EBRD CLIMATE FINANCE

• The EBRD region, which includes Eastern Europe, Caucasus, Central Asia, Southern and Eastern Mediterranean represented 12.6% (5,503 MtCO2e) of global emissions in 2011.

• The region remains carbon and energy intensive, 11 of the top 20 most carbon-intensive economies in the world are in the EBRD region.

• Accordingly, EBRD climate finance activity focuses on energy efficiency and renewable energy projects in the private sector.

• Results between 2006 and 2015 to date:
  • €18.4 billion EBRD finance ($20.2 billion) in 1,000 SEI projects
  • €94.6 billion total project value ($104 billion)
  • > 70 million tonnes annual CO2 emission reductions

• Results realised in a challenging context with significant market barriers.

• Resulting strong need for complementary policy dialogue and technical assistance to support and expand climate finance activity.

• EBRD works closely with bilateral and multilateral donors including EU, CIF, GEF and now GCF to scale up climate finance through technical assistance, capacity building and co-financing

• Building on track record, EBRD planning to step-up Green Economy Transition.
Carbon markets had limited influence on EBRD climate finance to date. During 2008 – 2012 35 emission reduction transactions realised under Green Investment Schemes, JI and CDM.

Carbon pricing and emissions reduction could be important for the financial sustainability of projects, but have currently limited relevance due to:

- Unclear market demand for carbon credits
- Nil, low or volatile carbon prices
- Regulatory uncertainties

EBRD currently provides targeted support for carbon market development by including technical assistance in projects and programmes, including for example:

- Integrated carbon programmes, e.g. carbon market training to banks as part of SlovSEFF in Slovakia and MidSEFF in Turkey
- Technical assistance on carbon market to companies in Kazakhstan (e.g. Shymkent Cement and Yerementau Wind Project).
- Carbon project development, e.g. 5 renewable energy projects in Turkey and Georgia (Enguri Hydro)
- Carbon market experience informed design of EBRD climate finance MRV.
IDEAL OUTCOME

• Emission reduction targets that ensure no more than 2°C increase in global temperature
• Enforceable global carbon pricing
• A steady flow of funding for climate action

GOOD STEPS FORWARD

• Standardisation of climate finance, carbon accounting and MRV definitions. Joint MDB climate finance methodology as example.
• Encourage donor support for capacity building, to:
  • transpose INDCs targets into national law (carbon budgets)
  • implement delivering instruments like energy efficiency, renewable energy and carbon pricing laws and regulations
  • increase funding for scaling-up mitigation and adaptation projects through multilateral and bilateral funding arrangements.