more information:

<http://www.ebrd.com/climatefinance>

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