FINANCING OPPORTUNITIES WITH THE EBRD:
Trade Facilitation Programme (TFP) & Sustainable Energy Financing Facilities (SEFF)

Berlin, March 2016
What is the EBRD?

• International financial institution, promotes transition to market economies in 35 countries from central Europe to central Asia

• In 2011, the Bank expanded its operations to include Egypt, Morocco, Tunisia and Jordan (Southern and Eastern Mediterranean – SEMED region)

• In 2014, the EBRD welcomed Cyprus and Libya as a recipient country and member respectively. In March 2015 Greece became a recipient country.

• Owned by 65* countries and two inter-governmental institutions

• Capital base of €30 billion

*Cyprus and Libya are yet to become a fully ratified member of the EBRD
The EBRD has a triple-A rating from all three main rating agencies (S&P, Moody’s and Fitch)

**Shareholding Structure**

- **EU 27 Countries**: 63% (1)
- **Japan**: 9%
- **USA**: 10%
- **Others**: 11%
- **EBRD region excluding EU**: 7% (2)

As at 13th July 2012
(1) Includes European Community and European Investment Bank (EIB) each at 3%. Among other EU countries: France, Germany, Italy, and the UK each holds 8.6%
(2) Russia at 4%
Where we invest

WHERE WE INVEST

Central Europe and the Baltic states
01 Croatia
02 Estonia
03 Hungary
04 Latvia
05 Lithuania
06 Poland
07 Slovak Republic
08 Slovenia

South-eastern Europe
09 Albania
10 Bosnia and Herzegovina
11 Bulgaria
12 Cyprus
13 FYR Macedonia
14 Kosovo
15 Montenegro
16 Romania
17 Serbia

Eastern Europe and the Caucasus
18 Armenia
19 Azerbaijan
20 Belarus
21 Georgia
22 Moldova
23 Ukraine

Central Asia
24 Kazakhstan
25 Kyrgyz Republic
26 Mongolia
27 Tajikistan
28 Turkmenistan
29 Uzbekistan

Southern and eastern Mediterranean
30 Egypt
31 Jordan
32 Morocco
33 Tunisia
34 Greece
35 Russia
36 Turkey

02/03/2016
EBRD aims to upscale green financing to 40% by 2020

2 flagship financial products will be strong contributors of GET:
- Sustainable Energy Financing Facilities (SEFF)
- Trade Facilitation Programme (TFP)

Key priorities for SEFF and TFP:
- Green technologies transfer
- Leveraging on banks’ networks in the region

**Green investments:**
- Energy efficiency
- Renewable energy
- Modernisation in buildings and industry
- Water and waste management solutions
- Pollution prevention

Target for green financing as a percentage of annual investments:
- 25% in 2011-2015
- 40% in 2016-2020

Total investment in green financing from 2016-2020:
- €18 billion

Delivering the same amount of finance in 5 years as it did in the previous 10.

To achieve this level of investment the EBRD will scale up:
- renewable energy
- energy efficiency
- industrial energy efficiency
- district heating
- rehabilitation
- Sustainable Energy Finance Facilities
- technology transfer
- policy reform
Through banks EBRD reaches smaller projects (businesses and residents) …

... and “buys” distribution networks for financing and for green technologies in >23 countries
TFP and SEFF - complementary programmes

EBRD

Sustainable Energy Financing Facilities
- Credit Lines

Financial Institutions (Banks, Leasing Companies)
- Investment loans for green technologies & solutions

Local businesses (corporates & SMEs), residential and municipal clients

Knowledge sharing & tools

Knowledge sharing tools

Trade Facilitation Programme
- Guarantees and Credit Facilities

Trade finance instruments (LoC, guarantees, factoring, trade cash advances)

Financial Institutions

Local Businesses (Technology exporters, importers and distributors)

Technology supply
EBRD supports trade by providing

- **guarantees** that cover risks arising from trade finance transactions
- **short-term advances/financing** to banks in the Countries of Operation for trade finance purposes
- **trade finance training** and advisory service to local banks
• KRONES in Freising (Bavaria) exports brewery equipment to Kirgistan, USD 165,000
• Payment by Letter of Credit, tenor 6 months, issued by KICB Bank Kirgistan, confirmed by Unicredit Munich
• EBRD guarantees 100% of the payment risk
TFP - Achievements 1999-2016

- More than 18,000 foreign trade transactions supported, including more than 2,200 transactions of exporters and importers in Germany
- Total business volume EUR 12.8 billion
- 86 Issuing Banks in 26 countries
- 800 Confirming Banks worldwide
EBRD Trade Facilitation Programme (TFP)

Annual Business Volumes 1999 – 2015

Volume, € mln

- 1999
- 2000
- 2001
- 2002
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015
<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
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<tbody>
<tr>
<td>1</td>
<td>Armenia</td>
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<td>2</td>
<td>Ukraine</td>
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<td>3</td>
<td>Georgia</td>
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<td>4</td>
<td>Egypt</td>
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<td>5</td>
<td>Turkey</td>
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<td>6</td>
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<td>FYR Macedonia</td>
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<td>8</td>
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<td>9</td>
<td>Bulgaria</td>
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<td>10</td>
<td>Azerbaijan</td>
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<td>11</td>
<td>Romania</td>
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<td>12</td>
<td>Morocco</td>
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<td>13</td>
<td>Serbia</td>
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<td>14</td>
<td>Moldova</td>
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<td>15</td>
<td>Croatia</td>
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<td>16</td>
<td>Kyrgyz Republic</td>
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<td>17</td>
<td>Tunisia</td>
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<td>18</td>
<td>Jordan</td>
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<td>19</td>
<td>Cyprus</td>
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<td>Tajikistan</td>
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<td>Kazakhstan</td>
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<td>22</td>
<td>Bosnia and Herzegovina</td>
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<td>23</td>
<td>Turkmenistan</td>
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800 Confirming Banks in 77 Countries
<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Bank Name</th>
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<tbody>
<tr>
<td>ABC International Bank plc</td>
<td>Kreissparkasse Esslingen-Nürtingen</td>
</tr>
<tr>
<td>Europe Arab Bank (Germany Branch)</td>
<td>Kreissparkasse Hannover</td>
</tr>
<tr>
<td>Banca Monte dei Paschi de Siena SpA</td>
<td>Landesbank Baden-Württemberg</td>
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<tr>
<td>Banco Santander, S.A. Frankfurt Branch</td>
<td>Landesbank Berlin AG</td>
</tr>
<tr>
<td>Bank of New York Mellon, Frankfurt Branch</td>
<td>Landesbank Hessen-Thüringen</td>
</tr>
<tr>
<td>Barclays Bank Plc, Frankfurt</td>
<td>Misr Bank- Europe GmbH</td>
</tr>
<tr>
<td>Bayerische Landesbank</td>
<td>Mizuho Corporate Bank AG</td>
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<tr>
<td>BHF-Bank AG</td>
<td>Sanpaolo Imi</td>
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<tr>
<td>BNP Paribas Frankfurt</td>
<td>SEB AG</td>
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<tr>
<td>Crédit Agricole Corporate and Investment Bank</td>
<td>Société Générale, Germany</td>
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<tr>
<td>Commerzbank AG</td>
<td>Sparkasse Essen</td>
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<tr>
<td>Danske Bank, Hamburg Branch</td>
<td>Stadtsparkasse Düsseldorf</td>
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<tr>
<td>Deutsche Bank AG</td>
<td>Standard Chartered Bank</td>
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<tr>
<td>Deutsche Genossenschaftsbank AG</td>
<td>Unicredit AG</td>
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<tr>
<td>DZ Bank AG</td>
<td>WGZ-Bank</td>
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<tr>
<td>Svenska Handelsbanken AB</td>
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<tr>
<td>HSBC Trinkaus &amp; Burkhardt KgaA</td>
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<tr>
<td>HSH Nordbank AG</td>
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<tr>
<td>Industrial and Commercial Bank of China</td>
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<td>KBC Deutschland AG</td>
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EBRD TFP - Co-Financing Partners

- ACE Global Markets (AGM) & Lloyds of London
- AKA Bank, Germany
- Arab Trade Finance Program, Abu Dhabi
- Confirming Banks
- Donor Risk Sharing Funds
- Export Credit Agencies
- FMO Netherlands
- OPEC Fund for International Development, Vienna
- Private Investment Funds
Best Development Bank in Trade

Readers of Trade & Forfaiting Review (TFR), Global Trade Review (GTR) and Trade Finance Magazine have voted the EBRD in 2014 and 2015 "Best Development Bank in Trade”

EBRD invites other development banks, commercial financial institutions, export credit agencies and donors to co-finance or co-finance with the EBRD
Green TFP
TFP Supply Chain Development Initiate

- Facilitation and increase in trade of **sustainable energy technologies** in EBRD countries of operations (CoOs).
- **Improve access to trade finance** for sustainable energy technology suppliers and installers, often SMEs
- Create **competitive** markets for sustainable energy/resource technologies
- Increase the **availability** of sustainable energy technologies and promote uptake
- Contribute to the **expansion** of partner banks’ markets
- Support the development of the Bank’s TFP - **unlock additional trading potential**.

**Potential Sectors & Technologies**
- Farming
- Logistics Companies
- Printing
- Textile
- Office Building
- Metal Processing
1. A Ukrainian renewable energy project developer imported a turbine from the Czech Republic to be installed in a micro hydropower unit.

2. OTP Bank Ukraine issued confirmed letters of Credit for total value EUR 523,000.

3. EBRD covers 100% of the political and commercial payment risk.

4. EBRD’s Ukraine Energy Efficiency Programme (UKEEP) helped to assess profitability of the investment.

**Expected Operational Results**
- Annual green energy production of 4,700 MWh.

**Expected Investment Profitability**
- Annual renewable energy revenues of EUR 526,400.
- Payback period of 2 years (in present value terms).
- 98% Internal Rate of Return on the investment.
Check under www.ebrd.com/tpf, for which Issuing Banks and which tenors EBRD may guarantee the payment;

Ask your buyers/suppliers to check if an Issuing Bank under the TFP would be ready to issue the required trade finance instrument;

Ask a Confirming Bank of your choice to confirm the payment instrument
Sustainable Energy Financing Facilities (SEFF)

- Credit lines to local banks and leasing companies
- 10 years of experience:
  - in 23 countries
  - via 110 banks and leasing companies
- To date SEFFs financed ~95,000 projects worth EUR 2.8bn
- Annual financing through SEFF: EUR 500 million/year
- EBRD operational tools (including teams of engineers, marketing and banking experts) to reduce burden on banks and leasing companies
SEFF operational model

**EBRD**
- Donor Funded Incentives
  - Credit lines
- Participating Banks & Leasing Companies
  - Loans / leases
  - Investment Incentives

**Consultant**
- Project identification and assessment
- Marketing and product development support
- Appraisal guidance and training

**End-users (sub-borrowers)**

**Donor Funded Contract**
EBRD operational tools

**Tools & knowledge base**
- Database of pre-approved technologies (*example*)
- Reporting infrastructure (management information systems)
- Programme infrastructure (local office/staff, [dedicated website](#), operation manuals and procedures)
- Helpline for banks and clients (technical and legal advice)

**Individual support to banks & leasing companies**
- Financial product development support
- Marketing and project origination support
- Advisory and guidance on technical aspects
- Joint client visits, client workshops
- Eligibility assessments and support with reporting

**Technical project preparation support**
- Project preparation support (energy or resource efficiency audit, technical recommendations and reports)
- Technology advice, cost-benefit analysis of options
Under SEFFs we established a List of Eligible Materials and Equipment (LEME):
- promote fuel and energy saving technologies (free marketing for suppliers)
- help businesses identify good technologies
- assist banks to identify eligible investments

Equipment with specific minimum technical and environmental characteristics…

…that are proven to result in fundamental and straightforward energy, materials and water savings.

Since the eligibility of listed items is confirmed automatically…

…Partner Banks & Leasing Companies can make credit decisions without any delay.

>9,900 technology items of >1,200 suppliers are registered on our LEME

Click to view an example of LEME
Success stories – Turkey – **Small to Large**

**PROGRAMME**
- Turkey
- 8 banks
- Residential, SME and corporate sector

**FINANCING STRUCTURE**
- EBRD credit lines USD 2bn
- Technical Cooperation Funds >EUR 10m

**TO DATE**
- 789 SME loans
- 43 corporate loans
- Sectors: renewables, housing, agribusiness, manufacturing, construction, food production, logistics and trade

www.turseff.org  
www.tureeff.org  
www.midseff.com
Success stories – Caucasus - Energocredit

PROGRAMME
- Armenia, Azerbaijan, Georgia
- 16 banks
- Industrial and residential sector

FINANCING STRUCTURE
- EBRD credit lines USD 125m
- Donor grants for incentives and Technical Cooperation EUR 13m

TO DATE
By end of 2015:
- 28,000 small retail and residential loans
- 20 large-scale corporate loans
- 220 GWh of estimated annual savings – equivalent to the annual energy demand of 17,000 households

PROJECT EXAMPLE
- Juice factory (Georgia) invested in a new steam boiler and a new steam control system
  - USD 300,000
  - Energy savings of 28%
  - Payback: 2.3 years

www.energocredit.ge  www.energocredit.am  www.energocredit.az
Success stories – Kyrgyzstan - KyrSEFF

PROGRAMME
• Kyrgyzstan
• 4 banks
• Industrial and residential sector

FINANCING STRUCTURE
• EBRD credit lines USD 20m
• Donor grants for incentives and Technical Cooperation EUR 6m

TO DATE
By end of 2015:
• 540 small housing improvement loans (USD 5.5m):
  • 12 multifamily buildings
  • 528 family houses
• 47 loans to SMEs and corporates (USD 13m)

PROJECT EXAMPLE
• Investments in ice-tea bottling line
• US$ 350,000
• Energy savings : 596 MWh/year
• Cost reductions: 90,000 USD/year

www.kyrseff.kg
Success stories – Mongolia- MonSEFF

PROGRAMME

• Mongolia
• 2 banks
• Industrial sector

FINANCING STRUCTURE

• EBRD credit lines US$ 25m
• EBRD SSF grant for Technical Cooperation € 1.4m

TO DATE

By end of 2015:

• 34 SME and corporate projects
• Agribusiness, food processing, metals, packaging, energy supply, textiles manufacturing, building energy efficiency, etc.

PROJECT EXAMPLE

• Textiles producer replaced inefficient processing equipment of US$ 120,000
• Energy savings: 98.5 MWh/year
• Cost savings: 8,962 US$/year

www.monseff.com
Success stories – Tajikistan – **CLIMADAPT**

**PROGRAMME**
- Tajikistan
- 1 bank and 2 microfinance institutions
- Industrial and residential sector

**FINANCING STRUCTURE**
- EBRD & Climate Investment Fund credit lines US$ 10m
- Donor grants for Technical Cooperation € 2.5m

**TO DATE**
Launched in February 2016, the programme aims to invest in agribusiness, SMEs, housing sectors:
- Water use improvements
- Energy efficiency and renewables
- Sustainable land management (modern agricultural practices)

**PROJECT EXAMPLE**
- **Investment in drip irrigation technologies for modern orchids (apples and apricots)**
- **Investment cost US$ 50,000**
- **Estimated water savings 23%**

*[www.climadapt.tj](http://www.climadapt.tj)*
### Potential Sectors and Technologies

#### Energy and resource efficient technologies across the sectors

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal breeding</td>
<td>CHP, Ventilators, Lighting, Heaters</td>
</tr>
<tr>
<td>Hotels</td>
<td>Washing machines, Drying machines, Air condition, Lighting</td>
</tr>
<tr>
<td>Hospitals</td>
<td>Air conditions, Air cleaning, Economizers, Kitchen equipment</td>
</tr>
<tr>
<td>IT</td>
<td>Switching center, Air condition, Server, Lighting</td>
</tr>
<tr>
<td>Diaries</td>
<td>CHP, Tri-generation, Cooling units, Dryer, Washing machines</td>
</tr>
<tr>
<td>Meat production</td>
<td>Freezing units, Cooking units, Homogenization units, Water recycling units</td>
</tr>
<tr>
<td>Breweries</td>
<td>CHP, Cooling units, Filling units, Pumps</td>
</tr>
<tr>
<td>Plastic production</td>
<td>Air compressors, Molding units, Injection machines, Ventilation system</td>
</tr>
<tr>
<td>Furniture production</td>
<td>Dryers, Ventilation systems, Milling machines, Wood boilers</td>
</tr>
<tr>
<td>Greenhouse</td>
<td>Curtaining system, Irrigation system, Ventilation system, Heat system</td>
</tr>
<tr>
<td>Textile servicing</td>
<td>Washing systems, Oxygen cleaning units, Hybrid systems, Drying units</td>
</tr>
<tr>
<td>Construction</td>
<td>Conveyor, Crasher units, Generation sets, Drilling machines</td>
</tr>
</tbody>
</table>
Armenian cucumbers just got greener

- Armenian greenhouse operator in Kotayk Region
- Energy efficient greenhouse technologies:
  - new boilers
  - irrigation system,
  - automatic curtaining system with energy efficient glass screens,
  - new ventilation,
  - climate control systems.
- Packaged financial solution:
  - a letter of credit to facilitate import of Czech greenhouse equipment through TFP
  - a loan for post-import financing from Energocredit (SEFF)

- Investment: USD 2.3m
- Gas savings: 1.9 million m2/year
- Cost savings: USD 390,000
Thank you for your attention!

EBRD, One Exchange Square
London, EC2A 2JN
United Kingdom
www.ebrd.com
2016 Annual Meeting & Business Forum

We look forward to welcoming you on 11 & 12 May next year in London, UK

www.ebrd.com/am