

# EBRD SUPPORT IN THE DECARBONISATION AND GREENING OF THE ECONOMY OF UZBEKISTAN

Building Forward Better: A COVID-10 Green Recovery for Uzbekistan  
Tashkent, 4 March 2021



**European Bank**  
for Reconstruction and Development

# GEFF in Uzbekistan (GEFF - Green Economy Financing Facility)

**GEFF in Uzbekistan** – Is a programme of the European Bank for Reconstruction and Development focused on:

- ❑ Financing projects in the areas of energy efficiency and renewable energy implemented by commercial companies in Uzbekistan;
- ❑ Channeling up to \$60m of EBRD finance through local partner financial institutions;
- ❑ Funding for Technical Assistance to support project implementation is provided by the TaiwanBusiness-EBRD Cooperation Fund



Implemented by  together with local experts.

**Technology Selector** – [techselector.com](https://techselector.com) – is the online instrument of the programme created by the EBRD to allow for a fast and easy use of eligible technologies in different sectors of the economy that result in energy and resource savings

For more information please refer to: <https://ebrdgeff.com/uzbekistan/>

# Uzbekistan – Sustainability in dairy industry



EBRD  
**FINTECC**

## CLIENT AND PROJECT

Tillo Domor is popular dairy producer based in Khorezm region. EBRD and Hamkorbank supported the company's production capacity expansion, within a Risk Sharing Facility ("RSF").

Tillo Domor's products are very appealing for the population of Uzbekistan because of its geographical origin firmly associated with the ancient state of Khorezm. Around 1.4% of the country's total area, the Khorezm region, is responsible for the production of nearly 1 million tonnes of milk or around 10% of the national output.

## INVESTMENT PLAN

EBRD finance	EUR 2 million
FINTECC grant	USD 0.1 million
Tillo Domor	EUR 0.9 million
<hr/>	
TPV	EUR 3 million



## PROJECT DETAILS

**Client:** Tillo Domor  
**Sector:** Agribusiness  
**Country:** Uzbekistan

**Technology:** CIP installation with recovery of cleaning chemicals, heat exchangers for recuperation of heat from whey, and installation for recovering solids to produce ricotta from whey.

## PHYSICAL SAVINGS

**Annual natural gas savings** of about 6,500 MJ/year, corresponding to 368 tonnes of **CO2 emission savings**.

**Annual reduction of cleaning chemicals** usage (NaOH and HNO3) by 9 tons/year.

Recovery of 1,500 t of casein.

**Reduction of water consumption** by 6,500 tons/year.

# GCF - High Impact Programme for the Corporate Sector

## Programme Impact, Participating Countries and Sectors



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### Programme Impact

- 17 low-carbon corporate strategies adopted
- 17 investments realised with 17.2 million tonnes CO<sub>2</sub>eq over 20 year asset lifetimes
- 2 Industry-level low-carbon roadmaps developed

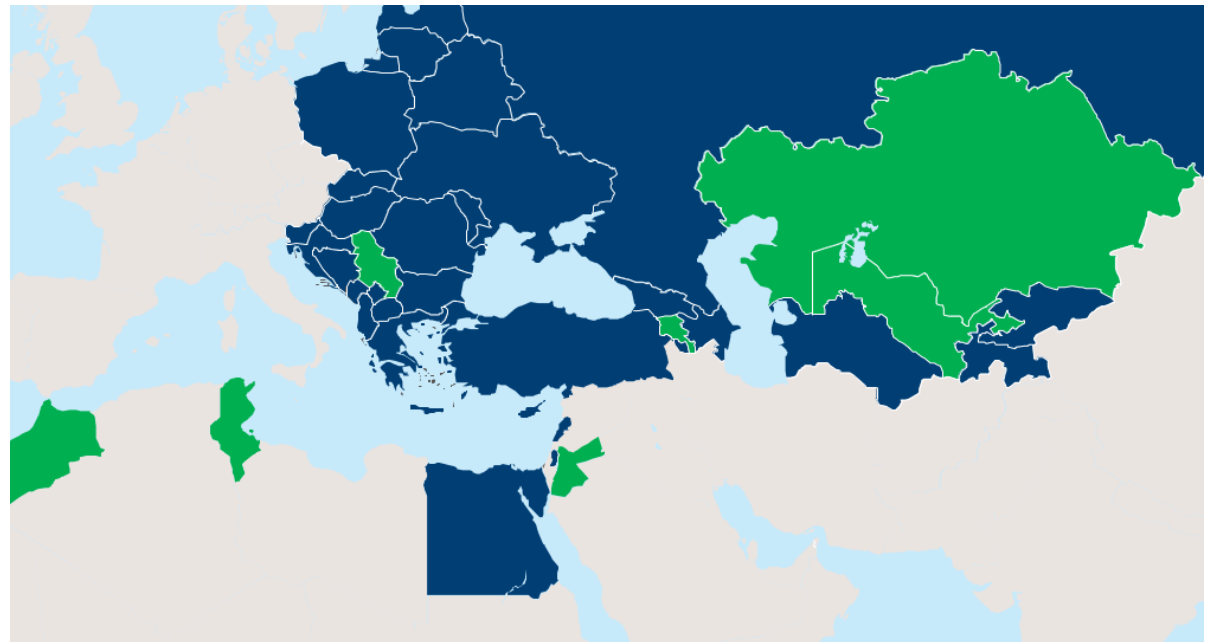
### Targeted Sectors

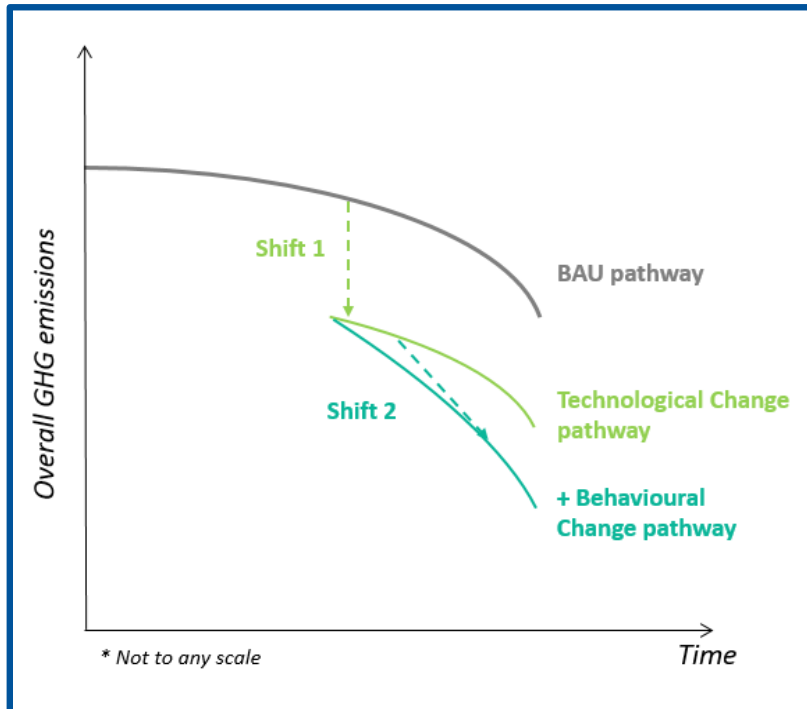
- Manufacturing Industries
- Agribusinesses
- Mining (non-energy)

### Participating Countries

Armenia  
Jordan  
Kazakhstan  
Morocco

Serbia  
Tunisia  
Uzbekistan





## The transformative shift in the corporate sector

The potential transformative shift within a sector will be made possible through the support for the

- **Uptake of high climate impact technologies (shift 1);** coupled with incentives for
- **Behavioural changes at corporate governance** and management levels as **climate change targets and climate governance principles are incorporated into strategic decision making (shift 2).**

### WHAT IS AN HIGH IMPACT LOAN?

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 by milestone will reflect (i) technology installation (CAPEX Programme) and (ii) corporate climate governance improvements.

### HOW IS THE HIGH IMPACT LOAN STRUCTURED?

Two structures can be offered:

- **Structure 1:** GCF pari passu with the EBRD loan in terms of a) tenor and b) seniority; discount at milestone implementation on GCF tranche;
- **Structure 2:** EBRD loan and GCF loans pari passu, with both subordinated to other lenders to offer an additional de-risking instrument through credit enhancement, Discount applies on GCF tranche.

### HIGH IMPACT LOAN

- ✓ Up to 30% of total project cost as GCF tranche
- ✓ 2 covenanted climate milestones to be achieved and paired with 2 interest rate discounts possible on GCF tranche
- ✓ Discount offered on all-in margin which will start pari passu with EBRD and then for M1: 25% discount, M2a: 50% discount or M2b: 1% floor
- ✓ low-carbon corporate climate strategy developed with EBRD and GCF technical assistance support.

# GCF - High Impact Programme for the Corporate Sector

## *Eligibility Requirements*

<p><b>Physical Impact</b></p>	<ul style="list-style-type: none"> <li>• <b>Commit to implementing a Capex that will realize CO<sub>2</sub> savings in excess of 10,000 tCO<sub>2</sub> eq pa.</b></li> <li><i>or</i></li> <li>• <b>Improve carbon intensity by at least 20 per cent</b></li> </ul>
<p><b>Climate Governance</b></p>	<ul style="list-style-type: none"> <li>• Complete a <b>Corporate Climate Governance (CCG) gap analysis and gender audit</b></li> <li>• Commit to develop and implement a <b>Climate Corporate Governance Action Plan (“CCGAP”)</b>, including provide a statement of intent agreeing to adopt governance and management practices that will take climate change considerations into account.</li> </ul>
<p><b>Gender</b></p>	<ul style="list-style-type: none"> <li>• Complete a <b>gender audit</b> to identify potential to integrate gender considerations in corporate climate strategy</li> </ul>
<p><b>High Climate Impact Technologies</b></p>	<ul style="list-style-type: none"> <li>• Completed a <b>technology audit</b></li> <li>• Implement industry <b>Best Available Technologies (BATs)</b>. Based on at least Technology Readiness level (TRL) of 7; technologies with TRL &lt; 7 will be supported only on selective basis, where appropriate.</li> </ul>
<p><b>Knowledge Sharing</b></p>	<ul style="list-style-type: none"> <li>• Confirm interest to participate in knowledge management and dissemination activities, and low carbon roadmap development</li> </ul>

# Contact Information



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