

GREEN ECONOMY TRANSITION AT THE EBRD

Green Building Activates of EBRD, June 2022

Peter Werner

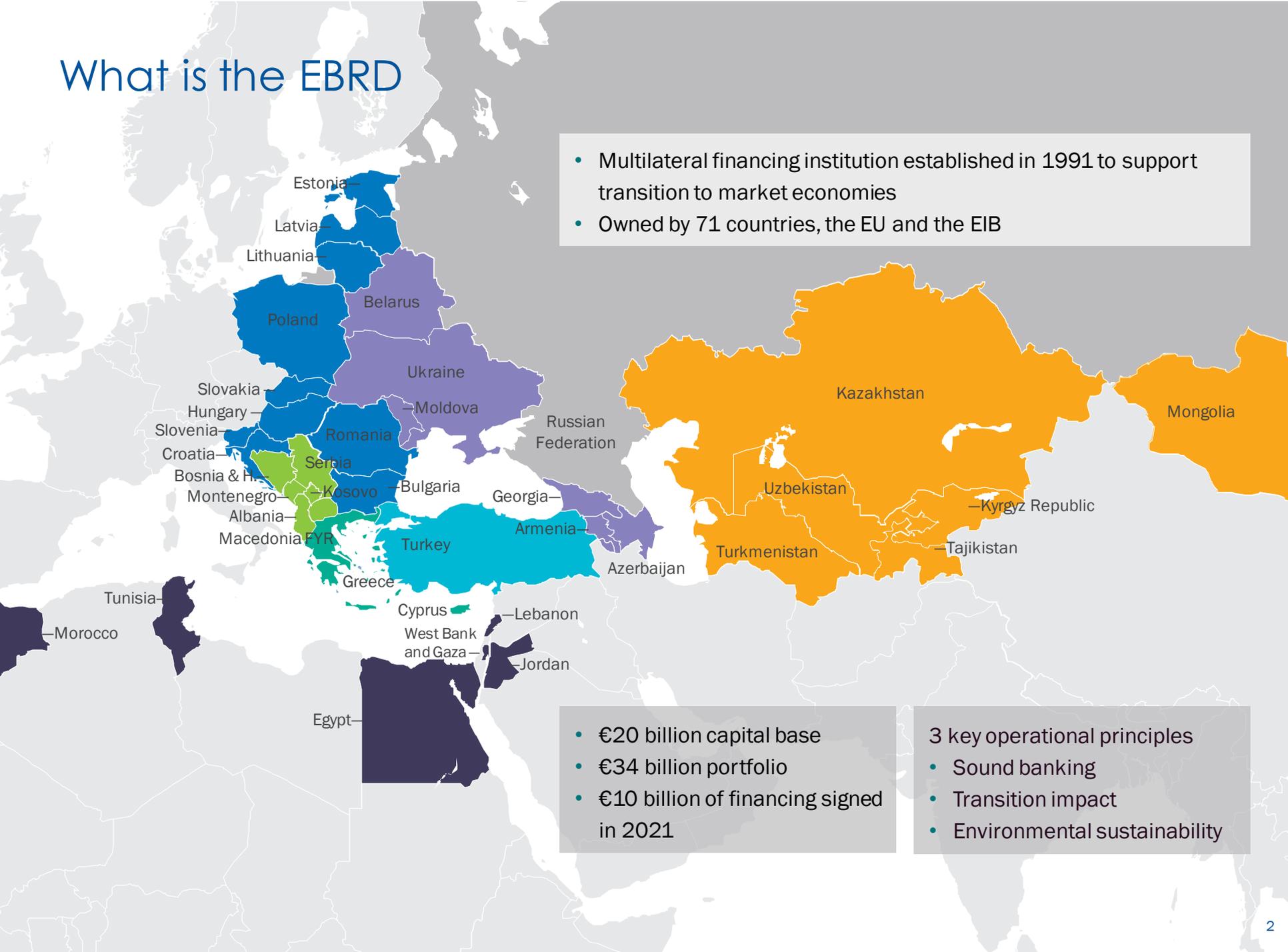
Climate Strategy and Delivery



European Bank
for Reconstruction and Development

What is the EBRD

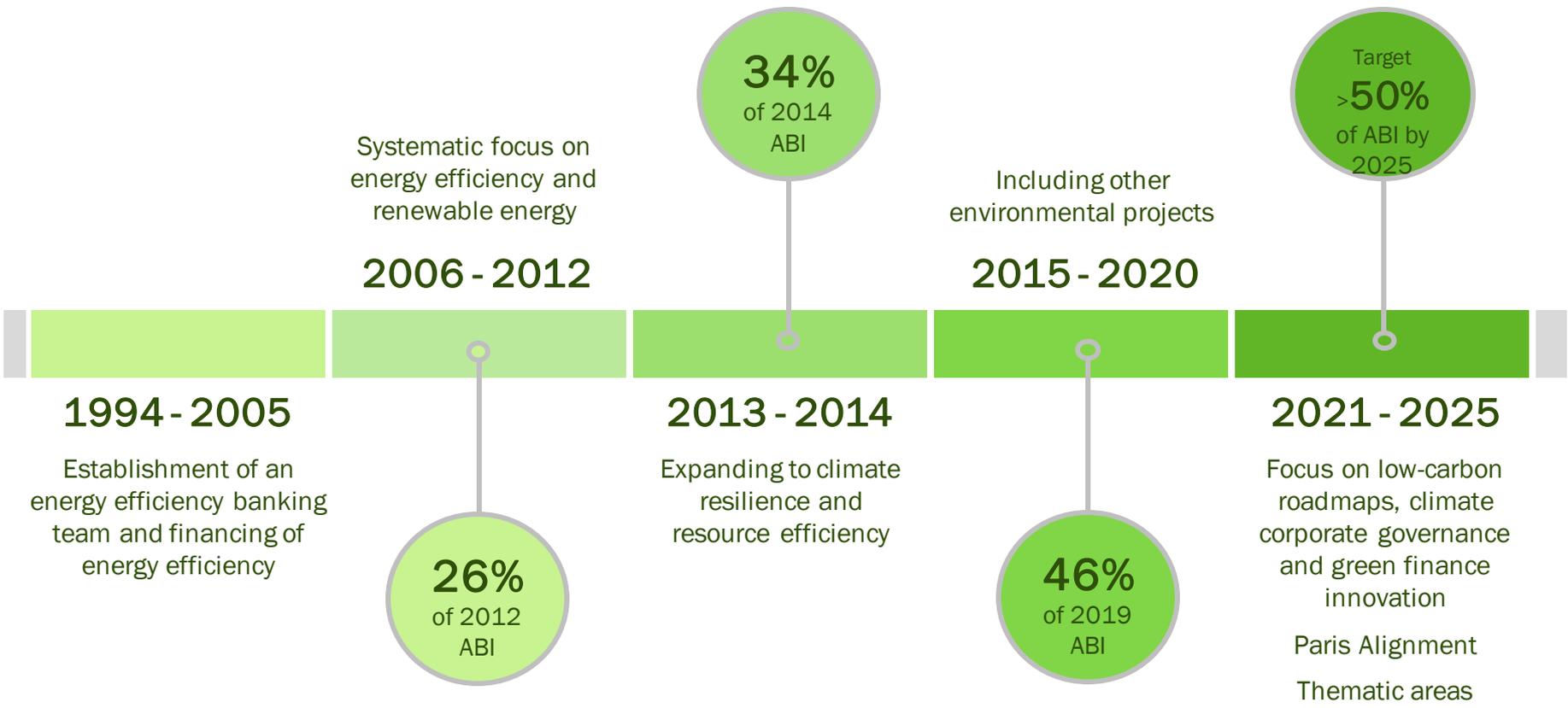
- Multilateral financing institution established in 1991 to support transition to market economies
- Owned by 71 countries, the EU and the EIB



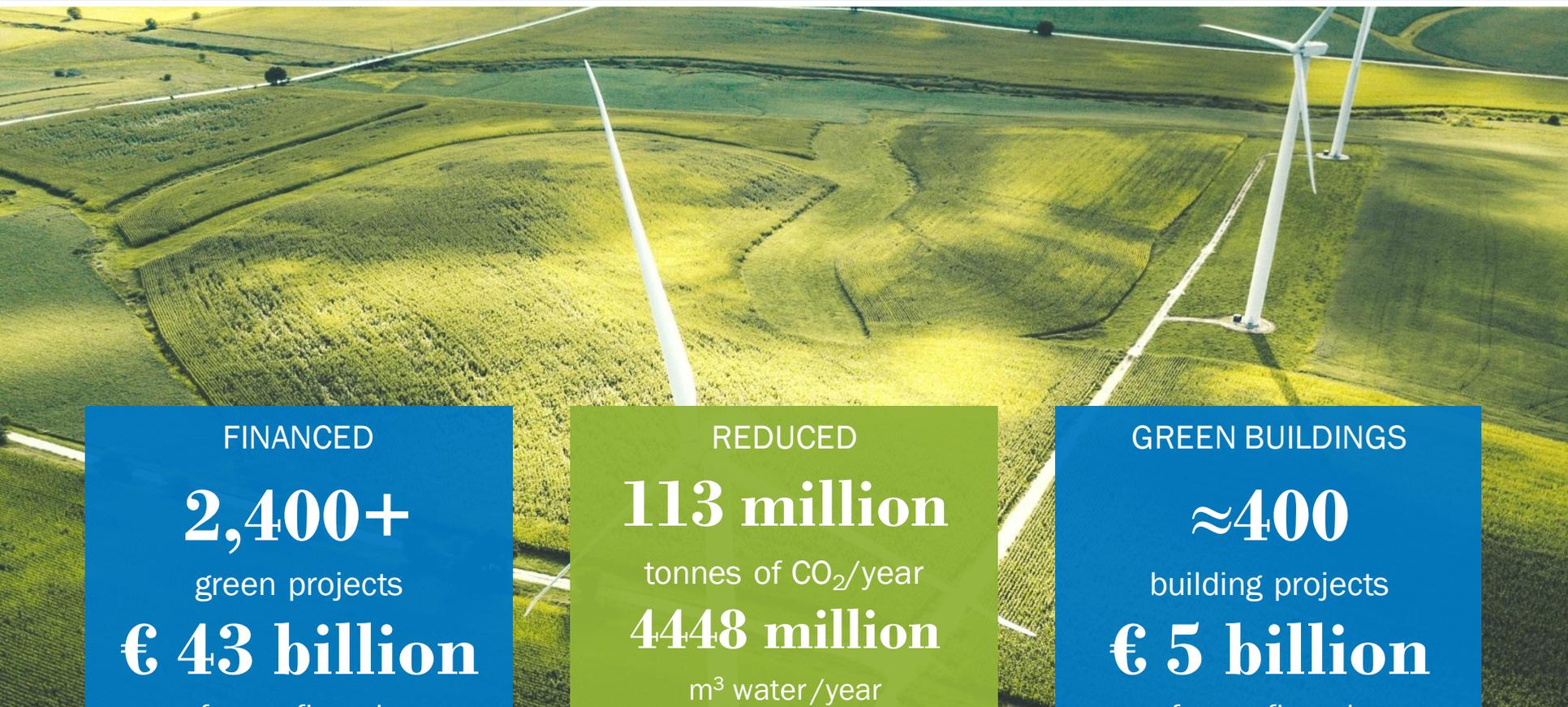
- €20 billion capital base
- €34 billion portfolio
- €10 billion of financing signed in 2021

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

FINANCING GREEN INVESTMENTS AT EBRD



Green Economy Financing Results 2006 – April 2022



FINANCED

2,400+
green projects

€ 43 billion
of green financing commitments

REDUCED

113 million
tonnes of CO₂/year

4448 million
m³ water/year

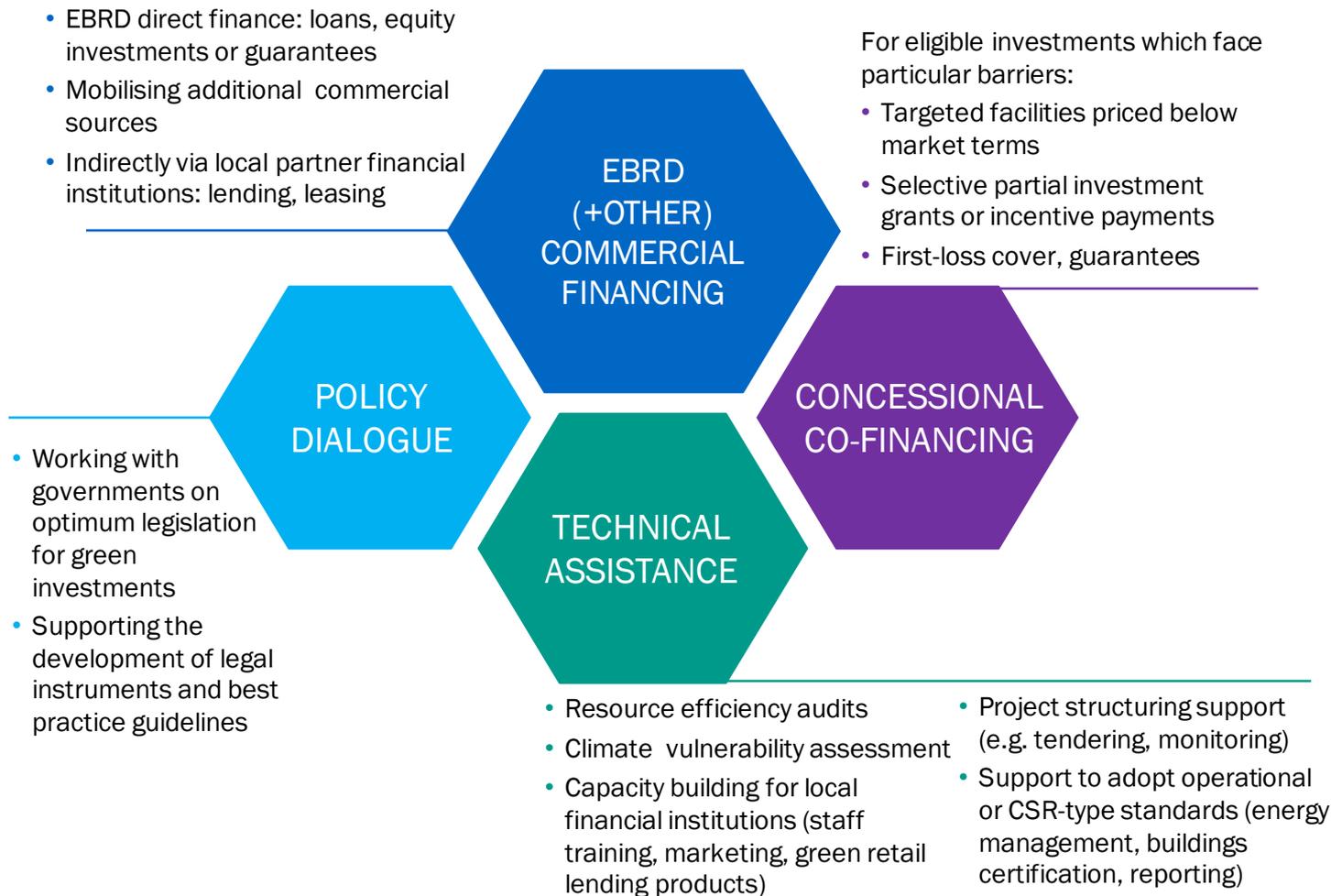
3.58 million
tonnes of material

GREEN BUILDINGS

≈400
building projects

€ 5 billion
of green financing commitments

The EBRD business model



Healthcare

Hotels &
Lodging

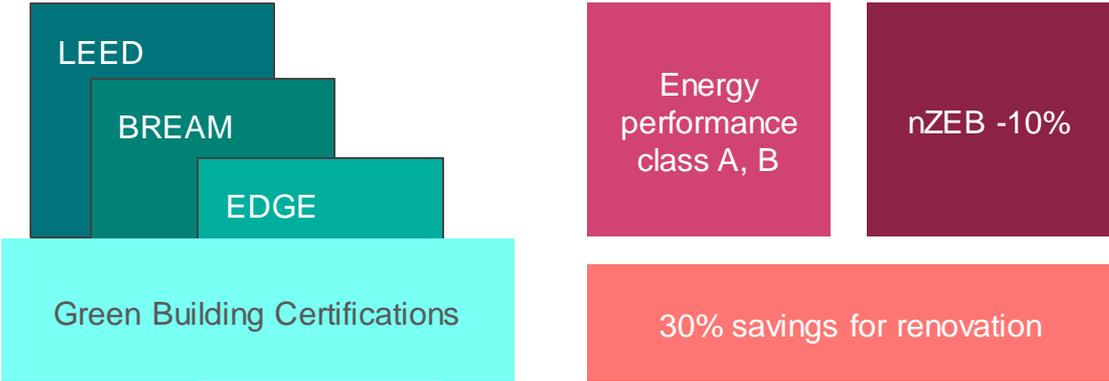
Residential
buildings

Office &
Commercial
buildings

Public
buildings

Retail &
Logistics

- Dedicated credit lines (Financing Facilities) through local financial intermediaries (*any buildings*)
- Larger scale PPP framework programs (*greenfield and brownfield public buildings*)
- Sustainable property funds (*commercial and private residential buildings*)
- Sustainable retail (*commercial buildings*)
- Structured financing: EPC/ ESCOs/ Forfeiting (*residential, public buildings*)
- Labelled green property bonds (*commercial/public buildings*)



A green buildings provide low operational costs with greater reliability and minimal impact on the environment.

- Efficient use of energy, water and other resources
- Use of building integrated renewable energy (low-carbon energy supply)
- Measures to reduce pollution, waste and enable recycling
- Good quality of indoor environment
- Use of non-toxic, ethical and sustainable materials.

Instruments

Debt

Equity

Guarantees

Sector

Private

Public

Approach

Direct

Intermediated

- Various loan sizes and different tenors
- Major foreign currencies as well as local currency
- Different structures: Senior, subordinated, project finance, floating or fixed rates, Bonds
- Applications: Greenfield/Brownfield, CAPEX for expansion or modernization, acquisition, PPPs, etc.

The EBRD business model: Examples of green financing instruments

The following are a number of programmatic approaches to support highly impactful green projects across a variety of economic sectors in the EBRD.

Energy and Resource Efficiency Audits

Identifying resource and cost savings opportunities in companies' operations

Green Cities

Taking a holistic, long-term approach to urban sustainability

FINTECC

Advance climate technology transfer in the corporate sector

Green Economy Financing Facilities

Green financing via local partner banks and other financial institutions

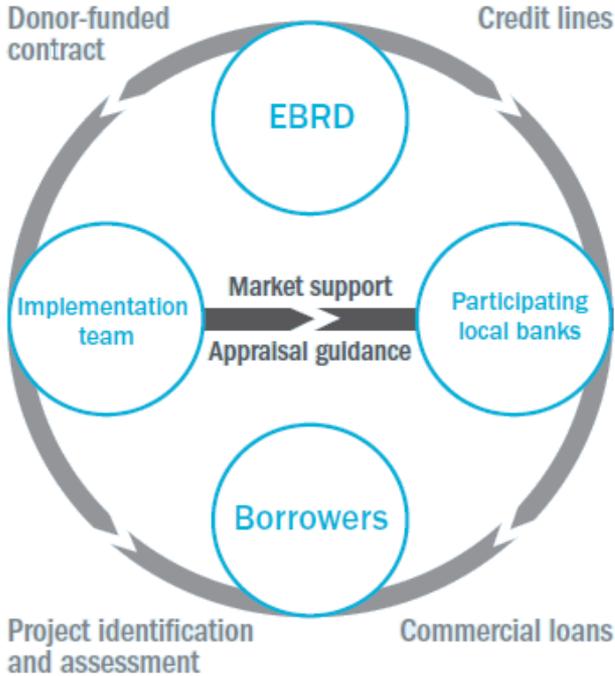
NDC Support Program

Provide assistance to activities that support the development and implementation of NDCs

Green Economy Financing Facility (GEFF) Morocco, Tunisia, Egypt, Jordan, Lebanon



- GEFFs are a good example of products that blend both public and private finance.
- Through GEFFs the EBRD extends credit lines to local financial institutions seeking to develop sustainable energy and resource financing as a permanent area of business.
- Local financial institutions on-lend funds to small and medium-sized businesses, corporate and residential borrowers.
- Finance is provided for energy efficiency and small-scale renewable energy, water and waste efficiency projects.
- GEFFs establish project implementation teams who support local financial institutions and their clients.
- GEFFs are effective in reaching a wide range of small and medium-sized business and residential clients.



Integrating resource efficiency and climate resilience in buildings in Jordan

CLIENT

A Jordanian shareholding company, majority owned by a leading private real estate developer in the MENA region, and partially by a state-owned corporation established to drive urban regeneration projects.

PROJECT

Support for the construction of a retail and entertainment centre as part of the larger Abdali Urban Regeneration Project in Amman. This is the largest mixed-use development undertaken in Jordan.

EBRD involvement contributed with special emphasis on climate resilience and sustainable resource use:

- Energy efficient design: highly efficient heating and cooling system design, use of natural light.
- Materials efficiency: use of GGBS concrete (ground-granulated blast furnace slag, a metallurgical by-product), recyclable polyester roofing;
- Water efficiency: rain water harvesting, grey water recycling.

INVESTMENT PLAN

EBRD loan	US\$ 80 million
of which environmental financing	US\$ 52 million
Total project value	US\$ 319 million



IMPACT OF PROJECT

- Advanced efficiency measures in electrical systems and district heating and cooling design will lead to 6,000 tCO₂ emission reductions annually.
- The mix of materials used will result in an overall carbon footprint 10% lower than common practice.
- Water efficiency measures enhance regional resilience to increasing water stress. Water savings amount to 2,400 m³/year
- Energy savings amount to 19,200 MWh/year

Thank you!



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