

EBRD'S green investments

Supporting the bioeconomy

8th December 2021

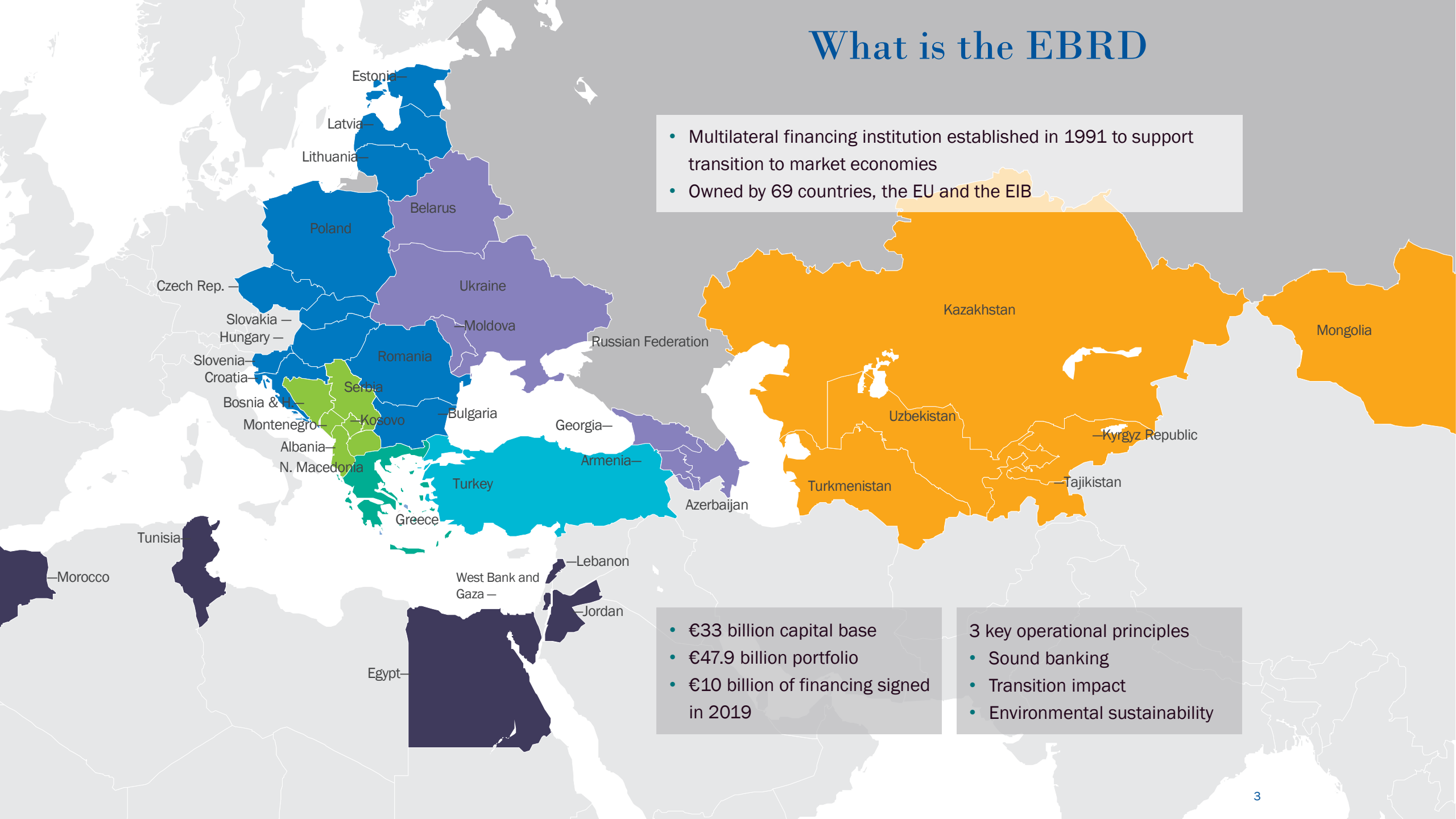


European Bank
for Reconstruction and Development



- 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

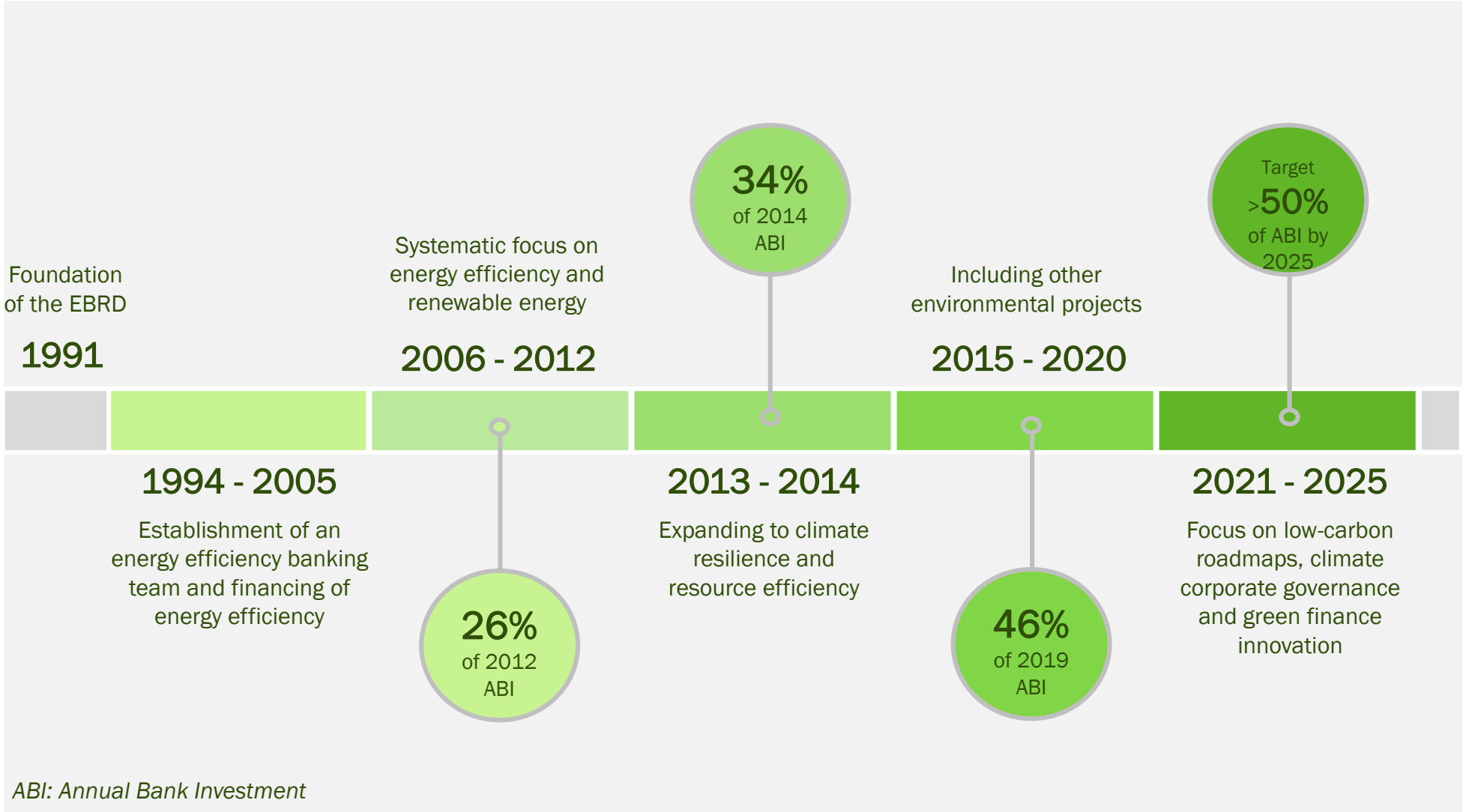
- €33 billion capital base
- €47.9 billion portfolio
- €10 billion of financing signed in 2019

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

EBRD's green credentials



European Bank
for Reconstruction and Development

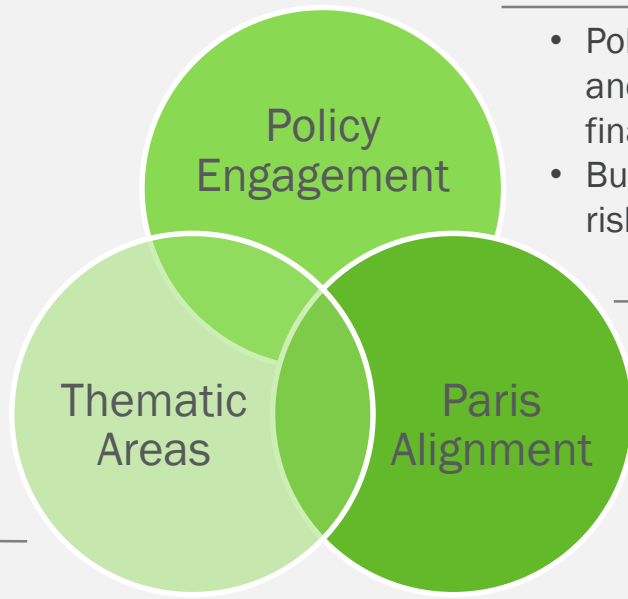


€37 billion
invested in
2,000 green
projects
since 2006

ABI: Annual Bank Investment

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.

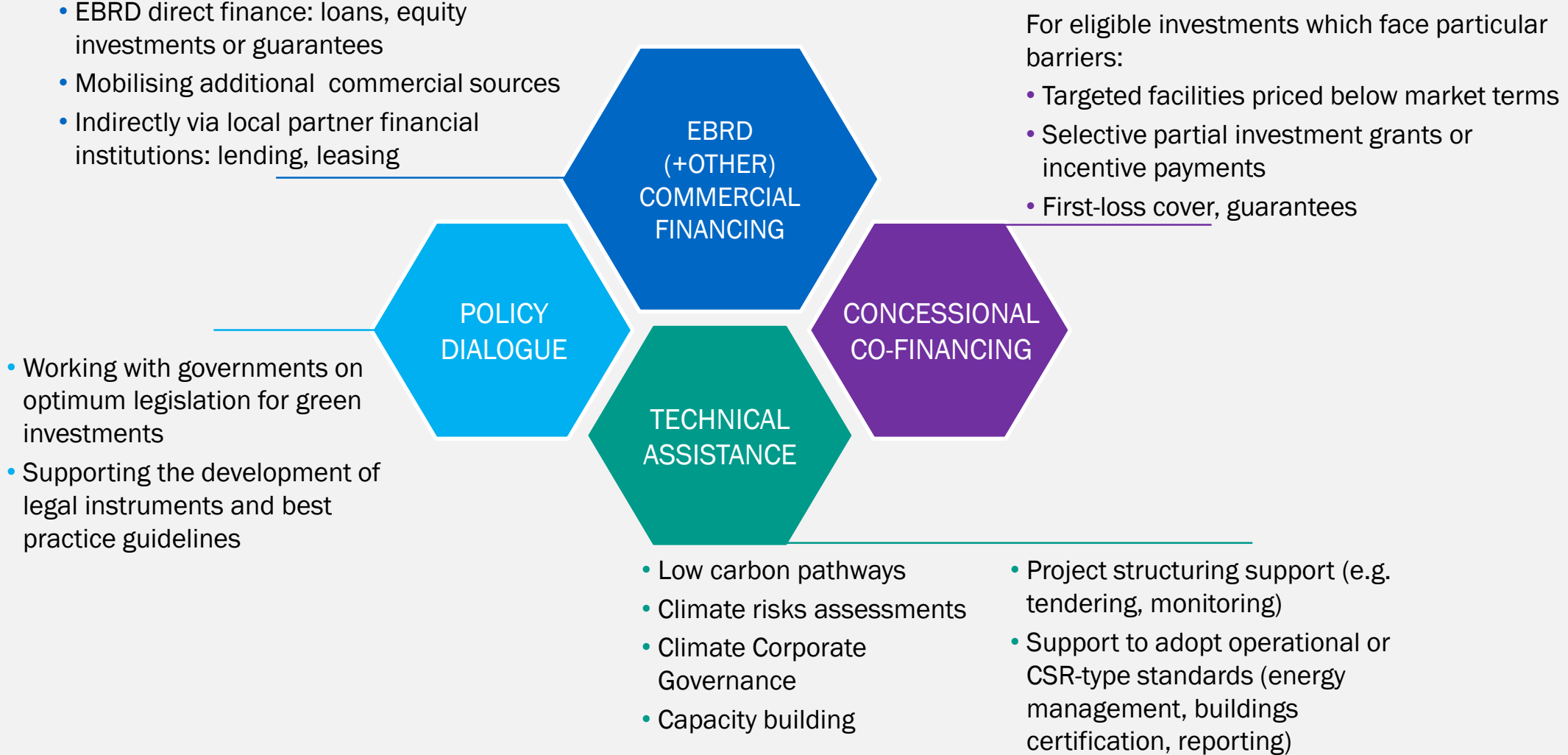


- Green Financial Systems
- Industrial Decarbonisation
- Sustainable Food Systems
- Energy Systems Integration
- Cities and Environmental Infrastructure
- Sustainable Connectivity
- Green Buildings
- Natural Capital

- 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

EBRD's green business model





- Introduction to the EBRD's green activities
- EBRD's work in the bioeconomy
- Contacts

EBRD and the bio-based sector



European Bank
for Reconstruction and Development



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 wide a 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 project 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

Programmes and Partnerships



European Bank
for Reconstruction and Development



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



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 is member of the European Biogas Association, supporting biogas and biomethane projects in Central-Eastern Europe



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



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



Sustainable Bioenergy Value Chain Innovations Programme in Ukraine, to promote investments into innovative bioenergy technologies and practices associated with the use of agricultural residues and waste.

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



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

EBRD and the CBE JU (ex BBI JU)



European Bank
for Reconstruction and Development

In September 2019, EBRD signed a **Memorandum of Understanding** with the EU Bio-Based Industries Joint Undertaking (BBI JU, now *Circular Bioeconomy 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



European Bank
for Reconstruction and Development



Technical Assistance

For

- Companies of any size in any of the EU-12 countries.

Details

- Delivered via EBRD selected consultants, or company’s own innovation focused staff or by company selected consultants.
- Support can be of up to approx. €200,000 per assignment; assignments costing up to €75,000 can benefit from direct selection of consultants and quicker deployment.
- Beneficiary expected to share in 10% of the assignment costs.

Examples

- Developing corporate action plans focused on green innovation
- R&D support:** testing, prototyping, software development, patenting, intellectual property related assistance
- Installation of new technology:** technical due diligence, operation and maintenance training
- Launching a new product:** certification, marketing
- Adopting a new business model:** software adaptation, training
- Investment facilitation:** technical /financial due diligence, financial modelling, market /regulatory research.

Grant support

For

- SMEs or mid-caps in Bulgaria, Latvia or Romania. An SME has max. 250 employees, and an annual turnover or a balance sheet total of max. €50m or €43m respectively. A mid-cap has up to 3,000 employees (including linked and partner enterprises, as per EC Recommendation 2003/361).

Details

- Grants of up to approx. €500,000 deployed to complement EBRD financing. Paid upon verification of project implementation.
- The grant size will be based on the level of innovation and the green benefits and market impacts of the project.

Examples

- R&D support:** specialised equipment for R&D facilities
- Installation of new technology:** support with incremental costs relative to standard technology or associated with first-mover risks
- Launching a new product:** support with new production line, distribution /connectivity network
- Adopting a new business model:** logistics network, digital hardware network, special preparation and conversion of land /site use.

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.



Circular Economy Regional Initiative



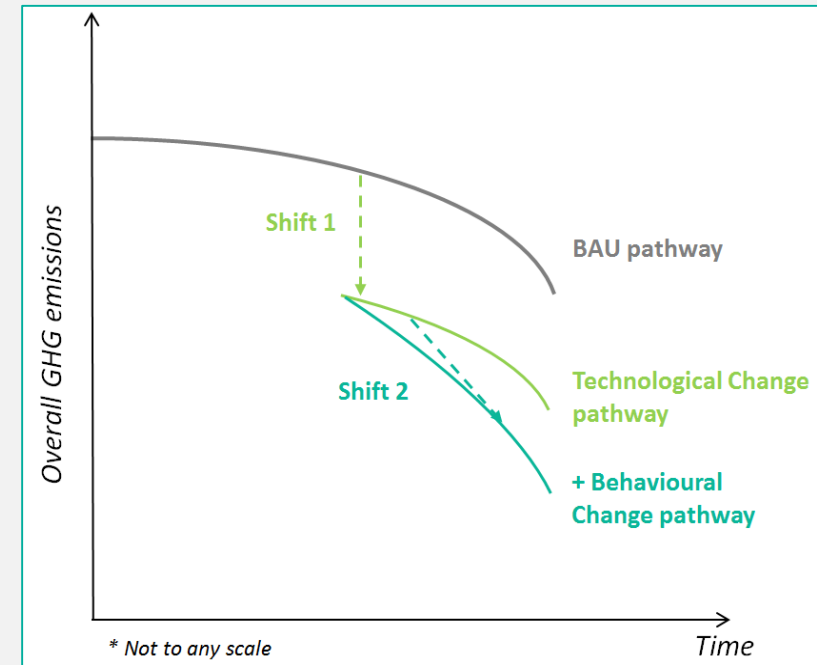
European Bank
for Reconstruction and Development

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**).

Innovative financing instruments: High Impact Programme for the Corporate Sector



European Bank
for Reconstruction and Development

Transformative shift in the corporate sector

- Uptake of high climate impact technologies
- **Behavioural change** - climate change targets and climate governance principles incorporated into strategic decision making

High Impact loans

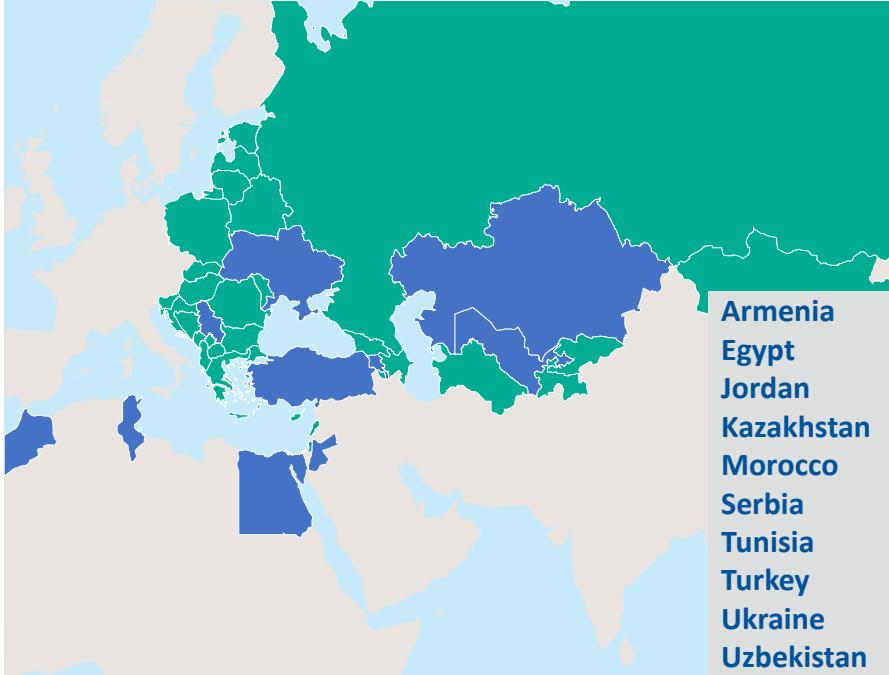
The interest rate of the loan is coupled with the **climate outcome of the investment.**

A discount on the interest rate will be realised upon achieving pre-agreed, covenanted **milestones** in specific **climate impact areas of high relevance for the specific sector and its value chain.**

The discount structure applies to the donor-funded tranche of the loan and reflects

- **technology installation** (CAPEX Programme)
- **corporate climate governance** improvements.

Targeted Countries



Clean Technology Fund



GREEN
CLIMATE
FUND



- Introduction to the EBRD's green activities
- EBRD's work in the bioeconomy
- **Contacts**

Contacts



European Bank
for Reconstruction and Development



Nicolo Giachino

GiachinN@ebrd.com

Associate, Green Economy and Climate Action, London