

# EBRD'S GREEN INNOVATION PROGRAMME

SUPPORT FOR GREEN R&D AND  
INNOVATION IN EU COUNTRIES

January 2020



# The Green Innovation Programme 1/4 Rationale

The EU GIP aims to foster green innovation by helping companies in the EU-12 countries to conduct research, development and/or deployment activities and to invest in products, technologies or business models which have a positive green economy transition impact.

EBRD countries of operations which are EU Member States<sup>1</sup> present:

- Lowest scores on the EU's Innovation Index, where all are under the EU average level of “innovation system” performance<sup>2</sup>;
- Much lower levels of R&D spending, and of private sector R&D spending, as a share of GDP, in comparison to advanced knowledge economies like Germany and Sweden<sup>3</sup>;
- Low levels of use by firms of external advice for change and optimisation, despite strong positive correlations with innovation and raised productivity<sup>4</sup>;
- Higher levels of energy and CO<sub>2</sub> emission intensity of GDP relative to EU average intensity levels; for instance, in Bulgaria and Poland these are more than double the EU average.

<sup>1</sup> Bulgaria, Croatia, Cyprus, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

<sup>2</sup> European Innovation Scoreboard 2016, published by the European Commission

<sup>3</sup> EBRD assessment of knowledge economy challenges and priorities 2018

<sup>4</sup> Annual Business Environment and Enterprise Performance Survey (BEEPS) of the WB and EBRD.



# The Green Innovation Programme 2/4

## Target projects and companies

Support for research, development, deployment or production related to environmentally friendly:

- New technologies, new products
- Organisational processes and models
- Innovative business models of interaction with suppliers /customers.

Activities will have a positive green impact in terms of:

- Climate change mitigation
- Resilience to climate change
- Pollution abatement, or
- A more circular economy.

Programme funding support provided by:



Horizon  
2020  
Programme

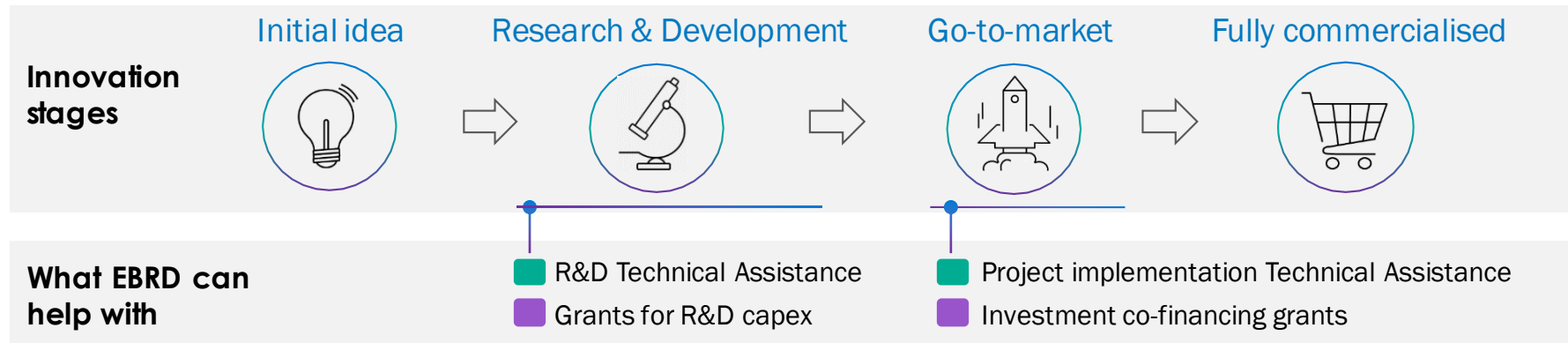
The programme is available for :

- Companies of any size in any of the EU-12 countries for technical assistance (TA), or
- SMEs or mid-caps in Bulgaria, Latvia or Romania, for investment co-financing grants;
- Companies who are committed towards a financing agreement with the EBRD, or work alongside the supply chain of an EBRD client, or are financed by a fund that EBRD is invested in;
- Ideas are sufficiently developed, and companies have (or will have) the capacity to take them further;
- Projects prioritised based on level of innovation and estimated green economy and market impacts.



# The Green Innovation Programme 3/4

## Support details



**■ Technical Assistance**

**For**

- Companies of any size in any of the EU-12 countries.

**Details**

- Delivered via EBRD selected consultants, or company's own innovation focused staff or by company selected consultants.
- Support of up to €200,000 for SMEs and midcaps in Bulgaria, Latvia or Romania / up to €75,000 for larger companies or companies in other EU-12 countries.
- Beneficiary expected to share in 10% of the assignment costs.

**Examples**

- Developing corporate action plans focused on green innovation
- R&D support:** testing, prototyping, software development, patenting, intellectual property related assistance
- Installation of new technology:** technical due diligence, operation and maintenance training
- Launching a new product:** certification, marketing
- Adopting a new business model:** software adaptation, training
- Investment facilitation:** technical / financial due diligence, financial modelling, market / regulatory research.

**■ Grant support**

**For**

- SMEs or mid-caps in Bulgaria, Latvia or Romania. An SME has max. 250 employees and annual turnover of max. €50m; a mid-cap has a headcount of up to 3,000 employees (including linked or partner enterprises, as per EC Recommendation 2003/361).

**Details**

- Grants of up to €500,000 deployed to complement EBRD financing. Paid upon verification of project implementation.
- The grant size will be based on the level of innovation and the green benefits and market impacts of the project.

**Examples**

- R&D support:** specialised equipment for R&D facilities
- Installation of new technology:** support with incremental costs relative to standard technology or associated with first-mover risks
- Launching a new product:** support with new production line, distribution / connectivity network
- Adopting a new business model:** logistics network, digital hardware network, special preparation and conversion of land / site use.



### Supporting R&D

A car parts manufacturer invests in a new R&D facility for electric car part design:

- Grant support for the purchase of prototyping and testing equipment;
- TA consists of support with additional capacity to hire specialised staff.



### Launching a new product

A retailer wants to pilot a newly developed biodegradable alternative to plastic packaging:

- TA for legal due diligence regarding the market deployment of the new material;
- Grant support for new packaging machines and adaptation of distribution lines.



### Installing a new technology

An agri-products distributor wants to implement an automatic smart coverage and temperature control system for its warehouses:

- TA for advance testing of the technology and its patenting;
- Grant support for the full-scale rollout of the technology in warehouses.



### Adopting a new business model

A car leasing company pairs up with a local electricity distributor to introduce electric taxis and an app-based client interface:

- Grant support to purchase basic software and for car charging infrastructure expansion
- TA for software adaptation.

# The Green Innovation Programme is part of EBRD's Green Economy Transition

The GET is the EBRD strategy to increase the share of the Bank's business represented by projects which have beneficial impacts on the environment or in terms of climate change. These can be found across all sectors financed by the Bank.

- Energy efficiency
- Renewable energy
- Water efficiency
- Resilience to climate change
- Waste minimisation and material efficiency
- Pollution control and environmental compliance



# EBRD Green Economy Transition results 2010 – Q3 2019

FINANCED  
**1,550+**  
green projects

1,000+ directly financed green investments or projects with green components, and

350+ credit lines to local financial institutions for on-lending to smaller projects.

SIGNED  
**€28 billion**  
of green financing

For projects with a total value of €170 billion

Since 2016 green financing has represented 38% of EBRD's total business.

AVOIDED  
**73 million**  
tonnes of CO<sub>2</sub>/year

More than the annual energy use related emissions of Romania + since 2013, helped reduce 340 million m<sup>3</sup> in water consumed /year = almost half of London's annual water use.





## Astrid Motta

Principal  
Direct Finance  
Energy Efficiency and Climate Change  
[MottaA@ebrd.com](mailto:MottaA@ebrd.com)

## Sabin Stanescu

Associate  
EU and Bilateral Donors Green Finance  
Energy Efficiency and Climate Change  
[StanescS@ebrd.com](mailto:StanescS@ebrd.com)

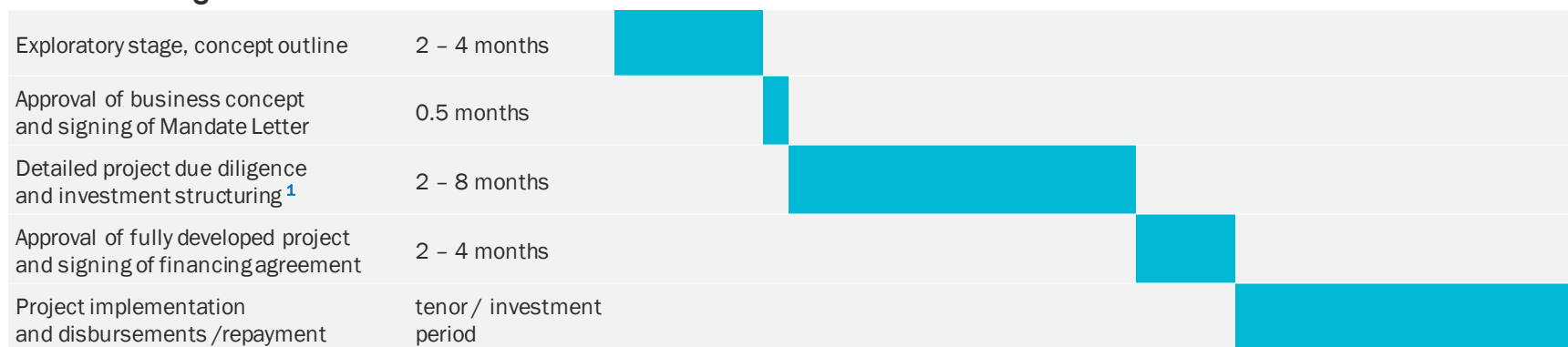
## Links

[More](#) about the Green Innovation Programme  
[More](#) about EBRD's Green Economy Transition

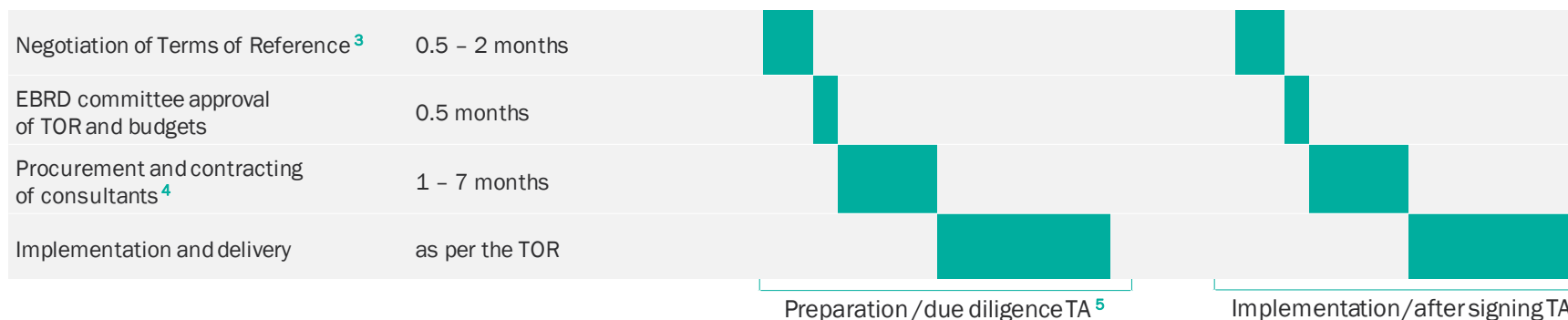


# Indicative timeline for EBRD financing and TA

## EBRD financing



## Technical Assistance<sup>2</sup>



<sup>1</sup> Potential grants for green innovation components are structured alongside EBRD financing based on robust ascertaining of needs and impact.

<sup>2</sup> Represents indicative timelines for assignments selected and managed by the EBRD via third-party consultants. The process is to a certain degree different when TA deployment is delegated to the beneficiary company who selects consultants or hires staff on their own.

<sup>3</sup> 2-4 weeks for simple assignments, 1-2 months for complex assignments.

<sup>4</sup> 2-4 weeks for direct selection (when assignment costs are at most €75,000) or 3-4 months for competitive selection (for larger assignments).

<sup>5</sup> Usually deployed after a Mandate Letter is signed by the potential client to indicate willingness to contract EBRD financing.