

GREEN ECONOMY TRANSITION AT THE EBRD

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The SEI, SRI and the Green Economy Transition



- The SEI and, since 2013, the SRI have been the Bank's strategies to actively contribute to addressing the global climate change and sustainable development challenges, by **mainstreaming** and by **increasing** financing for sustainable use of resources across the Bank's operations.
- The Green Economy Transition (**GET**) expand this experience in terms of business volume and new areas of activities such as environmental protection and technology transfer.

1994	2006	2013	2015
Energy Efficiency banking team	Sustainable Energy Initiative • Energy Efficiency • Renewable Energy	Sustainable Resource Initiative • Water efficiency • Material efficiency • Adaptation to climate change	Green Economy Transition • New activities

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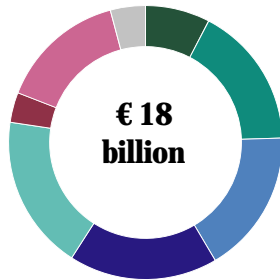
THE EBRD EXPERIENCE SO FAR

THE GREEN ECONOMY TRANSITION CONCEPT

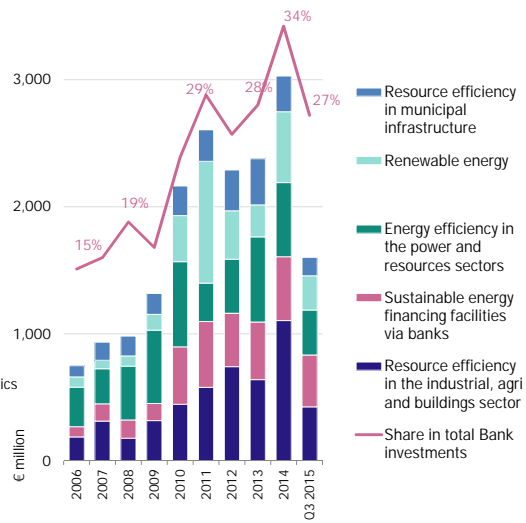
SEI & SRI track-record to date



In 2006 - October 2015



- Central Asia
- Eastern Europe and Caucasus
- South-Eastern Europe
- Turkey
- Central Europe and Baltics
- Russia Fed.
- SEMED
- Regional



SEI & SRI impacts to date



73 million
tonnes of CO₂/year

Since 2006
More than the annual energy use related CO₂ emissions of Romania

25 million
m³ of water /year

Since 2013 from 60 water efficiency projects
Equivalent to half of the annual water consumption of Helsinki

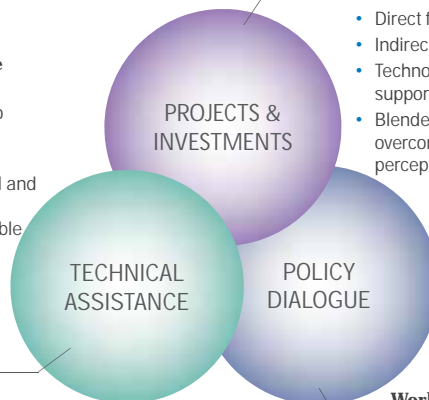
1 million
tonnes of waste /year

Since 2013 from 40 waste efficiency projects
Various streams of waste: metals, minerals, agricultural waste

The business model

Activities to address resource efficiency gaps

- Energy and resource audits to identify sustainable resource investments
- Integrated technical, financial and marketing teams to support banks in developing sustainable energy as a core business
- Risk assessments related to climate vulnerabilities
- Transition gaps and market scoping studies



Tailored financing instruments

- Direct financing
- Indirect-financing via local banks (SEFFs)
- Technology Transfer investment grant support
- Blended concessional finance so as to overcome affordability and risk perceptions

Working with governments

- To strengthen the institutional and regulatory framework

The business tools



- **Resource audit programme: scoping efficiency investments**
Screening the Bank's pipeline for projects with resource efficiency investment potential, and helping clients see the value in using resources more efficiently.
- **Sustainable Energy Financing Facilities : enhancing the capacity of local partner banks to finance sustainable resource investments**
Leveraging local banks' financing and established client networks towards fostering sustainable markets for resource efficiency financing. Banks are supported to identify and assess projects and to market specific financing products to their clients.
- **FinTECC Programme: enabling higher efficiency technology transfer**
Identifying clients with potential to invest in higher resource efficiency technologies, and supporting this with investment grant resources to overcome risks and affordability barriers.
- **Policy dialogue: improving regulatory frameworks**
Working alongside governments towards regulation that encourages resource efficiency behaviour and investments.
- **Climate adaptation scoping: integrating climate risks into investment decisions**
Supporting businesses and utilities which are most exposed to future risks to identify and integrate these in their investment programmes.

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THE GREEN ECONOMY TRANSITION CONCEPT

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The EBRD definition of a green economy

A **green economy** is a market economy

- in which public and private investments are made with a specific concern to minimise the impact of economic activity on the environment; and
- where market failures are addressed through improved policy and legal frameworks aiming at accounting systematically for the inherent value of services provided by nature, at managing related risks and at catalysing innovation.



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The GET approach

- The Green Economy Transition approach aims to further scale up EBRD's actions to address the transition gaps related to sustainable resource use and environmental sustainability.
- The main operational drivers of GET actions will be the integration of the green economy dimension into the Bank's transition methodology, specifically into:
 - **Country strategies** via the assessment of transition gaps in this area, and
 - **The transition rationale** in order to recognise scale and impact of projects with climate and environmental benefits.



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The GET approach

GET activities are aimed to be grouped around the following dimensions:

- **Scaling up** –to recognise absolute and incremental contributions of projects to addressing environmental challenges, such as GHG emission reductions
- **Broadening the environmental dimension** – to expand Bank actions at addressing fully the sustainable use of natural capital via reduction in ecosystem degradation and pollution control; specific areas may include: sustainable land use, innovative water supply, environmental remediation of contaminated sites, etc
- **Sector innovation** – to further deepen the mainstreaming of resource efficiency across new areas: irrigation water efficiency, transport infrastructure climate resilience, etc
- **Flexible instruments** – specifically more flexible deployment of public and private channels to support innovative financial structures and higher risk taking targeting areas like: public buildings energy efficiency, urban regeneration, etc.



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GET actions

Short term

Medium term

Continue to scale up existing activities and the Bank's best practices

- Replicate and scale up the tools and projects which continue to address significant transition gaps and the global climate challenge
- E.g.: energy and resource audit programmes, Sustainable Energy Financing Facilities (SEFFs), district heating rehabilitation

Develop new activities and tools in line with the Green Economy Transition concept

- Active use of private and public delivery channels
- Broadening of the environmental dimension
- Enhancing innovation via focused transfer of technologies
- New policy dialogue challenges

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GETting there!



40%

Green business as a %
of the EBRD annual
total business

€4 billion

Target annual EBRD
green business by 2020

€18 billion

Target cumulative
EBRD green business
2016-2020



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THANK YOU!

