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
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 GFA Consulting Group together with local experts.

Technology Selector – 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

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

<table>
<thead>
<tr>
<th>Client</th>
<th>Tillo Domor</th>
<th>EUR 0.9 million</th>
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<tbody>
<tr>
<td>EBRD finance</td>
<td></td>
<td>EUR 2 million</td>
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<tr>
<td>FINTECC grant</td>
<td></td>
<td>USD 0.1 million</td>
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<td>TPV</td>
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<td>EUR 3 million</td>
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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.
### Programme Impact

<table>
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<tr>
<th>Programme Impact</th>
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<tbody>
<tr>
<td>• 17 low-carbon corporate strategies adopted</td>
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<tr>
<td>• 17 investments realised with 17.2 million tonnes CO2eq over 20 year asset lifetimes</td>
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<td>• 2 Industry-level low-carbon roadmaps developed</td>
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### Participating Countries

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<tr>
<th>Armenia</th>
<th>Jordan</th>
<th>Kazakhstan</th>
<th>Morocco</th>
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<tbody>
<tr>
<td>Serbia</td>
<td>Tunisia</td>
<td>Uzbekistan</td>
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### Targeted Sectors

- Manufacturing Industries
- Agribusinesses
- Mining (non-energy)
High Climate Impact for the Corporate Sector Programme

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).
Innovative Financing
The Green Climate Fund (GCF) High Impact Loan

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

| Physical Impact | • Commit to implementing a Capex that will realize CO₂ savings in excess of 10,000 tCO₂ eq pa.  
|                 | or  
|                 | • Improve carbon intensity by at least 20 per cent |
| Climate Governance | • Complete a Corporate Climate Governance (CCG) gap analysis and gender audit  
|                  | • Commit to develop and implement a Climate Corporate Governance Action Plan (“CCGAP”), including provide a statement of intent agreeing to adopt governance and management practices that will take climate change considerations into account. |
| Gender | • Complete a gender audit to identify potential to integrate gender considerations in corporate climate strategy |
| High Climate Impact Technologies | • Completed a technology audit  
|                             | • Implement industry Best Available Technologies (BATs). Based on at least Technology Readiness level (TRL) of 7; technologies with TRL < 7 will be supported only on selective basis, where appropriate. |
| Knowledge Sharing | • Confirm interest to participate in knowledge management and dissemination activities, and low carbon roadmap development |
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