

In a major step towards strengthening the green economy in Greece, the EBRD Board of Directors has approved a framework committing up to €300 million (\$365 million) to finance renewable energy investments in the country.

The facility will finance investments in electricity generation from renewable sources and in electricity distribution and transmission capacity to improve efficiency, reduce losses and enable the integration of renewables into the grid.

It follows the establishment by Greece in 2016 of a new, more market-based, renewable-energy support scheme that introduces competitive auctions to replace fixed-price feed-in tariffs. It will also contribute to the country's target of adding 2.4 GW of new green-energy generation capacity by 2020.

The EBRD's new framework will focus on mobilizing much-needed investment and commercial financing to support Greece exploit its huge potential for renewables, including solar, wind, biomass and geothermal power. Strengthening renewable sources of energy will lessen Greece's dependence on fossil fuels and imports. The framework is expected to result in annual emissions savings of 500,000 metric tons of carbon dioxide equivalent.

One of the first renewable energy projects that EBRD is considering financing under the new framework subject to Board approval, is a 43 MW wind farm project developed by Volterra S.A., a Greek renewable energy developer and electricity operator fully owned by the Greek construction company J&P Avax.

Harry Boyd-Carpenter, the EBRD's new Director for Power and Energy, said: "This framework marks a milestone in our engagement in Greece. It provides us with the opportunity to play an important role in ensuring that the country's new renewables scheme is successful and thus supporting Greece's energy security and carbon-reduction goals. The EBRD renewable energy framework will make the Greek economy greener, more resilient and more competitive."

Sub-projects under the framework will have to be 100 per cent compliant with the EBRD Green Economy Transition approach. Under this strategic goal the EBRD aims to raise its annual business investment in green energy to 40 percent by 2020. "Green" is among the six transition qualities the Bank has identified as the characteristics of a successful economy, along with competitiveness, inclusion, good governance, resilience and integration.

The EBRD started investing in Greece on a temporary basis in 2015 to support the country's economic recovery. To date, the Bank has invested some €850 million in 17 projects in the financial, energy, infrastructure and agribusiness sectors of the Greek economy.

Source: Biomass magazine