Introduction to FINTECC

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Introduction to the EBRD

The EBRD is a **triple-A** rated* bank with a capital base of **€30 billion**.

Operating in **35 countries** from central Europe to central Asia, the EBRD:

- Promotes transition to market economies
- Mobilises foreign direct investment
- Improves people’s lives through enhancing municipal services
- Encourages sustainable development

The EBRD is owned by **67** **countries** and two inter-governmental institutions.

* From all three main rating agencies (S&P, Moody’s and Fitch)
** Libya is yet to become a fully ratified member of the EBRD
Mainstreaming green financing: EBRD strategies

1994
Energy Efficiency Banking Team

Sustainable Energy Initiative

2006
- Energy efficiency
- Renewable energy

Sustainable Resource Initiative

2013
- Water & materials
- Adaptation

2015
- Environmental protection
- Tech transfer

Green Economy Transition
Mainstreaming green financing: The business model

- direct & indirect financing
- investment grant support
- blended concessional finance
- develop sustainable energy lending
- climate vulnerability risk assessments
- transition gaps & market scoping
- address sustainability & environmental market failures
- strengthen the institutional & regulatory context
Mainstreaming green financing: Financing results

€19.5 billion cumulative EBRD green financing 2006 – Q12016

1,080 projects with green components

30% of 2015 business
Mainstreaming green financing: Physical impacts

REDUCED

77 million tonnes of CO₂/year

In 2006–2015
More than the annual energy use related CO₂ emissions of Romania or twice those of Sweden

SAVED

43 million m³ of water/year

In 2013–2015 from 70 water efficiency projects
Equivalent to a third of the annual water consumption of the population of Prague

REDUCED

1 million tonnes of waste/year

In 2013–2015 from 40 waste efficiency projects
Various streams of waste: metals, minerals, agricultural waste
FINTECC
Finance and Technology Transfer Centre for Climate Change

• 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.

Policy Dialogue:

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

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.

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.
FINTECC addresses some key barriers to climate technology deployment

- Lack of reliable baseline information on market penetration
- Lack of knowledge, awareness and absorption capacity of businesses
- Lack of adequate regulatory framework to incentivize technology transfer
- Limited availability of financial instruments suitable for financing technology transfer
- Underdeveloped supply chains with limited competition

There is limited availability of reliable information on technology baseline in individual countries and sectors, limiting the ability of both private sectors and policy makers to make well informed decisions.

Often results in perception of high risk, low profitability, and high transaction costs. The companies lack in-house capacity to develop bankable projects and may not have possibility to acquire such expertise in the market.

Regulatory frameworks not conducive to technology transfer, e.g. no labelling of products available in most of the cases.

There is a limited number of financing instruments available to support technology transfer, in particular those instruments working alongside standard financing.

Underdeveloped supply chains with lack of competition among suppliers, limited availability of technology solutions, and limited market for engineering/maintenance service providers.
Non-TC grants: Case Studies, and status

20 signed transactions, incentives worth USD 6.3m, supporting USD 45m of GET investments. Transactions benefiting were in Agribusiness (8), M&S (8), Natural Resources (1), Corporate (1), Municipal Environmental infrastructures (1) and Property and Tourism (1)

Workshop and showroom, ETC
Technologies considered: 
tri-generation, clean burn boiler, water recovery and re-use, variable refrigerant flow cooling system complemented with BEMS, LED lighting.

Grant: USD 360,000
SEI investment: USD 6.3 mil
EBRD transaction: USD 13 mil

Bear Beer, Kyrgyz Republic
Technologies supported: 
CO₂ recovery system in fermentation and EMS.

Grant: EUR 127,327
SEI investment: USD 1.1 mil
EBRD transaction: USD 9.5 mil

Manufacturing facility, SEMED
Technologies supported: 

Grant: EUR 380,000
SEI investment: EUR 2.2 mil
EBRD investment: EUR 4.6 mil
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