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## Where finance and green technologies meet

GEFF in Georgia Newsletter N18: Q2, 2024



### EBRD annual meeting in Yerevan celebrates climate transition achievements

From 14-16 May 2024, the European Bank for Reconstruction and Development (EBRD) held its 2024 Annual Meeting and Business Forum in Yerevan, Armenia. The event entitled “Delivering Impact Together” gathered global leaders, policymakers, and business executives with the aim of addressing urgent global challenges, placing a strong emphasis on sustainable development and climate resilience.

A key highlight was the celebration of the first cohort of graduates from the EBRD Climate Transition Planning Programme. This groundbreaking initiative in Armenia is designed to

prepare financial institutions to integrate climate considerations into their operations. Representatives from nine prominent Armenian banks were honoured for completing the programme and were awarded sustainable trophies made from recycled chocolate moulds.

The banks recognised included Acba Bank, Ameriabank, AraratBank, Ardshinbank, Armeconombank, ArmSwissBank, Converse Bank, Inecobank, and HSBC Armenia.

The Climate Practices and Transition Planning Programme offered by the EBRD Green Finance Academy focused on developing skills in climate risk identification, strategy, governance, metrics, targets, and disclosures. The programme was based on the framework of the Taskforce on Climate-related Financial Disclosures (TCFD) and the EBRD's Paris alignment methodology. It featured a mix of pre-session and post-session activities, practical transition planning work, and bespoke coaching sessions.

Running from October 2023 to April 2024, the programme provided 50 hours of in-person and online training sessions, workshops, and seminars, some of which were co-hosted by the Central Bank of Armenia. Participants learned to identify climate-related risks, integrate these considerations into their business strategies, and draft credible transition plans aligned with their institutions' capacities and Paris Agreement goals.

Graduates left with a comprehensive understanding of transition planning elements, in addition to customised transition plans developed specifically for their institutions. They continue to refine these plans, driving systemic change and positioning their organisations to meet future climate and sustainability standards.

The EBRD's annual meeting in Yerevan highlighted these accomplishments, showcasing the significant strides made by Armenian financial institutions in climate transition planning. The event reaffirmed a commitment to sustainability and the crucial role of the banking sector in promoting Armenia's green economy. This initiative supports the broader goals of the GEF programme in Armenia, underlining the EBRD's dedication to sustainable development and climate resilience.





## EBRD and GCF boost green finance in Georgia with US\$ 25 million for TBC Bank

In a significant move to promote green lending in Georgia, the European Bank for Reconstruction and Development (EBRD) and the Green Climate Fund (GCF) have arranged a US\$ 25 million (€ 23 million) financial package for TBC Bank, one of the nation's leading green economy lenders. This initiative marks the second facility the EBRD has provided to TBC Bank under the GEF regional framework.

The financial package, with 75% funded by the EBRD and the remaining 25% by the GCF, aims to support Georgian individuals and businesses investing in climate mitigation and adaptation technologies and services. A notable aspect of this initiative is its inclusivity: at least 10% of the funds are earmarked for women-led or women-owned businesses, encompassing retail clients, small and medium-sized enterprises, and larger companies.

The package also includes support from Austria and the GCF for the preparation, implementation, and monitoring of the project. Additionally, funds will be allocated to raise awareness of gender-responsive green finance, ensuring that the benefits of this initiative are both environmentally and socially inclusive.

The loan agreement was signed at the EBRD's 2024 Annual Meeting in Yerevan by Francis Malige, the EBRD's Managing Director for Financial Institutions. He emphasised the broader impact of the initiative stating, "Investing in green lending is not just about mitigating climate change; it's about securing a sustainable future for Georgia. Together with our partners TBC and the Green Climate Fund, we're empowering communities and

with our partners TBC and the Green Climate Fund, were empowering communities and businesses to build resilience."

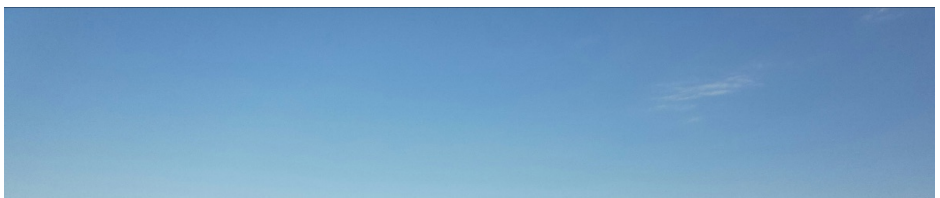
Giorgi Megrelishvili, TBC Bank's Deputy General Director, echoed this sentiment: "A more inclusive, greener economic sector is crucial to the development and resilience of Georgia's economy and society. The facility reflects our institution's strong commitment to supporting the sustainable growth of local businesses and reaffirms TBC's leadership position in green and sustainable lending."

TBC Bank, a long-standing partner of the EBRD, is one of Georgia's largest financial institutions, boasting a leading retail and corporate banking franchise. The bank is owned by the UK-incorporated public holding company TBC Bank Group, which is listed on the London Stock Exchange.

This new facility is the latest project under the GEFF programme in Georgia. The GEFF programme operates through a network of 191 local banks across 29 countries, supported by € 6.3 billion in EBRD financing, and has enabled over 231,000 clients to avoid more than 10 million tonnes of CO<sub>2</sub> emissions annually.

To date, the EBRD has invested almost € 5.3 billion in 296 projects across Georgia's financial, corporate, infrastructure, and energy sectors, with 83% of those investments targeting the private sector. This ongoing commitment highlights the EBRD's pivotal role in fostering sustainable development and climate resilience in Georgia.

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## EU, UN, and Austria launch initiative to improve air quality in Georgia

The European Union has launched a € 4 million initiative to enhance air quality in Georgia. This three-year project, supported by international and local partners, addresses the urgent issue of air pollution, which ranks Georgia 62nd out of 134 countries in the 2023 IQAir Index.

Funded by the EU, the initiative involves collaboration with the Ministry of Environmental Protection and Agriculture of Georgia, UNDP, WHO, UNECE, and the Environment Agency Austria. The project aims to strengthen Georgia's air quality surveillance network and enhance capabilities in monitoring and predicting air quality and its impact on public health.

This initiative seeks to establish a national reference laboratory and implement strategies to regulate industrial emissions. The project is executed in cooperation with the National Environment Agency, the National Centre for Disease Control and Public Health, and the Ministry of Economy and Sustainable Development of Georgia.

On 19 April 2024 stakeholders convened for an inception workshop to begin discussions on the implementation of this crucial initiative.

“By joining forces with our European and UN partners, Georgia will implement effective solutions that will lead to tangible improvements in air quality across the country,” stated Nino Tandilashvili, First Deputy Minister of Environmental Protection and Agriculture of

Georgia.

This collaborative effort is a significant milestone in Georgia's journey towards cleaner air and improved public health, showcasing the power of international cooperation and local commitment to sustainable development.

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## Energy efficiency in Georgia – The government's promise

Energy efficiency (EE) means using resources more efficiently to lower energy bills, reduce operating costs, and lessen the strain on energy infrastructure. By decreasing our reliance on imported or scarce energy resources, EE leads to a cleaner environment, lower greenhouse gas (GHG) emissions, and less environmental impact. Embracing clean energy and innovative technologies promotes public transport over cars, creates jobs, and results in healthier, more cost-effective living and working spaces.

Georgia is committed to tackling climate change and energy inefficiency through several key initiatives. The EU-Georgia Association Agreement (2014) aims to align Georgia's energy policies with the EU, including market liberalization, promotion of renewable energy, and compliance with EU standards. This was further strengthened by Georgia's Energy Community Membership in 2017, which provides a unified regulatory framework and best practices in the energy sector.

In 2017, Georgia also ratified the Paris Agreement, pledging to reduce GHG emissions by 35% by 2030, with higher reduction targets possible with international support. The European Green Deal (2019) followed, aiming for global net-zero GHG emissions by 2050 and promoting energy efficiency, renewable energy, and sustainable development. Georgia's alignment with the UN Sustainable Development Goals, particularly SDG 7, underscores its commitment to universal access to affordable, sustainable energy and improvements in energy efficiency across various sectors.

Georgia has enacted regulations to boost energy efficiency in buildings, focusing on new constructions. However, challenges remain in older buildings, particularly in cities like Tbilisi. Efforts are underway to improve energy efficiency in public buildings, such as schools and kindergartens. The Net-Zero Consumption Buildings Strategy aims to develop

buildings that reduce energy consumption and integrate renewable energy, aligned with the Law on Energy Performance of Buildings.

About 50% of Georgian municipalities have signed the Covenant of Mayors, committing to energy saving, increased renewable energy use, and GHG emissions reduction with support from donors and international best practices. In the private sector, the state offers

low-interest loans for green construction and renovation, supported by sustainable finance taxonomy developed by the National Bank of Georgia.

International donors like the World Bank, USAID, UNDP, and GIZ play a crucial role in supporting Georgia's energy efficiency initiatives. However, there is a need for more qualified auditors to ensure compliance with energy efficiency standards. The World Bank's "Greening Firms in Georgia" report highlights the energy inefficiency of Georgian firms and the need for competitive advantages through green practices. It suggests that modest energy efficiency improvements could significantly reduce energy costs and carbon emissions.

Georgia aims to reduce GHG emissions by 35% below 1990 levels by 2030, focusing on low-carbon approaches in buildings, agriculture, and waste management. The strategy also targets a 15% reduction in emissions from power generation and a 5% cap in the industrial sector, with an increase in carbon absorption by the forestry sector. Georgia's commitment to energy efficiency and aligning with EU standards reflects its broader European integration goals.

Significant progress has been made, but continued efforts in both residential and industrial sectors are crucial for achieving sustainable improvements nationwide. By embracing energy efficiency and renewable energy, Georgia is setting a strong example of how to tackle climate change and promote sustainable development.

This is an overview of the article posted on Georgia Today. Read the full article [here](#).

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**Featured technology**

**Cooling systems**

As global temperatures continue to rise due to climate change, the need to maintain

As global temperatures continue to rise due to climate change, the need to maintain cool and comfortable indoor environments is more crucial than ever. Traditional cooling systems can be energy-intensive and costly, driving up operational expenses.

To address this, consider installing an energy-efficient cooling system. These advanced systems deliver the same cooling power while consuming significantly less energy, resulting in lower utility bills and a reduced carbon footprint.

By investing in energy-efficient cooling, you ensure a comfortable atmosphere for occupants and demonstrate a commitment to sustainability and cost-effectiveness in building management.

See which energy efficient technology suppliers are available on the Georgian market in the [Green Technology Selector](#).

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