

Between 2006 and 2009 the EBRD lent around EUR 4.87 billion for energy projects across its 29 countries of operations in central and eastern Europe. These projects were either directly in the energy and natural resources sectors, or in other sectors such as industrial energy efficiency, or district heating.

Three main conclusions can be derived from the data:

- EBRD lending for fossil fuel (coal, oil and gas) projects has risen rapidly, and more than tripled between 2008 and 2009.
- There has been concerted EBRD lending for energy efficiency projects – a welcome development.
- Lending for renewable energy is increasing but remains at a low level.

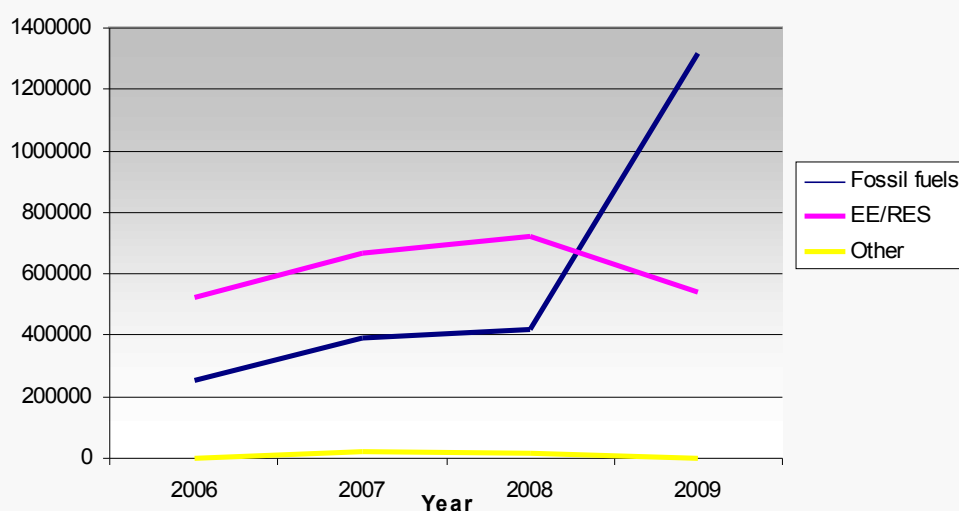
This is even the case considering that there are two quite different ways to view the figures: whether one includes the energy efficiency elements of fossil fuel projects as, strictly speaking, energy efficiency projects, or as fossil fuel projects (see methodology below).

The important difference that these two approaches bring to the overall result is that including fossil fuel energy efficiency projects gives the impression that energy efficiency and renewables lending has risen, albeit not as quickly as fossil fuel lending, whereas regarding them as fossil projects shows relatively steady energy efficiency and renewables lending.

Consolidated: EBRD energy lending 2006–2009
(fossil fuel energy efficiency projects as fossil fuel projects)

(All figures in 1000s of EUR)

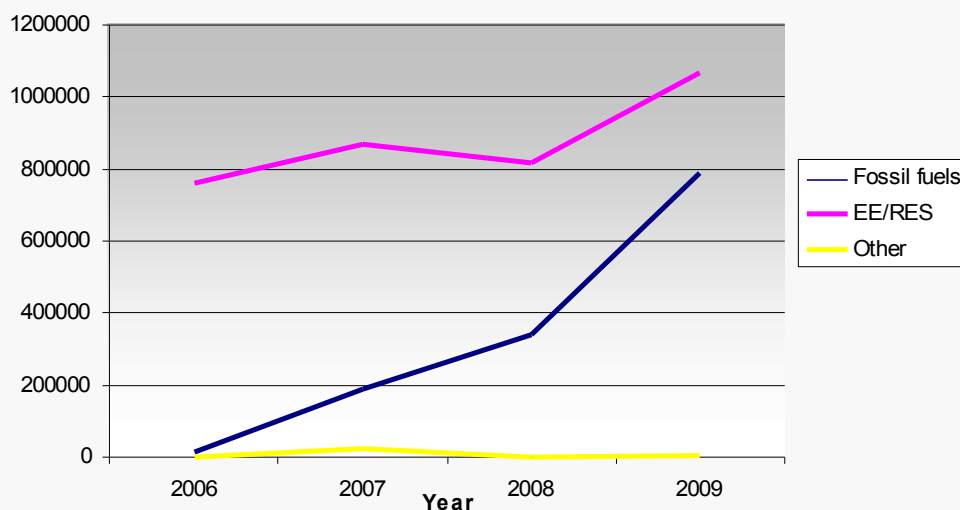
	2006	2007	2008	2009	TOTAL
Fossil fuels	251448	388933	419873	1318652	2378906
EE/RES	521365	668916	721962	538692	2450935
Other	0	21469	16186	2500	40155



Consolidated: EBRD energy lending 2006–2009
(fossil fuel energy efficiency projects as energy efficiency projects)

(All figures in 1000s of EUR)

	2006	2007	2008	2009	TOTAL
Fossil fuels	12900	186865	341367	790973	1332105
EE/RES	759913	870984	816634	1066391	3513922
Other	0	21469	0	2500	23969



The tables below show the same data except separated, so that the relatively low share of renewables can be observed. (All figures in 1000s of EUR)

EBRD energy lending 2006–2009
(fossil fuel energy efficiency projects as fossil fuel projects)

	2006	2007	2008	2009	TOTAL
Coal	82024	41612	103686	189058	416380
Oil & Gas total	169424	347321	316187	1129594	1962526
EE and EE/RES*	446814	634915	637013	413987	2132729
RES	0	34001	84949	124705	318206
Other	0	21469	16186	2500	0

EBRD energy lending 2006–2009
(fossil fuel energy efficiency projects as energy efficiency projects)

	2006	2007	2008	2009	TOTAL
Coal	0	20806	87500	14287	122593
Oil & Gas total	12900	166059	253867	776686	1209512
EE and EE/RES*	685362	836983	747891	941686	3211922
RES	0	34001	68743	124705	302000
Other	0	21469	0	2500	23969

* EE/RES is a mixed category of energy efficiency and renewable energy where EBRD credit lines have been developed for both categories but the actual lending volumes loaned on for both categories by financial intermediaries are not disclosed by the EBRD.

Methodology

The period 2006–2009 was chosen because the EBRD launched its Sustainable Energy Initiative (SEI) in 2006 and began to keep records of energy efficiency and renewable elements of projects outside of the traditional energy and natural resources sectors, thus giving a fuller picture of the bank's sustainable energy lending.

The data was obtained from the database on the EBRD's website¹, and cross-referenced with a database of SEI projects obtained from the EBRD. The databases show the projects signed in the years 2006–2009. No comparable data exists yet for 2010.

A relatively large element of the EBRD's Sustainable Energy Initiative consists of energy efficiency elements of projects which otherwise support the use of fossil fuels, such as rehabilitations and upgrades of thermal power stations.

Two calculations were carried out: one including these as fossil fuel projects, and one including them as energy efficiency projects. Bankwatch believes that the former calculation presents a more realistic picture, as such projects usually enable the use of fossil fuels at a facility for a longer period, resulting in higher absolute CO2 emissions over the lifetime of the facility. Using public financing for such projects also crowds out funding from truly sustainable technologies. However for comparison these figures are also given.

Some projects that the EBRD includes in its SEI list were not included in either calculation. These were mainly in the transport sector – because the EBRD also invests in transport projects that *increase* CO2, and thus to gain a full picture, another analysis would have to be done showing the balance of the EBRD's transport investments and their CO2 impacts. In addition, some property and tourism projects were excluded: these were ones involving new construction to which some energy efficiency element had been ascribed. However if new buildings are to be examined, again a comparison should be carried out between the overall *increase* in energy use and emissions due to the project and the relative savings due to the energy efficiency measures.

Some projects could not be clearly assigned to one category – for example, credit lines for both renewable energy and energy efficiency, or loans for oil and gas projects. In order to discern trends, all projects that could be separated into categories have been (eg. investment into a company with an approximately half–half coal/gas generation mix was split in half) with inextricably mixed projects presented separately.

For the total figures, credit lines involving both energy efficiency and renewable energy have been added into the energy efficiency category. This was somewhat arbitrary – there is as yet no publicly available information to show which proportion of these credit lines was used for what purpose. The EBRD's credit lines are loan packages made to financial intermediaries (commercial banks) operating in the region, that then provide a variety of loans from the EBRD finance to businesses and projects across a variety of sectors.

For more information please contact

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¹ <http://www.ebrd.com/pages/research/publications/flagships/annual.shtml>