

INVESTMENTS INTO ENERGY EFFICIENCY: CHALLENGES AND OPPORTUNITIES

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European Bank
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INTRODUCTION – EBRD AND THE GREEN ECONOMY

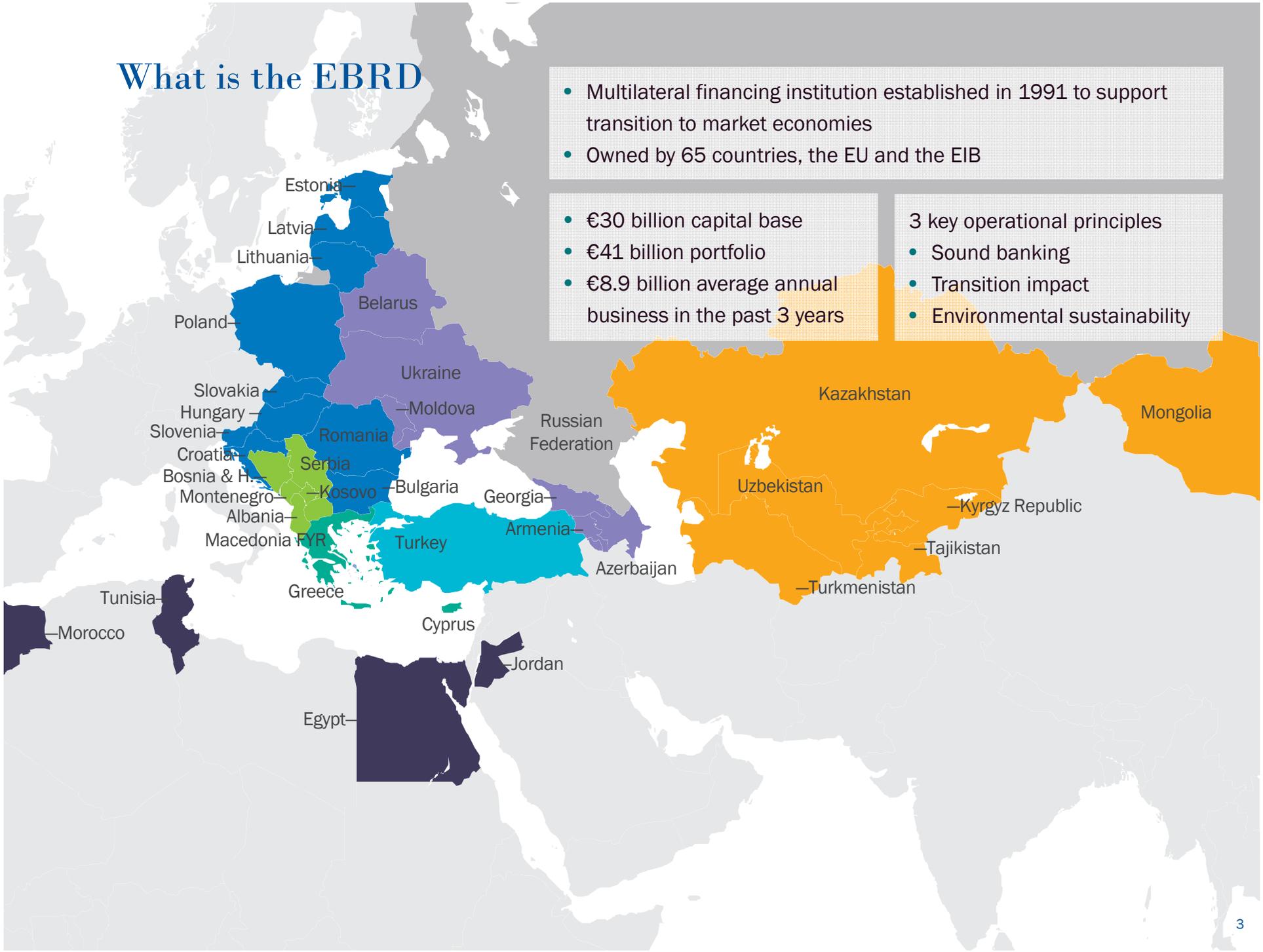
GREEN ECONOMY IN GEORGIA

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

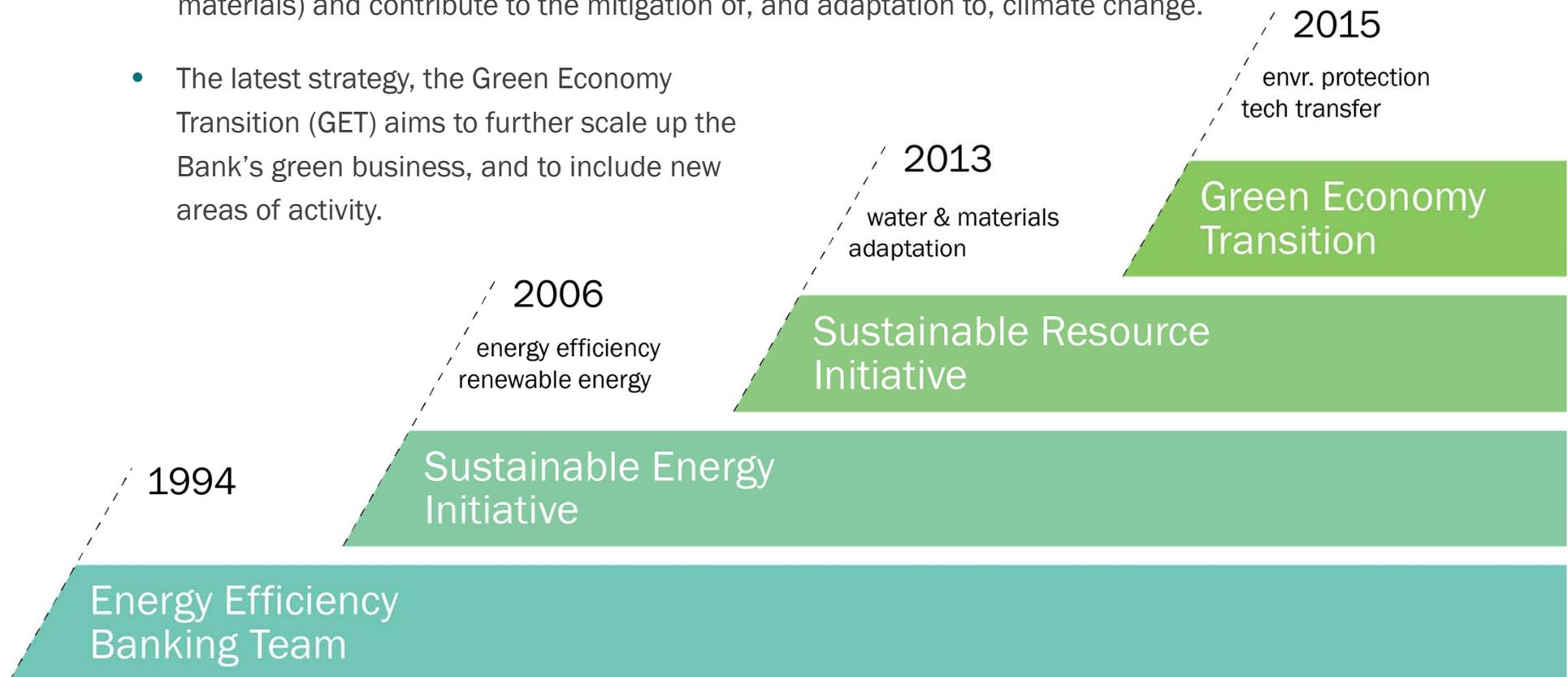
- €30 billion capital base
- €41 billion portfolio
- €8.9 billion average annual business in the past 3 years

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



Mainstreaming green financing: EBRD cross-sectoral strategies

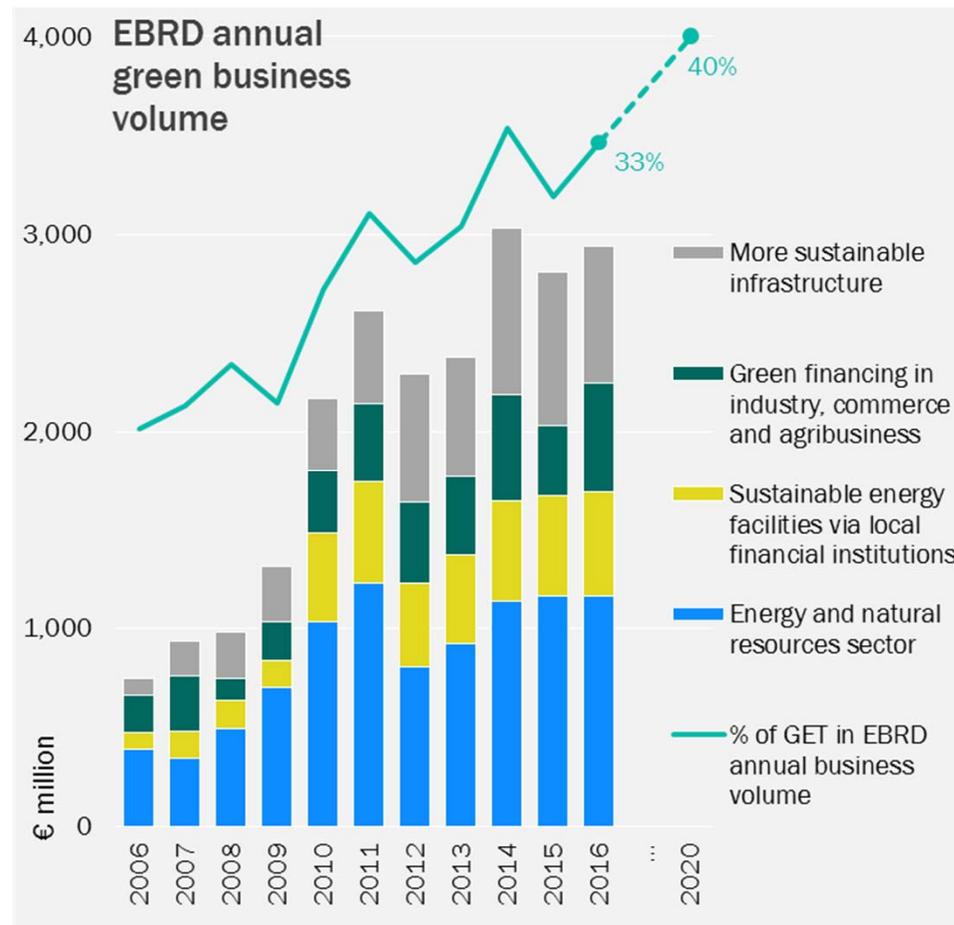
- Since 2006 the EBRD has adopted cross-sectoral strategies:
 - **to mainstream** across the Bank's operations, and
 - **to increase** the share of Bank business represented by measures which enhance the efficient use of energy and resources (water, materials) and contribute to the mitigation of, and 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 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: Results in 2006 - 2016



FINANCED

1,200+

projects and credit lines

>900 directly financed projects with green components, and
>280 credit lines to local 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

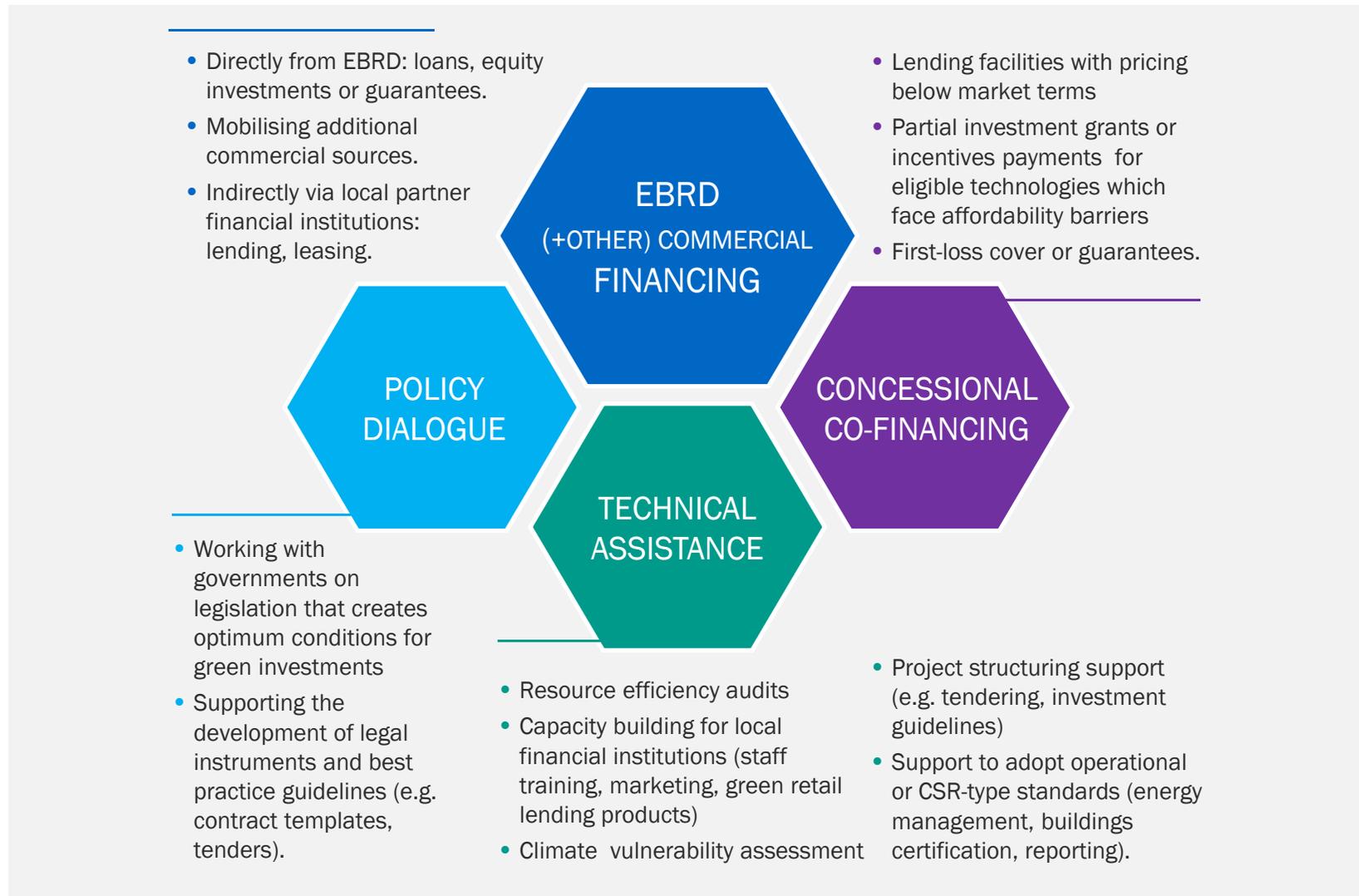
Emission reductions equal to twice the annual energy emissions of Sweden

Plus annual water savings of 62 km³ since 2013 equal to 2/3 Prague's water needs

Mainstreaming green financing: The EBRD business model



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INTRODUCTION – EBRD AND THE GREEN ECONOMY

GREEN ECONOMY IN GEORGIA

GET in Georgia



GET ACTIVITIES

- FINTECC programme available for financing technology upgrades
- Corporate energy and water auditing programme for capital investment appraisal
- Buildings EE: market study to assess the potential and key barriers hindering EE
- Policy dialogue:
 - Support for the drafting of Georgia's first National Energy Efficiency Action Plan (NEEAP);
 - Support the development of primary EE law in Georgia;
- Support to the municipality of Tbilisi for the development of a Green City Action Plan

GET HIGHLIGHT: ENERGOCREDIT

- €125 million credit line facility dedicated to financing energy efficiency and small-scale renewable energy investments of private companies in Caucasus.
- It provides one-stop-shop for:
 - bank financing;
 - free technical assistance;
 - Capex grant as incentives.

GET RESULTS

€403 million

invested in 59 GET projects

1,196,000

tonnes per year of estimated CO₂ emission reductions

GET financing accounted for

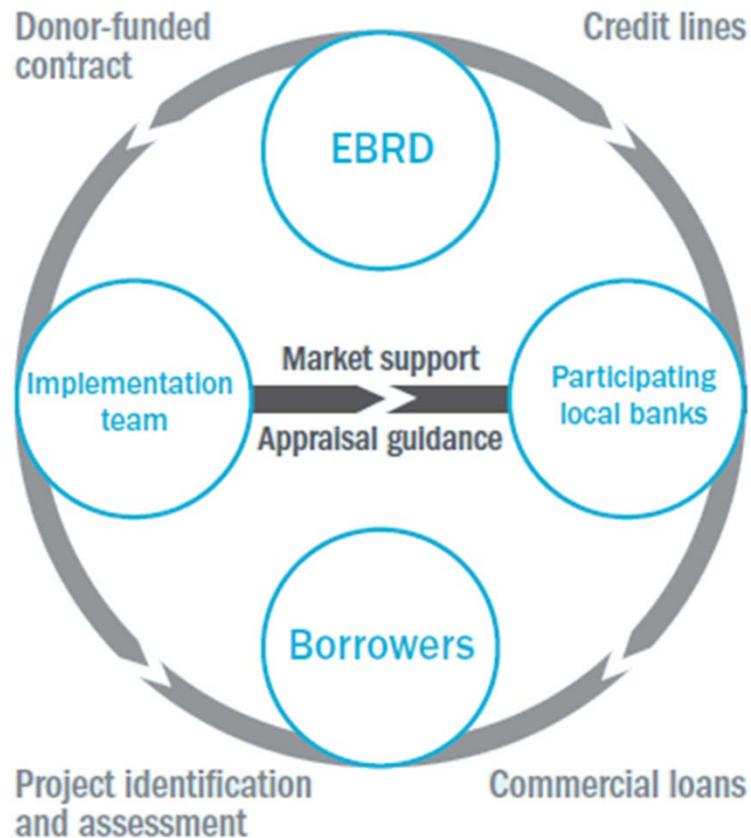
21%

in EBRD financing volume in Georgia

Sustainable Energy Financing Facilities (SEFFs)

- **Enhancing the capacity of local banks to finance sustainable investments**

Banks are supported by SEFF teams to identify, assess and finance projects and to market specific financing products to their clients. This leverages local banks' financing and established client networks to foster sustainable local markets for resource efficiency financing.



Energocredit in Georgia

- USD 67.4 million committed with 6 participating financial institutions (PFIs)
- USD 63.11 million disbursed by PFIs to sub-borrowers in:
 - 48 corporate projects (sectors: food, trade, cement, real estate (hotels, hospital, buildings development))
 - 31,500 residential projects
- CO2 savings achieved – 168,000 tonnes per year

Finance and Technology Transfer Centre for Climate Change (FINTECC)



FINTECC

- supports companies to implement technologies that reduce greenhouse gas emissions and/or increase climate resilience
- offers up to 25 per cent grant cover for the cost of eligible climate technologies
- offers technical assistance including feasibility studies and resource efficiency audits that help optimise project preparation and implementation

SECTORS & CLIENTS

Clients to date include companies from manufacturing and services, the agribusiness and healthcare sector.

EXAMPLES OF ELIGIBLE TECHNOLOGIES

- High-grade thermal insulation of buildings
- By-pass dust recycling
- Energy efficient ventilation and air conditioning systems
- Heat recovery systems
- LED lighting
- Energy management systems

WHAT FINTECC OFFERS

- Increase profitability by reducing energy and water costs
- Decrease regulatory and supply risks through better control of resource consumption and environmental impact
- Improve the reliability of existing operations
- Contribute to the reduction in a companies carbon footprint



- Kazakhstan, Ukraine, Armenia, Azerbaijan, Belarus, Georgia, Kyrgyz Republic, Moldova, Mongolia, Tajikistan, Turkmenistan and Uzbekistan
- Egypt, Jordan, Morocco and Tunisia

NEEAP Policy priority measures



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No.	Title of the energy saving measure
Horizontal measures related to an Agency	
H-1	Alternative policy measures – Financing schemes for energy efficiency
Industry policy measures	
H-2	Alternative policy measures – Incentivising / mandating energy efficiency in industry
H-6	Qualification, accreditation, and certification schemes - Industry
H-7	Energy audits and management systems, boiler inspections in the industry sector
Public sector and Building policy measures	
H-5	Qualification, accreditation, and certification schemes - Buildings
H-9	EPBD Transposition and Enforcement: Standards and norms and labelling schemes in buildings
B-1	Regulations leading to improved efficient lighting systems in residential and commercial buildings
P-1	Develop a national energy efficiency information system for publicly owned buildings and street-lighting
P-8	Green procurement on energy efficiency
Transport sector policy measures	
T-1	Vehicle improvement - Mandatory periodic roadworthiness tests for motor vehicles
Primary Energy sector policy measures	
E-2	Policies and investments to rehabilitate hydropower assets
E-3	Optimization of reserves and seasonal operational regimes

Conclusions



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Challenges

- Capacity building and technology transfer
- Enabling policies
- Price signals

Opportunities

- Enabling policy and regulatory reforms
- The availability of financially viable opportunities to promote EE in Georgia
- Financing from IFIs and donor community 5/31/2017

THANK YOU

For more information:

<http://www.ebrd.com/what-we-do/get/knowledge-hub.html>



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