GREEN ECONOMY TRANSITION (GET) AT THE EBRD

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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
- Southern and Eastern Mediterranean
- Turkey
- Western Balkans
- Russian Federation
The EBRD mandate and the green economy

How projects are assessed at the EBRD:

- Credit and financial risks
- Environmental and social risks
  Integrity analysis
  Civil society engagement
- Market transition impact
- Green Economy Transition impact
The EBRD region and climate change

Carbon emission intensity of economies in the EBRD region in 2014

2014 energy-use related CO₂ emissions per unit of GDP (expressed as 2010 US$, at market exchange rates). Source: IEA
Mainstreaming green financing: EBRD cross-sectoral strategies

• Since 2006 the EBRD has adopted cross-sectorial strategies:
  • to mainstream across the Bank’s operations, and
  • to increase the share of Bank business represented by
measures which enhance the efficient use of energy and resources (water, materials) and contribute to the mitigation of, and adaptation to, climate change.

• The latest strategy, the Green Economy Transition (GET) aims to further scale up the Bank’s green business, and to include new areas of activity.
Mainstreaming green financing: The EBRD business model

- address sustainability & environmental market failures
- strengthen the institutional & regulatory context

- direct financing (debt, equity)
- indirect financing via local partner financial institutions
- investment grant support
- blended concessional finance

- appraise resource efficiency investment plans
- Technical, financial and marketing teams to support banks in developing their green financing capacity
- climate vulnerability risk assessments
- transition gaps & market scoping
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 locals 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 CO₂/year

Emission reductions equal to twice the annual energy emissions of Sweden

Plus annual water savings of 62 km³ since 2013 equal to 2/3 Prague’s water needs
Mainstreaming green financing: The Green Economy Transition strategy

The Green Economy Transition aims to address market opportunities, as well as market failures, related to resource use and environmental degradation. GET aims:

• **further scale-up** the Bank’s operational and policy activities to accelerate transition to low-carbon and climate resilient economies

• **broaden the environmental dimension** of investments supported by the Bank – this includes elements of environmental compliance and remediation

• **Engage new areas and flexible financing channels:** expanding to areas like pollution prevention, green logistics, water efficiency in power sector and irrigation; and engaging public financing channels when opportune to accelerate low-carbon transition (energy efficiency in public buildings, green infrastructure).
Mainstreaming green financing: Green business development tools

**RESOURCE AND ENERGY EFFICIENCY AUDITS**
For Bank clients who have resource efficiency potential – audits identify and prioritise resource efficiency investments based on the financial return from resource input cost savings.

**GREEN ECONOMY FINANCING FACILITIES**
Offering credit lines to partner banks for on-lending to local projects, together with dedicated technical assistance teams who help identify and assess green investment opportunities, train up banks’ staff and develop marketing activities.

**TECHNOLOGY TRANSFER SUPPORT**
Identifying clients willing to invest in higher resource efficiency technologies in early transition markets, and supporting them with partial investment grants that help overcome affordability and first-mover barriers.

**CLIMATE VULNERABILITY ASSESSMENTS**
Supporting businesses and utilities which are most exposed to future climate change impacts to identify risks and integrate adaptation measures in investment programmes.

**BLENDING OF CLIMATE FUNDS**
Sourcing and structuring resources from international providers of climate finance for blended financing operations on terms appropriately matching the risk and maturity profiles of green projects.

**POLICY DIALOGUE**
Working with governments and authorities to address environmental market failures, strengthen the institutional and regulatory context and create optimum conditions for green investments to take place.
To fulfill its mandate to promote development of free market economies in Central and Eastern European countries, the EBRD provides comprehensive technical assistance, training, and advisory services to address all aspects of the economic and social transformation. Grant and concessional resources from donors and from the EBRD Shareholder Special Fund play a vital role in enabling the EBRD to address the transition challenges in its countries of operations. TA funds are used for:

- Energy/Resource audits to identify investment opportunities
- Energy/Resource Efficiency Management Systems assessment
- Energy/Resource Management Training
- BAT Assessment
- Gap analysis for ISO 50001 standard and road map for implementation
- Development of KPI
- Development of MRV plans
- Specific Energy/Resource analysis
EBRD Policy Dialogue

• works with governments and regulators to help establish or develop the policy and regulatory frameworks required to support renewable energy, by assisting in their development and implementation.

• supported the analysis and preparation of strategic environmental plans to enable environmental standards to be set and the cumulative impacts of projects better understood and assessed.

• recommending legislative, regulatory and other actions necessary to complete the implementation of the Directives

• supporting relevant departments in drafting the necessary Legislation and Priority Regulations

• assisting in securing inter-Ministerial approval and governmental adoption of the Legislation and Priority Regulations

• assisting in embedding energy efficiency into the public procurement rule books
EBRD 2017 Annual Meeting and Business Forum

Targeting Green and Inclusive Growth Meeting Regional and Global Challenges

Nicosia
9-11 May, 2017
THANK YOU

For more information: