

Eligibility Criteria – Sub-project involving energy efficiency

1. Compliance with EBRD’s Environmental and Social Policy and applicable Performance Requirements.
 - (a) In accordance with the loan agreement the Borrower must comply with the relevant Environmental and Social Policy (ESP) and the corresponding requirements, in particular Performance Requirement 9 (PR9): Financial Intermediaries. The ESP can be accessed at <http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>.
 - (b) All activities must be in compliance with the relevant national environmental, health and safety, social and labour standards and regulations.

2. Requirements applicable to Sub-projects involving energy efficiency
 - (a) Eligible Sub-projects include investments in equipment, systems and processes that enable reduction in primary energy consumption and/or final consumption of electricity and/or fuels (either of fossil or renewable origin) and/or other forms of energy (which can be ultimately related to the use of electricity and/or fuels).
 - (b) The investment shall achieve an energy saving or GHG **reduction of 20%** or more compared to the baseline, as measured on an annual basis, all things being equal. If the existing national minimum requirement is greater than a 20% improvement from the baseline, the national minimum requirement will apply.
 - (c) Brownfield investments focus on the modernisation, upgrading, improvement or rehabilitation of existing installations, plants and other facilities, or new installations that directly replace existing installations. The baseline for brownfield projects is the existing situation.
 - (d) Greenfield investments focus on the development of new installations, plants and other facilities that do not directly replacing existing ones. The baseline for Greenfield projects is the national regulatory standards. Eligible greenfield energy efficiency Sub-projects include:
 - new co-generation plants, accommodating existing heat demand
 - energy efficiency activities in urban transport projects
 - production of components, equipment and infrastructure dedicated to energy efficiency and/or GHG reduction.
 - (e) Replacing equipment with equipment of higher capacity, is eligible if the new capacity is not more than twice the current capacity and the energy consumption or GHG emissions are reduced by 20% or more per unit of output. On an exceptional basis and with written approval of the EBRD, Sub-projects resulting in more than twice the current capacity may be eligible, but the amount of financing will be limited to:

$$\frac{2 \times \text{pre-investment production capacity}}{\text{post-investment production capacity}} \times \text{Investment Cost of the Sub-project}$$

3. Requirements for Sub-projects involving buildings

- (a) Sub-projects involving the improvement of existing buildings have a performance baseline defined by the current condition of the building fabric and engineering systems. Sub-projects (excluding costs of land and existing building acquisition) are 100 per cent eligible if:
- the performance of the building(s) is increased to the level of applicable EU standards for upgrade or refurbishment of existing buildings (based on Directive 2010/31/EU), or
 - the building will obtain environmental certification at a minimum level of LEED-Silver, BREEAM-Good or corresponding levels of other internationally recognised benchmarking schemes, or
 - the energy performance of the building is improved by at least 20% per habitable unit area.
- (b) Sub-projects involving the construction of new buildings have a performance baseline defined by national building standards. Sub-projects (excluding costs of land acquisition) may be eligible:
- up to 100 per cent, if the building will obtain international environmental certification at a minimum level of LEED-Silver, BREEAM-Good or corresponding levels of other internationally recognised benchmarking schemes, or
 - up to 30 per cent, if the building energy performance exceeds the baseline by at least 20% per habitable unit area, as evidenced by a national energy performance certificate.
- (c) When the investment does not meet one of the criteria listed above, Sub-projects may be assessed on the basis of building components. Technologies, equipment, services and activities that improve the environmental performance of the building(s) are eligible if:
- the total cost of the eligible components does not exceed 30% of the final value of a new building (excluding costs of land acquisition), and
 - the components have a minimum performance that has been assessed as 'best-in-class' compared to current market practices. Components listed on the national Technology Selector have been pre-assessed as 'best-in-class' and are therefore eligible without additional assessment.

Eligible components may address environmental aspects other than energy performance, including materials efficiency, water efficiency, waste management, pollution control, site management and land use, transport and transport access to site, monitoring and control of environmental performance.

4. Requirements for Sub-projects addressing climate adaptation that rationalise **water use**

- (a) Eligible water efficiency investments include investments in materials, equipment, appliances and technologies that enable reduction in water consumption and/or improve water use.
- (b) The investment shall achieve
- i. a water savings of at least 20% when compared to the "Reference Water Baseline"; or
 - ii. sustainable water generation installations including those of capacity equal to or greater than 100m³/yr. If the existing national minimum requirement is above 20%, the national minimum requirement will apply.

5. Requirements for Sub-projects addressing climate adaptation that improve **sustainable land management**

- a) Eligible sustainable land management investments include investments in materials, equipment, appliances and technologies that enable reduction in soil erosion.
- b) The investment shall achieve a reduction in soil erosion of at least 20% when compared to the "Reference Soil Loss Baseline". If the existing national minimum requirement is above 20%, the national minimum requirement will apply.

If you have further questions, please contact: kazakhstan@ebrdgeff.com

GEFF in Kazakhstan

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