EBRD’S green investments

Supporting the bioeconomy
BIOEAST, 15th November 2021
• Introduction to the EBRD’s green activities
• EBRD’s work in the bioeconomy
• Contacts
What is the EBRD

- Multilateral financing institution established in 1991 to support transition to market economies
- Owned by 69 countries, the EU and the EIB

- €33 billion capital base
- €47.9 billion portfolio
- €10 billion of financing signed in 2019

3 key operational principles
- Sound banking
- Transition impact
- Environmental sustainability
EBRD’s green credentials

1991 - Foundation of the EBRD

1994 - 2005
Establishment of an energy efficiency banking team and financing of energy efficiency
26% of 2012 ABI

2006 - 2012
Systematic focus on energy efficiency and renewable energy
34% of 2014 ABI

2013 - 2014
Expanding to climate resilience and resource efficiency
46% of 2019 ABI

2015 - 2020
Including other environmental projects

2021 - 2025
Focus on low-carbon roadmaps, climate corporate governance and green finance innovation

Target 50% of ABI by 2025

ABI: Annual Bank Investment

€37 billion invested in 2,000 green projects since 2006
GET 2.1 – EBRD’s new approach from 2021

GET aims to accelerate the transition to a green, low-carbon and resilient economy and to contribute to achieving a net zero carbon world by 2050.

- Policy engagements that focus on long-term and low-carbon strategies and greening financial systems;
- Building capacity and awareness for climate risk management
- Screening all investments to ensure they are in line with the Paris Agreement;
- Increasing capacity to support countries, regions and sectors develop low-carbon and climate resilient strategies; and
- Scaling efforts to mobilise climate finance
- Just transition approaches for countries, communities, sectors and workers

- Green Financial Systems
- Industrial Decarbonisation
- Sustainable Food Systems
- Energy Systems Integration
- Cities and Environmental Infrastructure
- Sustainable Connectivity
- Green Buildings
- Natural Capital
EBRD’s green business model

**EBRD direct finance:** loans, equity investments or guarantees
- Mobilising additional commercial sources
- Indirectly via local partner financial institutions: lending, leasing

**For eligible investments which face particular barriers:**
- Targeted facilities priced below market terms
- Selective partial investment grants or incentive payments
- First-loss cover, guarantees

**Working with governments on optimum legislation for green investments**
**Supporting the development of legal instruments and best practice guidelines**

**Low carbon pathways**
**Climate risks assessments**
**Climate Corporate Governance**
**Capacity building**

**Project structuring support (e.g. tendering, monitoring)**
**Support to adopt operational or CSR-type standards (energy management, buildings certification, reporting)**
Agenda

• Introduction to the EBRD’s green activities

• EBRD’s work in the bioeconomy

• Contacts
The development of the bioeconomy fits in our GET strategy as it promotes a **circular and efficient use of resources**.

As the EBRD is stepping-up its efforts on the development the bioeconomy sector in the EBRD countries of operation and increase its business outreach, **we are committed to expand the large potential for biomass stock supply** – e.g. countries in Central and Eastern Europe can make biomass available at competitive prices.

EBRD supports green projects in the agribusiness and bioenergy sectors, through financing and technical assistance. Main areas are:

- Agribusiness residues valorisation
- Resource efficiency in food value chains
- Biofuels production
- Agricultural bio-inputs and recovery fertilisers production
- Other types of biochemical and bio-based product manufacturing
Innovative financing approaches

We operate on a commercial basis with a wide range of products, currencies and tenors.

We offer financial products tailored to each client. We also support our clients in developing bankable green projects or business opportunities meeting the minimum eligibility requirements through a range of approaches to financing:

- **Loans**
  - Usually from a minimum of €3 million and maturities up to 10 years

- **Equity and quasi-equity investments**
  - From EBRD-supported private equity and venture capital funds, donor-supported equity funds and directly from the EBRD

- **Guarantees**
  - To promote trade

We also support small and medium-sized enterprises via assistance through financial intermediaries.

We generally invest in projects with Technology Readiness Level (TRL) of 7-8 and above, however projects with lower TRLs can be considered under special circumstances.
We are a recipient of funding from international donors, which is used to run a number of programmes to provide technical assistance to our existing and potential clients, with the aim of maximising the green impact of projects, as well as their structure and profitability.

Together with selected consultants, we develop studies aimed at understanding potential and sustainability of bio-based investments.

Work performed can include out feasibility studies and capital investment appraisal of bio-based investments, such as:

- Analysis of feedstock availability
- Assessment of legislative framework and market barriers
- Understanding of technical risks
- Analysis of innovative technical applications
- Financial feasibility and analysis of appropriate financing mechanisms
- Support in the identification and application to EU and national investment support schemes
**Green Innovation Programme**

EBRD programme offering technical assistance and grants to foster green innovation by helping companies in Central and Eastern EU Member States to conduct R&D and to invest in green technologies and business models.

**EBRD’s Circular Economy Regional Initiative**

The Circular Economy Regional Initiative (“CERI”) was launched to address specific barriers to transitioning to circular economy in the Western Balkans and Turkey.

**EBRD FINTECC**

EBRD programme that provides grants and technical assistance, in the context of an EBRD investment, to support companies to implement advanced climate technologies.

**FinanCE**

Group of Financial Institutions and investors to support financing of circular economy technologies and business models.

**Sustainable Bioenergy Value Chain Innovations Programme (SBVCIP)**

in Ukraine, to promote investments into innovative bioenergy technologies and practices associated with the use of agricultural residues and waste.

**Ongoing collaboration with FAO to explore new opportunities in efficient use of resources and “greening” of agrifood value chains. Key focus areas:**

- Development of markets for bio-based products
- Development of tools for sustainability assessments

**Strategic partnership with the EU Bio-Based Industries Joint Undertaking to:**

- support organisations in project preparation
- review projects that meet the screening requirements but do not get access to BBI JU funding
- review potential for projects to access specific EBRD programmes
In September 2019, EBRD signed a Memorandum of Understanding with the EU Bio-Based Industries Joint Undertaking (BBI JU, now Circular Bio-Based Europe JU) to increase our cooperation in synergic activities.

In addition to providing various types of financing, the EBRD can use available donor funds to support organisations in project preparation.

In the context of BBI JU’s Synergy Label initiative, we can also review projects that meet the screening requirements but do not get access to BBI JU funding, in order to assess the feasibility of their development in conjunction with our financing. Moreover, on a project-by-project basis and provided that certain requirements are met, we can analyse the possibility of projects to access specific EBRD programmes such as those supporting small and medium businesses and/or higher-risk investments.

Read more about it here: https://bbi-europe.eu/participate/bbi-synergy-label
The Green Innovation Programme

The Innovation programme of the Bank supports start-ups, SMEs and midcaps to develop innovative climate technology and products, with a combination of TA and investment grants.

It is active in the EU, Ukraine, Belarus and under design for Georgia.
• Introduction to the EBRD’s green activities
• EBRD’s work in the bioeconomy
• Contacts
Contacts

Ela Yilmaz Akdeniz
YilmazaE@ebrd.com
Principal, Green Economy and Climate Action, London

Nicolo Giachino
GiachinN@ebrd.com
Associate, Green Economy and Climate Action, London
Appendix

Other programmes (extra EU)
Circular Economy Regional Initiative

**OBJECTIVE**
- To support the private sector’s circular economy investments in the Western Balkans and Turkey
- To promote circular business models/strategies

**COMPONENTS**
- **Technical Assistance** to identify circular economy processes and technologies (resource audits), and to develop circular economy strategies and roadmaps for borrowers (post signing).
- **Innovative Financing** to addresses barriers to investments in circular economy by rewarding behaviour change with interest rate reduction.
  - 50% interest reduction once implementation of the circular capex
  - 50% additional interest reduction once circular business strategy is adopted

Transformative shift through implementation of circular economy technologies (shift 1) and behavioural change towards circular business models (shift 2).
Sustainable Biomass Value Chain Innovation Programme, Ukraine

PROGRAMME DESCRIPTION
- EBRD/GEF programme promoting investments in bioenergy sector of Ukraine
- Aims to finance projects utilizing agri waste to generate energy as well as for innovative bioproducts
- Helps improving policies on bioenergy
- Contributes to bioenergy education and knowledge management
- Donor allocation of $ 5.3 million

TARGET ACTIVITIES
- Promoting bioenergy generation
- Fostering agriwaste utilization
- Promoting production and use of agri waste biofertilizers
- Promoting agriwaste utilization in steel and cement sectors
- Fostering biogas and biomethane production
- Fostering bioenergy education and knowledge management
- Fostering agri biomass sustainability
- Assisting in improving bioenergy related policies and legislation

RESULTS
- Bioenergy Road Map till 2050 developed
- Bioenergy Action Plan till 2025 developed
- Potential projects’ pipeline in place

TYPE OF SUPPORT PROVIDED
- TC support
- Investment grants in association with EBRD loans (up to 20% of projects’ logistics CAPEX, capped at USD 500k per project)

GEOGRAPHY
- Ukraine

ELIGIBLE INDUSTRIES
- Agri businesses
- Bioenergy Power and Heat Generation
- Biofertilizers
- Energy Crops
High Impact Programme

PROGRAMME DESCRIPTION

• Approved by Green Climate Fund (GCF) in August 2020 for $ 258m: $ 252.5m concessional finance and $ 5.5m for technical assistance.

• The Programme is expected to leverage up to $ 750 m in EBRD and other financing to drive much needed climate action in the industrial sector.

• Innovative programme that focuses on a transformative shift to a low-carbon pathway

GEOGRAPHY

• WB countries: Serbia

• Other countries: Armenia, Jordan, Kazakhstan, Morocco, Tunisia, Uzbekistan

TYPE OF SUPPORT PROVIDED

Integrates climate change considerations into private sector’s strategic, financial and technological decision-making by:

• increasing uptake of high climate impact technologies and

• supporting behavioural change at corporate governance and management levels as climate change targets and Climate Corporate Governance (CCG) principles are incorporated into strategy.

PROGRAMME COMPONENTS

• Technical assistance: Technology & CCG audit and low-carbon corporate strategy development

• Innovative financing: High Impact Loans with introduction of results based financing mechanisms

• Policy dialogue: Low-carbon industry-level roadmaps and knowledge sharing across sectors and countries

ELIGIBLE SECTORS

• Agribusiness

• Mining (non-energy)

• Industry, manufacturing

https://www.greenclimate.fund/project/fp140

OL: Thomas and Alberto
FINTECC
Climate technology transfer programme

PROGRAMME DESCRIPTION
• The Finance and Technology Transfer Centre for Climate Change (FINTECC) facilitates climate technology transfer to private companies in countries where advanced solutions have low market penetration rates.

TYPE OF SUPPORT PROVIDED
• FINTECC grants cover up to 25% of the costs of climate eligible technologies. Examples include:
  • Tri-generation, high-grade thermal insulation, heat pumps, energy efficient cooling systems
  • Water recycling systems and advanced agriculture practices
  • Carbon dioxide recovery systems, by-pass dust recycling, other material saving technologies in manufacturing.
• FINTECC is supported with ad hoc technical assistance assignments.

GEOGRAPHY
• Currently active in the Caucasus countries and Central Asia, SEMED and Ukraine.

ELIGIBLE INDUSTRIES
• All corporate sector clients.

RESULTS ACHIEVED
60 projects supported since 2013
USD 15 million grants and EBRD green lending of USD 210 million
235,000 tonnes CO₂ in estimated annual emission reductions
2.4 million m³ of estimated annual water savings.

https://fintecc.ebrd.com/index.html
Turkey Circular Economy Platform

The TCEP is a network of 150+ Turkish companies committed to transform their business model and practice from linear to circular. It is a one-stop-shop for businesses, that provides a comprehensive offer to member companies in the form of technical assistance, access to a marketplace of materials, finance and knowledge.

1. THE MARKETPLACE
   • A B2B market for exchange of sub-optimal used materials

2. THE KNOWLEDGE HUB
   • Links to Dutch circular companies
   • Circular design thinking training

3. THE FINANCE HUB
   • CE regional programme / Turseff
   • RSF Garanti

4. CIRCULAR VOUCHERS
   • Technical assistance for members to redesign their business model

5. THE NETWORK
   • Business network of companies targeting circular business models

https://donguselekonomiplatformu.com/en/