Introduction to FINTECC

22 June 2016

European Bank
for Reconstruction and Development

Introduction to the EBRD

European Bank
for Reconstruction and Development

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

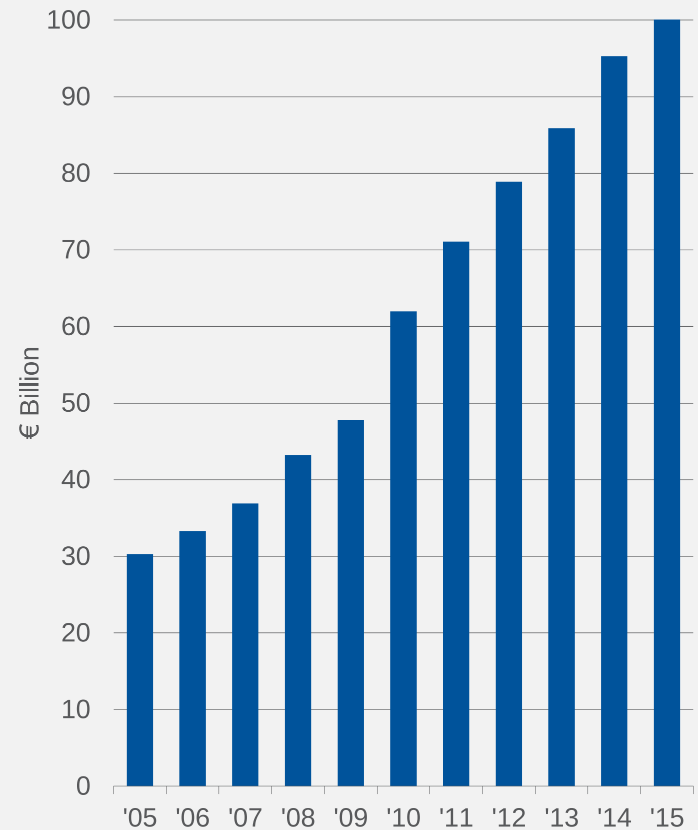
Operating in **35 countries** from central Europe to central Asia, the EBRD:

- 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

The EBRD's annual business volume 2005-2015 (cumulative, EUR in billion)



Mainstreaming green financing: EBRD strategies

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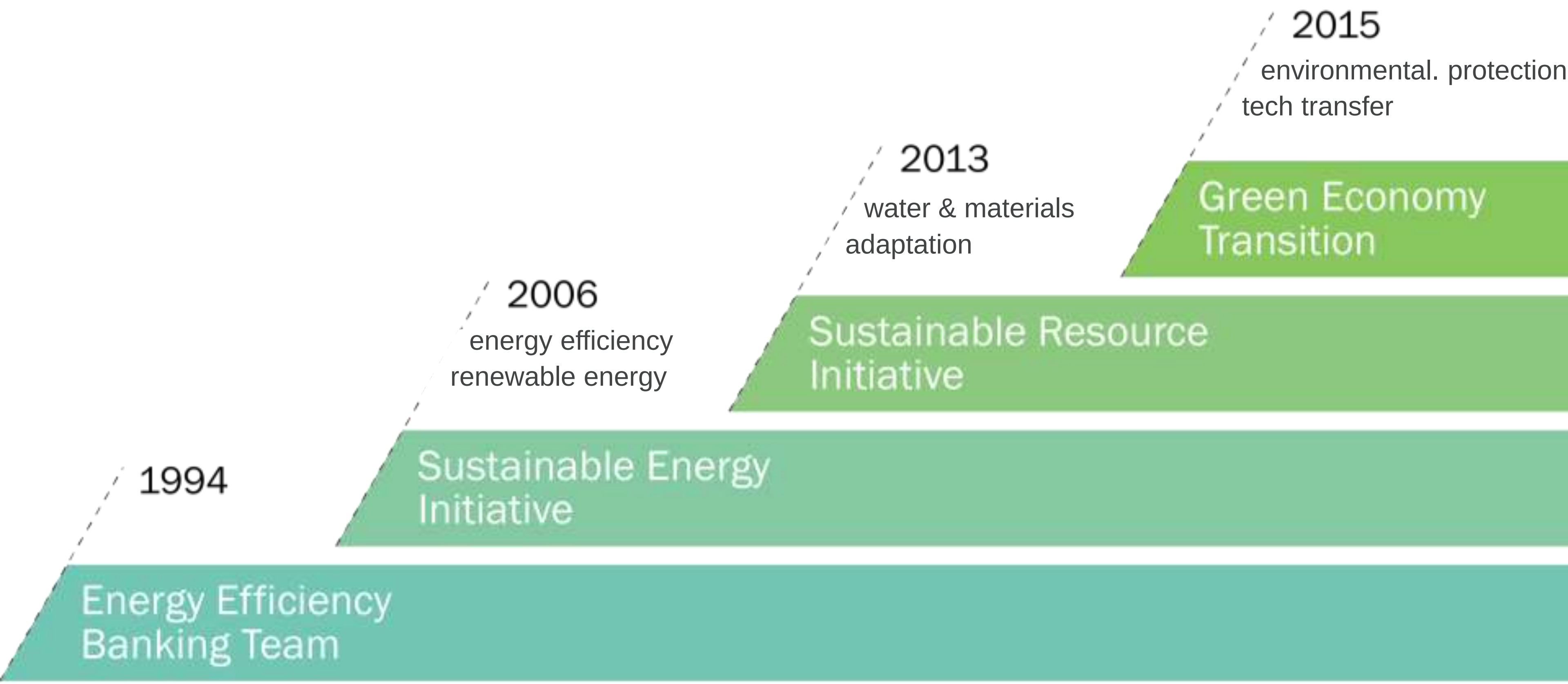

Mainstreaming green financing: The business model

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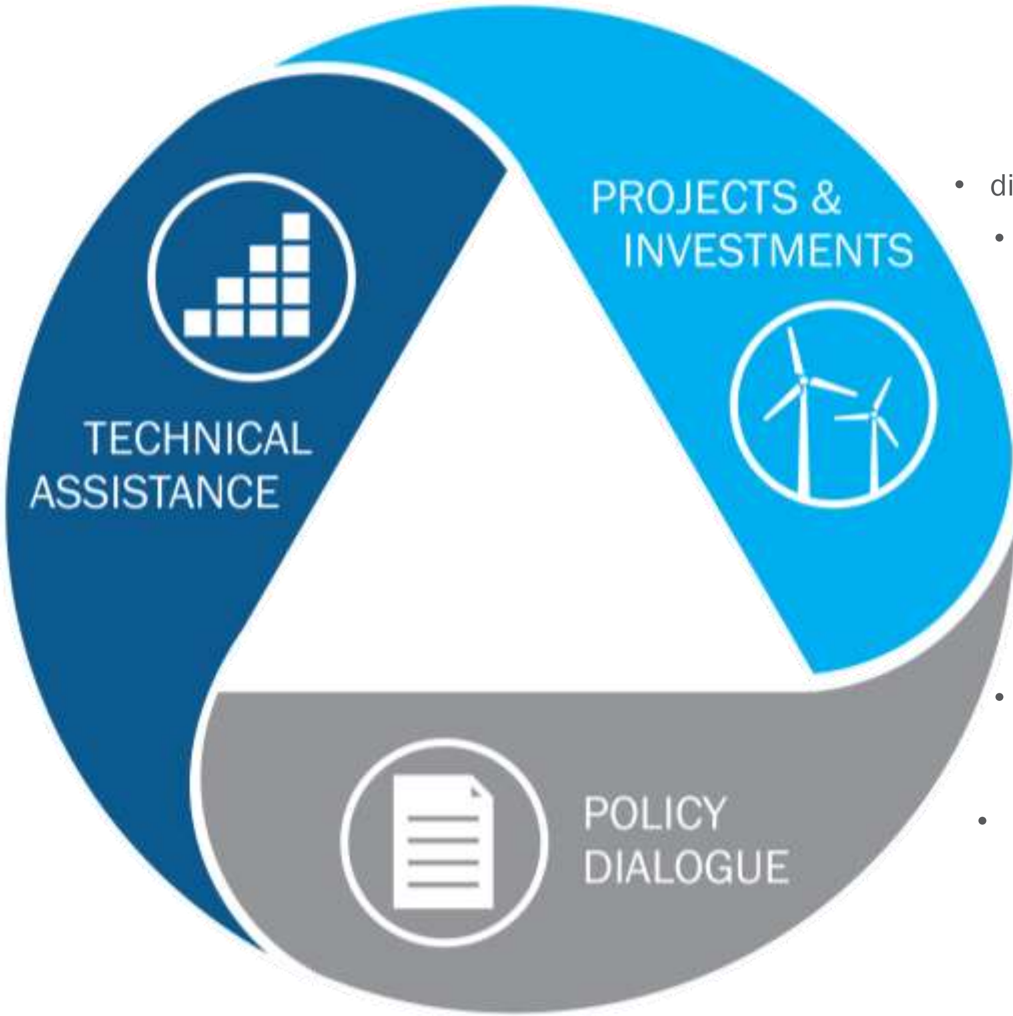
- develop sustainable energy lending
- climate vulnerability risk assessments
- transition gaps & market scoping



- direct & indirect financing
- investment grant support
- blended concessional finance

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

Mainstreaming green financing: Financing results

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€19.5 billion

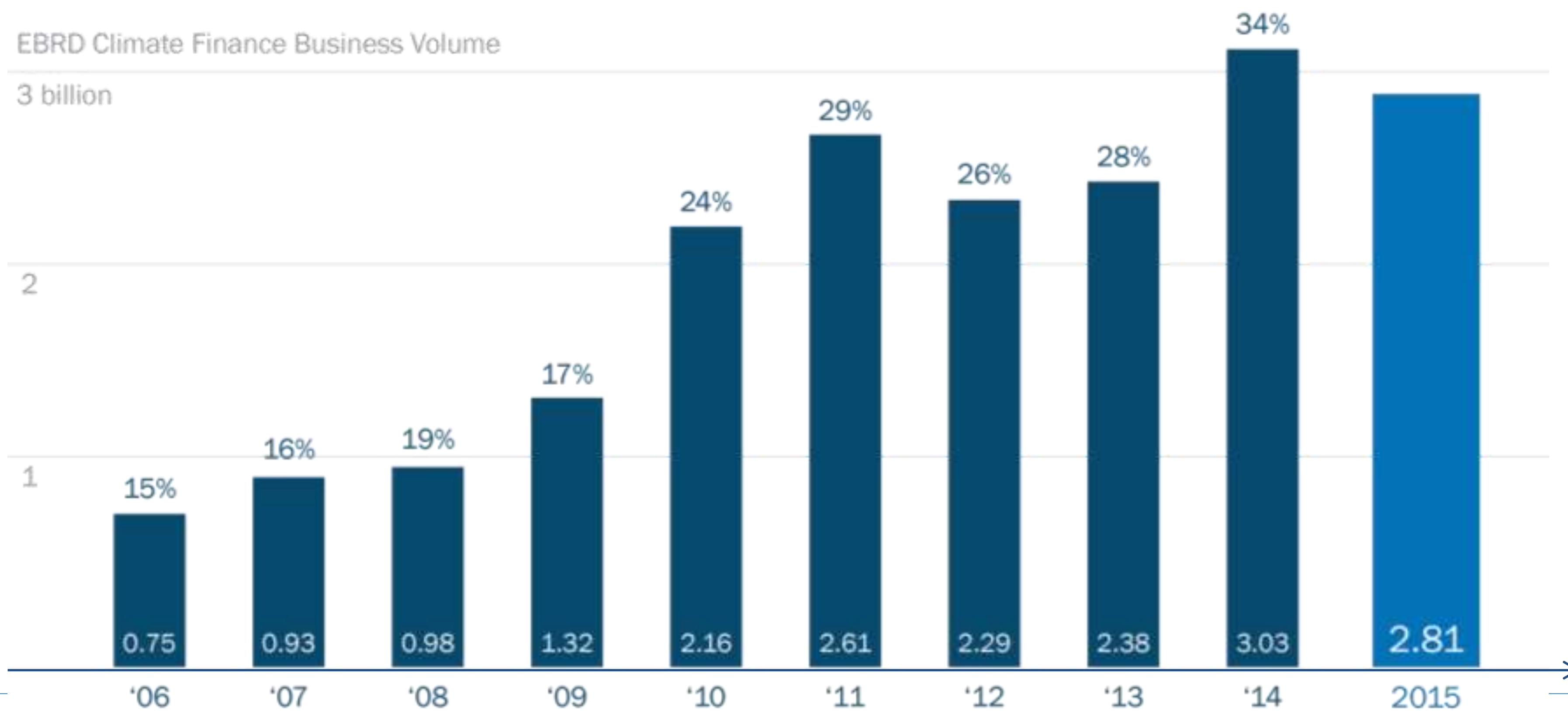
cumulative EBRD green financing 2006 – Q12016

1,080 projects

with green components

30%

of **2015** business



Mainstreaming green financing: Physical impacts

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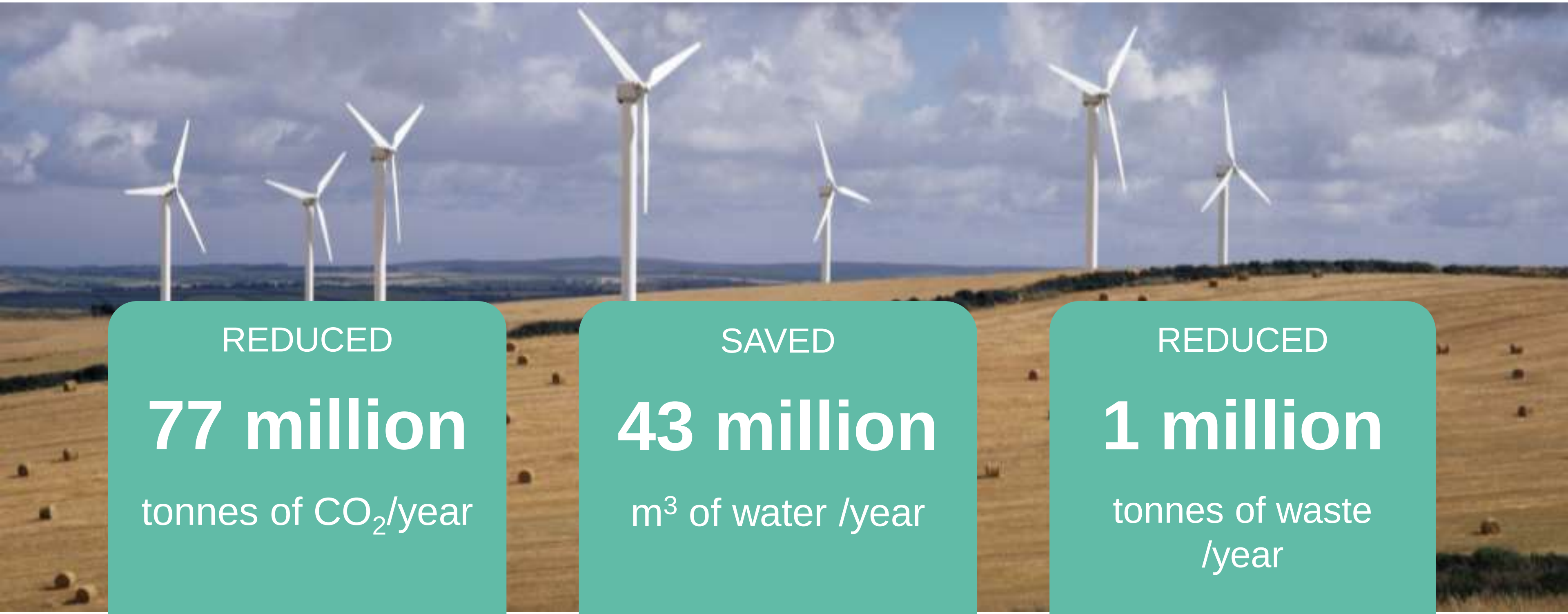


REDUCED

77 million

tonnes of CO_2/year

In 2006–2015

More than the annual energy use related CO_2 emissions of Romania or twice those of Sweden

SAVED

43 million

m^3 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

EBRD FINTECC

- 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*

FINTECC business model

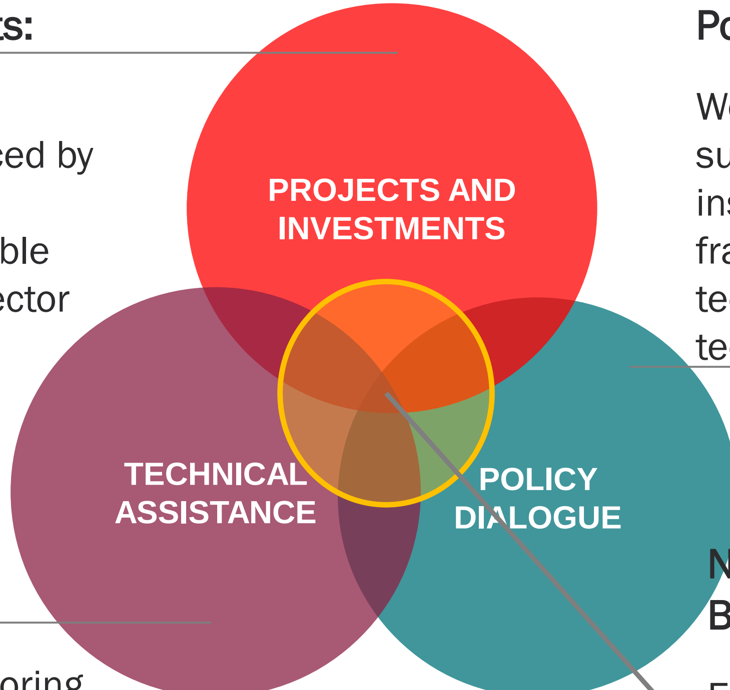
EBRD FINTECC

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.

FINTECC addresses some key barriers to climate technology deployment

EBRD FINTECC

Lack of reliable baseline information on market penetration	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.
Lack of knowledge, awareness and absorption capacity of businesses	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.
Lack of adequate regulatory framework to incentivize technology transfer	Regulatory frameworks not conductive to technology transfer, e.g. no labelling of products available in most of the cases.
Limited availability of financial instruments suitable for financing technology transfer	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 limited competition	Underdeveloped supply chains with lack of competition among suppliers, limited availability of technology solutions, and limited market for engineering / maintenance service providers

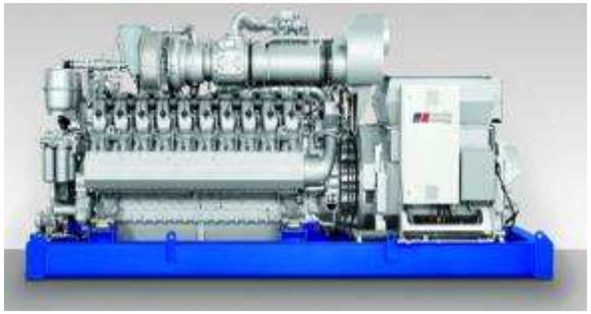
Non-TC grants: Case Studies, and status

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: CO_2 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: Rooftop PV, Energy Storage, Heat Recovery, Building Insulation, EMS, ISO 50001.

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

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