

The EBRD is the largest investor in countries three times more energy-intensive than the EU average, many vulnerable to the effects of climate change. It is therefore vital that it promotes a sustainable model of development aimed at reducing their carbon footprint and boosting climate resilience.

Cutting energy waste in industries, increasing production of clean energy and improving the response to climate change in infrastructure projects are only a few examples of how the EBRD uses climate finance to advance its green agenda.

Its unique status as a catalyst for investments in sustainable energy and climate change in its region is also recognised by the international donor community.

Over the past 10 years donors have provided just over €1 billion to fund technical assistance, grants, concessional co-financing and risk-sharing facilities for the EBRD's energy efficiency and climate change projects.

Together, in 2014 alone, donor funding and EBRD investments resulted in an estimated reduction of CO<sub>2</sub> emissions of 7.3 million tonnes - comparable to that of three million cars over the same period.

A third of donor climate resources over the last decade was contributed by bilateral donors, including Austria, Finland, France, Germany, Japan, the Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom, the United States, and Taipei China. Another third came from the European Union, the EBRD's largest single donor.

The funds have played a major role in kick-starting the EBRD's early energy audit programmes and enabled the design of financing instruments which are now replicated across the EBRD's regions.

For example, the EBRD's first studies on adaptation to climate change, funded by the UK, allowed us to systematically integrate climate risk assessments and adaptation measures into what we do.

Thanks to continuous donor support, we are also demonstrating how energy efficiency makes economic sense using dedicated credit lines via local financial institutions. All financing facilities include training of bankers in energy-saving lending and energy consultancies for industrial and residential sector clients.

In 2014 alone, these credit lines disbursed over 73,000 loans helping save 12 million MWh - the average annual electricity consumption of Bosnia and Herzegovina.

While bilateral donor financing is crucial to achieve specific green investment targets, more recently, large global intermediary funds have also played a significant role in scaling up the EBRD's climate funding.

Partnerships with the Global Environment Facility (GEF) and the Climate Investment Funds

(CIFs) mobilised almost €320 million in donor climate finance, another third of total resources for green projects, while another €135 million programmed is in the pipeline. These alliances, which include one with the more recent Green Climate Fund, are not just about financial resources: they also enable dialogue on policy issues, global coordination in tackling climate change and the introduction of innovative responses to it.

Global intermediary funds for climate change allow the EBRD to offer combined investments, co-financing grants, technical assistance and policy dialogue.

The Ukraine Sustainable Energy Lending Facility (USELF), for example, is a credit programme worth €140 million, available for small and medium-sized renewable energy projects, ranging from hydro, wind, biomass and biogas to solar energy ventures.

The Facility, supported by the CIFs' Clean Technology Fund, aims to promote private sector investment in renewables. It is also funded by the GEF through technical assistance and a support programme which is helping to improve national regulations on renewable energy and opening up the market.

Thanks to donor support, the EBRD is also making great strides in promoting innovative clean technology in industries and infrastructure. Investments in environmentally-friendly technologies help economies adopt a more sustainable development model and the EBRD and its donors have a role to play in making these investments more affordable for governments and the private sector.

An EBRD loan and a grant from the Eastern Europe Energy Efficiency and Environment Partnership (E5P) have allowed the 1.1 million people of Armenia's capital Yerevan to benefit from new energy-efficient LED lighting, which will provide a better service and reduce energy consumption.

Programmes such as the Finance and Technology Transfer Centre for Climate Change (FINTECC) offer businesses from Morocco to Mongolia EBRD financing, GEF-funded technical audits and incentive grants to invest in energy and water saving technologies.

Donor partnerships will continue to be crucial in supporting the EBRD's Green Economy Transition which aims to invest €18 billion in climate finance over the next five years and substantially contribute to achieving the targets that will be set at the climate talks of the Conference of the Parties (COP21) in Paris next month.

The economies in transition in the EBRD regions need to adopt best green practices in industries, infrastructure building, policies and societies. Fortunately for them, the EBRD is already a strong player in global climate finance through its ability to innovate, share knowledge and deliver results.

And donor partnerships will remain crucial in boosting its capacity to advance such a green



## Europe: The EBRD builds a greener future through donor partnerships

agenda.

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