Meeting of the Board
18 – 21 August 2020
Virtual meeting
Provisional Agenda Item 11

GCF/B.26/02/Add.12

28 July 2020

Consideration of funding proposals – Addendum XII

Funding proposal package for FP140

Summary

This addendum contains the following six parts:

a) A funding proposal summary titled "High Impact Programme for the Corporate Sector" submitted by the European Bank for Reconstruction and Development (EBRD);
b) No-objection letters issued by the national designated authority(ies) or focal point(s);
c) Environmental and social report(s) disclosure;
d) Independent Technical Advisory Panel's assessment;
e) Response from the accredited entity to the independent Technical Advisory Panel's assessment; and
f) Gender documentation of the funding proposal.

These documents are presented as submitted by the accredited entity and the national designated authority(ies) or focal point(s), respectively. Pursuant to the Comprehensive Information Disclosure Policy of the Fund, the funding proposal titled titled "High Impact Programme for the Corporate Sector" submitted by the European Bank for Reconstruction and Development (EBRD) is being circulated on a limited distribution basis only to Board Members and Alternate Board Members to ensure confidentiality of certain proprietary, legally privileged or commercially sensitive information of the entity.

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Funding Proposal

Project/Programme title:	High Impact Programme for the Corporate Sector
Country(ies):	Armenia, Jordan, Kazakhstan, Morocco, Serbia, Tunisia, Uzbekistan
Accredited Entity:	European Bank for Reconstruction and Development (EBRD)
Date of first submission:	2020/01/22
Date of current submission	2020/06/04
Version number	V.6 FINAL PUBLIC

GREEN CLIMATE FUND

Contents

Note to Accredited Entities on the use of the funding proposal template
• Accredited Entities should provide summary information in the proposal with cross-reference to annexes such as feasibility studies, gender action plan, term sheet, etc. • Accredited Entities should ensure that annexes provided are consistent with the details provided in the funding proposal. Updates to the funding proposal and/or annexes must be reflected in all relevant documents. • The total number of pages for the funding proposal (excluding annexes) **should not exceed 60**. Proposals exceeding the prescribed length will not be assessed within the usual service standard time. • The recommended font is Arial, size 11. • Under the GCF Information Disclosure Policy, project and programme funding proposals will be disclosed on the GCF website, simultaneous with the submission to the Board, subject to the redaction of any information that may not be disclosed pursuant to the IDP. Accredited Entities are asked to fill out information on disclosure in section G.4.

Please submit the completed proposal to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

"FP-[Accredited Entity Short Name]-[Country/Region]-[YYYY/MM/DD]"

FP-EBRD-Regional-HighImpact-20200604 PUBLIC

Information considered confidential has been removed from this document in accordance with the EBRD's Access to Information Policy (AIP). Information which has been removed is considered confidential because it falls into one of the categories of information set out in Section III, paragraph 2 of the AIP.

GREEN CLIMATE FUND

List of abbreviations and acronyms

2DS	2 degrees scenario
ADB	Asian Development Bank
AE	Accredited Entity
AEB / EBRD Agreement	Agreement Establishing the European Bank for Reconstruction and Development
AMA	Accreditation Master Agreement
AML	Anti-money Laundering
BAT	Best available technology
CAPEX	Capital Expenditures
CCG	Corporate Climate Governance
CCGC	Corporate Climate Governance Criteria
CDP	Carbon Disclosure Project
CFT	Countering of Financing of Terrorism
CIF	Climate Investment Fund
CN	Concept Note
COO	Countries of Operation
COSO	Committee of Sponsoring Organisations
CSO	Civil Society Organisations
CTF	Clean Technology Fund
DCF	Donor Co-finance
DSCR	Debt Service Coverage Ratio
E&S	Environmental and Social
E2C2	Energy Efficiency and Climate Change
EBRD	European Bank for Reconstruction and Development, “the Bank”
EE	Energy efficiency
EnPC	Energy Performance Contracts
ESCO	Energy Services Company
ESD	Environmental and Social Department
ESDD	Environmental and Social Due Diligence
ESIAs	Environmental and Social Impact Assessments
ESMS	Environmental and Social Management System
ESP	Environmental and Social Policy
ESS	Environment and Social Safeguards
ETS	Emissions Trading Scheme
EvD	Evaluation Department
FAA	Funded Activity Agreement
FAO	Food and Agricultural Organization
FP	Funding Proposal
GCF	Green Climate Fund
GET	Green Economy Transition
GHG	Greenhouse Gas
IFI	International Financial Institutions

IFRS	International Financial Reporting Standards
IDP	Information Disclosure Policy
KPI	Key performance indicator
M&S	Manufacturing and Services, of the EBRD
ML/TF	Money laundering/terrorist financing
MoV	Means of Verification
MRV	Monitoring, Reporting and Verification
MSME	Micro-, small- and medium-sized enterprise
NDA	Nationally Designated Authority
NDC	Nationally Determined Contributions
NEEAP	National Energy Efficiency Action Plan
OAD	Operation Administration Department
OCCO	Office of the Chief Compliance Officer
OGC	Office of General Counsel
OL	Operations leader
PBF	Performance-based financing
PD	Procurement Department
PFI	Partner Financial Institution
PM	Project Manager
PMF	Performance Measurement Framework
PP&R	Procurement Policies and Rules
PPP	Public Private Partnerships
PRs	Performance Requirements
RMF	Results Management Framework
RO	Resident Offices
SDG	Sustainable Development Goals
SEFF	Sustainable Energy Financing Facilities
SEAP	Sustainable Energy Action Plan
SEP	Stakeholder Engagement Plan
SLL	Sustainability-linked loans
TC	Technical Cooperation
TCFD	Task Force on Climate-related Financial Disclosures
tCO_2eq	Tonnes of Carbon Dioxide Equivalent
The Programme	Proposed High Impact Programme for Corporate Sector
The Programme's region	Beneficiary countries included under the Programme
The Special Fund	GCF-EBRD Special Fund
ToC	Theory of Change
ToR	Terms of Reference
TRL	Technology Readiness Level
TPV	Total project value (per Term Sheet definition)
UNFCCC	United Nations Framework Convention of Climate Change
USD	United States Dollar

A. PROJECT/PROGRAMME SUMMARY

A.1. Project or programme	Programme	**A.2. Public or private sector**	Private
A.3. Request for Proposals (RFP)	Not applicable		
A.4. Result area(s)	*Check the applicable GCF result area(s) that the overall proposed project/programme targets. For each checked result area(s), indicate the estimated percentage of GCF budget devoted to it. The total of the percentages when summed should be 100%.*		
	Mitigation: Reduced emissions from:	GCF contribution:	
	☒ Energy access and power generation:	10%	
	☐ Low-emission transport:	Enter number%	
	☒ Buildings, cities, industries and appliances:	90%	
	☐ Forestry and land use:	Enter number%	
	Adaptation: Increased resilience of:		
	☐ Most vulnerable people, communities and regions:	Enter number%	
	☐ Health and well-being, and food and water security:	Enter number%	
	☐ Infrastructure and built environment:	Enter number%	
	☐ Ecosystem and ecosystem services:	Enter number%	
A.5. Expected mitigation impact	17.220 million tCO2eq over asset lifetime	**A.6. Expected adaptation impact**	*Indicate total number of direct and indirect beneficiaries* *Indicate % of population*
A.7. Total financing (GCF + co-finance)	1,016,890,000 USD	**A.9. Project size**	Large (Over USD 250 million)
A.8. Total GCF funding requested	258,030,000 USD *For multi-country proposals, please fill out Annex 17.*		
A.10. Financial instrument(s) requested for the GCF funding	*Mark all that apply and provide total amounts. The sum of all total amounts should be consistent with A.8.* ☒ Grant 5,530,000 USD ☒ Loan 252,500,000 USD ☐ Guarantee Enter number	☐ Equity Enter number ☐ Results-based payment Enter number	
A.11. Implementation period	a) disbursement period: 6 years[1] b) repayment period: 12 year tenor for loans	**A.12. Total lifespan**	18 years
A.13. Expected date of AE internal approval	*Not applicable*	**A.14. ESS category**	B
A.15. Has this FP been submitted as a CN before?	Yes ☒ No ☐	**A.16. Has Readiness or PPF support been used to prepare this FP?**	Yes ☐ No ☒
A.17. Is this FP included in the entity work programme?	Yes ☒ No ☐	**A.18. Is this FP included in the country programme?**	Yes ☐ No ☒
A.19. Complementarity and coherence	*Does the project/programme complement other climate finance funding (e.g. GEF, AF, CIF, etc.)? If yes, please elaborate in section B.1.* Yes ☒ No ☐		

A.20. Executing Entity information	*If not the Accredited Entity, please indicate the full legal name of the Executing Entity(ies) and provide its country of registration and ownership type. Note that there can be more than one Executing Entity. Also indicate if an Executing Entity is the National Designated Authority. Refer to the definition of Executing Entity in the Accreditation Master Agreement.* European Bank for Reconstruction and Development (EBRD)

A.21. Executive summary (max. 750 words, approximately 1.5 pages)

The corporate sector is critical to delivering global climate change mitigation goals. Manufacturing industry, agribusiness and (non-fossil energy) metal and mineral mining sectors (excluding extraction of fossil fuel sources) all have significant potential to deliver decarbonisation of the global economy. Energy demand in industry is the highest of all end-use sectors and, in the IEA 2 degrees scenario (2DS), energy-efficient climate technologies dominate the cumulative CO_2 emissions reductions that can be achieved in industry. Energy and materials efficiency measures, together with deployment of best available technologies (BATs), will contribute significantly to achieving cumulative emissions reductions in industry before 2030. Globally, the agribusiness sector accounts for 30% of total energy use and over 20% of GHG emissions. To meet growing and changing food demand while tackling climate change, significant improvements in resource-use efficiency and conservation are needed. In addition, mining companies are among the biggest consumers of energy in several developing economies and, given the anticipated substantial increase in demand for several key minerals and metals to manufacture cleaner energy technologies, will be key players in the energy transition. However, achieving a shift in low-carbon pathways across these sectors consistent with 1.5°C of warming will require large investments in low-carbon technologies coupled with changes to corporate governance and business practices, as well as a gender-responsive approach.

To enable the paradigm shift and transformational change required within these energy-intensive sectors, the *High Impact Programme for the Corporate Sector* (the "Programme") is based on the innovation of linking climate considerations at a project level with the uptake of long-term climate corporate governance performance that is supported by the adoption of sectoral low-carbon trajectories. Currently, innovative financing mechanisms similar to the proposed Programme do not exist in the participating Countries and the corporate sector has not begun to adopt climate corporate governance. To introduce the required systemic change, the GCF and the EBRD working together under the Programme will foster the uptake of new low carbon technologies and adoption of corporate climate-related behavioural changes. By setting climate change mitigation 2030 targets through low carbon investment planning and incorporating climate governance principles into decision-making, corporates will be enabled to contribute to sectoral and country-specific low-carbon pathways while also following a gender-responsive approach.

The Programme targets energy-intensive industries, (non-fossil energy) mining companies, agribusinesses and agribusiness value chains (and related logistics) in the following participating countries: Armenia, Jordan, Kazakhstan, Morocco, Serbia, Tunisia and Uzbekistan. In these sectors and countries, key barriers need to be overcome to unlock potentials to deliver climate benefits. Critical financial barriers to the uptake of climate technologies across industrial, agribusiness and mining sectors contribute to the higher costs that early adopters of technologies face due to a lack of access to suitable financial products with adequate pricing. In addition, companies face a range of capacity barriers related to identifying, prioritizing, developing, implementing and monitoring low-carbon projects and the respective climate governance procedures.

In response to these barriers and to support the private sector to deliver decarbonisation, the Programme has been structured under three components: Component 1: High impact technologies identification and corporate low-carbon strategy development; Component 2: Innovative financing for high climate impact projects; and Component 3**:** Low-carbon sectoral roadmaps for high impact industries and knowledge sharing.

[1] Further details provided in Section E and Annex 5

Component 1 addresses technical barriers faced by manufacturing industries, mining and agribusiness sectors by facilitating identification of high-impact climate technology projects. In addition, Component 1 addresses the lack of corporate capacity to conduct climate change planning, and supports the integration of risk analysis and gender-responsive climate change consideration into strategic decision making, target setting and investment planning.

Component 2 introduces an innovative concessional financing mechanism to address financial barriers to the uptake of high climate impact technologies for a shift to lower carbon processes and operations, in addition to promoting the uptake of corporate climate governance and management practices. The financing mechanism offered links the interest rate to financial performance, with the innovation being the link to climate and corporate governance performance. To participate, corporates and projects will comply with eligibility criteria related to (a) sector, (b) behavioural change, (c) technology and (d) impact potential. Sustainability-linked loans (SLL) and performance-based financing (PBF) climate finance instruments are being developed in advanced markets, and involve borrowers meeting pre-defined sustainability key performance indicators. However, to date, these instruments are concentrated in the European debt market; and no SLL or PBF climate instruments are available for the industrial, agriculture and mining sectors in the participating Countries. Component 3 promotes private-public sector dialogue in policy formulation at the sectoral level to create an enabling environment for climate-related investments by supporting the development of sector-level decarbonisation roadmaps. These roadmaps encompass technical pathways, policy interventions and markets aspects into the formulation of the potential pathways. Low carbon roadmaps facilitate decisions, reforms and capacity building in establishing the strategic capacity to guide companies, sector and country on the corresponding pathway. This collaborative approach developed between the EBRD, corporates, industry association and the public sector will have impact beyond the targeted countries and sectors, and will facilitate replication of the approach in other sectors and geographies. This policy dialogue will enable to identify gender specific constraints in the sectors targeted, and will provide key actions for policy considerations. In addition, knowledge products will be developed to support and engage the private sector and stakeholders, such as policy makers and industry associations, in a collaborative knowledge exchange.

The Programme will provide total financing (GCF and co-financing) of USD 1,016.890 million, with USD 252.500 million concessional finance and USD 5.530 million grant from the GCF. Alongside concessional financing from the GCF, the EBRD and other co-financing will offer USD 757.500 million to corporates through loans. The EBRD will provide these loans from its own capital resources for specific, covenanted purposes aligned with the Programme goals and supported with a technical assistance grant from the EBRD of USD 1.360 million. Support from the GCF will introduce an innovative funding mechanism that is not currently available to private companies in the participating Countries. GCF support is, therefore, crucial to enable energy-intensive industrial sectors to shift to a low-carbon gender-responsive pathway. The EBRD has extensive experience working with industrial, agribusiness and mining corporates, and has offices in all of the participating Countries allowing local bankers to work closely with corporate clients and other stakeholders.

Overall, the Programme is expected to reduce emissions related to GCF results area "buildings, cities, industries and appliances" by 15.498M tCO_2 (reduced over 20-year asset lifetime); and GCF results area "energy access and power generation" by 1.722M tCO_2 (reduced over 20-year asset lifetime). The Programme will result in lower energy intensity with over 111,400 TJ in energy savings over the investment lifetimes. The assumptions applied in the above ex-ante assessment are conservative, since the Programme is designed to drive deeper climate ambition within the companies supported. Therefore, eventual direct mitigation results are likely going to be higher particularly in the industrial sector with extensive supply chains. The overall impact of the Programme could be substantially higher with indirect (Scope 3) emissions benefits potentially reaching 20-30% of the direct emission reductions, thus increasing the overall impact to over 21.5MtCO_2.

B. PROJECT/PROGRAMME INFORMATION

B.1. Climate context (max. 1000 words, approximately 2 pages)

Climate change problem, and the industry, agribusiness and mining sectors

1. Global energy consumption in 2018 increased at nearly twice the average rate of growth since 2010. As a result of higher energy consumption, CO_2 emissions rose 1.7% in 2018 and hit a new record. Increased energy consumption is driven by a robust global economy and higher heating and cooling needs in some parts of the world, according to the latest IEA analysis in its *Global Energy & CO_2 Status Report 2019*.
2. While higher electricity demand was responsible for over half of the growth in energy needs, energy efficiency improvements are slow. Weather conditions in 2018 were responsible for almost a fifth of the increase in global energy demand as average winter and summer temperatures in some regions approached or exceeded historical records. Cold snaps drove demand for heating and, more significantly, hotter summer temperatures pushed up demand for cooling. Limiting warming to 1.5°C implies reaching net zero CO_2 emissions globally by 2050.[2] The required mitigation pathways to achieve this target are characterized by energy demand reductions, decarbonisation of electricity and other fuels, electrification of energy end use and deep reductions in agricultural and industrial emissions (Annex 2).
3. The manufacturing industry, agribusiness and mining sectors have significant potential to deliver decarbonisation of the global economy. To achieve a low-carbon pathway across these sectors consistent with 1.5°C of warming will require large investments in low-carbon technologies and practices, changes in energy consumption and a shift to renewable energy. These will need to deliver ~70% of the global greenhouse gas (GHG) emissions reductions required to shift these sectors to a low-carbon path.[3]
4. Energy demand in industry is the highest of all end-use sectors. In particular, energy-intensive industries – including iron and steel, cement, chemicals, and aluminum – represent a significant portion of the overall final industrial energy use (69%) and CO_2 emissions (74%). In the IEA 2 degrees scenario (2DS), energy-efficient climate technologies dominate the cumulative CO_2 emissions reductions that can be achieved in industry, reinforcing the importance of efficiency as the "first fuel" for achieving the 2DS vision. For industry, energy efficiency accounts for around two-thirds of the sector's cumulative emissions reduction potential in the 2DS. Energy and materials efficiency measures, together with deployment of best available technologies (BATs), will contribute significantly to achieving cumulative emissions reductions in industry before 2030.
5. Globally, the agribusiness sector accounts for 30% of total energy use and over 20% of GHG emissions. Global population growth and higher incomes are predicted to lead to a 50% increase in food demand by 2050[4]. To meet growing and changing food demand while tackling climate change, significant improvements in resource-use efficiency and conservation are needed. Agribusiness plays a pivotal role in influencing GHG emissions impact across the agricultural system. Agribusinesses generate GHG emissions (and wider impacts) along the entire agricultural value chain, including but not limited to food production, post-harvest processes, packaging and distribution/retail. Agribusinesses that source inputs from multiple suppliers are uniquely positioned to positively influence the wider supply chain due to their purchasing power and commanding position in the value chain.
6. Mining companies are among the biggest consumers of energy in several developing economies and, given the anticipated substantial increase in demand for several key minerals and metals to manufacture cleaner energy technologies, will be key players in the energy transition. The mining industry produces the metals and minerals that are necessary to support a transition towards a low-carbon and climate-resilient economy (e.g. battery electric vehicles and stationary battery storage to support the scale-up of renewables requires copper, lithium, nickel, manganese and cobalt; clean energy from wind and climate-resilient infrastructure require steel). The mining sector has the potential to minimize its climate, social and environmental footprint through the raw materials value chain [5].

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[2] IPCC Special Report 2018
[3] Source: International Energy Agency.
[4] FAO (2017). The future of food and agriculture – Trends and challenges. Rome
[5] World Bank (2017). The Growing Role of Minerals and Metals for a Low Carbon Future. http://documents.worldbank.org/curated/en/207371500386458722/pdf/117581-WP-P159838-PUBLIC-ClimateSmartMiningJuly.pdf

Context: the corporate sector

7. The corporate sector is critical to delivering global climate change mitigation goals. As noted in an Energy Transitions Commission report[6], it is essential that energy and industrial systems to achieve net-zero CO_2 emissions within themselves to reach a fully decarbonised economy. This report also emphasises the need to reduce and eventually eliminate emissions from the "harder to-abate" sectors in heavy industry (in particular cement, steel and chemicals). The private sector is integral to achieving the investment volume required in the time available, and plays a crucial role in deploying investments that facilitate the shift to low-carbon economies and support countries in the implementation of their respective national climate change agendas.
8. While climate change mitigation priorities are stated across national policies and strategies, the Countries, sectors and corporates lack well-developed approaches and guidelines on how to address climate change mitigation challenges and contribute to achieving the overall national and global targets in line with the Paris Agreement. In particular, sector specific low-carbon roadmaps are required to induce and support the needed change in management practices and technologies deployed and to facilitate the respective investments; and to enable regulatory environments (e.g. energy efficiency standards, carbon pricing, etc.). Gender continues to be an important consideration in green technology investments to meet sustainability and the countries' ability to align with the Paris Agreement. Refer to Annex 2 for more information on the target region and mitigation needs in the economies of the Programme Countries.
9. As the effects of climate change are increasingly visible and the severity and disruptive nature of future threats becomes clearer, financial institutions and corporates have started to assess climate risks in the context of their strategic and investment decisions. Investor requests for climate-related disclosure are increasingly becoming a key driver for companies to publicly provide climate-related information supporting the shift to a low-carbon pathway for companies in advanced economies, as evidenced by the increasing prominence of the Task Force on Climate-related Disclosures (TCFD) and Principles for Responsible Investing. At the same time, financial regulators request more transparency to understand and respond to the potential risks that climate change poses to financial markets. As public awareness increases, the demand for low-carbon products and services is continuing to grow, changing the shape of traditional industries and value chains.
10. Transitioning to a more sustainable, low carbon and climate resilient economy in a gender-responsive way requires that manufacturing industries, agribusinesses and mining companies take responsibility and preparedness for climate issues through installation of low-carbon technologies and enhancing corporate climate governance (CCG) practices. A transformative shift by the corporate sector to a low-carbon pathway within a sector will be facilitated through a two-step approach: shift 1 − uptake of high climate impact technologies; and shift 2 − behavioural change at corporate governance and management levels as gender-responsive climate change targets and climate governance principles are incorporated into strategic decision making (see Figure 1).

[6] Energy Transitions Commission (2018 November) "Mission Possible: Reaching net-zero carbon emissions from harder to abate sectors by mid-century", available: http://www.energy-transitions.org/mission-possible

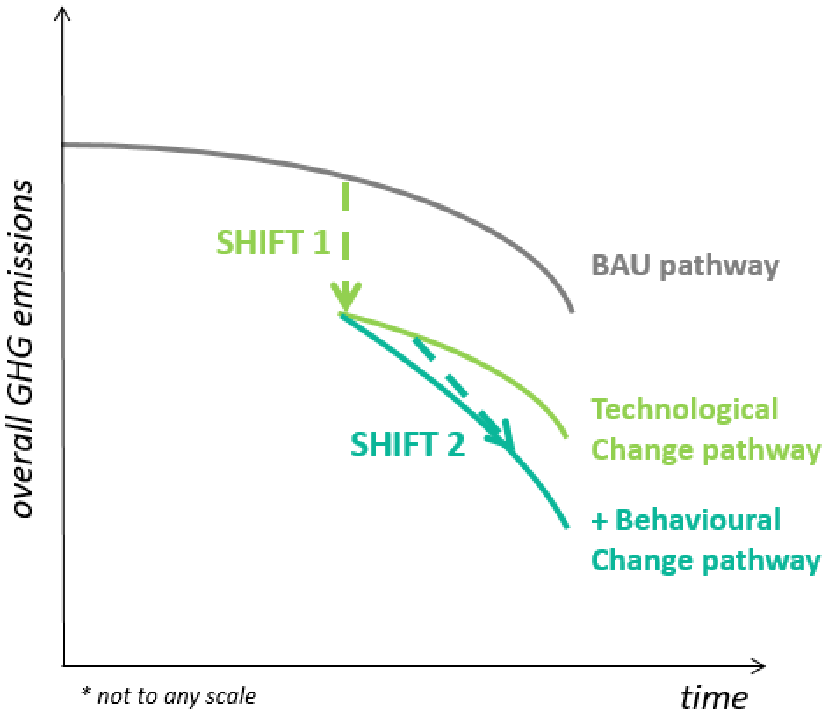


Figure 1. Paradigm shift potential of technology and behavioural changes

The transformative shift within a sector towards a low-carbon pathway can be facilitated and accelerated through a two-step approach: shift 1 − uptake of high climate impact technologies; and shift 2 − behavioural change at corporate governance and management levels as climate change targets and climate governance principles are incorporated into strategic decision making.

Barriers addressed by the Programme

11. The sustainable transformation of the corporate sector can only be achieved by (i) accelerating investments in climate technologies paired with the introduction of production processes and management practices, and innovative and sustainable business models (e.g., integrated recycling, new low carbon products, recyclable packaging, low carbon production), which is (ii) aligned with corporate climate governance principles. However, key financial, technological, capacity, policy and knowledge barriers as well as gender biases need to be overcome to unlock manufacturing industry, agribusinesses' and mining sector potentials to deliver climate benefits.
12. Critical financial barriers to the uptake of climate technologies across industrial, agribusiness and mining sectors are:
    a. Limited access to commercial funding: Limited long-term funding from commercial banks for low-carbon investments in the Countries due to a fanneneed for capacity building related to energy efficiency and renewable energy investments and uncertainty about performance. Banks may also lack the relevant expertise to assess climate investments in the corporate sector.
    b. Early-mover costs/disadvantages: Early adopters of new technologies face unaffordable or expensive terms of financing for funding. Transaction costs of developing these investments are usually high as such costs can arise from the need for market assessments, energy audits and feasibility studies. These costs can be increased by the lack of adequate familiarity and experience to identify and prepare projects both within the industry and the financial sector.
    c. No commercial funding that links price to sustainability/climate corporate governance issues: While sustainability-linked loans (SLL) and performance-based financing (PBF) climate finance instruments are being developed in advanced markets, these instruments are concentrated in the European debt market; and no instruments that involve borrowers meeting pre-defined climate and sustainability KPIs are available for the industrial, agriculture and mining sectors in the participating Countries. Local commercial banks do

not have appropriate products and financiers are not in a position to incentivize and reward superior climate corporate governance or energy performance with lower interest rates, in part because their internal credit risk assessment systems are not designed accordingly.

13. Corporate governance does not adequately recognize or address the risks of climate change or the benefits associated with proactive and informed decision-making and disclosure. Corporates lack incentives to make behavioural changes at corporate governance and management levels. Indeed, innovative financing mechanisms offering such incentives do not exist in the Programme Countries and, therefore, alternative funding options are currently not available to private companies in these Countries. Without GCF financing, this type of financing mechanism is unlikely to be offered in the EBRD's countries of operations, and they would not include mitigation-related milestones as well as gender considerations. In addition, investments for sustainability (generally, either through technologies or practices) are widely undemonstrated in the target region, and therefore the perception of risk is high.
14. Technology barriers are associated with emission reduction technologies and protocols that are not well-integrated into the target countries, thus there is limited opportunity for technology transfer and lack of familiarity with adoption. There is a high perceived technological risk stemming in part from a lack of relevant demonstration projects.
15. In addition, policy barriers exist, in that Countries may have identified targets and visions through NDCs but have not translated these into sector level action plans and guidance on how to achieve them. There is a lack of clear sectoral-level policy actions (to be pursued over a 5- to 10-year time frame) based on analysis of main challenges, upon which industries can improve energy and emissions performance. Few sectoral low-carbon strategies and plans exist that can be used as models (e.g. the development of the policy roadmap for the Kazakhstan cement industry highlighted the barriers across all areas, and some key reforms and interventions to promote low carbon investments). In addition, the key policy theme of carbon pricing is not well understood by industrial sectors, and therefore not adequately anticipated and prepared for.
16. There is a lack of clear sectoral-level policy actions (to be pursued over a 5- to 10-year time frame) based on analysis of main challenges, upon which industries can improve energy and emissions performance. Few sectoral low-carbon strategies and plans exist that can be used as models. The key policy theme of carbon pricing is not well understood by industrial sectors, and therefore not adequately anticipated and prepared for.
17. Finally, knowledge-related barriers include a lack of knowledge about the availability of high climate impact technologies and their associated benefits, which increases the difficulty for companies and policymakers to make well-informed decisions. There is a low understanding and adoption of responses to climate change risks (e.g. TCFD's recommendations for voluntary climate-related financial risk disclosures by corporates; Carbon Disclosure Project's approach to environmental disclosure). Furthermore, there is a lack of facilitated inter-country or regional exchange of such strategies and plans as case studies.

Related projects and investments

18. The GCF-funded *Sustainable Energy Financing Facilities (SEFF*), approved in 2016, is an EBRD-led programme focused on the scale-up of private sector climate finance through local financial institutions. The SEFF provides an innovative combination of financial support, capacity building and technology transfer; and encourages local Partner Financial Institutions (PFIs) to establish and grow climate financing solutions for mitigation and climate resilience. Through the SEFF, the PFIs on-lend to borrowers such as micro-, small- and medium-sized enterprises (MSMEs) and homeowners wishing to invest in green technologies. As it focuses on MSMEs, the SEFF is complementary to the proposed High Impact Programme, which targets larger corporates and thus larger and more impactful emissions reduction programmes.
19. The EBRD has begun to test an innovative financial instrument in the form of "High Impact Loans" where the interest rate of the loan is linked to the achievement of climate outcomes (milestones) involving both technological changes and improvements in corporate climate governance. The High Impact Loans model is being tested under a Clean Technology Fund (CTF)-funded project, with the CTF providing USD 53 million for Egypt, Jordan, Kazakhstan, Tunisia, Turkey and Ukraine (operational from 2019 to 2023). To date, High Impact Loans has been well received by corporates, which have noted that participation has helped shape internal CCG discussions and accelerate alignment with a low carbon future. Technologies supported include waste heat recovery, tri-generation, e-mobility and modal shift. Initial feedback on the delivery model has been that the number of milestones should be streamlined to facilitate covenance in loan agreements. While lessons have

been learned from the CTF experience, it should be noted that the CTF targets smaller projects (average size is USD 4 to 5 million CTF contribution), and therefore is not suitable for supporting larger projects in mining, industry and agribusiness that are targeted by the Programme.

20. The EBRD has developed a CCG assessment tool that has also been tested under the CTF-funded project, specifically to assist the CCG gap analysis and identify entry points for corporate low carbon strategy development. Companies are assessed against four CCG levels: Level 1 – Basic, Level 2 – Intermediate, Level 3 – Advanced and Level 4 – Best Practice.
21. Once a company's CCG level is established using the tool, the EBRD works with the company to develop its CCG action plan to help it move to the next level for each CCG element and enhance its CCG practices through the High Impact Loan. The seven core elements of effective CCG are:
    (1) Commitment: Climate-related strategies, policies and targets

    (2) Accountability: Incentives for the management of climate-related risks and opportunities

    (3) Processes: Climate risk and opportunity assessment processes and action plans

    (4) Capacity: Development of capacities in climate-related risks and opportunities

    (5) Engagement: Climate advocacy and stakeholder consultation

    (6) Disclosure: Disclosure of GHG emissions as well as low carbon transition and physical climate risks and opportunities

    (7) Validation: Assurance of consistency and robustness of the climate risk and opportunity reporting data and processes
22. The EBRD has developed low-carbon roadmaps for the cement industry (in Kazakhstan, Egypt) and the global fertilizer sector. Other roadmaps have been developed in the EU, UK, and globally, which can also be leveraged (see Annex 2, section 4.3).
23. The GCF Programme will provide the opportunity to scale-up a simplified version of the high impact loan model, apply the CCG assessment tool in the participating Countries, and develop new sectoral low-carbon roadmaps.

B.2. Theory of change (max. 1000 words, approximately 2 pages plus diagram)

24. The Programme's theory of change (ToC) is based on the logic that long-term, integrated strategic corporate planning and climate governance, climate investments, and targeted policy and capacity building are necessary to accelerate private sector finance and drive a shift to low-carbon pathways. As illustrated in Figure 1, the sustainable transformation of manufacturing industries, mining and agribusiness sectors can only be achieved with a shift in technology and behaviours. Management practices leading to the integration of climate targets and considerations into strategic decision-making can be paired with accelerated investment in a portfolio of high-impact climate technologies and supportive changes in business practices.
25. The ToC, presented in Figure 2, conveys the sequence of logic underpinning the Programme. The ToC highlights the relationship between the barriers, inputs, Programme Activities, main Programme Outputs to be achieved, expected Outcomes and Fund-level impacts with the resulting Paradigm Shift expected as a consequence of this sequence of actions and impacts.
26. **Problem statement:** The problem addressed by the Programme is that Corporates in the industrial manufacturing, agribusiness and mining (non-energy) sectors contribute significantly to global greenhouse gas emissions due to (a) their continued adoption of standard technologies, (b) business-as-usual corporate behaviours and related investment planning, (c) misalignment of strategy with low-carbon sectoral level roadmaps, and (d) insufficient knowledge and tools.
27. **Goal statement:** Corporates in the industrial manufacturing, agribusiness and mining (non-energy) sectors in targeted countries undergo a transformative shift to a low-carbon Paris aligned pathway and accelerate greenhouse gas emissions reductions through (a) systematic identification and financing of best available technologies and new low-carbon products and technologies, (b) supportive climate corporate governance and low-carbon investment decision-making, (c) alignment with sectoral low-carbon roadmaps, and (d) uptake of targeted tools and knowledge to sustain and replicate the low-carbon transformation.
28. **Paradigm shift potential:** The concessional loan has the potential to trigger behavioural change at corporate sector management level to incorporate climate change targets and corporate climate governance principles into strategic decision making. As shown in Figure 1, the transformative shift within a sector made possible through: the uptake of high climate impact technologies (shift 1); the additional shift triggered by behavioural change at

corporate governance and management levels as climate change targets and climate governance principles are incorporated into strategic decision making by adopting a corporate climate governance strategy and processes (shift 2); and all supported by an enabling policy framework, in particular gender-responsive sectoral low-carbon roadmaps. The resulting paradigm shift will be (1) a shift and acceleration of corporate decarbonisation trajectories; (2) transformation of the supply and demand for climate finance; and (3) acceleration of the market for climate technologies.

29. ***High climate impact technology projects***: The Programme will support the origination, development and implementation of projects that demonstrate replicable solutions with high climate change mitigation impact. To do so, the Programme will support both cross-cutting and sector specific technology applications.
30. ***Behavioural change in the corporate sector***: Significant behavioural change at the corporate management level will be necessary to take into account climate risks and address climate change targets, and will require companies to enhance their understanding and capacity to strategically adapt to the climate change agenda. The Programme will assist corporates in learning-by-doing to adapt to changing financing and carbon markets, incorporating gender responsive corporate planning and climate governance, and work on MRV, disclosure and identification of new economic opportunities.
31. ***Enabling policy frameworks***: An enabling policy framework is crucial to support behavioural change and ensure a level playing field among corporates in a particular sector and will be facilitated through the low-carbon roadmaps. Low-carbon roadmaps outline the required plan of action and incentivize companies to undertake the necessary investments into high-impact climate technologies, which will be required to address climate change targets in line with national and global priorities. Low-carbon roadmaps outline an agreed-upon, evidence based, set of pragmatic and realistic measures (policy, financial, governance) that will:
    (a) be developed within the context of this Programme and informed by related investments.
    (b) in cases where a nationally or internationally recognized roadmap is available, use the existing roadmap as a basis for stakeholder engagement. The roadmaps will be developed or deployed alongside investments with leading corporates in a particular sector. This will have an important demonstration impact and provide a basis for putting in place a policy framework that is supported by industry and ultimately stimulating a real behavioural shift among corporates in that sector.
    (c) consider and reflect policy and regulatory developments, including those that focus on carbon pricing schemes and other innovative initiatives.

32. Low-carbon roadmaps are developed in cooperation with a range of relevant stakeholders including Ministries, business councils, chambers of commerce, etc. For example, the low-carbon roadmaps for the cement sector that was developed by the EBRD in Kazakhstan and in Egypt involved several ministries and agencies, and analyzed the current economic and policy framework for the low-carbon development of the national cement sector. The reports identified the main challenges the industry faces and the analysis resulted in key, economically attractive policy actions the industry can pursue in the next several years to improve energy and emissions performance.
33. **Key assumptions**: The key assumptions underpinning the Programme are that (a) given correct support, corporates are willing and able to build their capacity to address climate change in a systematic way; (b) given access to appropriate finance, corporates will invest in high climate impact technologies; (c) capital markets will respond to decreased impediments to invest in climate measures in emerging markets; (d) increased investment by corporates in low-carbon measures will lead to economic growth through stimulation of green sectors.
34. **Replicability and sustainability:** The Programme has also been designed to ensure scaling up in the targeted sectors and participating countries, as well as replicating in the EBRD's CoO, due to the Programme's features and activities: (a) development of corporate climate strategies; (b) demonstration of the high climate impact technologies; (c) introduction of an innovative financing mechanism that links corporate behaviours with finance; (d) sectoral roadmaps developed or rolled-out under this Programme, which will provide the guidelines that will allow the Programme to continue its impact beyond the targeted sectors, countries and timeline of the Programme; and (e) development of knowledge products related to corporate climate governance, Green Transition Bonds, and sector- and Programme-related supportive events to disseminate knowledge. Active knowledge sharing elements offering a range of opportunities for learning and knowledge transfer across industries and local financial institutions both within the participating Countries and across the Programme region.

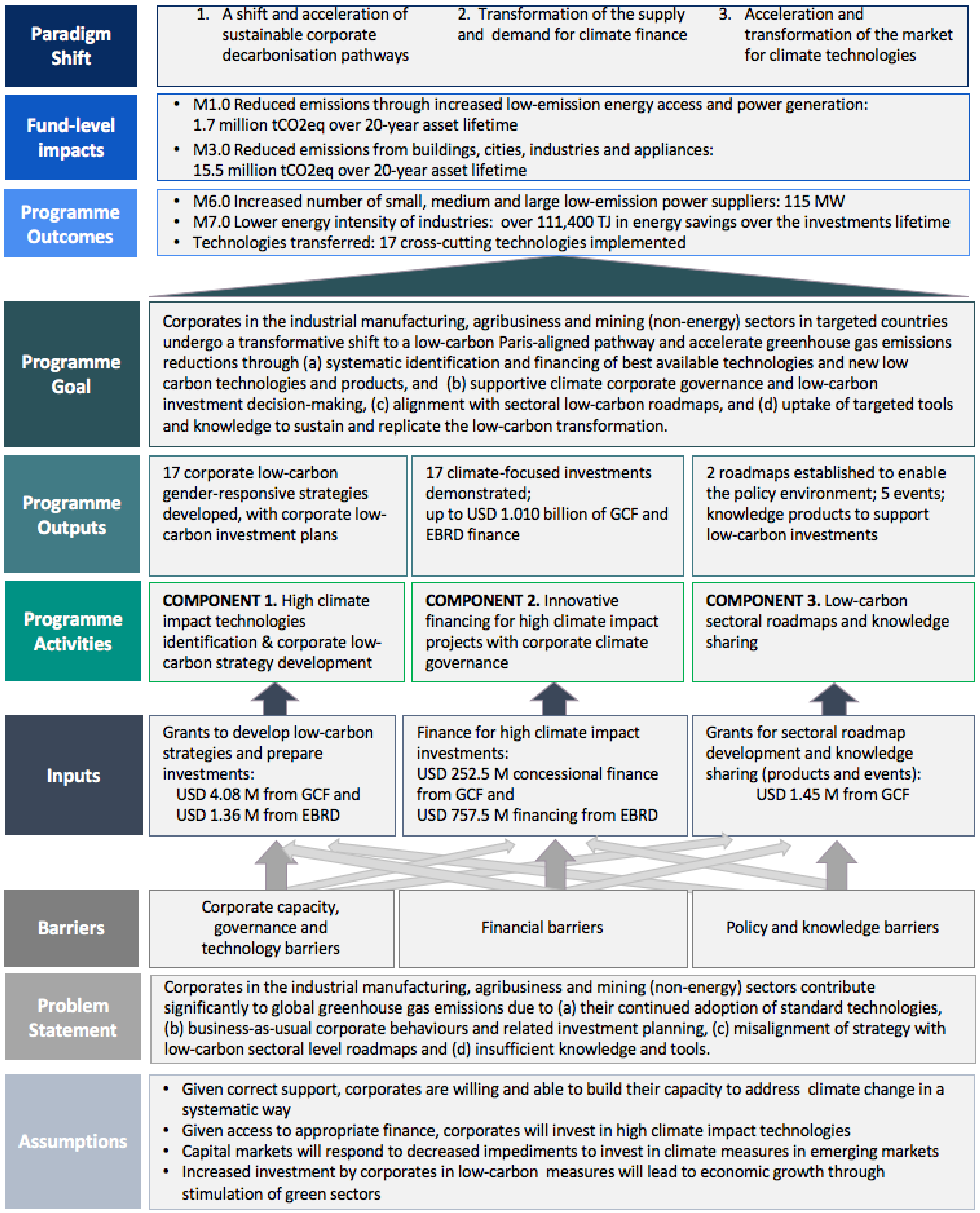


Figure 2. Theory of change

B.3. Project/programme description (max. 2000 words, approximately 4 pages)

35. To overcome the barriers noted in section B.1, and thereby enable a regional paradigm shift unlocking the potential for implementation of "high impact" climate technology uptake in the corporate sector, the EBRD is seeking to partner with the GCF to provide the financing and tools needed to effectively and sustainably address climate change through the corporate sector. The EBRD proposes the USD 1.016 billion "High Impact Programme for the Corporate Sector" (henceforth the "Programme"), which combines USD 252.5 million of concessional finance from the GCF with USD 757.5 million financing from the EBRD, and an additional USD 5.53 million from the GCF and USD 1.36 million from the EBRD for technical assistance and policy dialogue. The Programme will assist companies to identify and implement projects with high climate change mitigation potential, and ensure sustainability by integrating climate considerations and climate governance principles into their long-term strategies and decision-making processes. The Programme aims to trigger behavioural change at the corporate management level by incorporating climate change targets, anticipating carbon pricing regulations, and corporate climate governance principles into strategic decision-making. This work will also support corporates to consider carbon pricing markets, and acquire carbon and energy management skills, which will underpin their corporate climate governance. High impact technologies may include renewables, energy efficiency, energy access and low emission transport related investments.

Expected Outcomes

36. At the Programme level, the Expected Outcomes are:
    - Reduced emissions related to GCF results area "buildings, cities, industries and appliances": 15.498 M tCO_2 reduced over 20-year asset lifetime; and GCF results area "energy access and power generation": 1.722M tCO_2 reduced over 20-year asset lifetime.
    - Lower energy intensity: over 111,400 TJ in energy savings over the investments' lifetimes.

Programme Components, Outputs and Activities

37. The Programme is structured under three components:

    Component 1: High impact technologies identification and corporate low-carbon strategy development

    Component 2: Innovative financing for high climate impact projects

    Component 3: Low-carbon sectoral roadmaps for high impact industries and knowledge sharing.

<u>Component 1: High climate impact technologies identification and corporate low-carbon strategy development</u>

38. Component 1 addresses technical and capacity barriers in manufacturing industries, mining and agribusiness sectors.

Output 1.1: High impact technologies identified

39. This Output and related activities address the lack of corporate capacity to identify low-carbon projects across industries, agricultural value chains and mining. The Programme will facilitate the implementation of high-impact climate technology projects through identification of these projects that will be funded under Component 2.

Activity 1.1.1 Identify low-carbon projects

40. A technology audit including BAT identification will be undertaken with each participating corporate under the Programme to identify the technology investments and establish the project baselines. This Programme will target technologies with a level of at least technology readiness level (TRL) 7 based on the TRLs defined by the European Commission ranging from 1 to 9 (with 9 being the most mature technologies); technologies with TRL < 7 will be supported only on selective basis, where appropriate . This work will be complemented by grant funding from the EBRD under an energy audit framework.

41. In addition, a CCG gap analysis and gender audit will be undertaken for each participating corporate to identify the relevant climate activities to be undertaken in terms of corporate climate governance and gender-related practices.
42. The CCG and gender audits will be performed as a standalone assignment or in combination with the technology audit through external consultants (service providers). The service providers will be selected by the EBRD as per the EBRD Corporate Procurement Policy (CPP) and contracted to deliver the tasks during the due diligence phase of the investment projects. These activities are overseen by EBRD's Operations Leader, CCG experts, Engineers and Environmental Team. For these activities the Bank typically seeks a cash contribution of up to 20% of the total contract value from the beneficiary for which the beneficiary signs a cost sharing agreement and a waiver letter.
43. On the basis of both the technology audit and CCG and gender audit, eligibility for GCF concessional finance will be confirmed Two (2) specific milestones will be identified that will define the climate outcome to be achieved within the project's timeframe. Note that these milestones will go beyond the corporate's baseline, and more details are provided below (Component 2 Delivery Model).
44. Key performance indicators (KPIs) will also be established through energy audits pre-signing, and these KPIs (e.g. reflecting performance improvements) will be included in finance documentation (as EBRD's normal banking procedures), which includes annual reporting to the EBRD.

Output 1.2 Corporate low-carbon, gender-responsive strategies developed

45. This Output and its activities address the lack of corporate capacity to conduct gender-responsive climate change planning, and to integrate risk analysis and climate change consideration into strategic decision making and investment planning. Sectoral guidelines and roadmaps, where they exist, will inform the corporate strategy development.

Activity 1.2.1 Integrate climate change gender-responsive considerations into corporate governance and investment decision-making

46. Technical assistance, delivered via dedicated advisory services under the Programme, will support corporates in developing and implementing corporate low-carbon strategies and establishing related governance principles and processes. This work by participating corporates is a continuation of the two selected climate outcomes established as milestones under Activity 1.1.1 and will inform the identification and selection of future high-impact climate technology projects and advancements in implementing gender-responsive corporate climate governance principles. The Programme will assist corporates with defining their low-carbon strategies by 2030, outlining the company's strategy to reach carbon neutral operations in line with the required investment projects and the Paris Agreement. Low-carbon strategies will also address gender vulnerabilities and will identify specific priorities and needs related to climate change.

Component 2: Innovative financing for high climate impact projects

47. Component 2 introduces an innovative concessional financing mechanism to address financial barriers to the uptake of high climate impact technologies for a shift to lower carbon processes and operations, in addition to promoting the uptake of corporate climate governance and management practices. The financing mechanism offered is similar to mechanisms common for standard bank transactions where the interest rate is linked to financial performance (e.g. DSCRs, results-based payments), with the innovation being the link to climate and corporate governance performance.

Output 2.1: High climate impact investments demonstrated

Activity 2.1.1 Finance low-carbon projects

48. GCF loans will be provided to eligible projects, up to a maximum of 30% of the TPV (as per Term Sheet definition), to address challenges associated with adjustment of strategic direction of companies towards sustainable low-carbon development in the specific client's context. The level of ambition of the beneficiary will be defined through negotiated milestones to be achieved during the duration of the Programme and will thereby be linked to the level of concessionality. The balance of the project cost is to be funded by the EBRD, other

commercial lenders and the participating corporate in proportions determined on a transaction-by-transaction basis.

49. To ensure that concessionality is minimal, the grant equivalent of the interest rate will be less than or equal to the carbon compensation (please refer to example in Annex 3). This carbon "check" will be aligned to the Shadow Carbon Price[7], minus a forecasted carbon price for emission reductions where such nascent carbon scheme exists (see more details in section C.2 on Effective utilization of concessional finance). The provision of concessionality will be conditional upon achieving specific milestones, which will be defined ex-ante (established under Component 1) and reflect the level of ambition in line with the Corporate Climate Governance Criteria (CCGC). This CCGC matrix is derived from and aligns with the recommendations given by the TCFD, the Carbon Disclosure Project (CDP) and the Dutch CO_2 Performance Ladder reporting guidelines. The milestones will become part of the legal documentation agreed between the EBRD and the final beneficiary.

50. A discount on the interest rate on the GCF loan will be provided if the milestones are met. The discount structure by milestone is provided in Table 1[8] and more details are provided on the Delivery Model below. For each participating corporate, the following milestones and interest rate discounts can be set per project under the Programme:

- an optional accelerated milestone ("AM")
- at least two milestones (M1, and either M2a or M2b).

The "accelerated" milestone **(AM)** is an optional milestone related to a corporate choosing to retire carbon credits to cover the construction period. It was termed "accelerated" as the GCF loan margin reduction begins as soon as the corporate retires the carbon credits. By retiring carbon credits it means that the project contributes to lowering GHG emission reductions, even before the operational start of the investment project.

All participating corporates <u>must</u> seek to achieve **Milestone 1 (M1)**, which is related to the commissioning of technology, and begins once the technology is installed and the MRV system is in place.

Milestone 2 is also <u>mandatory</u>, and there are two options – **Milestone 2a (M2a, which is "simple") and Milestone 2b (M2b, which is "advanced"**). These Milestones are associated with different levels of governance and management practices adopted/ business model changed. M2a is simpler in that it involves the corporate achieving 3 categories of level 3 CCGC Matrix, and the corresponding GCF loan margin reduction is 0.50 * EBRD Loan Margin. However, corporates that want to go beyond the targets of M2a, and either adopt 2 additional categories of level 4 CCGC Matrix or 3 additional items in level 3, may sign up for M2b (which is termed "advanced"). Milestone 2b is associated with a larger GCF loan margin reduction to a floor of 1%.

[7] The EBRD will use a Shadow Carbon Price at the lower end of the range of prices recommended by the High Level Commission on Carbon Prices, which are carbon-price levels consistent with achieving Paris targets for limiting global warming, provided supportive policy environment is in place. Report of the High-Level Commission on Carbon Prices (2017)

[8] EBRD at its discretion may impose a higher threshold for categories of CCGC, where a client is already somewhat mature in its CCGC practices, to incentivize additional improvements over and above business-as-usual.

Table 1. GCF loan interest rate discounts by milestone: simple and accelerated options

<table>
<tr><th rowspan="2">MILESTONES</th><th colspan="2">SIMPLE OPTION</th><th colspan="2">ACCELERATED OPTION</th></tr>
<tr><th>Description *</th><th>Discount on GCF Loan Interest Rate**</th><th>Description *</th><th>Discount on GCF Loan Interest Rate**</th></tr>
<tr><td>Project signing
(time period until M1 achievement)</td><td>N/A</td><td>nil (market rate)</td><td>Accelerated Milestone (AM): Retirement of carbon credits to cover construction period</td><td rowspan="2">Discount of 25%</td></tr>
<tr><td>Milestone 1 (M1): Commissioning of technology</td><td>Technology installed, MRV system in place</td><td>Discount of 25%</td><td>Technology installed, MRV system in place</td></tr>
<tr><td>Milestone 2 (M2): Governance and management practices adopted/ business model*** changed</td><td>M2a: 3 categories of level 3 CCG Matrix
M2b (advanced): In addition, also 2 categories of level 4 CCG Matrix, or additional 3 items in level 3</td><td>Option 1: Discount of 50%
Option 2: Maximum discount (GCF floor rate: 1%)</td><td>M2a: 3 categories of level 3 CCG Matrix
M2b (advanced): In addition, also 2 categories of level 4 CCG Matrix, or additional 3 items in level 3</td><td>Option 1: Discount of 50%
Option 2: Maximum discount (GCF floor rate: 1%)</td></tr>
</table>

** refer to Delivery Model below.   ** discounts and floor rate are relative to all-in margin*

**** e.g. integrated recycling, introduction of new low carbon products, use of recyclable packaging, low carbon production*

CCG ELEMENTS	LEVEL 1 – BASIC	LEVEL 2 – INTERMEDIATE	LEVEL 3 – ADVANCED (in addition to Level 2)	LEVEL 4 – BEST PRACTICE (in addition to Level 3)
Commitment	The organization does not have a climate-related strategy, policy or targets (together with performance measurement against the targets).	The organization does have some climate-related aspects reflected in its strategy, policy or targets.	The organization has a climate-related strategy or climate-related policy and climate-related targets defined.	The organization has a clearly formulated climate-related strategy, policy and targets together with performance measurement against the targets.
Accountability	There is no oversight or accountability of climate-related risks and opportunities by the Board, management or operations.	There is a member of the highest governance body with responsibility for environmental and social risks and opportunities, and there is accountability by management and operations but no specific responsibility for climate risks and opportunities.	A member of the highest governance body has specific responsibility for climate related risks and opportunities including policy, strategy and information. This accountable member liaises with other committees on (i) audit and risk, (ii) strategy, sustainability & opportunities, (iii) nomination and compensation.	The organization provides incentives for the management of climate-related risks and opportunities, including the attainment of targets.
Processes	The organization does not assess climate-related risks and opportunities facing the organization and its industry.	The organization does ad hoc assessment of climate-related risks and opportunities, based on one timeframe with a focus on direct risks but does not have a process to assess on a regular basis climate-related risks and opportunities facing the organization or its industry.	The organization has a process in place to assess climate-related risks and opportunities, including the use of multiple climate scenarios, for multiple timeframes, to cover risks & opportunities, over the lifetime of the asset	The climate risk assessment process is integrated into the overall risk assessment process; both the risk and opportunity assessments are integrated into business planning and informs the business strategy. The organization is taking all reasonable precautions to mitigate climate-related risks, including internal carbon pricing. Risk & opportunity assessment results are monitored on a regular basis; risk management is flexible. The risk & opportunity assessments are accompanied by an Action Plan with prioritized measures to overcome identified barriers, to cover actions to eliminate / avoid risks; protect / mitigate risk; remedy impacts. Actions demonstrate that low carbon, climate resilient outcomes will be achieved, with accompanying financial outcomes.
Capacity	The organization does not have resources allocated to the identification, management and governing body oversight of climate change-related issues.	The organization secures capacity building/training on climate-related risks and opportunities on ad hoc basis primarily dedicated to individuals in the environmental and social risk functions.	Specific measures are taken to develop and enhance the highest governance body's collective knowledge of and resources for climate risks and opportunities.	Capacity in climate-related risks and opportunities is developed in a structured manner, and executive management and staff at all levels of the organization who are accountable/responsible for climate risks governance have the expertise, experience and access to relevant resources required for their areas of accountability/responsibility.
Engagement	The organization does not use stakeholder consultation to support work of the highest governance body in the area of economic, environmental and social topics and their impacts, risks and opportunities.	Stakeholder consultation is used ad hoc to support the highest governance body's identification and management of economic, environmental, and social risks (with climate risks and opportunities considered a subset of these).	Stakeholder consultation is used regularly to support the highest governance body's identification and management of economic, environmental, and social risks (with climate risks considered a subset of these). Relevant results are communicated to stakeholders in a transparent way.	Active participation in climate advocacy and stakeholder consultation that is dedicated specifically to climate risks and opportunities is used regularly to support the highest governance body's identification and management of climate change and its impacts, risks and opportunities. Results are communicated to stakeholders in a transparent way, with associated collaborative programs as required.
Disclosure	(a) The organization does not disclose information related to GHG emissions (b) The organization does not disclose information related to low carbon transition or physical risks and opportunities	Using internationally recognized methodologies and guidance: (a) The organization discloses information on its GHG emissions from energy use (Scope 1 and Scope 2), and (b) The organization partially discloses information related to low carbon transition and physical risks and opportunities	Using internationally recognized methodologies and guidance: (a) The organization discloses information on GHG emissions (Scope 1, Scope 2, and some Scope 3), and (b) The organization reports quantitative and qualitative information related to low carbon transition and physical risks and opportunities	(a) The organization discloses GHG emissions of its full value chain, including all upstream and downstream processes (b) The organization presents material low carbon transition and physical risks and relevant opportunities, including quantification of past impacts on the operation of the organization and envisaged implication for the long-term operation of the organization. The assessment clearly outlines uncertainties and assumptions, identify interdependencies, barriers and how they will be addressed (referring to accompanying action plan). Material climate risks relate to suppliers, operations, markets; opportunities from physical impacts are disclosed qualitatively at segment level; for critical facilities, climate resilience benefits are disclosed at the facility level. All disclosures are presented in a transparent and consistent manner, in a decision-useful format and includes management view.
Validation	The organization does not have an internal process for validating the consistency and robustness of climate-related data, information and reporting processes.	Consistency and robustness of climate-related risks and opportunities re. low carbon transition and physical impacts is reported and the reporting process are validated internally.	Consistency and robustness of climate-related risks and opportunities is reported and the reporting process are validated by a third party.	Consistency and robustness of the climate risk and opportunity reporting data and processes are validated through third party assurance and the validation of climate-related data follows industry best practice and is at the same level of scrutiny as financial data.

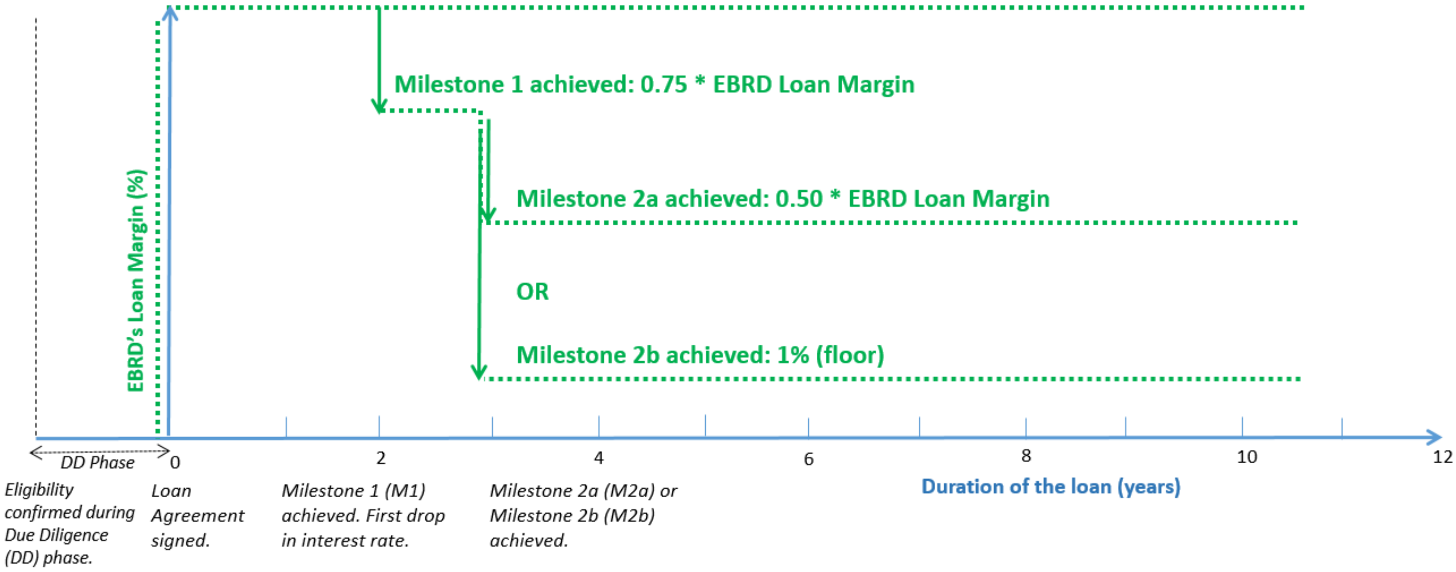
Figure 3. Corporate Climate Governance Matrix

Delivery Model

51. The delivery model for milestone definition is outlined in Figure 4 below, which illustrates the interest rate discounts on the GCF loan. The delivery model consists of two key steps, which are elaborated in the section below:

Step 1: Eligibility confirmed based on a minimum physical impact in terms of CO_2 pa to be achieved, behavioural change, technology and MRV; and

Step 2: Definition of key climate milestones based on the CCG gap analysis and in line with the recommendations in relevant low-carbon sectoral roadmaps as well as the level of ambition targeted in terms of corporate climate governance criteria to be met (see Figure 3 for CCG criteria).



Milestones

TECHNOLOGICAL CHANGE – Milestone 1 (M1): Technology installed; MRV system in place

BEHAVIOURAL CHANGE – Milestone 2a (M2a): 3 categories of Level 3 Climate Corporate Governance Criteria (CCGC) Matrix

Milestone 2b (M2b): M2a + 2 categories of Level 4 CCGC Matrix or 3 additional categories of Level 3 CCGC Matrix.

Figure 4. Illustrative discounts on the loan margin by milestone

52. ***Accelerated Option:*** The corporate has the option to accelerate the qualification for a discount any time beginning when the loan agreement is signed until the agreed operational start. This acceleration can be achieved by buying and cancelling qualifying carbon credits in the amount equal to the average annual emission reductions that the project expects to generate, but over the duration of the construction period of the project. In this way, the corporate can rapidly acquire its carbon and energy management skills, and build up experience in a carbon pricing market, which underpins the corporate climate governance improvements the Program seeks to encourage. The client will be incentivised to purchase such credits so if the carbon cost during the GCF loan's grace period is more cost effective (cheaper) when compared with a 25 % reduction in GCF financing charges. To be eligible for the accelerated discount option, the client must provide a formal certificate of retirement from registry/authority to the Bank, prior to the end of the GCF loan's grace period. Eligible types of carbon credits that may be used by the client to qualify for the accelerated discount are: UNFCCC credits; Gold Standard; Voluntary Carbon Standard; Regulated domestic offsets/carbon credits and /or allowances – e.g. Kazakhstan's Emissions Trading Scheme (ETS).

53. The Accelerated Option is an important feature of the Programme as carbon pricing is key to the enabling environment and its inclusion in the Programme will help stakeholders understand how to optimize these approaches. Furthermore, the flexibility that carbon markets offer will help to support the transition pathways and their implementation. It should be noted that (a) to be eligible for the accelerated option, the requirement is that the corporate both buy and cancel qualifying (environmental integrity) carbon credits in the appropriate emissions registry; and (b) if the participating corporate has met the accelerated option's requirement of retiring carbon credits to cover the construction period, the corporate is obliged to meet the milestones of commissioning the technology, and adopting governance and management practices in order to receive the interest rate reduction. The accelerated option provides an opportunity to the companies only during the construction period (which can be long) to achieve emission reduction results, and this option helps to introduce and learn new management practices aligned with the climate governance. The volume of carbon credits retired will be reported to the GCF.

Component 3: Low-carbon sectoral roadmaps and knowledge sharing

54. Component 3 promotes private-public sector dialogue in policy formulation at the sectoral level to create an enabling environment for climate-related investments by supporting the development of sector-level gender-responsive decarbonisation roadmaps. This collaborative approach between the EBRD, corporates, host country governments, industry associations and other stakeholders will have impact beyond the targeted countries and sectors, and will facilitate replication of the approach in other sectors and geographies. This policy dialogue will also enable identification of gender specific constraints in the sectors targeted and will provide key actions for policy considerations.

Output 3.1: Low-carbon sectoral roadmaps established

Activity 3.1.1 Develop and rollout low-carbon sectoral roadmaps

55. The development of sectoral roadmaps will require close involvement of government and industry stakeholders, such as policy makers and industry associations, in a collaborative network to facilitate strong industry and country ownership to ensure long-term implementation of climate technologies. The process of developing sectoral roadmaps begins with a mapping of work that has been done to date, and a consultation with a core group of stakeholders (including the relevant Ministries, usually Ministries of Environment, Industry, Mineral Resources; industry associations; and international stakeholders e.g. WBDSD). In a workshop setting, terms of reference and an implementation plan for the roadmap are decided. As part of an initial engagement phase a kick off workshop is held with a wider group (including CSO, NGOs) followed by an information gathering (e.g. plant data, market demand, supply issues, key regulatory issues). Findings are presented at a mid-term workshop to seek guidance, and a final workshop is held to discuss final report and recommendations. As part of this work, a communication and visibility plan is prepared (e.g. publish online, disclose at events like the UNFCCC COP and conferences, etc.) and engagement with other donors is conducted to identify further financing of measures.
56. The EBRD is experienced in developing low-carbon roadmaps, e.g. for the cement industry in Kazakhstan and for the global fertiliser industry (ongoing) (see Annex 2). Roadmaps recommend both technologies and policies to help achieve a low-carbon industry and have already led to government action. This approach will be replicated for sectors where no low-carbon roadmaps or guidelines are in place. The Programme targets support to develop policies, regulations and actions identified and outlined in the low-carbon roadmaps. These roadmaps will be a tool to steer climate investments and initiatives beyond the Programme's scope.
57. By doing so, the Programme's sector based roadmaps will help to inform and /or further detail the Countries Long Term Strategies (LTSs) and their NDCs. The roadmaps will provide guidance to manufacturing industries, mining and agribusiness sectors through public-private collaboration in developing roadmaps; and will facilitate a sustainable development path in line with the objectives and targets of the Sustainable Development Goals (SDGs) by 2030.
58. The Programme will develop two (2) low-carbon sectoral roadmaps. The roadmaps sectors (sub-sectors) will be determined based on (a) sectors where no roadmaps exist in any of the participating Countries tentatively for

sub-sectors of agribusiness and mining; and (b) alignment with the projects that are funded earlier on in the Programme.

59. The Programme will also support the roll-out of roadmaps, advising on the needed behavioural and technological change for high impact industries through private-public sector stakeholder engagement. The Countries and sectors targeted under the roadmaps will be selected based on market analyses of active industry associations, and supportive relevant ministries, among other considerations such as (a) through ongoing stakeholder consultations undertaken during the Programme including discussion with international stakeholders; and (b) alignment with the projects that are funded earlier on in the Programme.

Output 3.2: Low-carbon knowledge developed and shared for corporates

Activity 3.2.1 Develop and share knowledge

60. Strong industry and country capacity and ownership are essential to ensure long-term implementation of climate technologies. Knowledge products will be developed to support and engage the private sector and stakeholders, such as policy makers and industry associations, in a collaborative knowledge exchange.

61. **Case studies:**
Presented in a case study compilation report (publication), up to ten (10) case studies will be developed to explain and showcase the low-carbon technology interventions and CCG work undertaken. The compilation report will be produced after at least the first 5 years of the Programme's implementation to allow for identification of early lessons.

62. **Knowledge product on Green Transition Bonds**:

Green Transition Bonds have the potential to finance climate projects and support the implementation of corporate climate investment plans. Rather than focusing solely on the use of the proceeds or the profile of the issuer, a Green Transition Bond focuses on both the issuer's behaviour and is restricted to financing climate / environmentally-friendly projects. In the process of structuring green transition bonds, corporates have many questions including, the types of commitments, Paris Agreement Alignment and broader sustainability goals, how to address transparent reporting demands, and many other.

As a key aspect of the Programme's sustainability plan, a knowledge product on Green Transition Bonds will be prepared to support corporates in understanding how to seek future financing based on their enhanced corporate climate governance, behaviours and climate goals. A Green Transition Bonds guidance document, including market analysis and methodology for support for third-party verification, will be developed for a corporate audience. This guidance document will be both developed and disseminated through knowledge related events supported under the Programme.

63. **Regional events:**

These two (2) events will bring together stakeholders from the participating Countries to showcase the knowledge products developed and serve as a forum for networking among corporates and other stakeholders. These events will be held toward the middle (year 3) and end (year 6) of the Programme's implementation.

Dedicated sessions (e.g. workshops or panel discussions) will be held on:

- Gender-related issues, consistent with the Gender Action Plan outlined in Annex 8, including best practices and case studies from the Programme.
- Green transition bonds, including consulting on requirements and issues, and disseminating the guideline prepared under the Programme.
- FIs including local FIs will share best practices on structuring climate and sustainability-linked loans in local markets to facilitate the uptake of the instrument by local banks beyond the time horizon of this Programme.
- International stocktaking on carbon, to facilitate a dialogue between international and national developments. This will bring together stakeholders including coalition of finance ministers, OECD, NDC partnership, IETA, parties related the TCFD, carbon pricing leadership coalition (CPLD), Partnership for

Market Readiness/implementation (PMR), NGSF, EU Pathway 2050. The purpose will be collecting information, and facilitating regional and international networking.

64. **Sectoral events**: Three (3) events will be held, focused on the roadmap work conducted under the Programme. A sectoral event will tentatively be held in each sector: industry, agribusiness, and mining. These events will offer the companies in a specific sector the opportunity to exchange experiences and best practices and participate in workshops. Local FIs will be included in these events to share the experience of structuring sustainability-linked loans and including CCG criteria into financing products with financial institutions and facilitate the uptake of such products in local markets.

Market Study

65. Please refer to Annex 2 for the Programme's Market Study.

Programme selection criteria

66. Corporates and projects will comply with the following eligibility criteria: (a) sector, (b) behavioural change, (c) technology and (d) impact potential, as described below.

(a) **Sector eligibility**. The table below summarizes a tentative list of eligible sectors and sub-sectors.

Table 2. List of eligible sectors and indicative sub-sectors

Manufacturing industries	Agribusiness and agri value chains	(non-fossil energy) Mining
• Construction materials: cement, lime, ceramics • Fertilizer • Chemicals • Iron and Steel • Aluminium • Pulp and paper • Glass	• Food retail/food distribution and cold logistics • Dairy production/processing • Juice and beverage production • Packaging for food industry • Other food processing industries	• Metals and Minerals Mining (exploration, construction, O&M, closure, including special focus on tailings)

(b) **Behavioural change eligibility:** The final beneficiaries will provide a statement of intent upfront, agreeing to adopt management practices that will take climate change considerations into account.

(c)**Technology eligibility:** To accelerate the uptake of technologies proven to deliver significant climate change mitigation benefits, the Programme uses established eligibility criteria for technologies which are in line with industry BATs. Based on the technology readiness levels (TRL) defined by the European Commission ranging from 1 to 9 (with 9 being the most mature technologies), this Programme will target technologies with a level of at least TRL 7; technologies with TRL < 7 will be supported only on selective basis, where appropriate.

(d) **Impact eligibility:** The Programme will require significant climate change mitigation impact to be achieved by the projects supported. The criterion will be based on direct and indirect GHG emissions avoided due to one or more technologies deployed at one or more facilities of a company: >10ktCO_2 pa.

B.4. Implementation arrangements (max. 1500 words, approximately 3 pages plus diagrams)

EBRD's GCF Accreditation and Portfolio

67. The EBRD signed the GCF Accreditation Master Agreement (AMA) on 22 April 2017 and it became effective on 11 May of the same year whereby EBRD is acting as the Accredited Entity of GCF. The EBRD and the GCF have already entered into six project/programme-specific legal agreements with a total value of USD 826 million equivalent, all of which are under implementation with a current amount equivalent of USD 338 million of cumulative GCF disbursements:

- FP025 "GCF-EBRD SEFF Co-financing Programme", signed on 6 November 2017 and effective since 2 February 2018;
- FP039 "GCF-EBRD Egypt renewable energy financing framework", signed on 16 August 2017 and effective since 8 September 2017;
- FP040 "Tajikistan: Scaling up hydropower sector climate resilience", signed on 12 January 2018 and effective since 11 April 2018;
- FP043 "Saiss Water Conservation Project", signed on 3 November 2017 and effective since 31 January 2018;
- FP047 "GCF-EBRD Kazakhstan Renewables Framework", signed on 30 March 2018 and effective since 8 May 2018; and
- FP086 "Green Cities Facility", signed on 2 July 2019 and effective since 18 September 2019.

68. Some of these Funded Activities are already delivering climate impacts, in particular in Egypt and Kazakhstan where some renewable energy sub-projects have already reached completion. The EBRD has been returning funds to the GCF for more than a year, which includes interest income on the EBRD GCF Special Fund in addition to the interest income and fees earned on GCF loans and, more recently, the first principal repayments on these loans.

Legal arrangements among GCF, EBRD and corporate beneficiaries

69. Following the GCF Board approval, the EBRD and GCF will, based on the AMA, enter into a programme-specific legal agreement (the "Funded Activity Agreement" or the "FAA"). The FAA will outline, among other, the sectoral and geographical scope (the "Mandate") of the proposed EBRD/GCF Co-financing Programme (the "Programme"). The GCF funds will be placed in a dedicated GCF Special Fund (the "Special Fund"), and such funds benefit from the same privileges and immunities as the EBRD's resources. The EBRD (acting as the Accredited Entity) will be solely responsible for the management and administration of GCF resources and will carry out such management and administration in accordance with its policies, procedures and practices, and with at least the same degree of care as it uses in the administration of its own funds or other donor funds, taking into account the provisions of AMA. The EBRD will apply its own policies relating to integrity checks, anti-corruption, countering of financing of terrorism (CFT), fraud, financial sanctions, embargoes and anti-money laundering (AML).

70. The EBRD's internal processes will be followed for the approval of each project under the Programme, and the related loan and grant co-financing[9]:

    The EBRD carries out a robust and thorough due diligence assessments when considering new operations. The degree and level of assessment is determined on a case-by-case basis by the EBRD's Manufacturing and Services and Agribusiness banking teams together with other departments such as the Credit Department for financial risk assessment, the Office of the General Counsel (OGC), the Office of the Chief Compliance Officer (OCCO), the Environmental and Social Department (ESD) and the Procurement Department (PD). Due diligence is reviewed at least once in the EBRD's investment committee. In the case of operations initiated under Delegated Authority, where no Investment Committee discussion is required at the initial (Concept) stage, any EBRD Department represented on the Investment Committee (e.g. Credit, COO, OGC, ESD, PD) has the right to call the proposed project to be discussed in the Committee as a Concept. Figure 5 sets out the step-by-step review and approval process for investment projects within EBRD.

- For the Programme's grant-funded activities (under Component 1 and 3), the EBRD's Grant Review Unit will approve the use and volume of grants for each Component in their entirety (covering GCF contribution as well as EBRD and/or donor funding). Under Component 1, the allocation of grant funds will be decided in parallel with the internal approval of the investment sub-projects at concept stage.
- For the Programme's loan component (Component 2), each project will be presented for approval to the EBRD Board on a transaction-by-transaction basis. Projects will first undergo a concept review, at which stage the EBRD and the GCF contributions are indicatively identified. This first internal approval will kick off the EBRD's due diligence process and trigger the disbursement of GCF funds. Once the due diligence

[9] Additional information provided for clarity as requested by the GCF Secretariat's OGC.

process is completed, and the negotiations of the terms of the loan closed with the clients, sub-projects will receive final internal approval including the final identified contributions.

71. Following approval of each project, EBRD will seek to sign financing agreements (the "transactions") with each corporate beneficiary. These transactions will make available EBRD finance as well as GCF co-finance for investments in line with the Mandate of the Programme. They will be between the EBRD (acting as the lender of record) and the corporate beneficiaries, and contain an EBRD and a GCF tranche under the same commercial terms and seniority, except for the interest rate's discount mechanism which would only apply to the GCF tranche. Where EBRD and GCF tranches are both subordinated, they will also be pari passu except for the interest rate's discount mechanism that would only apply to the GCF tranche. The corporate beneficiaries will carry the loan on their books as a loan provided by EBRD, thereby ensuring that normal EBRD procedures are being applied throughout the life of the loan to both tranches.

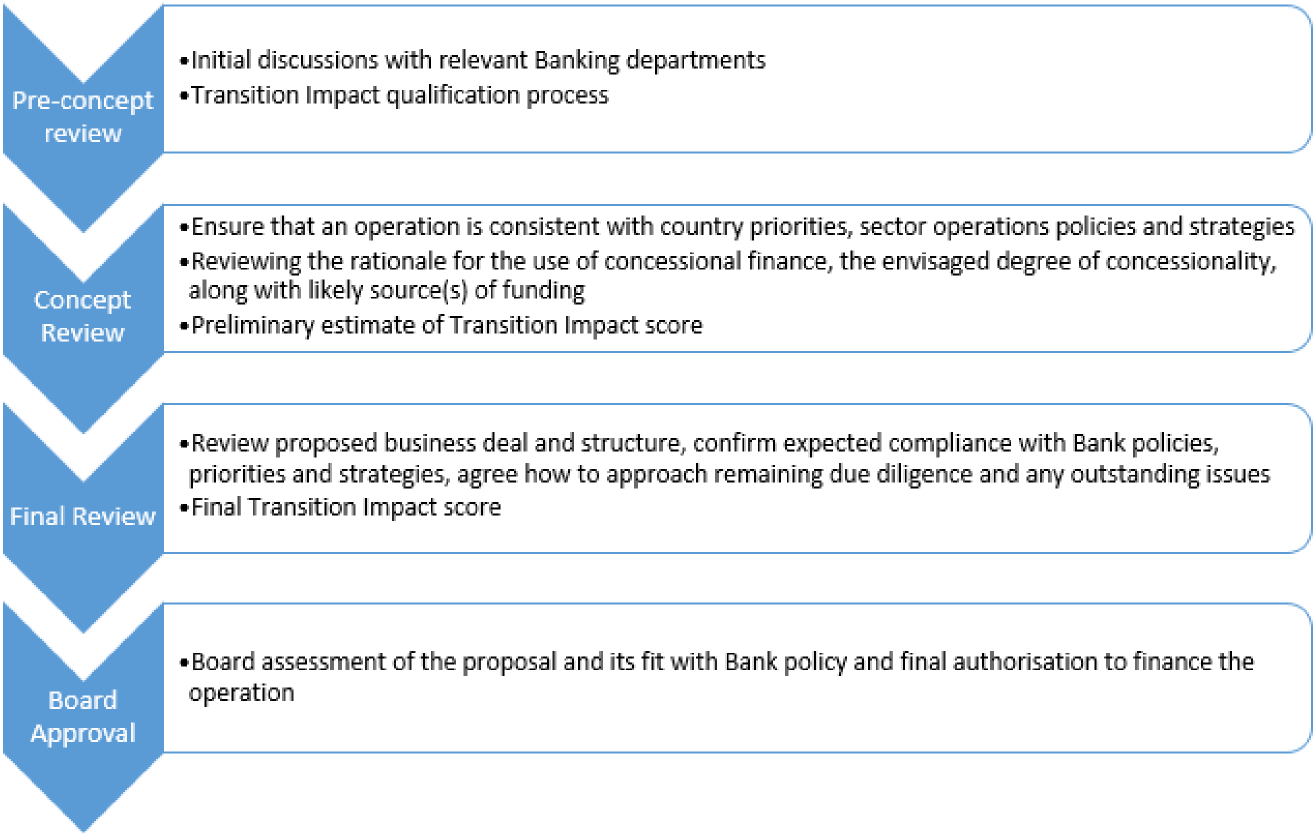


Figure 5. The EBRD investment review process

72. The corporate beneficiaries ("Borrowers") will execute the investments in line with the Mandate, according to the terms and conditions outlined in the Loan Agreement. The EBRD and Borrowers will track the implementation and compliance with the Mandate (and the Loan Agreement), and EBRD will provide reporting to the GCF in line with the FAA.

73. During the implementation of the Programme, the EBRD will be responsible for providing the necessary governance, oversight and quality assurance in accordance with its policies, procedures and any specific requirements in the AMA.

Programme implementation structure and governance

74. **Executing Entity:** The EBRD will be responsible for the Programme (i.e., Funded Activity) implementation will thus act as the Executing Entity per the AMA. Individual transactions will be led by the Operation Leaders (OLs) based in London within the M&S, Agribusiness, and Mining teams, and in coordination with banking teams in the Resident Offices, to manage the Programme as a whole. The OLs will be responsible for ensuring that the investment projects under Component 2 meet all eligibility criteria. The OLs will report regularly to the Directors

of their respective Departments, as well as to the Energy Efficiency and Climate Change Department. Institutional arrangements for the implementation and executing functions within the EBRD have been put in place. To ensure appropriate governance, key supervisory and review roles will be undertaken by Donor Co-Financing, Economics, Policy and Governance, as well as legal teams at the time of concept design and execution / implementation of individual projects.

Operational Arrangements

75. The EBRD will directly offer concessional finance and technical assistance to be funded by GCF alongside loans and technical assistance from its own capital resources and other donors for specific, covenanted purposes in line with the Programme proposal. Loan and technical assistance approvals including those for GCF resources will follow EBRD's guidelines and procedures.
76. The projects will be implemented according to the following structure (Figure 6).

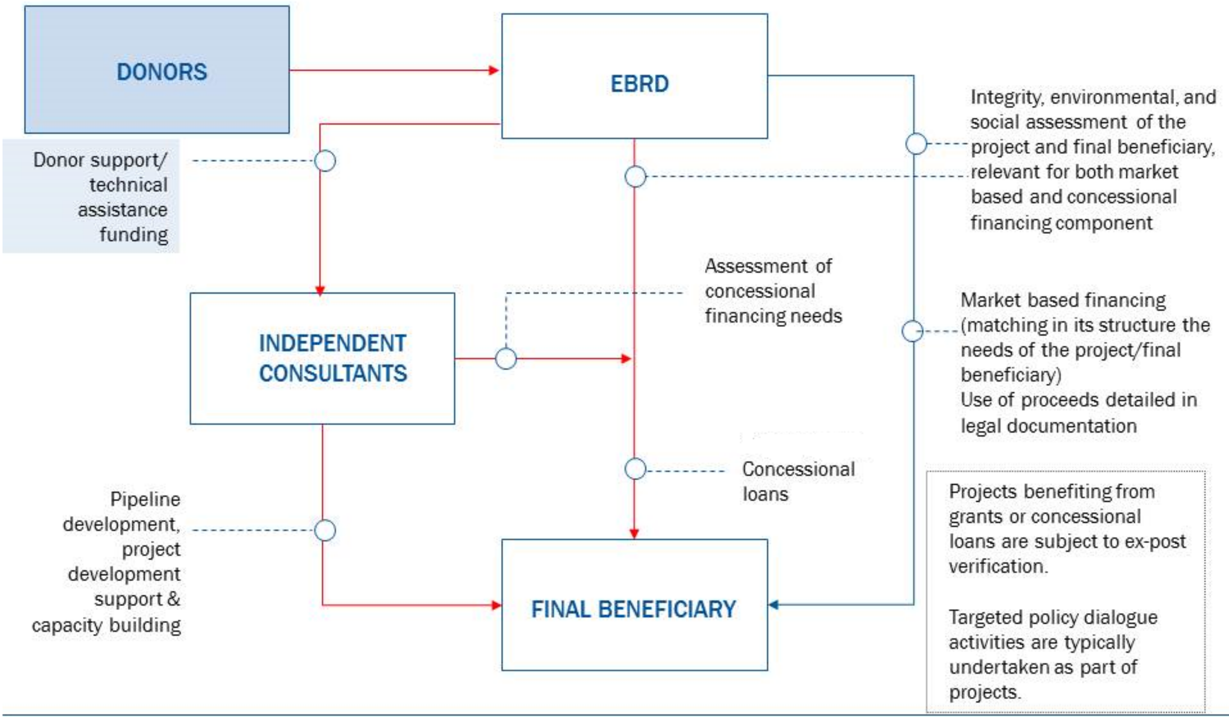


Figure 6. Operational structure

77. Proposed financing flows are shown in Figure 7. In each project the EBRD will review the financing structure and reach out to other market participants as necessary to provide as much support as possible. The participation of other co-financiers to the GCF is critical to the Programme being delivered. The balance of the project cost is to be funded by the EBRD, other commercial lenders and the participating corporate in proportions determined on a transaction-by-transaction basis.

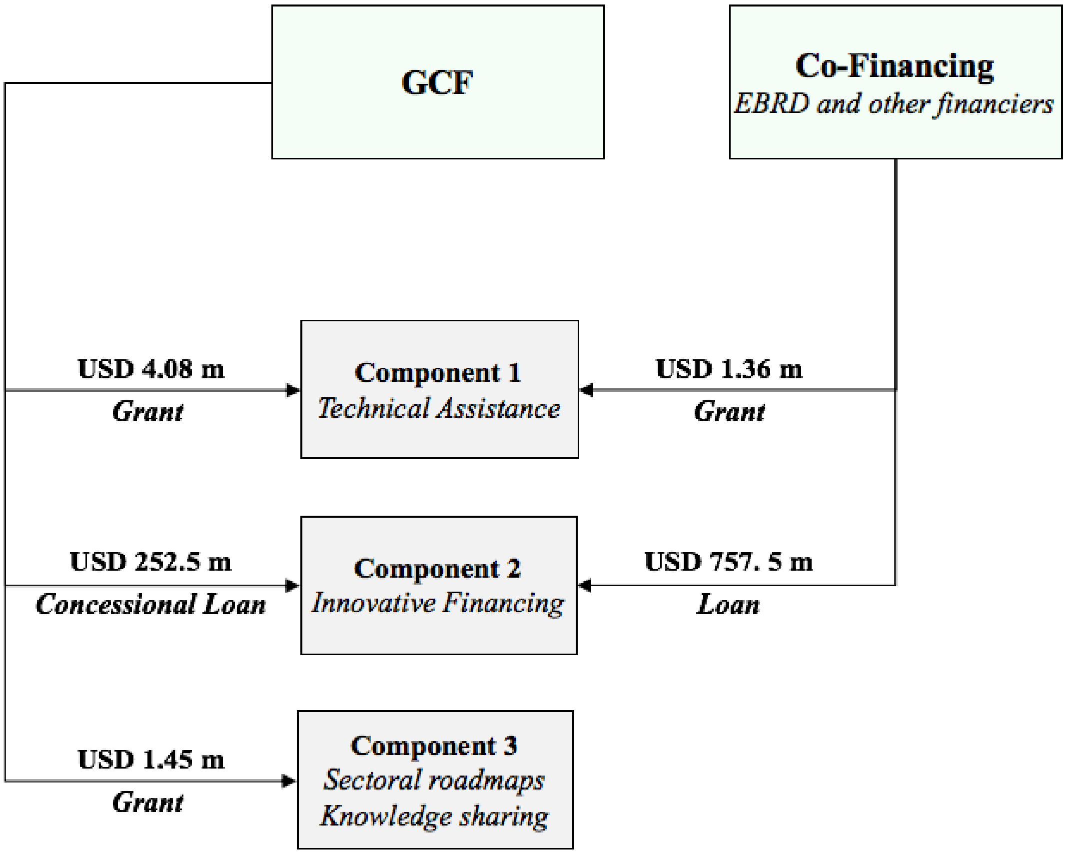


Figure 7. Proposed financing flows

EBRD's experience in Manufacturing and Services, Agribusiness and Mining

78. The EBRD has offices in all of the participating Countries and local bankers work closely with clients and other stakeholders. The EBRD has extensive experience working with industrial, agribusiness and mining corporates.
79. ***Manufacturing and services (M&S)***: Since 1991, the EBRD has invested EUR 13.2 billion in 779 M&S projects and has an active portfolio of 274 projects of EUR 3.3 billion (89% debt and 11% equity). The M&S team comprises 60 banking professionals, 40 of whom work in EBRD's countries of operations to serve clients locally. Through energy and resource efficiency audits the EBRD supports the assessment of the technical and economic feasibility of resource efficiency measures in its clients' operations.
80. ***Agribusiness:*** The EBRD is currently the largest provider of finance to the agribusiness sector in its region of operations. Since 1991, the EBRD has invested EUR 11.4 billion in 686 agribusiness projects and has an active portfolio of 223 projects or EUR 2.9 billion (89% debt and 11% equity). The EBRD aims to maximize the Programme nations' agricultural potential by addressing specific needs of companies through tailored financing. EBRD's involvement in the agribusiness sector spans all activities throughout the value chain; from farming processing and trading to food distribution, packaging and retail.
81. ***Mining sector:*** The EBRD has invested EUR 7.7 billion in 183 natural resources projects and has an active portfolio of 63 projects or EUR 2 billion (87% private sector and 94% debt).
82. The Energy Efficiency and Climate Change (E2C2) Team works across banking teams to implement the EBRD's GET approach, which aims to increase green financing to 40 percent of annual business volume by 2020. E2C2 is a team of engineers, bankers, finance specialists and policy experts offering a wide range of skills, expertise and products to help our clients deliver green high impact projects. E2C2 works with sector teams to develop innovative business models for green projects and promote partnerships with shareholders, international institutions and other MDBs, facilitating technical assistance to overcome market barriers and maximise returns on green investments. The policy experts work with governments and the private sector to design and implement

policies and standards that create market conditions which incentivise green investments and identifies opportunities to use climate finance instruments to support the introduction of best practice and the acceleration of innovative technologies.

83. Additional details on the EBRD's sectoral strategies are provided in Annex 2.

EBRD's track record

84. **Development of sector-specific low-carbon and climate resilience roadmaps:** The EBRD places a great emphasis on policy dialogue to support the reforms needed to create systemic, long-lasting change in the regulatory environment that encourages sustainable and resource-efficiency practices. For example, in developing low-carbon roadmaps, the EBRD has engaged with stakeholders including at the relevant ministries, local producers and the local sectoral associations.
85. **NDC support**: The EBRD is well positioned to support the Countries to further improve and streamline the NDC and its link with other national development strategies, including industrial sector strategies and socioeconomic agendas. For example, through its policy dialogue activities, EBRD supported the development of Kazakhstan's first NDC. Moreover, the EBRD is currently developing a comprehensive support programme on NDC implementation strategies and related activities offered to all EBRD countries of operations (CoOs). The EBRD NDC Support Programme will facilitate the development of NDC implementation strategies and support scaling up private involvements in achieving the targets for low-carbon and climate resilient development roadmaps. As one of the founding members of the NDC Partnership, EBRD will also be able to support the Countries in actively engaging public and private stakeholders to further develop and enhance NDC related policies and regulation to enable the business environments support of the NDC implementation process.
86. **Promoting equal opportunities for men and women**: The EBRD views gender equality and women's economic empowerment as an integral aspect of a modern, well-functioning market economy and therefore it constitutes an essential part of its mandate. Capitalising on its experience in promoting women's economic empowerment, in 2015 the EBRD adopted its first Strategy for the Promotion of Gender Equality 2016-2020. The Strategy aims to increase women's economic empowerment and equality of opportunity between men and women by focusing on three specific objectives: access to finance; access to employment and skills; and access to services. Under the strategy, the EBRD targets those countries of operations, regions or sectors that display the largest gender equality gaps. The Bank aims to increase its operational performance and contribute to the creation of an enabling regulatory environment that addresses the constraints that gender inequality places on transition. The Bank's Environmental & Social Policy (ESP), which covers gender impacts from a risk mitigation perspective, requires the Bank's clients to identify any potential disproportionate adverse gender equality impacts and to ensure that measures are developed and implemented to address them. The EBRD's approach to promoting gender equality into its operations is fully aligned with the GCF's Gender Policy and Action Plan, which requires the beneficiaries to ensure that women and men equally contribute to and benefit from activities supported by the Programme and that any potential adverse gender impacts are identified and mitigated.
87. **Civil society engagement[10]:** The EBRD has a dedicated Civil Society Engagement Unit which leads, coordinates and advises on the EBRD's civil society engagement. In addition, many teams across the Bank are closely engaged with civil society, most notably staff in the Resident Offices and several Banking teams at Headquarters, and the Environment and Sustainability Department. The EBRD recognises civil society as a key stakeholder and partner in achieving its mandate and has extensive experience in engaging with local and international CSOs. The Bank's engagement with civil society is designed to support its mandate of fostering economic and political transition processes towards well-functioning market economies. The Bank's 2017-20 *Roadmap for Engagement with Civil Society* outlines how CSO engagement can promote the qualities of well-functioning market economies in line with the Bank's updated Transition Concept, including the "green" transition quality, as well as address key challenges faced by civil society in target countries.

EBRD Integrity Standards

88. The EBRD is committed to the highest standards of corporate governance and applies an internationally recognized best practice internal control framework - "Internal Control - Integrated Framework" - issued by the

[10] http://www.ebrd.com/who-we-are/civil-society-overview.html

Committee of Sponsoring Organisations of the Treadway Commission (COSO). Based on the criteria for effective internal controls over financial reporting described in the paper, the EBRD assesses its internal controls over resources including Special funds and other fund agreements. As part of the controls, the President and Vice-President of Finance sign an assertion in the Annual Financial Statements of the EBRD that they have assessed the EBRD's internal controls over financial reporting and regard them as being effective. This is subject to scrutiny by External Auditors who publish an attestation in the Annual Financial Statements commenting on the Management's assertion.

89. The EBRD requires that clients, including beneficiaries of Bank-financed operations, as well as tenderers, suppliers, contractors, concessionaires and consultants under EBRD-financed contracts, observe the highest standard of transparency and integrity during the procurement, execution and implementation of such contracts. In pursuance of this policy, the Bank defines prohibited practices, namely coercive practice, collusive practice, corrupt practice, fraudulent practice and theft (PP&R Section 2.9). Note that, while this proposal is submitted to the GCF as a programme, relevant compliance checks will be conducted at the individual project level.
90. Any occurrence, or suspected occurrence, of a Prohibited Practice in the procurement, award, or implementation of a Bank-financed contract in the context of an EBRD transaction shall be dealt with in accordance with the provisions of the Bank's Enforcement Policy as defined in the EBRD's Enforcement Policy and Procedures. These rules will be included in the Loan Agreements associated with this Programme and in any contracts selected under this Programme.

B.5. Justification for GCF funding request (max. 1000 words, approximately 2 pages)

Rationale for and Additionality of GCF funding

91. The Programme introduces a concessional financing mechanism that addresses barriers to the uptake of high climate impact technologies and supports a transformative shift to lower carbon processes and operations. The paradigm shift is based on the innovation of linking of climate considerations at a project level with the uptake of long-term corporate governance performance that supported by the adoption sectoral low-carbon trajectories. Currently, innovative financing mechanisms similar to the proposed Programme do not exist in the Countries as local commercial banks often lack relevant expertise to assess climate investments in the corporate sector; and they do not have appropriate capacity, processes and financial products, among other issues. At this time and in the participating Countries, in the absence of GCF funding the projects targeted under the Programme would not go forward. GCF financing is specifically required to support the climate additionality of the Programme by incentivizing the beneficiaries to implement low carbon technologies and adopt climate-related behavioural changes at corporate governance and management levels. Support from the GCF will enable the provision of finance to leverage climate mitigation upgrades, by incentivising companies to commit and to implement GHG mitigation either within their own operations or along their value chains; and commit to enhanced climate corporate governance.

92. There are three major financial barriers for the potential beneficiaries and alternative funding options are currently not available to private companies in the participating Countries:
    a. Limited access to commercial funding: Limited long-term funding from commercial banks for large scale low-carbon investments in the Countries due to lack of understanding of energy efficiency and renewable energy investments and uncertainty about performance.
    b. Early-mover costs/disadvantages: Early adopters of new technologies face unaffordable or expensive terms of financing for funding. Transaction costs of developing these investments are usually high as such costs can arise from the need for market assessments, energy audits and feasibility studies. These costs can be increased by the lack of adequate familiarity and experience to identify and prepare projects both within the industry and the financial sector.
    c. No commercial funding that links price to climate and high performance standards: Financiers are not in a position to incentivize and reward superior climate or energy performance with lower interest rates, because their internal credit risk assessment systems are not designed accordingly.

93. GCF's support is critical for the Programme to address the barriers identified above. Specifically, the Programme requires GCF funding for five key reasons:

(i) **GCF funding is critical to address a key barrier to climate-focused investments -- access to suitable commercial funding:** There is limited long-term funding from commercial banks for low-carbon investments in the Countries due to lack of capacity related to energy efficiency and renewable energy investments and uncertainty about performance. The Programme will demonstrate the financing of investments in the participating Countries, thereby addressing the element of credit risk from the lender's perspective while also addressing profitability risk from the beneficiaries' / sponsors' perspectives. The investments envisaged under the Programme will be new and to an extent disruptive in nature, and may increase the perceived credit risk of the corporate and/or contribute to uncertainty in revenues/profitability that would prevent commercial banks from financing it and sponsors from investing. Over time, these market examples will alter this perceived risk and help to attract additional finance from new and diverse sources including local FIs and other the private sector actors beyond the Programme's timeline, and in doing so, provide a sound exit strategy for the GCF and EBRD.

(ii) **GCF funding is needed to achieve a link between price and climate impacts:** There is a critical gap in the availability of commercial funding that links price to climate impacts. A key market failure is that corporate governance has not considered climate change from transition and physical risk perspectives. Local commercial banks do not have appropriate products and financiers are not in a position to incentivize and reward superior climate corporate governance or energy performance with lower interest rates, in part because their internal credit risk assessment systems are not designed accordingly. Banks may also lack the relevant expertise to assess climate investments in the corporate sector. With the scale and concessionality of finance that the GCF can provide, these types of interventions can be supported. The Programme will thereby be able to showcase corporate climate governance and low-carbon corporate pathways in critical industries.

(iii) **GCF funding is needed to address early-mover costs/disadvantages:** Early adopters of new technologies face unaffordable or expensive terms of financing for funding. Transaction costs of developing these investments, especially for new disruptive technologies, are usually high as such costs can arise from the need for market assessments, energy audits and feasibility studies. These costs can be increased by the lack of adequate familiarity and experience to identify and prepare projects both within the industry and the financial sector. The GCF funding will enable the necessary audit, governance review and related assessments.

(iv) **GCF resources provide the flexibility and volume needed to promote high impact climate investments across sectors and countries, and thereby enable a transformative and accelerated shift of corporate decarbonisation trajectories guided by climate corporate governance standards**: Through this Programme the GCF will be critical to support transformative low-carbon investments across multiple countries and sectors. A multi-country programmatic approach is necessary given the scale of climate change challenges facing countries and the critical need to deliver transformative change at scale by mobilizing the private sector. By taking such an approach the Programme will:

- Promote large scale projects that support a systematic and transformative change in these corporates to adhere to standards of climate corporate governance, such a transparency, disclosure, long-term climate considerations and promotion of new low carbon business models.
- Use resources efficiently by allocating resources to highest priority investment projects across countries and sectors. This cannot be achieved with a piecemeal, project-by-project approach.
- Capitalise on synergies and lessons learned across countries, sectors and investment projects by operating the Programme.
- More effectively ensure transfer of knowledge and capacity building between beneficiary corporates, sectors and countries.
- Efficiently manage the portfolio of technical assistance and investments rather than dealing with projects in a piecemeal fashion.
- Linking finance with technical and policy assistance. Investments alone are insufficient to achieve the transformation in climate action needed by the industrial sector. To deliver a transformation, investments must to be integrated with strategic sectoral planning, policy reform, technical assistance and capacity building. The GCF, with the goal of supporting paradigm shifts in climate action, is the only source of

sufficient funding for the policy and technical assistance aspects of the Programme's transformative approach.

(v) **The transformation process is stimulated by emerging carbon pricing schemes:** through tax or markets and which has a systemic effect on sectors. This Programme would be fully compatible and supportive of such developments, as corporates learn to operate in such systems.

Concessionality of the GCF financial instrument

94. The Programme is based on a milestone approach with the level of concessionality linked both to the incremental emissions reductions of the initial investment (M1) and the additional corporate behaviours (M2). This approach incentivises behaviour by providing loans with interest rate linked to the achievement of agreed climate and climate governance milestones. The level of concessionality will be determined by the loan size, pricing, tenor, and the minimum contribution needed from GCF to generate a reduction in the interest rate. The Programme would use the minimum amount of GCF funding possible per transaction and to ensure effective use of GCF funding it will be calibrated to address the above needs. EBRD Operation Leaders will justify the need for GCF's concessional funding for each project. The EBRD applies the principle of least concessionality to all projects, consistent with EBRD's Guidelines for the Use of Concessional Finance.
95. To ensure that concessionality is minimal, does not distort markets or disincentivize private investment, the Programme will ensure that that grant equivalent of the concessional loan's interest rate reduction (Component 2) will be less than or equal to the carbon compensation. This carbon "check" will be aligned to the Shadow Carbon Price, minus a forecasted carbon price for emission reductions where such nascent carbon scheme exists.
96. The Programme will benefit from technical assistance that will be made available to accompany each project and will ultimately serve to enhance the commercial viability of the projects. To create a demonstration effect that addresses barriers to technology transfer and promotes the scaling up of private finance, Component 1 is aimed at stimulating demand for further deployment of advanced climate technologies in the corporate sector by identifying of trigger technologies. Technical assistance will also support the development of corporate low-carbon strategies (Component 1), which is essential to achieve the Programme's targeted trajectory change. Technical assistance related to knowledge generation and dissemination (Component 3) will ensure an enabling environment for the Programme and its replication.
97. Projects involved in the proposed Programme will not be dependent on a continuous flow of GCF funds. Rather, the Programme aims to achieve substantial reduction in the need for concessional financing in future project. It is expected that, over the course of implementation of this Programme, commercial lenders will become interested in the market and that this will gradually remove the need for concessional finance. The use of GCF funds is also intended to de-risk similar future investments and demonstrate the viability of climate technology investments on commercial terms to future project sponsors.
98. Overall, GCF concessional finance made available through the proposed Programme is critical to help to reduce the cost of capital enough to offset the additional costs and mitigate the risks from initiating climate investments in new markets. GCF's ability to offer concessional terms in investments enables prospective clients to invest in transformative sustainable technology transfer initiatives that they would otherwise not be able to do with EBRD finance alone. The GCF will allow the Programme to take on more ambitious investments, more effectively target innovative solutions in this new market, incentivise market participants by reducing financing costs and risks, and work towards a critical mass sufficient to promote a change in attitude and behaviour within industrial sector.
99. The Programme will provide project financing of USD 1,010.000 million, with USD 252.500 million concessional finance from the GCF and USD 757.500 million from the EBRD, subject to market conditions over time. Alongside concessional financing from the GCF, the EBRD will directly offer to these corporates technical assistance and loans from its own capital resources for specific, covenanted purposes aligned with the Programme goals.
100. The scale of the Programme and EBRD and GCF's respective contributions are estimated as follows.

Total Programme Value

101. The total Programme value of USD 1,016.890 million is based on the investment need, technical assistance requirements, and donor contribution expectations in the Programme countries over the six year availability period. The estimate is based on a combination of:

- an historical analysis of the Bank's Infrastructure, Agribusiness and Mining teams' portfolios

- an understanding of the forthcoming investment project pipeline
- the level of scaling-up expected as a result of GCF co-finance and increased ambition.

102. This analysis was extensively discussed across the EBRD, with expert judgement applied to ensure the robustness of the estimated volume. Based on the judgement of internal experts, their knowledge of the market, and through discussions with relevant local counterparts, the Bank considers the Programme size of USD 1,016.890 million, including USD 258.030 million of GCF funding, to be realistic and achievable.

GCF's contribution to the Programme – investment support

103. In terms of total investment volume of the Programme, a review of the current and forthcoming pipeline has identified an indicative list of 17 projects across 7 countries over the Programme's six-year availability period.

104. Based on experience, the EBRD estimates that donor concessional co-finance contributions of up to 25 per cent of total project value are necessary to deliver transformational climate investments. Therefore, we estimate that USD 252.500 million of GCF concessional financing is needed.

105. In addition, the EBRD will provide USD 757.500 million of senior and subordinated loans. The subordination structure will be decided on a case-by-case basis as projects are developed, aligned with EBRD guidelines. The GCF and EBRD will be pari passu (i.e. both loans would be either subordinated or senior debt).

GCF's contribution to the Programme – technical assistance support

106. A total of USD 5.530 million of technical assistance support is requested from the GCF for the Programme. This covers:

i) Component 1: technology audit and BAT identification, corporate climate governance gap analysis, low-carbon strategy development, etc.

ii) Component 3: low carbon sectoral roadmaps, and knowledge capture and dissemination including to support local FIs with the uptake of similar financing.

107. In addition, the EBRD will provide USD 1.360 million grants for technical assistance.

B.6. Exit strategy and sustainability (max. 500 words, approximately 1 page)

Exit strategy

108. The Programme is designed to provide a clear exit strategy for the GCF-supported financial instrument in three principal ways.

(i) Repayments under concessional loans provided with GCF funds under the Programme will be flown through the EBRD-GCF Special Fund in accordance with repayment schedules set forth in EBRD's loan agreement. It is envisaged that tenors will not exceed 12 years. All loans will be monitored by EBRD. GCF resources will be reflowed back to the GCF in accordance with the terms of the FAA.

(ii) In a broader sense, the Programme is designed to help to prepare corporates to access other financing sources beyond the EBRD and GCF. The principal avenue for achieving this is through Component 1, which provides corporates with the CCG-related business practices they need to attract private sector green finance for climate change measures, particularly in local capital markets.

(iii) The new management practices adopted also help the corporates to build up their green credentials and profiles, and it is assumed that such plans could also positively affect the credit risk profile of these corporates.

109. **Post-Programme monitoring:** Programme monitoring will follow the rules and procedures respective of the EBRD and the GCF. The EBRD will monitor the performance of individual loans under the Programme for the duration of the respective loans.

Programme sustainability

110. The Programme's sustainability is embedded in its design:

(a) **At the corporate level**, the Programme will assist corporates with defining their low-carbon strategies by 2030, outlining the company's strategy to reach carbon neutral operations in line with the required investment projects and the Paris Agreement. The corporate low-carbon strategies may include a modelling of the impact of the proposed activities beyond and after the GCF-supported interventions.

(b) **At the sectoral level**, the Programme will develop three sector-specific low-carbon roadmaps to guide policymakers in creating a long-term enabling policy environment and strategic guidance for climate-related corporate decision-making and investments, including with reference to the carbon pricing market. By doing so, the Programme will contribute to supporting the participating Countries in fulfilling their NDCs and providing guidance to manufacturing industries, mining and agribusiness sectors through public-private collaboration in developing roadmaps, and facilitate a sustainable development path in line with objectives and targets of the SDGs by 2030.

(c) **At the regional level**, the Programme will promote the availability and benefits of climate technologies to the corporate sector and policymakers, for both men and women, and build the market for high-impact climate technologies. In addition, through the focus on knowledge management, the Programme will produce knowledge products that (i) consolidate (as case studies) corporate experiences with low-carbon strategies and investment planning; (ii) provide guidance to corporates on green transition bonds. The Programme will facilitate events that promote discussion on gender-related issues; bring in local FIs, consider alignment with carbon markets, and other issues of interest. The Programme will link with other initiatives and platforms that address corporate governance of climate change. By doing so, the Programme will contribute to the sustainable capacity of industrial associations, national policy makers, and will also have an impact beyond the targeted sectors and participating Countries by also ensuring wide dissemination of corporate low-carbon roadmaps.

C. FINANCING INFORMATION

C.1. Total financing

(a) Requested GCF funding (i + ii + iii + iv + v + vi + vii)	Total amount	Currency
	258.030	million USD ($)

	GCF financial instrument	Amount	Tenor	Grace period	Pricing
(i)	Senior loans	176.750	12 years	Up to 3 years	Market rate %
(ii)	Subordinated loans	75.750	12 years	Up to 3 years	Market rate %
(iii)	Equity	n/a			n/a % equity return
(iv)	Guarantees	n/a	Enter years		
(v)	Reimbursable grants	n/a			
(vi)	Grants	5.530			
(vii)	Results-based payments	n/a			

(b) Co-financing information	Total amount	Currency
	758.860	million USD ($)

Name of institution	Financial instrument	Amount	Currency	Tenor & grace	Pricing	Seniority
EBRD	Senior Loans	530.250	million USD ($)	12 years 3 years	Market rate %	pari passu
EBRD	Subordinated Loans	227.250	million USD ($)	12 years 3 years	Market rate %	pari passu
EBRD	Grant	1.360	million USD ($)	Enter years Enter years	Enter%	Options
Click here to enter text.	Options	Enter amount	Options	Enter years Enter years	Enter%	Options

(c) Total financing (c) = (a)+(b)	Amount	Currency
	1,016.890	million USD ($)

(d) Other financing arrangements and contributions (max. 250 words, approximately 0.5 page)	Note: Under the Programme, the EBRD might seek to provide part of the GCF financing in local currency (LCY), as specified in the Term Sheet. Final amounts of GCF senior and subordinated loans to be specified in the Term Sheet.

C.2. Financing by component

Component	Output	Indicative cost million USD ($)	GCF financing		Co-financing		
			Amount million USD ($)	Financial Instrument	Amount million USD ($)	Financial Instrument	Name of Institutions
Component 1	Output 1.1	2.720	1.360	Grants	1.360	Grants	EBRD
	Output 1.2	2.720	2.720	Grants	0	Choose an item.	Click here to enter text.
Component 2	Output 2.1	1,010.000	252.500	Senior and subordinated loans	757.500	Senior and subordinated loans	EBRD
Component 3	Output 3.1	1.050	1.050	Grants	0	Choose an item.	Click here to enter text.
	Output 3.2	0.400	0.400	Grants	Enter amount	Choose an item.	Click here to enter text.
Indicative total cost (million USD)		1,016.890	258.030		758.860		

Notes:

- The subordination structure will be decided on a case-by-case basis as projects are developed, aligned with EBRD guidelines. If subordinated, the GCF and EBRD will be pari passu (i.e. both would be subordinated the senior debt).

C.3 Capacity building and technology development/transfer (max. 250 words, approximately 0.5 page)

C.3.1 Does GCF funding finance capacity building activities?	Yes ☒ No ☐
C.3.2. Does GCF funding finance technology development/transfer?	Yes ☒ No ☐

If the project/programme is expected to support capacity building and technology development/transfer, please provide a brief description of these activities and quantify the total requested GCF funding amount for these activities, to the extent possible.

111. **Capacity development will be supported through Component 1.** To achieve those targets, significant behavioural change at the corporate management level will be necessary to take into account climate risks and address climate change targets, and will require companies to enhance their understanding and capacity to strategically adapt to the climate change agenda. Specifically:
    a. **Under Output 1.1: High impact technologies implemented**, technical assistance will be provided to address the lack of corporate capacity to identify low-carbon projects across industries, agricultural value chains and mining.
    b. **Under Output 1.2 Corporate low-carbon strategies developed**, the lack of corporate capacity to conduct climate change planning will be addressed with dedicated technical support. The Programme will help corporates to integrate risk analysis and climate change consideration into strategic decision making and investment planning. As inputs and broad sectoral guidance, this work will be supported sectoral guidelines and roadmaps, where they exist.
112. **Capacity development will also be developed under Component 3**. Strong industry and country capacity and ownership are essential to ensure long-term implementation of climate technologies. Knowledge products will be developed to support and engage the private sector and stakeholders, such as policy makers and industry associations, in a collaborative knowledge exchange. Specifically:
    a. **Under Output 3.1 Low-carbon sectoral roadmaps established**, the Programme will work with relevant stakeholders to engage in discussion, recommend technologies and policies to help achieve a low-carbon industry, and develop roadmaps to steer climate investments and related initiatives. This work will not only support sectors but also support the Countries in fulfilling their NDCs and increase the capacity of industries to understand and then align with a low-carbon pathway.
    b. **Under Output 3.2 Low-carbon knowledge developed and shared for corporates**, case studies will be developed to explain and showcase the low-carbon technology interventions and CCG work undertaken. Related to Green Transition Bonds, a guidance document, market analysis, and methodology for support for third-party verification will be developed for a corporate audience. In addition, opportunities for capacity development and knowledge uptake will be fostered through knowledge dissemination events at Programme and sectoral levels.
113. **Technology transfer** will be facilitated through identification of high-impact climate technology projects under Component 1, which will then be funded in part under Component 2. Component 2 introduces an innovative concessional financing mechanism that addresses financial barriers to the transfer to high climate impact technologies that are necessary for a shift to lower carbon processes and operations, in addition to promoting the uptake of corporate climate governance and management practices.

D. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

This section refers to the performance of the project/programme against the investment criteria as set out in the GCF's Initial Investment Framework.

D.1. Impact potential (max. 500 words, approximately 1 page)

114. The Programme aims to reduce GHG emissions by an estimated 17.220M tCO2 over the average 20-year lifetime of investments, based on the conservative assumptions which reflect mitigation performance of the current portfolio of EBRD projects in the targeted sectors, assessed on a sector disaggregated basis. On a cumulative basis, the Programme provides considerable direct mitigation impact potential that will be achieved through deployment of low-carbon technologies in the sectors whose emissions are harder to abate due to the presence of the barriers elaborated above. Specific abatement cost of the proposed Programme (estimated at USD 59.0/tCO_2 based on total Programme financing and USD 15.0/tCO_2 based on GCF amount only) compares well with other similar interventions (e.g. USD 74.2/tCO_2 for the CTF High Impact project investments, or close to USD 70/tCO_2 for the GCF FP086 Green Cities programme).

115. For each planned sector intervention, representative projects in the EBRD portfolio were identified through analysis of the portfolio data on ex-ante assessment of GHG benefits expected from EBRD investments, taking into consideration target sectors, mitigation impact above the Programme threshold (10ktCO_2/year) and specific mitigation cost at the lower bound of the range. The ex-ante mitigation impact assessment for all EBRD investment projects follows the methodologies and approaches vetted by and harmonized across IFIs[11], and also further validated through internal cross-departmental process within EBRD, thus giving sufficient degree of assurance of the robustness of the GHG mitigation data across the portfolio. Mitigation performance of the current portfolio projects with largely similar profiles in the targeted sectors has thus been used to derive the expected specific mitigation cost for each sector. The above sectoral abatement costs were applied as a benchmark for the Programme investment to arrive at the expected mitigation impact. The above estimate only includes expected direct GHG mitigation benefits (i.e. Scope 1 and 2) from the Programme-supported investments.

116. The assumptions applied in the above ex-ante assessment are conservative, since the Programme is designed to drive deeper climate ambition within the companies supported, therefore eventual direct mitigation results are likely going to be higher. Particularly in the manufacturing and services sector with extensive supply chains, the overall impact could be substantially higher with indirect (Scope 3) emissions benefits potentially reaching 20-30% of the direct emission reductions, thus increasing the overall impact to over 21.5MtCO_2. At this stage, however, it is not possible to provide a reliable estimate for these additional mitigation benefits due to uncertainties with underlying assumptions (which would be quite project-specific). The Programme, to the extent feasible and practical, could provide these additional estimates for the actual projects that will be supported.

D.2. Paradigm shift potential (max. 500 words, approximately 1 page)

117. The paradigm shift of the proposed Programme is based on the concessional loan's potential to trigger behavioural change at corporate sector management level to incorporate climate change targets and corporate climate governance principles to align with low-carbon pathways into strategic decision making. As shown in Figure 1, the transformative shift within a sector made possible through the uptake of high climate impact technologies (shift 1); and the additional shift triggered by behavioural change at corporate governance and management levels as climate change targets and climate governance principles to address low-carbon transition risks are incorporated into strategic decision making by adopting a corporate climate strategy and processes (shift 2).

118. **Potential for scaling up and replication:** The Programme has also been designed to ensure scaling up in the targeted sectors and participating countries, as well as replicating in the EBRD's CoO, due to the Programme's features and activities:

- Demonstration of the high climate impact technologies, as the projects under this Programme will essentially function as trigger projects that will showcase successful climate investments. The

[11] https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies

Programme will help to develop and demonstrate energy efficiency projects (identified through Component 1).

- Introduction of an innovative financing mechanism that links corporate behaviours with finance (under Component 2).
- Sectoral roadmaps developed or rolled-out under this Programme, which will provide the guidelines that will allow the Programme to continue its impact beyond the targeted sectors, countries and timeline of the Programme (under Component 3).
- Active knowledge sharing elements offering a range of opportunities for learning and knowledge transfer across industries and local financial institutions both within the participating Countries and across the Programme region (under Component 3 and details below).

119. **Potential for knowledge sharing and learning:** Component 3 focuses on knowledge and learning, based on the premise that strong industry and country capacity are essential to ensure long-term implementation of climate technologies. Knowledge products will be developed to support and engage the private sector and stakeholders, such as policy makers, industry associations and local financial institutions, in a collaborative knowledge exchange. Specifically:

- Under Output 3.1, the Programme will work with relevant stakeholders to engage in discussion, recommend technologies and policies to help achieve a low-carbon industry, and develop roadmaps to steer climate investments and related initiatives. This work will not only support sectors but also support the Countries in fulfilling their LTSs and NDCs and increase the capacity of industries to understand and then align with a low-carbon pathway.
- Under Output 3.2 Low-carbon knowledge developed and shared for corporates via events will include:
  - Case studies developed to explain and showcase the low-carbon technology interventions and CCG work undertaken.
  - Green Transition Bonds, a guidance document, market analysis, and methodology for support for third-party verification will be developed for a corporate audience.
  - Knowledge and dissemination events: opportunities for capacity development and knowledge uptake will be fostered through knowledge dissemination events at Programme and sectoral levels.

120. **Contribution to the creation of an enabling environment:** An enabling policy framework is crucial to support behavioural change and ensure a level playing field among corporates in a particular sector. The Programme will support the development of guidelines in the form of low-carbon roadmaps that outline the required plan of action and incentivize companies to undertake the necessary investments into high-impact climate technologies, which will be required to address climate change targets in line with national and global priorities.

121. **Contribution to the regulatory and policy context:** Component 3 will promote private-public sector dialogue in policy formulation at the sectoral level and cross local financial institutions to create an enabling environment for climate-related investments and advance the uptake of sustainable finance product such as sustainability-linked loans. Low-carbon roadmaps outline an agreed-upon, evidence based, set of pragmatic and realistic measures (policy, financial, governance) that will have an important demonstration impact and provide a basis for putting in place a policy framework that is supported by industry and ultimately stimulating a real behavioural shift among corporates in that sector. This work will take into account and reflect policy and regulatory developments that focus on low-carbon investment and related climate initiatives such as carbon pricing schemes.

122. **Contribution to climate-resilient development pathways:** The Programme's ToC is based on the logic that long-term, integrated strategic corporate planning and climate governance, climate investments, and targeted policy and capacity building will accelerate private sector finance and drive a shift to low-carbon pathways. Figure 1 illustrates this contribution to development pathways, with the sustainable transformation of manufacturing industries, mining and agribusiness sectors to be achieved with a shift in technology and behaviours.

123. The corporate roadmaps are a key ambition and paradigm shift element of the Programme, as they will help establish 2030 targets for low carbon, climate resilient investment planning. Supported by the Programme's milestone loan structure, the corporate 2030 benchmarks align well with NDC implementation cycles and existing science-based scenario modelling.

D.3. Sustainable development (max. 500 words, approximately 1 page)

124. **Sustainable Development Goals (SDGs) Alignment**: The Program's holistic approach to planning, project design and investment with its technology transfer approach for energy intensive industries will contribute to the achievement of the SDGs in an environmentally, socially and economically sustainable manner. Among the 17 SDGs, the Program will especially contribute to the following:

- 2 Sustainable Agriculture
- 5 Gender Equality
- 6 Clean Water and Sanitation
- 7 Energy Access and Sustainability
- 8 Employment and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 12 Responsible Consumption and Production
- 13 Climate Action
- 15 Ecosystem and Biodiversity Protection and
- 17 Global Partnership for Sustainable Development.

125. **Economic benefits:** In the participating Countries, the corporate sector has vast potential for energy efficiency improvements. Improved operational efficiency through the Program's components will contribute to the corporate sector's competitiveness. By directly involving the private sector, and raising awareness of the benefits of climate technologies, the Program will directly contribute to the creation of markets for these products in the Countries. The Program will contribute to mainstreaming energy efficiency and resource efficiency investments in the corporate sector by developing competitive market conditions both on the supply and demand sides.

126. **Social benefits:** Component 1 of the Program will provide support to corporates in developing their climate corporate governance and relate management practices, in complement to but beyond the investments targeted in Component 2. Corporates will build the skills and capacity of those working within sectors of high environmental impact in the Programme countries. From a social perspective, this Component will contribute to addressing social issues such as lack of skills or capacity, and create a more competitive corporate sector and workforce. Finally, stakeholder engagement, capacity building and awareness raising activities (especially under Component 3) will contribute to enhancing social capital and country ownership.

127. **Environmental co-benefits:** Environmental co-benefits (beyond emissions reductions) will be determined for each of the projects funded under the Programme, but will tentatively include reduction of air and water pollution, and improved resource-use. Reductions in fossil fuel burning will likely reduce air pollutants emitted by industrial facilities.

128. **Gender-responsive development impacts:** Gender issues and development impact will be described in the gender-disaggregated targets in projects' targets, and will be considered and tracked on an ongoing basis, and reported quantitatively and qualitatively as appropriate. In order for individual companies / project sponsors to receive technical assistance, they will be required to meet the EBRD's policy on gender equality. Overall, the Programme will address gender gaps in one of the most challenging regions in terms of women's participation in the economy. Labor force participation for women in the scientific, industry and technical fields is extremely low (horizontal segregation) as well as in related managerial roles (vertical segregation). While GCF support will help to accelerate and scale up investment into high impact low-carbon technologies, these investments represent the transfer and creation of new resources, services and assets with varied implications for men and women, as well as new economic opportunities for women.

D.4. Needs of recipient (max. 500 words, approximately 1 page)

129. Analysis of the participating countries and beneficiary groups – notably the industrial corporate sector – is provided in Annex 2 Market Study for the High Impact Programme for the Corporate Sector. This study investigates the correlation between the economic and climate performance of the corporate sector in beneficiary countries, and outlines the challenges and opportunities associated to the transition to a low carbon economy.

130. Including analysis of the economic structure of the target countries, this Market Study compiles data available from reputable international sources and country/sector level analysis conducted by the EBRD and other national and international organisations. It also draws from the EBRD's operational experience, feedback from local institutions, including consultants and research centres, and direct inputs from EBRD clients.

131. Contrary to renewable energy generation that is increasingly cost competitive in the target markets and attracts international investors, capital markets, project finance and technical assistance, the target sectors remain largely underfunded. The Market Study confirms the initial hypothesis that, if unaddressed, the target sectors will hold back economic development and, in particular delay the shift of the selected countries towards systemic, accelerated low carbon transition. The likelihood of new external low-carbon market participants (e.g., importers of food and basic industrial outputs and raw materials) seems unlikely because of the low margins of the sectors and the persistent entry barriers and economic and political risks.

132. The Programme responds to three major barriers faced by the targeted corporate beneficiaries: (i) limited access to commercial funding; (ii) early-mover costs/disadvantages, including high transaction costs that arise from the need for market assessments, energy audits and feasibility studies; and (iii) no commercial funding that links price to sustainability, therefore financiers are not in a position to incentivize and reward superior climate or energy performance with lower interest rates, including because internal credit risks assessment systems are not designed accordingly.

D.5. Country ownership (max. 500 words, approximately 1 page)

133. In addition to the support and ownership expressed by the participating Countries in their no-objection letters (provided in Annex 1), other key dimensions of country ownership include (a) emissions reduction potential; and (b) NDC alignment and readiness.

134. **Emissions reduction potential:** As identified through the Market Study (Annex 2), manufacturing, agribusiness and mining contribute significantly to the GDP of the target countries. While the structure of the economies of the target countries and sectors present marked differences and trends, nonetheless a number of common characteristics can be observed. For example, the target sectors represent a significant share of final energy consumption and GHG emissions and show a substantial reliance on carbon intensive fossil fuels (e.g., coal, lignite and oil). In general, these economies tend to have high energy/carbon intensity and despite progress in the last two decades in decoupling economic growth from carbon intensity, they remain significantly above world average and comparable emerging economies

135. **NDA alignment and readiness:** In their NDCs, the Countries generally highlight the crucial role of energy efficiency and renewables in mitigating climate change, as well as their vulnerability to the diverse impacts of climate change, refer to the roles that industries, agribusinesses and mining can play. Regarding readiness to participate in the Programme, the NDCs emphasize improving energy efficiency in the industrial sectors, which is an objective that has traditionally been difficult to achieve.

136. Relevant highlights from participating Countries' NDCs are summarized below.

- **Armenia** has stated that its total aggregate emissions between 2015 and 2050 will be equal to 633 million tons carbon dioxide equivalent, and that the country will strive to "achieve ecosystem neutral GHG emissions in 2050 (equivalent to 2.07 tons/per capita per annum) with the support of adequate (necessary and sufficient) international financial, technological and capacity building assistance. Armenia has identified industrial processes, in particular construction material and chemical production as priority sectors for decarbonisation.
- **Jordan**'s NDC commits to a reduction of 14% on business-as-usual GHG levels by 2030, and identifies energy efficiency improvements across all sectors, including industrial processes, as a

measure to meet the GHG emission reduction targets. This includes rationalizing energy consumption in all sectors, and improving their efficiency and raising awareness about the long-term financial benefits of energy efficiency. Moreover, specific emphasis is given to expanding the use of solar cooling in commercial and industrial facilities to reduce GHG emissions from the cooling sector.

- **Kazakhstan**'s NDC indicates the country's commitment of reducing 15% (unconditional target) or 25% (conditional target) GHG emissions by 2030 compared to 1990. Key legislative acts include the law "On Energy Saving and Energy Efficiency", "On Supporting the Use of Renewable Energy Sources", the Kazakh Emissions Trading Scheme and the Green Economy Concept.
- **Morocco**'s NDC expressed the commitment to reduce its GHG emissions by 32% by 2030 compared to business-as-usual projected emissions, equivalent to a cumulative reduction of 401 Mt CO2eq over the period from 2020-2030. Morocco sees renewable energy and energy efficiency as integral to achieving its vision, with the goal of reaching over 50% of installed electricity production capacity from renewable sources by 2025, and reducing energy consumption by 15% by 2030.
- **Serbia** has committed to reducing its GHG emissions by 9.8% against the base year of 1990 by 2030. Its NDC acknowledges particular vulnerability of the agricultural sector to climatic impacts, with water availability issues projected to be exacerbated in the future.
- **Tunisia**'s NDC outlines the need for USD 18 billion to support the country to achieve its goal of reducing its carbon intensity by 41% in 2030 compared to 2010. Tunisia plans to expand efforts and promote energy efficiency in all consumer sectors with a particular focus on the industrial sector, particularly highlighting interventions in cement sector through transforming solid waste into RDF for cement facilities and build industrial partnerships.
- **Uzbekistan**'s first NDC expresses commitment to reducing carbon intensity of its GDP by 10% in 2030 against the level of 2010. Mitigation contribution is to be achieved through a comprehensive set of measures on enhancing energy efficiency in industry, buildings, but also in transport and logistics systems.

137. While climate change mitigation priorities are stated across national policies and strategies, the Countries, sectors and corporates lack well-developed approaches and guidelines on how to address climate change mitigation challenges and contribute to achieving the overall national and global targets in line with the Paris Agreements. In particular, sector specific low-carbon roadmaps are required to induce and support necessary changes in corporate management and governance practices, and the technologies deployed; to facilitate the respective investments; and to enable regulatory environments (e.g. energy efficiency standards, carbon pricing, etc.).

138. The EBRD has experience and presence in all of the participating Countries. Annex 2 provides background information on each country including the EBRD's Country Strategies.

139. In addition, the EBRD has engaged with the participating Countries and relevant stakeholders as detailed in Annex 7 Summary of consultations and stakeholder engagement plan. While the range of stakeholders varies by Country, the entry point for the Programme is the corporate sector and their interest in the Programme and sustainability-linked loan concepts has been clearly communicated.

140. **GCF Country Programs:** Countries are at various stages of developing their Country Programs for the GCF. Armenia, Kazakhstan and Tunisia have articulated their Country Programs (either drafts or final versions), and include climate financing resources and financing needs, and strategic framework for interaction with stakeholders, among others. Details on these Country Programs are provided in Annex 2.

D.6. Efficiency and effectiveness (max. 500 words, approximately 1 page)

141. As noted in section B.5, currently, innovative financing mechanisms similar to the proposed Programme do not exist in the participating Countries. As local commercial banks often lack relevant expertise to assess energy efficiency investments in the corporate sector and do not have appropriate

approval processes and products, GCF support is crucial to incentivize the potential beneficiaries to make a behavioural change at corporate governance and management levels.

142. The Programme addresses major categories:

a. Limited access to commercial funding: Limited long-term funding from commercial banks for low-carbon investments in the Countries.
b. Early-mover costs/disadvantages: Early adopters of new technologies face unaffordable or expensive terms of financing for funding. Transaction costs of developing these investments are usually high as such costs can arise from the need for market assessments, energy audits and feasibility studies. These costs can be increased by the lack of adequate familiarity and experience to identify and prepare projects both within the industry and the financial sector.
c. No commercial funding that links price to sustainability: Financiers are not in a position to incentivize and reward superior climate or energy performance with lower interest rates, because their internal credit risk assessment systems are not designed accordingly.

143. As also previously noted, at this time, projects included in the Programme would not go forward without concessional finance. The need for concessional finance is primarily based on:

a. The requirement to fill a financing gap arising from the lack of financing available from commercial banks for these new high impact climate technology projects due to barriers that include the lack of a track record.
b. Limited access to commercial funding that is structured in a way to incentivise adoption of climate corporate governance leading to behavioural change, and triggering sustainable and green investments.
c. Addressing the risks and related higher upfront capital costs faced by first and early movers in the market including those arising from the technologies' under-representation in the industrial sector.
d. Stimulating the market for climate technologies, by encouraging investment in climate technologies.

144. The Project will minimize the amount of GCF funding possible per transaction to ensure effective use of GCF funding. As the Programme is based on a milestone approach, loans have interest rate linked to the achievement of agreed climate and climate governance milestones. Therefore, the level of concessionality will be determined by the loan size, pricing, tenor, and the minimum contribution needed from GCF to generate a reduction in the interest rate. Internally, EBRD Operation Leaders will justify the need for GCF's concessional funding for each project; as the EBRD applies the principle of least concessionality to all projects, consistent with EBRD's Guidelines for the Use of Concessional Finance.

145. Regarding consideration and promotion of BATs, a key feature of the Programme (under Component 1) is a technology audit and technology identification. This audit will be undertaken with each participating corporate under the Programme with the intent to identify the BAT investments. In addition, an impact eligibility feature of the financing instrument is that significant climate change mitigation impacts must be achieved by the projects supported. The criterion will be based on direct and indirect GHG emissions avoided due to one or more technologies deployed at one or more facilities of a company: >10ktCO_2 pa.

E. LOGICAL FRAMEWORK

This section refers to the project/programme's logical framework in accordance with the GCF's Performance Measurement Frameworks under the Results Management Framework to which the project/programme contributes as a whole, including in respect of any co-financing.

E.1. Paradigm shift objectives

Please select the appropriated expected result. For cross-cutting proposals, tick both.

☒ Shift to low-emission sustainable development pathways

☐ Increased climate resilient sustainable development

E.2. Core indicator targets

Provide specific numerical values for the GCF core indicators to be achieved by the project/programme. Methodologies for the calculations should be provided. This should be consistent with the information provided in section A.

E.2.1. Expected tonnes of carbon dioxide equivalent (t CO_2 eq) to be reduced or avoided (mitigation and cross-cutting only)	Annual	861,000 t CO_2 eq
	Lifetime	17,220,000 t CO_2 eq

E.2.2. Estimated cost per t CO_2 eq, defined as total investment cost / expected lifetime emission reductions (mitigation and cross-cutting only)	(a) Total project financing	1,016,890,000 USD
	(b) Requested GCF amount	258,030,000 USD
	(c) Expected lifetime emission reductions	17,220,000 t CO_2eq
	(d) Estimated cost per t CO_2eq (d = a / c)	59.0 **USD / t CO_2eq**
	(e) Estimated GCF cost per t CO_2eq removed (e = b / c)	15.0 **USD / t CO_2eq**
E.2.3. Expected volume of finance to be leveraged by the proposed project/programme as a result of the Fund's financing, disaggregated by public and private sources (mitigation and cross-cutting only)	(f) Total finance leveraged	757,500,000 USD
	(g) Public source co-financed	0 Choose an item.
	(h) Private source finance leveraged	To be determined
	(i) Total Leverage ratio (i = f / b)	2.93
	(j) Public source co-financing ratio (j = g / b)	0
	(k) Private source leverage ratio (k = h / b)	To be determined

E.2.4. Expected total number of direct and indirect beneficiaries, (disaggregated by sex)	Direct	Click here to enter text. Click here to enter text.% of female
	Indirect	Click here to enter text. Click here to enter text.% of female
	For a multi-country proposal, indicate the aggregate amount here and provide the data per country in annex 17.	
E.2.5. Number of beneficiaries relative to total population (disaggregated by sex)	Direct	Click here to enter text. (Expressed as %) of country(ies)
	Indirect	Click here to enter text. (Expressed as %) of country(ies)
	For a multi-country proposal, leave blank and provide the data per country in annex 17.	

E.3. Fund-level impacts						
Select the appropriate impact(s) to be reported for the project/programme. Select key result areas and corresponding indicators from GCF RMF and PMFs as appropriate. Note that more than one indicator may be selected per expected impact result. The result areas indicated in this section should match those selected in section A.4 above. Add rows as needed.						
Expected Results	**Indicator**	**Means of Verification (MoV)**	**Baseline**	**Target**		**Assumptions**
				Mid-term[12]	Final[13]	
M1.0 Reduced emissions through increased low-emission energy access and power generation	*M1.1 Tonnes of carbon dioxide equivalent (t CO2eq) reduced or avoided - gender-sensitive energy access power generation*	validated ex-post by an EBRD results management team	0	258,000	1,722,000	The final target is defined as the ex-ante GHG impact expected over the 20-year asset lifetime of the projects signed during the Programme implementation period. Key assumptions used in the estimate are detailed in D.1. Mid-term target is defined as cumulative GHG savings expected to be achieved by mid-term point; assumes all pipeline projects signed and operational for 3 years on average. Two actual values to be reported annually: (1) cumulative GHG savings achieved; (2) lifetime GHG saving achieved based on actual annual GHG savings averaged out and extrapolated to 20-year lifetime.
M3.0 Reduced emissions from buildings, cities, industries and appliances	*M3.1 Tonnes of carbon dioxide equivalent (t CO2 eq) reduced or avoided - buildings, cities, industries, and appliances*	validated ex-post by an EBRD results management team	0	2,325,000	15,498,000	

[12] Mid-term point defined as 6 (six) years after Programme start (FAA Effective Date)
[13] Final point defined as 18 (eighteen) after Programme start (FAA Effective Date)

E.4. Fund-level outcomes						
Select the appropriate outcome(s) to be reported for the project/programme. Select key expected outcomes and corresponding indicators from GCF RMF and PMFs as appropriate. Note that more than one indicator may be selected per expected outcome. Add rows as needed.						
Expected Outcomes	**Indicator**	**Means of Verification (MoV)**	**Baseline**	**Target**		**Assumptions**
				Mid-term[14]	Final[15]	
M6.0 Increased number of small, medium and large low-emission power suppliers	*M6.3 MWs of low-emission energy capacity installed, generated and/or rehabilitated as a result of GCF support*	validated ex-post by an EBRD results management team	0	115 MW signed	115 MW installed and operational	The target is defined as the capacity of small-scale RE expected to be installed by the projects signed during the programme implementation period. Up to 10% of the total energy savings under the Programme is assumed to be resulting from RE capacity deployed.
M7.0 Lower energy intensity of buildings, cities, industries and appliances	*M7.1 Energy intensity/improved efficiency of buildings, cities, industries and appliances as a result of Fund support, TJ*	validated ex-post by an EBRD results management team	0	16,710	111,400	The final target is defined as ex-ante energy savings expected over the 20-year lifetime of the projects signed during the Programme implementation period. Key assumptions include used in the estimate detailed in D.1. Mid-term target refers to cumulative energy savings expected to be achieved by mid-term point; assumes all pipeline projects signed and operational for 3 years on average. Two actual values to be reported annually: (1) cumulative energy

[14] Mid-term point defined as 6 (six) years after Programme start
[15] Final point defined as 18 (eighteen) after Programme start

						savings achieved; (2) lifetime energy saving achieved based on actual annual energy savings averaged out and extrapolated to 20-year lifetime.
Technologies transferred	Number of technologies and innovative solutions transferred or licensed to support low-emission development as a result of Fund support	Project due diligence reports	0	17 identified, 8 implemented	17 identified and implemented	Not all projects signed will have been fully implemented by mid-term; ramp-up time anticipated; not all identified technologies will be supported

E.5. Project/programme performance indicators

The performance indicators for progress reporting during implementation should seek to measure pre-existing conditions, progress and results at the most relevant level for ease of GCF monitoring and AE reporting. Add rows as needed.

Expected Results	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term[16]	Final[17]	
1.1 High impact technologies identified	Climate-focused investments identified and technically supported	Technology audits and BAT identification reports	0	17 identified; 8 supported	17 supported	Not all projects signed will have been fully implemented by mid-term; ramp-up time anticipated; not all identified technologies will be supported
1.2 Corporate low-carbon, gender-responsive strategies developed	Corporate low-carbon gender-responsive strategies developed and implemented; Corporate Climate Governance (CCG) Level	Corporate reporting, annual reporting	0; 0; CCG Level 1.3-1.7	17 developed; 8 implemented	17 developed and implemented; CCG Level: 2.5-3.0	Ramp-up time anticipated; corporates are willing and able to build their capacity to address climate change in a systematic way; CCG baseline to be established by audits
2.1 High climate impact investments demonstrated	GCF and EBRD finance (USD)	EBRD reporting, annual reporting	0	USD 1,010 million of GCF and EBRD finance	USD 1,010 million of GCF and	Given access to appropriate finance, corporates will invest in high climate impact

[16] Mid-term point defined as 6 (six) years after Programme start (FAA Effective Date)
[17] Final point defined as 18 (eighteen) after Programme start (FAA Effective Date)

					EBRD finance	technologies; Capital markets will respond to decreased impediments to invest in climate measures in emerging markets
3.1 Low-carbon sectoral roadmaps established	New sectoral roadmaps and rollouts	Programme reports; Roadmaps	0	2	2	All roadmaps completed by mid-term. Increased investment by corporates in low-carbon measures will lead to: reduced carbon emissions, economic growth through stimulation of green sectors.
Output 3.2: Low-carbon knowledge developed and shared for corporates	Green Transition Bond (GTB) products	GTB Guide (report)	0	1	1	Completed by mid-term
	Case studies	Case study (compilation report)	0	1	1	Completed by mid-term
	Knowledge uptake	Event materials, lists of attendees, knowledge uptake survey results (including a focus on gender-related best practices identified through the Programme)	0	knowledge increased and applied within 3 months by >75% of participants	knowledge increased and applied within 3 months by >75% of participants	baseline established as part of survey administered

E.6. Activities

All project activities should be listed here with a description and sub-activities. Significant deliverables should be reflected in the implementation timetable. Add rows as needed.

Activity	Description	Sub-activities	Deliverables
1.1.1 Identify low-carbon projects	Technology audit and BAT identification to determine technology investments. CCG & gender gap analysis undertaken.	1.1.1.1 Technology audit and BAT identification	17 technology audits
		1.1.1.2 CCG & gender gap analysis and milestone setting	17 CCG gap analysis reports
1.2.1 Integrate climate change gender-responsive considerations into corporate governance and investment decision-making	Support corporates in developing and implementing corporate low-carbon strategies, related governance principles, plans and processes.	1.2.1.1 Technical assistance for implementation and monitoring	17 CCG plans
2.1.1 Finance low-carbon projects (concessional)	Innovative concessional financing mechanism to address financial barriers to the update to high climate impact technologies and to promote uptake of corporate climate governance and management practices.	2.1.1.1 M&S financing 2.1.1.2 Agribusiness financing 2.1.1.3 Mining financing	17 investment projects
3.1.1 Develop and rollout sectoral roadmaps	Support the development and rollout of low-carbon sector-level roadmaps (tentatively agribusiness, mining).	3.1.1.1 Sectoral roadmap development 3.1.1.2 Sectoral roadmap rollout	2 sector roadmaps: mining and agribusiness
3.2.1 Develop and share knowledge	Develop case studies to explain and showcase low-carbon technology interventions, and CCG and gender-responsive work undertaken. Prepare Green Transition Bond guidance document, market analysis and methodology. Conduct knowledge dissemination events (regional and at sector events).	3.2.1.1 Case studies and knowledge product development	Case study compilation; Green Transition Bond Guide
		3.2.1.2 Knowledge dissemination events	2 regional events, 3 sector events, 1,500 beneficiaries

E.7. Monitoring, reporting and evaluation arrangements (max. 500 words, approximately 1 page)

I. MONITORING

146. Monitoring for the Programme will be in line with EBRD's policies and the terms of the AMA/FAA. Specifically, the implementation of each project under the High Impact Programme will be managed and monitored at project and Programme level by EBRD's in-house staff, project management unit and procured consultants. The EBRD has dedicated staff in its sectors team, risk departments and regional offices that will conduct due diligence and monitor project risks and prepare mitigation measures throughout the Programme's lifecycle.

II. REPORTING

A. Reporting of project companies to the EBRD

147. As specified in Loan Agreements and Grant Agreements between project companies and EBRD, project companies are obliged to report on the use of proceeds of the Programme and the environmental and social performance of the project to the EBRD on an annual basis, including indicators listed in Section E.5, in line with EBRD's standard reporting requirements, reflecting also the agreed GCF information requirements.

B. Reporting of the implementation consultants to the EBRD

148. The implementation consultants under Components 1 and 3 will officially report progress on a periodic basis to EBRD staff throughout the Programme's lifecycle.

C. Reporting of EBRD to the GCF

149. Once the EBRD receives reporting from clients and consultants, the EBRD will identify discrepancies and reconcile the data. Based on this, EBRD will provide to the GCF a) annual activity performance reports on the status of GCF funded activities throughout the relevant reporting period, and b) final evaluation reports at the end of the implementation period of the Programme.

a)

150. *Impacts* will be reported to the GCF through the indicators reporting required for all projects as set out in the Loan Agreements and EBRD staff or contracted consultants responsible for monitoring the impacts of the Programme where consultant reports will be used a means of verification.

151. *Outcomes* will predominantly rely on EBRD staff or contracted consultants to monitor and report on the indicators using the means of verification specified above.

152. *Outputs* will be monitored in line with the means of verification described above as provided either by consultants, the Bank's treasury department or clients. Both EBRD staff and contracted consultants will be responsible for ensuring the Bank fully and successfully reports all listed indicators and information to GCF.

III. EVALUATION

153. Two evaluations are planned: one interim independent review (formative, and similar to a mid-term review in scope) in year 3; and one final independent (summative) evaluation looking at the impacts of the Programme at year 10.

154. The independent Evaluation Department (EvD) evaluates the performance of the EBRD's completed projects. The Evaluation Department is a department independent of the EBRD's various banking divisions (and hence of the developers and managers of the projects they evaluate); therefore, EvD reports solely to the Board of Directors (i.e. to the representations of the shareholding governments). The EvD evaluates the effectiveness, relevance and input efficiency of projects and provides the Board with important insights into the implementation of projects, impacts, success stories and lessons learnt. Under the EBRD's Public Information Policy, EvD publishes summaries of its independent project evaluations.

F. RISK ASSESSMENT AND MANAGEMENT

F.1. Risk factors and mitigations measures (max. 3 pages)

Please describe financial, technical, operational, macroeconomic/political, money laundering/terrorist financing (ML/TF), sanctions, prohibited practices, and other risks that might prevent the project/programme objectives from being achieved. Also describe the proposed risk mitigation measures. Insert additional rows if necessary.

Selected Risk Factor 1 Financial

Category	Probability	Impact
Credit	Low	Medium

Description

Inability of Programme beneficiaries (corporates) to service the loans.

Mitigation Measure(s)

The EBRD's comprehensive due diligence and technical support are designed to assess the borrower's ability to service the loan.

Selected Risk Factor 2 Foreign Exchange

Category	Probability	Impact
Forex	Medium	Medium

Description

The GCF and EBRD loans may be denominated in local currency.

Mitigation Measure(s)

Beneficiaries' sensitivities to increases in interest rates and local currency devaluation are closely monitored by EBRD in projects' due diligence, implementation and repayment. Mechanisms to address potential exposure to the increased costs associated with foreign exchange risks will be evaluated on a project by project basis.

Local currency financing is very important since most clients are expected to generate income only in local currency. The EBRD has provided local currency loans to corporate clients where it is able to source local currency at competitive rates. However, this approach has shown mixed results because while local currency loans do mitigate exchange rate risk, clients still face interest rate risks with a volatility of interest rate usually greater in local currencies than in Euro or United States dollar. EBRD will therefore seek to evolve local currency instruments and promote them prudently, distinguishing between clients able to apprehend and manage macro-risks and those that should be protected through both currency and interest rate hedging.

The Programme's flexibility to provide its finance in local currencies, where feasible, will also mitigate foreign exchange risks. By matching the Programme's currency to that of local revenues, beneficiaries will be able to reduce their exposure to potential fluctuations in the value of local currencies that could impair a borrower's ability to service a loan.

Selected Risk Factor 3 Environmental and Social

Category	Probability	Impact
Other	Low	Medium

Description

Beneficiaries' failure to comply with national regulations and/or EBRD and GCF environmental and social policy requirements. Beneficiaries' failure to appropriately management E&S risks and impacts associated with each Project.

Mitigation Measure(s)		
Each project will be subject to EBRD's Environmental and Social Management System (ESMS) for the Programme (see Annex 6). Each Project will be appropriately appraised and structured to meet EBRD's ESMS requirements. Environmental and Social Action Plans will be developed during Project appraisal to achieve this. Implementation thereof will be covenanted through financing agreements. ESAP implementation will be monitored during Project implementation by the EBRD.		
Selected Risk Factor 4	**Prohibited practices**	
Category	Probability	Impact
Prohibited practices		Low
Description		
Whereby complaints or allegations of potential wrong-doing may be reported in this Programme.		
Mitigation Measure(s)		
Refer to the EBRD's AMA, regarding compliance with standards, policies and procedures.		
Selected Risk Factor 5	**Sanctions**	
Category	Probability	Impact
Sanctions		Low
Description		
Whether there are any individuals or entities which may be subject to United Nations Security Council Resolutions imposing financial sanctions are involved in or benefitting from the activities of the Programme.		
Mitigation Measure(s)		
Refer to the EBRD's AMA, regarding compliance with standards, policies and procedures.		
Selected Risk Factor 6	**Project Implementation**	
Category	Probability	Impact
Other	Medium	Medium
Description		
Beneficiaries' limited capacity or experience to implement high impact technology projects and CCG.		
Mitigation Measure(s)		
Technical assistance will focus on supporting corporates to identify high climate impact technologies, and to identify corporate low-carbon strategies. Detailed legal and technical due diligence will be carried out by the EBRD to develop robust and sustainable transition measures and CCG milestones, which will be covenanted in loan agreements. Support will be provided under the Programme to assist corporates in developing low-carbon strategies and integrate climate change considerations into planning, risk analysis, governance, and strategic and investment decision-making.		

G. GCF POLICIES AND STANDARDS

G.1. Environmental and social risk assessment (max. 750 words, approximately 1.5 pages)

155. EBRD has adopted a comprehensive Environmental and Social Policy (ESP – recently updated in 2019) including a set of environmental and social Performance Requirements (PRs). The Environmental and Social Management System (ESMS) for the Programme was prepared in accordance with the 2019 ESP. The 2019 ESP and the PRs are aligned with other IFIs, such as the IFC and Equator Banks. EBRD also maintains Environmental and Social Procedures, which outline the process by which Bank staff process and monitor projects in accordance with the 2019 ESP. The ESMS is presented under Annex 6.

156. In accordance with EBRD's 2019 ESP and PRs, all projects undergo environmental and social appraisal both to help EBRD decide if the project should be financed and, if so, the way in which environmental and social risks and impacts should be addressed in its planning, implementation and operation. The appraisal process also identifies opportunities for additional environmental or social benefits. EBRD seeks that projects are designed, implemented, and monitored in compliance with its policies, applicable regulatory requirements and good international practice.

157. EBRD is committed to the principles of transparency, accountability and stakeholder engagement, and promoting adoption and implementation of these principles by its clients. Proportionate to the nature and scale and environmental and social risks and impacts of the project, EBRD requires its clients to disclose sufficient information about the risks and impacts arising from projects, engage with stakeholders in a meaningful, effective, inclusive and culturally appropriate manner and take into consideration the feedback provided through such engagement.

158. This ESMS has been prepared to ensure that the Projects under the Programme will be designed and implemented in an environmentally and socially sustainable manner. All Projects under the Programme will be required to meet EBRD's 2019 ESP and PR requirements. The ESMS sets out principles, rules, procedures and guidelines for conducting environmental and social due diligence of the potential subprojects. These procedures and guidelines also describe the process for developing measures to avoid and mitigate potential adverse impacts as well as opportunities to improve the environmental and social outcomes of the subprojects. The ESMS will assist the EBRD in screening Projects' eligibility; determining their environmental and social impacts; identifying appropriate mitigation measures; and specifying client responsibilities for implementing preventive, mitigation and compensation measures, and monitoring and evaluation.

159. The Programme will only support Projects which are categorised B and C under the EBRD ESP and GCF ESS. Category B project are usually projects within existing facilities and where potential project environmental and/or social impacts are typically site-specific, and/or readily identified and addressed through effective mitigation measures. A project is categorised C when it is likely to have minimal or no potential adverse environmental and/or social impacts. The Programme will not finance Category A Projects.

160. Each Project under the Programme will require a Stakeholder Engagement Plan (SEP), including a grievance mechanism. EBRD will disclose on its website appropriate E&S information, including a Non-Technical Summary, for each Project under the Programme as per its Directive on Access to Information (2019).

161. The Programme's design and planned implementation are consistent with the GCF's requirements for stakeholder engagement and disclosure and in line with the GCF's Criteria for Programme and Project Funding. A thorough review of on-going activities in the sector was undertaken. Consultation with stakeholders will be conducted as outlined in the SEP, which sets out recommendations for how communities, associations and other civil society organisations will be involved in its implementation, including through stakeholder mapping, specific gender sensitive considerations and considerations for vulnerable groups, adoption of grievance mechanisms as applicable, a formal documentation process of stakeholder engagement activities, and information disclosure provisions.

162. The EBRD works very closely with governments, authorities and civil society, to uphold the principle of country ownership via direct partnerships (regional offices); via country representatives on EBRD's resident Board of Directors (all member countries are represented), and via the provision of country and

sector strategies that are developed with the relevant country's involvement and in consultation with key stakeholders.

163. In addition, as outlined under Component 3, to improve knowledge uptake targeted knowledge products will be developed and supportive capacity building events will be held to support stakeholders, including with civil society organisations (CSOs) as appropriate. These measures will enhance stakeholders' technical knowledge, institutional and governance capacity. CSOs, who can bridge gaps among different sections of society and to provide a crucial link between authorities, businesses and the general public, will be enabled to contribute in a meaningful manner to awareness raising activities and to the promotion of innovative technologies, e.g. through demonstration projects.

164. The EBRD has met and discussed the Programme with the GCF focal points and relevant staff in the seven countries.

165. Additionally, the EBRD has engaged extensively with a number of key stakeholders such as industrial associations, and will engage with similar organisations in the other project countries as relevant and based on the environmental impact of the project. Collaborative action has been taken with several stakeholders, including cement companies, authorities at the national, governorate and local level, the related upstream and downstream industries and service providing companies, industry associations and environmental organisations.

166. The Programme is also setting standards in the country regarding information dissemination and stakeholder engagement. These elements will be further developed and demonstrate replicable behaviours once the projects under the Programme start to be developed.

167. Furthermore, stakeholder engagement will be ensured throughout Programme implementation. Stakeholder engagement is recognised as a key principle of effective climate governance and for bringing about sustainable behavioural change towards more rational resource use as well as awareness about climate impacts and resilience options, also acting in support of demand side measures. Stakeholder involvement activities will build local ownership and ensure the long-term sustainability of the social co-benefits. This will enable greater confidence in longer term planning, investment and ultimately regional productive capacity.

G.2. Gender assessment and action plan (max. 500 words, approximately 1 page)

Gender challenges

168. Climate change affects men and women differently, and women are the most vulnerable regarding access to resources, services, skills and finance and therefore economic opportunities. While this plays a role in how women and men adapt to climate impacts, women also contribute differently to mitigating climate change and may share the benefits of climate finance differently. Therefore, effective gender-responsive actions must consider the different needs of women and men, as well as the potential of women to contribute to addressing climate change. Green investments, if designed in a gender-responsive manner, can contribute to addressing gender gaps, enhance access to financial and productive assets created through adaptation and, overall, improve women's economic opportunities.

169. The transformational shift aimed to be achieved with this Programme will be strengthened by ensuring equal access to economic opportunities for both women and men in a green economy.

Actions to remove barriers

170. Gender-responsive activities under this Programme will be multi-facetted. In the design and implementation of the three Components, gender mainstreaming will be developed in the following actions:

a. **CCG and gender audits.** CCG gap analysis and gender audit will be undertaken for each participating corporate to identify the relevant climate activities to be undertaken in terms of corporate climate governance and gender-related practices.

b. **Corporate low-carbon strategies**. Considering gender-specific differences when developing corporate low-carbon strategies with eligible clients and addressing gender-specific priorities when identifying high climate impact technologies across the programme. Where relevant, ensuring that low-carbon strategies and corporate planning and investment decision-making consider comprehensive equal opportunity action plans by promoting an equal and inclusive workplace.

c. **Concessional financing mechanism**. Component 2 addresses the barriers than women and men face when accessing green finance. This component will be an entry point for women's economic opportunities, employment and skills in the sectors targeted.

d. **Technical support and knowledge building**, and **policy dialogue**. Component 3 will seek to identify policy constraints in relevant sectors, countries and legislations with regards to gender-specific challenges, develop key actions drawn from these assessments, and conduct policy dialogue in the area of Equal Opportunities to improve the policy and regulatory environment to improve women's participation in the workplace

171. Gender mainstreaming as well as related activities are hereby understood as an integral part of the proposed Programme. The relevant gender-related outcome includes:

a. a better understanding of the relevance of gender in green investments and climate corporate governance;

b. deeper mainstreaming of gender considerations into finance decisions;

c. considering policies at the sectoral level to improve women's access to effectively participating in mitigating climate change at a corporate level.

172. Annex 8 describes the activities in more detail, and presents the gender assessment and action plan.

EBRD and Gender

173. The M&S, Agribusiness and Transport teams, as well as the E2C2 team benefit from in-house technical advice provided by the EBRD's Gender Team that ensures mainstreaming of gender throughout applicable engagements, with appropriate structuring, implementation, monitoring and evaluation support. All EBRD projects are screened for potential opportunities to promote gender equality in line with the Bank's Strategy for the Promotion of Gender Equality (2016-20). To address gender issues, the EBRD identifies appropriate actions under its investments and undertakes policy dialogue activities with a selected range of stakeholders, where and as relevant.

174. Gender issues and development impact will be described in the gender-disaggregated targets in the Programme's targets (during Funding Proposal development) and will be considered and tracked on an ongoing basis, and reported quantitatively and qualitatively as appropriate. In order for individual companies / project sponsors to receive technical assistance, they will be required to meet the EBRD's policy on gender equality.

175. This approach is in line with The EBRD's Strategy for the Promotion of Gender Equality (2016-2020) (http://www.ebrd.com/gender-strategy.html), which aims to increase women's economic empowerment and equality of opportunity by focusing on three specific objectives: (i) access to services, (ii) access to employment and skills and (iii) access to finance– particularly targeting those countries of operations, regions or sectors that display the largest gender gaps. The EBRD's approach to promoting gender equality into its operations is fully aligned with the strategic goals of the Fund's Gender Policy and Action Plan, which requires the Fund beneficiaries to ensure that women and men equally contribute to and benefit from activities and that any potential adverse gender impacts are identified and mitigated.

G.3. Financial management and procurement (max. 500 words, approximately 1 page)

I. FINANCIAL MANAGEMENT

Financial reporting of the GCF resources

176. As stated in *Article 10 of the Agreement Establishing the EBRD*, *Separation of operations*, the 'ordinary capital resources' of the EBRD and the GCF resources as 'Special Funds resources' of the EBRD shall at all times and in all respects be held, used, committed, invested or otherwise disposed of entirely separately from each other. EBRD has thus establish the GCF Special Fund ('the Special Fund') internally, through which all payments from the GCF and repayments to the GCF will pass.

177. Financial Reporting on the GCF Special Fund will be provided on an annual basis as standard, covering the period January to December inclusive. If more frequent financial reporting is required, this will be subject to negotiations at the time of signing of the relevant funding agreement.

178. The Special Fund will be audited on an annual basis. Auditors sign-off will be provided by April each year with the accounts approved by the Board of Governors at the Annual General Meeting of the EBRD. For the Financial management of the Green Climate Fund, International Financial Reporting Standards (IFRS) will be used.

Governance of the GCF Special Fund

179. In using the resources of the GCF ('Special Fund resources') for this Facility, the EBRD will apply the same internal financial management policies and procedures as are applied when administering technical assistance or making a loan, from its ordinary capital resources. The EBRD will exercise the same amount of care and diligence to 'Special Fund resources' as for its own capital resources. Compliance to the EBRD policies and requirements will be monitored and reported by the EBRD Office of the Chief Compliance Officer (OCCO).

Figure 8. EBRD organisational structure and the governance of the GCF-EBRD Special Fund

180. The Special Fund resources will be governed by the EBRD throughout its lifecycle, from receipt, to disbursement, to repayment. Relevant teams at the EBRD for such governance, numbered above, are the Donor Co-Finance team (DCF), Office of the General Counsel (OGC), Funds Accounting team, MEI team and Risk department:

1. The primary control management is exercised by the DCF team within the EBRD's Policy and Partnerships Vice Presidency.
2. The OGC will assist the DCF for institutional and legal oversight.

3. The Funds Accounting team in the Finance Strategy Planning and Control team under Finance VP will oversee financial flows and accounting; financial activities with the GCF proceeds will be audited and reported on an annual basis. Auditors sign-off will be provided with the accounts approved by the Board of Governors at the Annual General Meeting of the EBRD.
4. The EBRD's Banking teams Manufacturing and Services, Agribusiness, Mining and Energy Efficiency and Climate Change (E2C2) will work on the development and structuring of the financial products to be funded with the GCF and EBRD resources under the High Impact programme. In addition, the Banking teams will conduct operational monitoring at project level.
5. Risk department will be involved from the Facility design stage to assess the level of risks and prepare mitigation measures (e.g. pricing, etc.). Risk team will monitor and report activities and factors that can affect the health of the Facility.

Compliance monitoring of the Special Fund resources

181. Compliance to the applicable policies and requirements of the EBRD will be monitored and reported throughout the entire Facility and project lifecycle:

- Before signing the loan agreement: through robust due diligence including environmental and social, financial and integrity and AML/CFT.
- Post signing: compliance check and credit risk monitoring before the processing of each Drawdown Application (disbursement request).

Internal control system of the EBRD

182. EBRD is committed to the highest standards of corporate governance and applies internationally recognized best practice internal control framework - "Internal Control - Integrated Framework" issued by the Committee of Sponsoring Organisations of the Treadway Commission. Based on the criteria for effective internal controls over financial reporting described in the paper, the EBRD assesses its internal controls over resources including Special funds and other fund agreements. As part of the controls, the President and Vice-President Finance sign an assertion in the Annual Financial Statements of the EBRD that they have assessed the EBRD's internal controls over financial reporting and regard them as being effective. This is subject to scrutiny by the External Auditors who publish an attestation in the Annual Financial Statements commenting on the Management's assertion.

II. PROCUREMENT

183. Procurement will be carried out under EBRD's internal policies and procedures and apply to all activities under the Programme.

EBRD's Procurement Policies and Rules (PP&R)

184. The EBRD aims to help create reliable and stable markets for climate technologies in its regions and thus puts strong emphasis on procurement of relevant goods and services.
185. The EBRD's Procurement Policies and Rules (PP&R) are designed to promote efficiency and effectiveness and to minimise credit risk in the implementation of the EBRD's lending and investment operations.
186. Among the EBRD's PP&R[18], of particular relevance to this Programme are:

- Procurement in the Private Sector Operations
- Procurement of Consultant Services

187. Information on EBRD's procurement plan is also covered in Annex 10.

Event of violation of procurement policies and EBRD Enforcement Policy and Procedures

[18] http://www.ebrd.com/news/publications/policies/procurement-policies-and-rules.html

188. The EBRD requires that clients, including beneficiaries of Bank-financed operations, as well as tenderers, suppliers, contractors, concessionaires and consultants under EBRD-financed contracts, observe the highest standard of transparency and integrity during the procurement, execution and implementation of such contracts. In pursuance of this policy, The EBRD defines prohibited practices, namely coercive practice, collusive practice, corrupt practice, fraudulent practice and theft (PP&R Section 2.9).

189. Any occurrence, or suspected occurrence, of a Prohibited Practice in the procurement, award, or implementation of a Bank-financed contract in the context of a Project shall be dealt with in accordance with the provisions of The EBRD's Enforcement Policy as defined in the EBRD's Enforcement Policy and Procedures.

G.4. Disclosure of funding proposal

☐ No confidential information: The accredited entity confirms that the funding proposal, including its annexes, may be disclosed in full by the GCF, as no information is being provided in confidence.

☒ With confidential information: The accredited entity declares that the funding proposal, including its annexes, may not be disclosed in full by the GCF, as certain information is being provided in confidence. Accordingly, the accredited entity is providing to the Secretariat the following two copies of the funding proposal, including all annexes:

- ☐ full copy for internal use of the GCF in which the confidential portions are marked accordingly, together with an explanatory note regarding the said portions and the corresponding reason for confidentiality under the accredited entity's disclosure policy, and
- ☐ redacted copy for disclosure on the GCF website.

The funding proposal can only be processed upon receipt of the two copies above, if containing confidential information.

H. ANNEXES

H.1. Mandatory annexes

☒	Annex 1	NDA no-objection letter(s) **(template provided)**
☒	Annex 2	Feasibility study - and a market study, if applicable (CONFIDENTIAL)
☒	Annex 3	Economic and/or financial analyses in spreadsheet format (CONFIDENTIAL)
☒	Annex 4	Detailed budget plan **(template provided)** (CONFIDENTIAL)
☒	Annex 5	Implementation timetable including key project/programme milestones **(template provided)** (CONFIDENTIAL)
☒	Annex 6	E&S document corresponding to the E&S category (A, B or C; or I1, I2 or I3): **(ESS disclosure form provided)** ☐ Environmental and Social Impact Assessment (ESIA) or ☐ Environmental and Social Management Plan (ESMP) or ☒ Environmental and Social Management System (ESMS) ☐ Others (please specify – e.g. Resettlement Action Plan, Resettlement Policy Framework, Indigenous People's Plan, Land Acquisition Plan, etc.)
☒	Annex 7	Summary of consultations and stakeholder engagement plan (CONFIDENTIAL)
☒	Annex 8	Gender assessment and project/programme-level action plan **(template provided)**
☒	Annex 9	Legal due diligence (regulation, taxation and insurance) (CONFIDENTIAL)
☒	Annex 10	Procurement plan **(template provided)** (CONFIDENTIAL)
☒	Annex 11	Monitoring and evaluation plan **(template provided)** (CONFIDENTIAL)
☒	Annex 12	AE fee request **(template provided)** (CONFIDENTIAL)
☒	Annex 13	Co-financing commitment letter (temporary), if applicable **(template provided)** (CONFIDENTIAL)
☒	Annex 14	Term sheet (CONFIDENTIAL)

H.2. Other annexes as applicable

☐	Annex 15	Evidence of internal approval **(template provided)**
☒	Annex 16	Map(s) indicating the location of proposed interventions (CONFIDENTIAL)
☒	Annex 17	Multi-country project/programme information **(template provided)** (CONFIDENTIAL)
☐	Annex 18	Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
☐	Annex 19	Procedures for controlling procurement by third parties or executing entities undertaking projects financed by the entity
☐	Annex 20	First level AML/CFT (KYC) assessment
☐	Annex 21	Operations manual (Operations and maintenance)
☒	Annex 22	CONFIDENTIAL
☒	Annex 23	CONFIDENTIAL
☒	Annex 24	CONFIDENTIAL
☒	Annex 25	CONFIDENTIAL

** Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*

I. Armenia

REPUBLIC OF ARMENIA
MINISTER OF ENVIRONMENT

№ 1/08.2/2586
«13» «03» 2020

To : The Green Climate Fund ("GCF")

Subject: Funding proposal for the GCF by the European Bank for Reconstruction and Development (EBRD) regarding "High Impact Programme for the Corporate Sector"

Dear Madam and Sir,

We refer to the programme "High Impact Programme for the Corporate Sector" in Armenia as included in the funding proposal submitted by the EBRD to us on the 5th of March, 2020.

The undersigned is the duly authorized representative of the Ministry of Environment, the National Designated Authority/focal point of the Republic of Armenia.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The government of the Republic of Armenia has no-objection to the programme as included in the funding proposal;

(b) The programme as included in the funding proposal is in conformity with Armenia's national priorities, strategies and plans;

(c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We also confirm that our no-objection applies to all projects or activities to be implemented within the scope of the programme. We acknowledge that this letter will be made publicly available on the GCF website.

Sincerely,

ERIK GRIGORYAN
National Designated Authority for Armenia

ICD:K.Khachatryan 011818508

REPUBLIC OF ARMENIA
MINISTRY OF ENVIRONMENT

3 Government Bld., Republic Sq. Yerevan 0010, Armenia
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II. Jordan

بسم الله الرحمن الرحيم

Ministry of Environment

Ref.No 7-2-1702
Date 18 - 2-2020

To: The Green Climate Fund ("GCF")

Re: Funding proposal for the GCF by the European Bank for Reconstruction and Development (EBRD) regarding "High Impact Programme for the Corporate Sector"

Dear Madam, Sir,

We refer to the programme "High Impact Programme for the Corporate Sector" in Jordan as included in the funding proposal submitted by the EBRD to us on 14 January.

The undersigned is the duly authorized representative Mr. Belal Shqarin, of the Ministry of Environment, the National Designated Authority/focal point of Jordan.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The government of Jordan has no-objection to the programme as included in the funding proposal;

(b) The programme as included in the funding proposal is in conformity with Jordan's national priorities, strategies and plans;

(c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We also confirm that our no-objection applies to all projects or activities to be implemented within the scope of the programme.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Kind regards,

Eng. Belal Shqarin	**Eng. Ahmad Al Qatarneh**
Director of Climate Change Directorate	**Secretary General**

III. Kazakhstan

QAZAQSTAN RESPÝBLIKASY
EKOLOGIA, GEOLOGIA
JÁNE TABIĆI RESÝRSTAR
MINISTRLIGI

МИНИСТЕРСТВО
ЭКОЛОГИИ, ГЕОЛОГИИ
И ПРИРОДНЫХ РЕСУРСОВ
РЕСПУБЛИКИ КАЗАХСТАН

010000, Nur-Sultan q., Máńgilik El dańǵyly, 8
"Ministrlikter úi", 14-kireberis
tel.: +7 7172 74 08 44

010000, г. Нур-Султан, пр.Мангилик Ел, 8
«Дом министерств», 14 подъезд
тел.: +7 7172 74 08 44

07/04/2020 № 04-13/828-И

Yannick Glemarec,
Executive Director
Green Climate Fund
Songdo Business District
175 Art center-daeroYeonsu-gu, Incheon 22004
Republic of Korea

Dear Mr. YannickGlemarec,

The Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan (hereinafter – the Ministry) approves the program «High Impact Program for the Corporate Sector», which it plans to implement through the European Bank for Reconstruction and Development.

Pursuant to GCF decision B.08/10, having reviewed the content of aforementioned program, we hereby communicate our no-objection to the program as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The government of Kazakhstan has no-objection to the program as included in the funding proposal;

(b) The program as included in the funding proposal is in conformity with Kazakhstan's national priorities, strategies and plans;

(c) In accordance with the GCF's environmental and social safeguards, the program as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

004145

We acknowledge that this letter will be made publicly available on the GCF website.

Sincerely,

Vice-minister **A. Primkulov**

IV. Morocco

المملكـــة المغربيـــة
ⵜⴰⴳⵍⴷⵉⵜ ⵏ ⵍⵎⵖⵔⵉⴱ
ROYAUME DU MAROC

MINISTÈRE DE L'ENERGIE, DES MINES ET DE L'ENVIRONNEMENT
DÉPARTEMENT DE L'ENVIRONNEMENT

وزارة الطاقة والمعادن والبيئة - قطاع البيئة

Ref.: DCCDBEV/ 0075

Rabat, March 17th 2020

To: The Green Climate Fund ("GCF")

Re: Funding proposal for the GCF by the European Bank for Reconstruction and Development (EBRD) regarding "High Impact Programme for the Corporate Sector".

Dear Madam, Sir,

We refer to the programme "High Impact Programme for the Corporate Sector" in Morocco as included in the funding proposal submitted by EBRD to us on March 2020.

The undersigned is the duly authorized representative of M. Bouzekri RAZI, the focal point of Morocco.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the proposed programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The government of Morocco has no-objection to the programme as included in the funding proposal;
(b) The programme as included in the funding proposal is in conformity with Morocco's national priorities, strategies and plans;
(c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal, is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal, has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Directeur des Changements Climatiques,
de la Biodiversité et de l'Economie Verte
Bouzekri RAZI

M. Bouzekri RAZI

Director of Climate Change, Biodiversity and Green Economy
Ministry of Energy, Mining and Environment
Kingdom of Morocco
GCF Focal Point

V. Serbia

Republic of Serbia
MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT
Number: 337-00-71/2020-06
Date: 9 March 2020
Belgrade

The Green Climate Fund

Re: Funding proposal for the Green Climate Fund (GCF) by the European Bank for Reconstruction and Development (EBRD) regarding "High Impact Programme for the Corporate Sector"

Dear Madam, Sir,

We refer to the programme "High Impact Programme for the Corporate Sector" in the Republic of Serbia as included in the funding proposal submitted by the EBRD to us on March 3, 2020.

The undersigned is Mr Branislav Nedimović, the National Designated Authority/focal point of the Republic of Serbia .

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The government of the Republic of Serbia has no-objection to the programme as included in the funding proposal;
(b) The programme as included in the funding proposal is in conformity with the Republic of Serbia national priorities, strategies and plans;
(c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Branislav Nedimović
Minister

VI. Tunisia

وزارة البيئة
Ministère de l'Environnement

AND
Tunisie

Tunis: April 10, 2020

To: The Green Climate Fund ("GCF")

Re: Funding proposal for the GCF by the European Bank for Reconstruction and Development (EBRD) regarding "High Impact Programme for the Corporate Sector"

Dear Madam, Sir,

We refer to the programme "High Impact Programme for the Corporate Sector" in Tunisia as included in the funding proposal submitted by the EBRD to us on 28 February 2020.

The undersigned is the duly authorized representative Chokri MEZGHANI, of the National Designated Authority/focal point of Tunisia.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The government of Tunisia has no-objection to the programme as included in the funding proposal;
(b) The programme as included in the funding proposal is in conformity with the Tunisia national priorities, strategies and plans;
(c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Dr. Chokri MEZGHANI

Nfp – GCF (TUNISIA)

Chokri MEZGHANI
National Focal Point for the
Green Climate Fund

VII. Uzbekistan

O'ZBEKISTON RESPUBLIKASI
INVESTITSIYALAR VA TASHQI
SAVDO VAZIRLIGI

MINISTRY OF INVESTMENTS AND
FOREIGN TRADE OF THE
REPUBLIC OF UZBEKISTAN

100029, Toshkent shahri, I.Karimov ko'chasi, 1uy. Tel.: +998712385190; +998712385293; +998712385295; +998712385090. E-mail: info@mift.uz Exat: mift@exat.uz www.mift.uz

The Green Climate Fund

Copy:
The European Bank
for Reconstruction and Development

Re: Funding proposal for the Green Climate Fund ("GCF") by the European Bank for Reconstruction and Development (EBRD) regarding the High Impact Programme for the Corporate Sector

Dear Madam, Sir,

We refer to the programme 'High Impact Programme for the Corporate Sector' in the Republic of Uzbekistan as included in the funding proposal submitted by the EBRD to us on 26 February 2020.

Pursuant to GCF decision B.08/10, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the programme as included in the funding proposal.

By communicating our no-objection, it is implied that:

(a) The Government of the Republic of Uzbekistan has no-objection to the programme as included in the funding proposal;
(b) The programme as included in the funding proposal is in conformity with Uzbekistan's national priorities, strategies and plans;
(c) In accordance with the GCF's environmental and social safeguards, the programme as included in the funding proposal is in conformity with relevant national laws and regulations.

We also confirm that our national process for ascertaining no-objection to the programme as included in the funding proposal has been duly followed.

We also confirm that our no-objection applies to all projects or activities to be implemented within the scope of the programme.

We acknowledge that this letter will be made publicly available on the GCF website.

Deputy Minister **Badriddin Abidov**

№ 07-41- -04040

Date: 15 АПР 2020

Environmental and social safeguards report form pursuant to para. 17 of the IDP

Basic project or programme information	
Project or programme title	High Impact Programme for the Corporate Sector
Existence of subproject(s) to be identified after GCF Board approval	Yes
Sector (public or private)	Private
Accredited entity	European Bank for Reconstruction and Development (EBRD)
Environmental and social safeguards (ESS) category	Category B
Location – specific location(s) of project or target country or location(s) of programme	Armenia, Jordan, Kazakhstan, Morocco, Serbia, Tunisia and Uzbekistan
Environmental and Social Impact Assessment (ESIA) (if applicable)	
Date of disclosure on accredited entity's website	Friday, May 22, 2020
Language(s) of disclosure	Arabic, Armenian, English, French, Kazakh, Russian, Serbian and Uzbek
Explanation on language	Languages of disclosure are the official languages in the Programme's participating countries.
Link to disclosure	https://www.ebrd.com/cs/Satellite?c=Content&cid=1395280816626&d=&pagename=EBRD%2FContent%2FContentLayout
Other link(s)	N/A
Remarks	An ESIA consistent with the requirements for a category B project is contained in the "Environmental and Social Management System"
Environmental and Social Management Plan (ESMP) (if applicable)	
Date of disclosure on accredited entity's website	Friday, May 22, 2020
Language(s) of disclosure	Arabic, Armenian, English, French, Kazakh, Russian, Serbian, and Uzbek
Explanation on language	Languages of disclosure are the official languages in the Programme's participating countries.
Link to disclosure	https://www.ebrd.com/cs/Satellite?c=Content&cid=1395280816626&d=&pagename=EBRD%2FContent%2FContentLayout
Other link(s)	N/A
Remarks	An ESMP consistent with the requirements for a category B project is contained in the "Environmental and Social Management System"
Environmental and Social Management (ESMS) (if applicable)	
Date of disclosure on accredited entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A

Any other relevant ESS reports, e.g. Resettlement Action Plan (RAP), Resettlement Policy Framework (RPF), Indigenous Peoples Plan (IPP), IPP Framework (if applicable)	
Description of report/disclosure on accredited entity's website	N/A
Language(s) of disclosure	N/A
Explanation on language	N/A
Link to disclosure	N/A
Other link(s)	N/A
Remarks	N/A
Disclosure in locations convenient to affected peoples (stakeholders)	
Date	Friday, May 22, 2020
Place	EBRD Headquarters and Resident Offices in participating countries (as hard copy): **Armenia:** Yerevan Resident Office Piazza Grande Business Centre, 2nd floor, rooms 95-97, 10 Vazgen Sargsyan Street, Yerevan 0010, Republic of Armenia Tel: 00 374 10 590901 **Jordan:** Amman Resident Office Emmar Towers 196 Zahran Street 15th Floor P.O. Box 852805 Amman 11185 Jordan Tel: +962 6 563 50 30 **Kazakhstan:** Almaty Resident Office 41 Kazybek Bi street Park Palace Business Centre 3-rd Entrance, 3-rd Floor 050010 Almaty Tel: +7 727 332 00 00 Nur-Sultan Resident Office "SAAD" BC 10th Floor, 2 Dostyk street, Yesil district, Nur-Sultan, Republic of Kazakhstan Tel. +7 7172 554246

	Aktobe office 173/1 Sankibay batyr ave, “Progress” Business Centre, office 301 Aktobe 030012 Kazakhstan Tel: + 7 7132 703 841, +7 7132 703 842 **Morocco:** Agadir Resident Office Immeuble Essaada, Angle Boulevard Hassan II et rue Les Orangers, 3rd floor, N. 15 Agadir Casablanca Resident Office Immeuble Zevaco 46, Route d’Azemmour, Lotissement El Fath, lot 4 20230 Casablanca Morocco Tel: +212 (0) 522 64 91 50 Tangiers Resident Office 17, Boulevard Mohamed V, Building Bovapes, 6th floor, n• 34, Tangiers Morocco Tel: +212 539 34 32 94 **Serbia:** Belgrade Resident Office Bluecentre building Spanskih boraca 3, 6th floor 11070 Novi Beograd Serbia Tel: +381 11 212 0529/0530/0531 **Tunisia:** Tunis Resident Office Immeuble Lira Les Jardins du Lac Les Berges du Lac 1053 Tunis Tunisia Tel: +216 70 011 500 Sfax Resident Office Prestige Building The Ain Street Km 2 Sfax 3000 Tunisia Tel: +216 74 462 620

	Tel: +216 74 462 622 **Uzbekistan:** Banking Association of Uzbekistan, 13th floor 1, Qoratosh street, Tashkent, 100027, Uzbekistan Tel: +99878 140 44 00 Hamkor International Business Centre, 53 Bobur Avenue, Andijan city, Andijan region, Uzbekistan
Date of meeting in which the FP is intended to be considered	
Date of accredited entity's meeting	TBD
Date of GCF's Board meeting	Tuesday, June 23, 2020

Note: This form was completed by the accredited entity stated above.

Independent Technical Advisory Panel's review of FP140

Proposal name:	High Impact Programme for the Corporate Sector
Accredited entity:	European Bank for Reconstruction and Development (EBRD)
Project/programme size:	Large

I. Assessment of the independent Technical Advisory Panel

1.1 Impact potential *Scale: Medium*

1. Globally, energy consumption in the industry sector is the highest among all end-use sectors. According to the International Energy Agency (IEA), the industrial sector accounted for 37 per cent of total final energy use in 2017. Growth in energy consumption has been driven by an ongoing long-term trend of rising production in energy-intensive industry subsectors such as chemicals, iron and steel, cement, pulp and paper, and aluminium production. The sector's energy mix has been relatively stable since 2010, with fossil fuels being the main source of energy. The share of fossil fuels in the energy mix decreased from 73 per cent to 70 per cent since 2000 but that was due to an increase in the amount of electricity in non-energy-intensive subsectors.[1]

2. The industry sector is therefore critical to delivering global climate change mitigation goals. Manufacturing, agribusiness, and the (non-fossil energy) metal and mineral mining sectors (excluding extraction of fossil fuel sources) all have significant potential to deliver decarbonization of the global economy. Energy- and materials-efficiency measures, together with deployment of best available technologies, will contribute significantly to achieving cumulative emission reductions in the industry sector by 2030. According to IEA and the International Renewable Energy Agency, energy-efficient climate technologies are the dominant method of achieving the cumulative carbon dioxide (CO_2) emission reductions that can be achieved in the industry sector.

3. However, the businesses (corporates) in the industry sector in the seven participating countries ace barriers to the uptake of climate change technologies. Financial barriers include (1) the absence of commercial financing at a favourable price and tenor for corporates to commit to invest in climate technologies; (2) the high transaction and upfront investment costs associated with the high perceived risk about climate change technologies; and (3) lack of funding available to support climate change related corporate governance initiatives.

4. Non-financial barriers include a lack of knowledge about the availability of climate impact technologies and their associated benefits, which increases the difficulty for corporates and policymakers to make well-informed decisions. The governments of the participating countries have set targets for greenhouse gas (GHG) emission reductions and identified industrial needs to promote low-carbon technologies. Nevertheless, strategies – including action plans to achieve the targets – remain underdeveloped.

5. The proposed programme targets energy-intensive industries, such as (non-fossil energy) mining companies, agribusinesses and agribusiness value chains (and related logistics) in the participating countries. The programme aims to promote transformational change by linking climate considerations at a project level with the uptake of long-term CCG performance.

[1] https://www.iea.org/reports/tracking-industry

6. Corporates that participate in the programme will be able to access concessional loans for investments in energy-efficient technologies and products. The concessional interest rate could be further reduced if the corporates introduce and implement CCG and management practices agreed prior to the investments.

7. The European Bank for Reconstruction and Development (EBRD) is the accredited entity (AE) and is also the executing entity.

8. The countries targeted to participate in the programme are Armenia, Jordan, Kazakhstan, Morocco, Serbia, Tunisia and Uzbekistan.

9. The programme consists of three components. In component 1, suitable climate change technologies for participating corporates will be identified through a technology audit, and the project baseline will be established. In addition, a corporate climate governance (CCG) audit and a gender audit will be carried out for each participating corporate. On the basis of the results, an assessment will be made of the corporates' eligibility for GCF concessional finance, and two specific milestones will be set for the corporates to achieve. In establishing the milestones, the corporates will be helped to develop and establish corporate low-carbon strategies and related governance principles and processes.

10. Technologies to be supported by the programme are those of at least technology readiness level seven (system prototype demonstration in operational environment) as defined by the European Commission. However, technologies with a lower level of readiness might be supported on an exceptional basis. In order to be eligible for the programme, the proposed technologies must be able to achieve GHG emission reductions of 10,000 tonnes of carbon dioxide equivalent (tCO_2eq) annually.

11. On the basis of the assessment undertaken in component one, component two will provide finance to support eligible participating corporates to introduce the climate change technologies and to promote the uptake of corporate climate governance and management practices. A discount on the interest rate on the GCF loans will be provided if the milestones set under component one are met. The first milestone can be achieved when the corporate introduces and operationalizes the climate change technology. The second milestone requires the corporates to change their business model (e.g. integrate a recycling model, introduce new low-carbon products, use of recyclable packaging), and to adopt CCG and related management practices. By achieving the second milestone, the corporate will be entitled to a further interest discount. GCF loans, which can offer interest discounts, will be provided for up to 30 per cent of the total project value.

12. Component three develops low-carbon sector roadmaps in close consultation with the governments and industry sectors to facilitate country and industry ownership, and develops support for long-term implementation of climate change technologies. Knowledge products will be developed to support and engage public and private sector stakeholders. Regional and sector events will be organized for knowledge dissemination.

13. The total programme amount of USD 1,016.9 million will be funded by the AE (USD 758.9 million) and GCF (USD 258.0 million). The AE's contribution comprises three modalities: senior debt (USD 530.3 million), subordinated debt (USD 227.3 million) and grant (USD 1.4 million). The GCF funding is also in a form of senior debt (USD 176.8 million), subordinated debt (USD 75.8 million) and grant (USD 5.5 million). The AE and GCF loans are provided to the eligible participating corporates on a pro rata basis. The programme's implementation period is 18 years, including an availability period of six years.

14. The programme is expected to fund 17 projects across seven participating countries. The tentative list of eligible sectors comprises manufacturing industries, which includes construction materials, fertilizer, chemicals, iron and steel, aluminium, pulp and paper, and glass, plus agribusinesses and agri value chains (food retail/distribution, dairy production and

processing, juice and beverage production, food packaging and processing), and mining (metals and minerals mining excluding fossil fuel sources). The AE expects two to three projects to be funded in each participating country.

15. The AE estimates that the programme will reduce GHG emissions by 17.2 million tCO_2eq over the average 20-year asset lifetime. The GHG emission reduction estimate is based on the performance of the AE's current project portfolio in the target sectors and the methodologies adopted among international financial institutions. The AE has presented an indicative pipeline of potential projects, based on which GHG emission reduction calculation is made. Expected energy savings are estimated to reach 111,400 terajoule over 20 years.

16. The funding proposal does not estimate the number and profile of beneficiaries of the programme.

17. The independent Technical Advisory Panel (TAP) assesses the programme's impact potential to be medium.

1.2 Paradigm shift potential *Scale: Medium/High*

1.2.1. Contribution to the creation of an enabling environment

18. The knowledge products to be developed under component three will support public and private sector stakeholders to make decisions about the low-carbon technologies, and CCG work undertaken by the programme will contribute to the creation of an enabling environment to promote energy efficiency in the industry sector in the participating countries. Industry low-carbon roadmaps to be developed in consultation with governments, the private sector and local financial institutions, and these will outline the required plan of action and incentivize corporates to undertake the necessary investments into high-impact climate technologies.

1.2.2. Contribution to the regulatory framework and policies

19. Component 3 promotes private–public sector dialogue in policy formulation at the sectorial level. The low-carbon roadmaps to be developed will propose pragmatic and realistic measures on policy, finance and governance that will provide a basis for putting in place a policy framework that can be supported by industry. Behavioural shifts among corporates and management promoted by the programme will further contribute to form the regulatory framework and policies critical to encourage investments in climate change technologies in the participating countries.

1.2.3. Potential for scaling up and replication

20. The programme will require additional concessional finance to scale up and replicate. The programme offers eligible participating corporates concessional loans, not only to invest in climate change impact technologies but also to promote behavioural changes, such as incorporating climate change targets and CCG principles at the management level. Therefore, the loans will be structured to offer interest discount at two milestones, which is feasibly only if concessional finance is available.

21. The programme will showcase successful energy efficiency investments and demonstrate the high climate impact technologies. Accordingly, the programme interventions could be sustained and expanded after the Programme.

1.2.4. Potential for knowledge-sharing and learning

22. In component three, knowledge products will be developed to support and engage the private sector, governments, industry associations and local financial institutions, in a collaborative knowledge exchange. The programme offers support to stakeholders to identify suitable energy-efficient technologies and policies to help achieve a low-carbon industry sector and develop roadmaps to steer climate investments and related initiatives. Case studies will be developed to explain and showcase the low-carbon technology interventions and CCG work undertaken. *Green Transition Bonds*, a guiding document, market analysis and methodology for support for third-party verification will be developed for a corporate audience. Knowledge and dissemination events will be organized.

23. The independent TAP notes that the programme has a comprehensive knowledge dissemination programme, which will contribute to the creation of an enabling environment crucial to promoting climate change technologies and behavioural change at the corporate management level. However, the potential for scaling up and replication could remain dependent on the availability of concessional finance. Therefore, the independent TAP considers the paradigm shift potential of the programme to be medium/high.

1.3 Sustainable development potential *Scale: Medium*

1.3.1. Environmental co-benefits

24. The programme will help the participating corporates in the industry sector to promote energy efficiency in their facilities and processes, and to promote CCG at the management level. This will lead to reductions in use of fossil fuels and, consequently, to reductions of air pollutants emitted by industrial facilities.

1.3.2. Economic co-benefits

25. The corporate sector has vast potential for energy efficiency improvements. Improved operational efficiency through the programme’s components will contribute to the corporate sector’s competitiveness.

26. The programme contributes to mainstreaming energy efficiency and resource efficiency investments in the corporate sector by developing competitive market conditions on both the supply and demand sides. By directly involving the private sector, and raising awareness of the benefits of climate technologies, the programme will contribute to the creation of markets for these climate change technologies in the participating countries.

1.3.3. Social co-benefits

27. The programme will help corporates to enhance their market competitiveness and build the skills and capacity of those working within the sectors that have high environmental impacts in the participating countries. It will contribute to addressing social issues such as lack of skills or capacity and create a more competitive corporate sector and workforce. Stakeholder engagement, capacity-building and awareness-raising activities will contribute to enhancing social capital and country ownership.

28. Although the programme’s potential in delivering development impacts can be envisioned, the independent TAP assumes they are largely indirect. Accordingly, the independent TAP considers the sustainable development potential of the programme as medium.

1.4 Needs of the recipient *Scale: Medium/High*

29. Energy consumption in the industry sector is the highest among all end-use sectors. IEA estimated that the industrial sector accounted for 37 per cent of total global final energy use in 2017. In the participating countries, fossils fuels largely dominate final energy consumption in the industrial sector, as follows:

(a) Armenia: the industrial sector accounted for 15 per cent of total final energy consumption in 2016, according to IEA data. Armenia's industrial energy consumption is dominated by natural gas, which accounts for 49 per cent of energy consumption;

(b) Jordan: the industrial sector accounted for 17 per cent of total final energy consumption in 2016, and 8 per cent of the country's CO_2 emissions;

(c) Kazakhstan: the industrial sector accounted for 54 per cent of total final energy consumption, one of the highest shares in the region where the AE operates;

(d) Morocco: industrial energy demand accounted for 19 per cent of the total final energy consumption in 2016;

(e) Serbia: energy and carbon intensity are high because of the intensive use of coal in electricity production and heating, outdated energy infrastructure, high energy losses in transformation, transmission and distribution, and low energy efficiency among end-users;

(f) Tunisia: the industrial sector accounted for 27 per cent of the total final energy consumption in 2016; and

(g) Uzbekistan: the country has the second highest energy intensity in Central Asia and the second highest carbon intensity after Turkmenistan.

1.4.1. **Absence of alternative sources of financing**

30. There is limited long-term commercial funding for low-carbon investments in the participating countries because of a lack of understanding of energy efficiency and renewable energy investments and uncertainty about performance. The programme offers concessional finance to the eligible participating corporates to implement climate change technologies, and to adopt corporate climate governance and management practices. Given the technology and products that the programme supports, the investment amount would be relatively large. These types of interventions cannot be supported without the scale and concessionality of finance that GCF can provide.

31. The independent TAP notes that the government policies and strategies to achieve GHG emission reduction targets set in the nationally determined contributions (NDCs) remain under development in the participating countries. In that sense, the independent TAP notes that it is not yet possible to understand the likely demands on the programme. Nevertheless, the independent TAP presumes it is crucial for the corporates to introduce not only climate change technology but also CCG and management practices for the industry to contribute to the government targets and commitments in the NDCs. Accordingly, the independent TAP considers the needs of the recipient for the programme as medium/high.

1.5 Country ownership Scale: Medium/High

1.5.1. Existence of a national climate strategy

32. In their NDCs the participating countries generally highlight the crucial roles of energy efficiency and renewables in mitigating climate change, as well as their country's vulnerability to the diverse impacts of climate change with a reference to the roles that industries, agribusinesses and mining can play.

33. Armenia signed the Paris Agreement in September 2016 and ratified it in April 2017. The country has stated that its total aggregate emissions between 2015 and 2050 will be equal to 633 million tCO_2eq, and that the country will strive to "achieve ecosystem neutral GHG emissions in 2050 with the support of adequate international financial, technological and capacity-building assistance". Armenia has identified industrial processes, in particular construction materials and chemical production as priority sectors for decarbonization.

34. Jordan submitted an NDC to the United Nations Framework Convention on Climate Change (UNFCCC) with a GHG emission reduction target of 1.5 per cent by 2030 compared with a business-as-usual scenario. The conditional target aims at reducing Jordan's GHG emissions by 12.5 per cent by 2030. The NDC identifies renewable energy sources as the main way to reduce energy use and GHG emissions in its industrial sector. It identifies energy efficiency improvements across all sectors, including industrial processes, as a measure to meet the GHG emission reduction target.

35. In its NDC, Kazakhstan intends to achieve an economy-wide target of 15 per cent (unconditional target) or 25 per cent (conditional target) reduction in GHG emissions by 2030 compared with the 1990 level. Key legislative acts include laws on energy saving and energy efficiency, and on supporting the use of renewable energy sources; the Kazakh Emissions Trading Scheme; and the Green Economy Concept. However, the agriculture and industrial sectors are not explicitly addressed in Kazakhstan's NDC or in country-level green economy planning.

36. Morocco's NDC expressed the commitment to reduce its GHG emissions by 32 per cent by 2030 compared with business-as-usual projected emissions, equivalent to a cumulative reduction of 401 million tCO_2eq over the period 2020–2030. Morocco sees renewable energy and energy efficiency as integral to achieving its vision, with the goal of reaching over 50 per cent of installed electricity production capacity being renewable sources by 2025 and reducing energy consumption by 15 per cent by 2030.

37. In it NDC submission to the UNFCCC, Morocco committed to reducing GHG emissions by 42 per cent compared with a business-as-usual scenario by 2030, subject to substantial support from the international community. Morocco also commits to an unconditional reduction target of 17 per cent below the business-as-usual level by 2030, taking into account reductions in agriculture, forestry and the other land use sectors. Morocco has set an energy-saving target for the industry sector of 48 per cent by 2030. Industrial energy efficiency is considered to be an effective means to achieve the target.

38. Serbia signed the Paris Agreement in April 2016 and ratified it in July 2017. It has a target of cutting CO_2 emissions by 9.8 per cent by 2030 compared with the 1990 level. Serbia has set a goal of 27 per cent of total energy consumption from renewables by 2020 (up from around 15 per cent in 2014). Its NDC acknowledges the particular vulnerability of the agricultural sector to the impacts of climate change, with water availability issues projected to be exacerbated in the future.

39. In its NDC, Tunisia proposes reducing its GHG emissions across all sectors (energy, industrial processes, agriculture, forestry and other land use, and waste) in order to lower its

carbon intensity by 41 per cent in 2030, relative to the base year (2010). Mitigation efforts will particularly centre on the energy sector, which alone accounts for 75 per cent of the emission reductions contributing to this decrease in carbon intensity. As part of the energy transition policy advocated by the Government, it is estimated that the energy sector will reduce its carbon intensity in 2030 by 46 per cent compared with 2010. Tunisia plans to expand its efforts to promote energy efficiency in all consumer sectors with a particular focus on the industrial sector, highlighting interventions in cement production through transforming solid waste into refuse-derived fuel for cement facilities, and building industrial partnerships.

40. Uzbekistan ratified the Paris Agreement in September 2018 and has committed under its NDC to reduce its GHG emissions per unit of Gross Domestic Product by 10 per cent in 2030, compared with the 2010 level. Mitigation is to be achieved through a comprehensive set of measures on enhancing energy efficiency in industry and buildings, but also in transport and logistics systems.

1.5.2. Capacity of accredited entities and executing entities to deliver

41. As both the AE and the executing entity, EBRD will directly offer concessional finance and technical assistance to be funded by GCF alongside loans and technical assistance from its own capital resources and other donors for specific, covenanted purposes in line with the programme proposal.

42. The AE has extensive experience of working with industrial, agribusiness and mining corporates. Since 1991, the AE has invested EUR 13.2 billion in 779 manufacturing and services projects and has an active portfolio of 274 projects of EUR 3.3 billion. The AE has financed greenfield projects, capacity expansions, restructuring and privatization, and energy efficiency financing. Through energy and resource efficiency audits, the AE supports the assessment of the technical and economic feasibility of resource efficiency measures in its clients' operations.

43. The AE is currently the largest provider of finance to the agribusiness sector in its region of operations. Since 1991, the AE has invested EUR 11.4 billion in 686 agribusiness projects and has an active portfolio of 223 projects or EUR 2.9 billion. The AE's involvement in the agribusiness sector spans all activities throughout the value chain; from farming processing and trading to food distribution, packaging and retail. The AE has invested EUR 7.7 billion in 183 natural resources projects and has an active portfolio of 63 projects or EUR 2 billion.

44. The AE aims to increase green financing to 40 per cent of its annual business volume by 2020. A team dedicated to energy efficiency and climate change works with sector teams to develop green projects and promote partnerships with shareholders, international institutions and other multilateral development banks, facilitating technical assistance to overcome market barriers and maximize returns on green investments.

1.5.3. Engagement with civil society organizations and other relevant stakeholders

45. The AE has undertaken a series of consultations for the programme since 2017. The consultations began with the corporate sector and have involved several consultations and information sharing with various stakeholders, organizations and other actors that are interested in the programme in the participating countries. The AE has also carried out consultations in other countries where it operates in order to receive and incorporate the views of stakeholders in the programme. All of the national designated authorities in the participating countries have been consulted and provided feedback during preparation of the funding proposal.

46. No-objection letters from all participating countries are attached to the funding proposal.

47. The independent TAP considers country ownership of the programme to be medium/high.

1.6 Efficiency and effectiveness *Scale: Medium*

1.6.1. Amount of co-financing

48. The total programme amount of USD 1,016.9 million will be funded by the AE (USD 758.9 million) and GCF (USD 258.0 million) at a co-financing ratio of 2.94.

49. The AE estimates that the total GHG emission reductions of the programme will amount to 17.2 million tCO_2eqover asset life of 20 years. Accordingly, the estimated cost of GHG reductions against the total cost would be USD 59.1 per tCO_2eq. With respect to GCF funding, a GHG reduction cost is estimated to be USD 15.0 per tCO_2eq.

1.6.2. Cost-effectiveness and efficiency

50. The programme cannot be structured without concessional finance. The concessional finance provided by GCF is utilized for financial support to fill a financial gap for the corporates to adopt climate change technologies, and to incentivize adoption of CCG leading to behavioural change, and triggering sustainable and green investments. The provision of concessionality will be conditional upon achieving specific milestones, which will be defined ex ante under component 1.

51. Concessionality offered by GCF will be passed on to the participating corporates which successfully meet energy efficiency and CCG milestones. To ensure that concessionality is minimal, the concessional loans to the corporates are structured in such a way that the grant equivalent of the interest rate is less than or equal to the carbon compensation.

1.6.3. Programme/project financial viability and other financial indicators

52. The programme is estimated to be financially viable as per the AE's projection. The AE has an extensive operation funding corporates in the industry sectors of the participating countries. The GCF concessional loans and the AE loans will be structured pro rata, sharing equally the credit risk of the corporates.

1.6.4. Industry best practices

53. Under component one, the programme will undertake a technology audit and identify best available technologies to be funded under component two. In addition, there is an impact eligibility criterion of avoided GHG emissions (direct and indirect) of 10,000 tCO_2eq per year. The programme will contribute to the industry sector to adopt and promote industry best practices in the participating countries.

54. The independent TAP considers efficiency and effectiveness of the programme to be medium.

II. Overall remarks from the independent Technical Advisory Panel

55. The programme aims to promote transformational change by linking climate considerations at a project level with the uptake of long-term CCG performance. In the participating countries, fossils fuels largely dominate final energy consumption in the industrial sector. The programme includes comprehensive knowledge dissemination activities as well as development of low-carbon roadmaps to assist the government and industry to achieve the country commitments in NDC.

56. However, the independent TAP notes that the funding proposal does not present details of the AE's performance reports to be submitted to the GCF.

57. Accordingly, the independent TAP recommends that the Board approve the programme with a condition below:

(a) The AE shall include in the performance reports provided to the GCF, an assessment of MWs installed and MWhs consumed, TJs saved and GHG emission reductions achieved by each sub-project of the Programme, which are measured and monitored by EBRD in accordance with its policies and procedures, subject to laws and regulations.

Reply to the Independent Technical Advisory Panel assessment findings (FP140)

Proposal name: High Impact Programme for the Corporate Sector

Accredited entity: European Bank for Reconstruction and Development (EBRD)

Impact potential
The EBRD notes the iTAP's positive review that the overall impact potential is medium, and confirms that it accurately reflects the Programme, including: the context and barriers addressed, the overall structure and summary of components, and anticipated impacts.
Paradigm shift potential
The EBRD notes the iTAP's positive assessment that the Programme's paradigm shift potential is medium/high. Component three focuses on low carbon sectoral roadmaps, with additional supportive comprehensive knowledge dissemination activities. In addition, the EBRD notes that the concessional loans under Component two has the potential to trigger behavioural change at corporate sector management level to incorporate climate change targets and corporate climate governance principles into strategic decision-making. The transformative shift within a sector will therefore be made possible through the uptake of high climate impact technologies coupled with the additional shift triggered by behavioural changes related to corporate governance, as climate change targets and climate governance principles are incorporated into strategic decision. The resulting paradigm shift will be (1) a shift and acceleration of corporate decarbonisation trajectories; (2) transformation of the supply and demand for climate finance; and (3) acceleration of the market for climate technologies. iTAP comments that the potential for scaling up and replication could remain dependent on availability of concessional finance. The EBRD notes the Programme aims to achieve substantial reduction in the need for concessional financing in future projects based on its demonstration effect. Further it is expected that, over the course of implementation of this Programme, commercial lenders will become interested in the market and that this will gradually remove the need for concessional finance.
Sustainable development potential
The EBRD notes iTAP's positive assessment of the Programme's sustainable development potential as medium. The Programme anticipates environmental, economic and social co-benefits, the delivery of which will be predominantly indirect as noted by iTAP.
Needs of the recipient
The EBRD notes iTAP's positive assessment that the Programme will have a medium/high impact on the targeted recipients. The EBRD agrees that the types of interventions to be supported under the Programme could not be undertaken without the GCF's contribution to scale and concessionality. The iTAP notes that because participating governments' policies and strategies to achieve targets for GHG emission reductions remain under development, demand for the Programme intervention may not be well recognized or understood. However, the EBRD agrees with ITAP's assessment that the Programme is critical for corporates to introduce not only climate change technologies but also Corporate Climate Governance and related management practices that are essential to support industries' contributions to government targets committed under NDCs. In addition, it allows corporates to become concurrent with developments in the global financing markets.

Country ownership
The EBRD notes iTAP's positive assessment of country ownership as medium/high, and notes that it accurately reflects the status of the national climate strategies of participating countries, the EBRD's capacity and track record to deliver the Programme, and stakeholder engagement undertaken.
Efficiency and effectiveness
The EBRD notes iTAP's positive assessment of the Programme's efficiency and effectiveness.
Overall remarks from the independent Technical Advisory Panel: The EBRD notes the overall positive remarks from the iTAP and also notes with thanks the positive recommendation from iTAP to the GCF Board, in particular that the Board support the Programme. Finally, the EBRD notes the recommended condition that reporting includes a summary of achievements at the sub-project level.

Annex 8: Gender Assessment/ Analysis, Gender Action Plan and Budget

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Note: The analysis in this Annex has made use of publicly available sources, and the analysis is not intended to be exhaustive of all gender-related issues in the countries. The relevant information will be updated with the last information available for each country context and will be used as baseline for the development of the gender assessments and the implementation of the gender activities.

1 Gender profiles: Overview of gender issues in the countries of the High Impact Programme for the Corporate Sector

Gender inequalities persist in the manufacturing industry, agribusiness and mining sectors of the eight countries targeted by the Programme. In particular, when it comes to women's access to employment and skills in these eight countries, labor force participation for women in the scientific, industry and technical fields (horizontal segregation), as well as in related managerial roles (vertical segregation) is low.

The sections below are short summaries of the gender issues in the eight countries targeted by the Programme. They use publicly available sources, and are not intended to be exhaustive overviews of all gender-related issues in this country. **The relevant information will be updated with the last information available for each country context and will be used as baseline for the development of the gender assessments and the implementation of the gender activities.**

1.1 Armenia gender profile

The article 14.1 of the Armenian Constitution prohibits discrimination on the grounds of sex, race, colour, ethnic or social origin, genetic features, language, political or any other opinion, membership of a national minority, property, birth, disability, age.

1.1.1 Female participation in the labour force

In Armenia, women's economic participation in the labour force remains low. Only 54% of women, compared to 72% of men, participate in the labour force (ILO, ILOSTAT, 2015). 29% of women and girls aged 15 to 24 are not in education, employment or training (NEET), compared to only 14% of their male contemporaries (ILO, ILOSTAT, 2012). 17% of women do not participate in the labour force due to family care obligations (NSSA, 2016). **Women are poorly represented in energy-intensive sectors**: 65% of Armenian working women are employed in agriculture, education and health and social work (ILO, ILOSTAT, 2015).

1.1.2 Barriers to economic opportunities for women

Women still face important barriers to participate in the labour market: Women devote on average 4.9 hours per day to **unpaid care and domestic work**, compared to 0.9 hours per day for men (UNECE, Statistical Database, 2008). This is slightly below the regional averages[1] of 5.6 hours for women and 2 hours for men (UNECE, Statistical Database, 2008). When it comes to **education**, a substantial gender gap in school enrolment is observed after primary level. Only 83% of boys compared with 97% of girls were enrolled in secondary education in 2009 (World Bank, WDI, 2009). Tertiary education is enjoyed by 47% of women and 42% of men (World Bank, WDI, 2015).

These challenges are exacerbated in rural areas, where 37% of the Armenian population live (World Bank, WDI, 2015). Rural women face greater difficulties in accessing basic services due to the lack of social, health and economic infrastructure in rural areas (CEDAW, 2014). Moreover, rural women face discrimination in accessing credit and are more likely to be employed informally than those in urban areas (FAO, 2017). Moreover, rural households face greater difficulties in accessing **childcare facilities**. The number of pre-school institutions

[1] The regional averages for the time spent on unpaid care and domestic work include Armenia, Azerbaijan, Belarus, Moldova and Ukraine.

has slightly reduced from 653 in 2004 to 638 in 2012 (Ministry of Education and Science, 2014).

Overall, the work environment remains challenging for women:

- 64% of women have experienced **sexual harassment** in the workplace. 20% have had to leave their job due to the issue, according to a 2004 survey (USAID, 2010).
- There is a **gender wage gap** of 36% (UNECE, Statistical Database, 2012). About 68% of managers in Armenia are men (ADB, 2015). Only 19% of firms employ a woman as a top manager (World Bank, Enterprise Surveys, 2013).
- About 68% of **managers** in Armenia are men (ADB, 2015).

1.1.3 Table. Key indicators: Gender gaps in the Armenian economy

		Armenia			Eastern Europe and the Caucasus		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2015*	54.2	72.4	62.3	60	69.7	64.6
	Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2015*	43.8	59.8	50.9	55.9	63.8	59.6
	Unemployment rate (% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2015*	19.2	17.4	18.3	7.2	8.4	7.9
	Public sector employment (% of women and men employed in the public sector) *ILO, ILOSTAT, 2015*	57.9	42.1	[100]	-	-	[100]
	Private sector employment (% of women and men employed in the private sector) *ILO, ILOSTAT, 2015*	44.3	55.7	[100]	-	-	[100]
	Informal employment (% of employed female, male and combined population in informal employment) *ILO, ILOSTAT, 2015*	46.6	46.2	46.3	-	-	-
	Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers) *ILO, ILOSTAT, 2015*	42.5	41.3	41.8	22	22.9	22.5
	Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs) *ILO, ILOSTAT, 2015*	32.0	36.9	34.5	15.4	18.1	16.9

		Armenia			Eastern Europe and the Caucasus		
		Female	Male	Total	Female	Male	Total
	Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner) *ILO, ILOSTAT, 2015*	10.5	4.4	7.3	6.6	4.7	5.6
	Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training) *ILO, ILOSTAT, 2012*	28.8	14.4	22.4	19.4[2]	14.9[2]	17.1[2]
	Time devoted to care work (Average time in hour devoted to unpaid work in a 24-hour period) *UNECE, Statistical Database, 2008*	4.9	0.9		5.6[3]	2[3]	-
	Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	0.467			0.459		
	Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, Global Databases, 2010*	3	5	4	3.9	4.9	4.4
	Gender pay gap (% gap between men's and women's average monthly earnings from employment) *UNECE, Statistical Database, 2012*	35.6			30.3		
Business	**Firms with female participation in ownership** (% of all firms) *World Bank, Enterprise Surveys, 2013*	25.3			30.3		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2014*	14.3	20.7	17.2	47.6	49.4	48.4
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed any money from a financial institution in the past year) *World Bank, Findex, 2014*	20.9	18.8	19.9	10.3	11.9	11.1
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	19.1			19.6		
Political participation	**Representation in national parliament** (% of seats held by women and men in the Parliament) *IPU, 2017*	18.8	81.2	[100]	16.3	83.7	[100]
	Representation among local council members	9.7	90.3	[100]	-	-	[100]

[2] The regional average excludes Georgia.

[3] The regional average excludes Belarus, Georgia and Ukraine.

	Armenia			Eastern Europe and the Caucasus		
	Female	Male	Total	Female	Male	Total
(% of women and men who are members of community councils) *NSSA, 2015*						

Note: The Eastern Europe and the Caucasus region as defined by the EBRD includes Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. For some indicators, data is not comparable across countries and therefore the regional average could not be computed. Such cases are indicated with a - sign.

Sources: ILO (n.d.), *ILOSTAT* (database), International Labour Organization, Geneva; IPU (2017), *Women in national parliaments*, Inter-Parliamentary Union, Geneva; NSSA (2016), *Women and men in Armenia*, National Statistical Service of the Republic of Armenia, Yerevan; UNECE (n.d.), *UNECE Statistical Database: Population and Gender* (database), UNECE, Geneva; UNICEF (n.d.), *UNICEF Global Databases: Child Protection*, UNICEF, New York; Walk Free Foundation (2016), *The Global Slavery Index 2016*, Walk Free Foundation; World Bank Findex (n.d.), Global Financial Inclusion Database, World Bank, New York; World Bank (n.d.), Enterprise Surveys, World Bank, New York

1.2 Jordan gender profile

The Constitution of 1952 (and last amended in 2016) enshrines the principle of equality and prohibits discrimination on the grounds of race, language and religion, but not on the grounds of sex (Constitution of the Hashemite Kingdom of Jordan, 2016: Article 6(1)).

1.2.1 Female participation in the labour force

In Jordan, women's labour force participation is low (12.6%) compared to the SEMED average (22.9%). Despite advances in women's educational attainment and health, labour force participation has merely decreased slightly since the 1990s (ILO, ILOSTAT, 2014). Only 17% of working women, compared to 28% of working men earn their salaries in the informal economy sector (UNDP, 2010 **Women are poorly represented in energy-intensive sectors**: more than two thirds of employed women (68%) work in education, health or public administration (DS, 2017). They concentrate on lower and intermediate hierarchical echelons (Sweidan, 2014).

1.2.2 Barriers to economic opportunities for women

Women still face important barriers to participate in the labour market: Despite having substantially reduced the educational gender gap, Jordan continues to have one of the world's lowest rates of women's workforce participation (12.6%) (ILO, ILOSTAT, 2014). The existence of discriminatory laws, in particular, in the Labour Code, the Family Protection Act, the Personal Status Laws and the Social and Security Act, restricts women's rights and access to empowerment opportunities (CEDAW, 2017). **When it comes to education**, while primary education is near-universal, a gender gap manifests itself on higher educational levels. 84% of girls enjoy secondary education, while the same only holds from 79% of boys (World Bank, WDI, 2014).

In addition, Jordanian women face a number of **obstacles to access credit**, including discriminatory attitudes from banks. This manifests in lower collateral requirements for men; and the requirement of spousal guarantees for women, but not for men (World Bank, 2013). Women do not enjoy an equal access to the formal banking sector in practice in Jordan. **They are only half as likely as men to own an account at a financial institution** (World Bank, Findex, 2014). Women represented only 17% of land owners in 2012 (World Bank, 2013).

Moreover, women face **barriers in accessing services**, and this curtails their participation in education and employment. In particular, women lack access to affordable and adequate **public transportation**. Furthermore, disparities between Amman and other regions still persist in terms of transportation connectivity (World Bank, 2016b).

1.2.3 Table. Key indicators: Gender gaps in the Jordanian economy

		Jordan			SEMED region		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2014*	12.6	59.7	36.4	22.9	70.4	46.7

	Jordan			SEMED region		
	Female	Male	Total	Female	Male	Total
Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2014*	10	53.7	32.1	18.2	63.5	40.9
Unemployment rate (% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2014*	20.7	10.1	11.9	20.6	9.8	12.3
Public sector employment (% of women and men employed in the public sector) *ILO, ILOSTAT, 2004*	20.4	79.6	[100]	-	-	-
Private sector employment (% of women and men employed in the private sector) *ILO, ILOSTAT, 2004*	14.5	85.5	[100]	-	-	-
Informal employment (% of female, male and combined employment who work in the informal sector) *UNDP, 2010*	17	28	26	-	-	-
Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers) *ILO, ILOSTAT, 2004*	2	10.9	9.5	48.3[4]	26.6[1]	31.3[1]
Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs) *ILO, ILOSTAT, 2004*	1.5	10.3	8.8	9.2[1]	19.5[1]	17.2[1]
Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner) *ILO, ILOSTAT, 2004*	0.5	0.7	0.6	39.2[1]	7.2[1]	14.2[1]
Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training) *ILO, ILOSTAT, 2012*	34.8	15.2	24.6	-	-	-

[4] The regional average excludes Jordan. Data reported for Jordan refer to 2004.

		Jordan			SEMED region		
		Female	Male	Total	Female	Male	Total
	Time devoted to care work (Average time in hour devoted to unpaid work in a 24-hour period)				-	-	-
	Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	0.639			0.641		
	Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, UNICEF Global Databases, 2007*	0.3	2.8	1.6	5.6	7.6	6.7
	Gender pay gap (% gap between women's average earnings and men's average earnings) *Sweidan, 2010*	12.3			-		
Business	**Firms with female participation in ownership** (% of all firms) *World Bank, Enterprise Surveys, 2013*	15.7			22.4		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2014*	17.4	33.7	25.5	14.7	27.9	21.3
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed money from a financial institution in the past year) *World Bank, Findex, 2014*	10.3	16.7	13.6	5	7.7	6.4
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	2.4			6.3		
Political participation	**Representation in the lower house of parliament** (% of seats in a lower chamber held by women/men) *IPU, 2017*	15.4	84.6	[100]	17.5	82.5	[100]
	Representation in the upper house of parliament (% of seats in a lower chamber held by women/men) *IPU, 2017*	15.4	84.6	[100]			
	Representation in municipal representations	35.9	64.1	[100]			

		Jordan			SEMED region		
		Female	Male	Total	Female	Male	Total
	(% of seats in the municipal councils held by women/men) *UNWOMEN, 2013*						

Note: The Southern and Eastern Mediterranean (SEMED) region as defined by the EBRD includes Egypt, Jordan, Morocco and Tunisia.

Sources: ILO (2016), ILOSTAT (database), International Labour Organization, Geneva; IPU (2017), Women in national parliaments, Inter-Parliamentary Union, Geneva; Sweidan (2014), The gender-based differences in wages, the Jordanian case; UNDP (2013), The Informal Sector in the Jordanian Economy; UNICEF (2016), UNICEF Global Databases; UNWOMEN (2015), Jordan's sixth national periodic report to the CEDAW committee; Walk Free Foundation (2016), The Global Slavery Index 2016, Walk Free Foundation; World Bank (2017), World Development Indicators (database); World Bank (2016), Global Financial Inclusion Database.

1.3 Kazakhstan gender profile

The Constitution of the Republic of Kazakhstan prohibits discrimination on the grounds of sex (Art. 14). Furthermore, the Law on State Guarantees of Equal Rights and Equal Opportunities of Men and Women introduced the principle of gender equality. The government also adopted the Strategy for Gender Equality for 2012-2016 coupled with its Action Plan.

1.3.1 Female participation in the labour force

In Kazakhstan, women still face important barriers to participate in the labour market: Men's labour force participation is higher than women's by approximately 10 percentage points, with men's standing at 77% and women's at 66% (WDI, 2017). 66% of women and 77% of men participate in the labour market. 6% of women are unemployment compared to 5% of men (ILO, ILOSTAT, 2015). Women's entry to certain occupations is restricted by Labour Code provisions. **Women are not allowed to perform 299 jobs in the areas of mining, metalworking, construction and factories (Government of the Republic of Kazakhstan, Resolution 1220, 2011).**

1.3.2 Barriers to economic opportunities

When it comes to **education**, in 2015, 86% of girls and 87% of boys were enrolled in primary education. Higher enrolment rates are observed for secondary education, which 94% of girls and 92% of boys enjoyed in 2013 (WDI, 2017).

In Kazakhstan, women spend on average 4.1 hours on **unpaid care activities** per day compared with 1.9 hours per day for men (UNECE, Statistical Database, 2012). In Kazakhstan, access to free and affordable preschool establishments is limited. After the independence, almost half of all preschool institutions were privatized and many educational institutions were dismantled (ADB, 2013a).

When it comes to **access to finance**, women in Kazakhstan have limited opportunities to own land or other property, due to limited access to loans and limited opportunities to become financially literate (ADB, 2013a). More women (56%) than men (52%) have a bank account. 16% of women and 17% of men had borrowed money from a financial institution in the last year in 2014 (World Bank, Findex, 2014).

Also, women face **barriers in accessing services**, and this curtails their participation in education and employment. According to a recent report, rural women encounter greater barriers to access **public transport** services than women living in urban areas. Statistics show that only 70% of rural households have regular connections to towns (OSCE, 2010).

Overall, the work environment remains challenging for women:

- The **gap between men's and women's average earnings** to amount to 8% (UNECE, Statistical Database, 2015).
- Among **top managers** in Kazakhstan, only 19% are women. Disaggregating by firm size, the share of female top managers declines as firm size increases (World Bank, Enterprise Surveys, 2013).
- There is no national legislation prohibiting **sexual harassment in the workplace** (CEDAW, 2014). The prevalence of gender-based violence remains an important socioeconomic barrier for Kazakh women (OECD, 2017). Domestic trafficking remains a serious and consistent issue in Kazakhstan (USDS, 2016).

1.3.3 Table. Key indicators: Women and men in the Kazakh economy

		Kazakhstan			Central Asia		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2015*	65.8	77.2	71.1	61[5]	75.8[1]	68.1[1]
	Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2015*	62	73.9	67.6	57.1[1]	71.9[1]	64.2[1]
	Unemployment rate (% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2015*	5.7	4.3	5	6.6[1]	5.2[1]	5.8[1]
	Public sector employment (% of civil servants employed in public sector on state positions) *ILO, ILOSTAT, 2010*	40.7	59.3	[100]	-	-	-
	Private sector employment (% of employees of small, medium and large enterprises) *ILO, ILOSTAT, 2010*	45.7	54.3	[100]	-	-	-
	Informal employment (% of female, male and combined employed population who are not registered for social security) *ILO, ILOSTAT, 2013*	30.8	28.4	29.6	-	-	-
	Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers) *ILO, ILOSTAT, 2015*	24.9	26.3	25.6	26.3[1]	29.2[1]	27.9[1]
	Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs) *ILO, ILOSTAT, 2015*	24.8	26.2	25.5	22.1[1]	27.9[1]	25.4[1]

[5] The regional average excludes Tajikistan, Turkmenistan and Uzbekistan.

		Kazakhstan			Central Asia		
		Female	Male	Total	Female	Male	Total
	Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner) *ILO, ILOSTAT, 2015*	0.1	0.1	0.1	4.3[1]	1.2[1]	2.5[1]
	Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training) *ILO, ILOSTAT, 2016*	-	-	9.5	-	-	-
	Time devoted to care work (Average time in hours devoted to domestic work in a 24-hour period) *UNECE, Statistical Database, 2012*	4.1	1.9	3.1	4.2[1]	2[1]	-
	Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	0.47			2		
	Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, Global Databases, 2006*	2	2	2	8[6]	9.4[2]	8.7[2]
	Gender pay gap (% gap between women's average earnings and men's average earnings) *UNECE, Statistical Database, 2015*	7.6			-		
Business	**Firms with female participation in ownership** (% of all firms) *World Bank, Enterprise Surveys, 2013*	28.3			31.6[7]		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2014*	55.6	52	53.9	31.1	32.1	31.6
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed money from a financial institution in	16.1	16.8	16.5	7.3	8.3	7.8

[6] The regional average excludes Mongolia, Turkmenistan and Uzbekistan.
[7] The regional average excludes Turkmenistan.

		Kazakhstan			Central Asia		
		Female	Male	Total	Female	Male	Total
	the past year) *World Bank, Findex, 2014*						
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	18.9			16.7[3]		
Political participation	**Representation in the lower house of parliament** (% of seats held by women/men) *IPU, 2017*	27.1	72.9	[100]	20.1[1]	79.9[1]	[100]
	Representation in the upper house of parliament (% of seats held by women/men) *IPU, 2017*	6.4	93.6	[100]	-	-	-
	Representation in legislative bodies (maslikhat on the district level) (% of seats held by women/men) *CSK, 2013*	19.1	80.9	[100]	-	-	-

Notes: The Central Asia region as defined by the EBRD includes Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan and Uzbekistan. For some indicators, data is not comparable across countries and therefore the regional average could not be computed. Such cases are indicated with a sign.

Sources: CSK (2014), *Women and Men in Kazakhstan 2009-2013*, Committee on Statistics of the Ministry of National Economy of the Republic of Kazakhstan, Astana; ILO (n.d.), ILOSTAT (database), International Labour Organization, Geneva; IPU (2017), Women in national parliaments, Inter-Parliamentary Union, Geneva; UNECE (n.d.), United Nations Economic Commission for Europe Statistical Database; UNICEF (n.d.), UNICEF Global Databases; Walk Free Foundation (2016), The Global Slavery Index 2016, Walk Free Foundation; World Bank (n.d.), World Development Indicators (database); World Bank (n.d.), Global Financial Inclusion Database.

1.4 Morocco gender profile

Moroccan laws are primarily based on French civil law and Islamic Sharia law (UNICEF, 2011) and men and women are equal before the law (Art. 6 of the Constitution).

1.4.1 Female participation in the labour force

Women's low level of labour force participation in Morocco (25%) is characterised by high levels of unemployment, informality and low levels of education compared to men's (ILO, ILOSTAT, 2014). This is particularly striking in rural areas where almost 100% of women are in informal employment (Morikawa, 2015). Despite progress to ensure gender equality in the law, important gaps in the legal framework remain. There is no law on violence against women, domestic violence or sexual harassment, women legally inherit less than men, and women **are barred from undertaking certain jobs** that pose "risks of excessive danger," may "exceed their capacities," or "impair good morals" (Decree No. 2-10-183 [2010]).

Rural women, in particular, face multiple discrimination including poor and limited access to transportation, health services, schools and employment opportunities. Rural women are more likely than urban women to work without a contract (almost 100% of rural compared to 60% of urban women), face higher rates of maternal mortality (ADB, 2016) and less likely to be in school. (UNICEF, 2016).

1.4.2 Barriers to economic opportunities for women

While there is no substantial gender difference in primary level education enrolment, a gender gap is visible in secondary education. In 2012, 59% of men compared to only 53% of women were enrolled in secondary education. A smaller gender difference persists in tertiary education (29% of men and 28% of women in 2015) (World Bank, WDI, 2012).

There is a large gender gap in Morocco's labour force: 73% of men are in the labour force, compared to only 25% of women. This pattern has remained relatively stable over the past twenty years (ILO, ILOSTAT, 2014).

Women predominantly work in low-skilled, vulnerable positions: 47% of working women are contributing family workers, compared to only 13% of men (ILO, ILOSTAT, 2012). On average, women devote 5 hours daily to care work, while men only spend 0.7 hours on these tasks (UN, Time Use data portal, 2012). The majority of childcare centres for children under the age of 6 are privately run and concentrated in urban areas.

The exclusion of women in the workplace has a significant financial impact over the course of their life: a 2015 report revealed that 94% of older women do not receive a retirement pension and 83.7% have no health coverage (CNDH, 2015).

Overall, many gender gaps remain:

- Only 27% of women have access to a formal financial institution compared to 60% of men (World Bank, Findex, 2011).
- Only 4.3% of firms have a female top manager. Women participate in the ownership of 31% of firms (World Bank, Enterprise Surveys, 2013).
- 17% of women and 34% of men hold self-employed jobs (ILO, ILOSTAT, 2012).
- Social norms may discourage women from starting a business: Women are often required to provide the guarantee of their husband to secure a loan.

1.4.3 Table. Key indicators: Women and men in the Moroccan economy

		Morocco			SEMED region		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2014*	25.2	72.6	48.1	22.9	70.4	46.7
	Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2014*	22.7	65.7	43.4	18.2	63.5	40.9
	Unemployment rate (% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2014*	10.3	9.5	9.7	20.6	9.8	12.3
	Public sector employment (% of women and men employed in the public sector) *ILO, ILOSTAT, 2012*	25.6	74.4	[100]	-	-	-
	Private sector employment (% of women and men employed in the private sector) *ILO, ILOSTAT, 2012*	26.1	73.9	[100]	-	-	-
	Informal employment (% of female, male and combined population in non-agricultural employment who are in informal employment) *HCP, 2013*	10.5	89.5	[100]	-	-	-
	Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers) *ILO, ILOSTAT, 2012*	63.8	46.1	50.7	48.3[8]	26.6[1]	31.3[1]
	Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs) *ILO, ILOSTAT, 2012*	16.5	33.6	29.2	9.2[1]	19.5[1]	17.2[1]
	Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner) *ILO, ILOSTAT, 2012*	47.3	12.5	21.6	39.2[1]	7.2[1]	14.2[1]

[8] The regional average excludes Jordan.

		Morocco			SEMED region		
		Female	Male	Total	Female	Male	Total
	Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training) *HCP, 2015*	45.1	11.4	27.9	-	-	-
	Time devoted to care work (Average time in hour devoted to unpaid work in a 24-hour period) *UN, Time Use data portal, 2012*	5	0.72		-	-	-
	Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	0.639			0.641		
	Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, Global Databases, 2007*	7.5	9.1	8.3	5.6	7.6	6.7
	Gender pay gap (% gap between women's average earnings and men's average earnings) *MEF, 2017*	17			-		
Business	**Firms with female participation in ownership** (% of all firms) *World Bank, Enterprise Surveys, 2013*	31.3			22.4		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2011*	26.7	52	39.1	14.7	27.9	21.3
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed money from a financial institution in the past year) *World Bank, Findex, 2011*	3.6	5	4.3	5	7.7	6.4
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	4.3			6.3		
Political participation[9]	**Representation in national parliaments** (% of seats in a lower chamber held by women/men) *IPU, 2017*	20.5	79.5	[100]	17.5	82.5	[100]

[9] At the time of the writing, Egypt is without local councils. Elections are scheduled to take place in 2017, but have not been held yet.

Note: The Southern and Eastern Mediterranean (SEMED) region as defined by the EBRD includes Egypt, Jordan, Morocco and Tunisia.

Sources: HCP (2016), Présentation des résultats de l'Enquête Nationale sur le Secteur Informel 2013/2014; HCP (2015), Note d'information du haut commissariat au plan au sujet de la situation du marche du travail en 2015; ILO (n.d.), ILOSTAT (database), International Labour Organization, Geneva; IPU (2017), Women in national parliaments, Inter-Parliamentary Union, Geneva; UN (n.d.), United Nations Statistics Division Time Use data portal; UNICEF (n.d.), UNICEF Global Databases; Walk Free Foundation (2016), The Global Slavery Index 2016, Walk Free Foundation; World Bank (n.d.), World Development Indicators (database); World Bank (n.d.), Global Financial Inclusion Database; World Bank (2013), *Opening Doors: Gender Equality and Development in the Middle East and North Africa*, World Bank, Washington, DC; MEF (2017), Synthèse de l'édition 2017 du Rapport sur le Budget axé sur les Résultats tenant compte de l'aspect Genre.

1.5 Serbia gender profile

The Constitution guarantees the principle of gender equality and explicitly prohibits indirect and direct discrimination (Constitution 2006, Art. 15, 21(3)). There are no restrictions on women entering certain professions and they may work the same night hours as men (World Bank, 2016).

1.5.1 Female participation in the labour force

With 45% of women participating in the labour market, compared to 62% of men, **female labour force participation remains low in Serbia** (ILO, ILOSTAT, 2016). This might be influenced by the fact that women spend an average of 5 hours on unpaid care work per day, which is double the time spent by men (UN, n.d.). The lack of access to childcare institutions negatively affects the ability of women to work in comparison to men (World Bank, SIPRU 2016).

In addition, women's wages are 17% lower than men's are. **Horizontal segregation is most pronounced in the health and social work sector**, which employs 13% of working Serbian woman and 2% of men. In contrast, the construction sector employs 2% of working women, as compared to 8% of men (Reva, 2012).

1.5.2 Barriers to economic opportunity for women

There are no pronounced gender gaps in primary (96% of boys and girls) and secondary education (95% of girls and 93% of boys). However, 67% of women as compared to only 50% of men pursue tertiary education (World Bank, WDI, 2015).

Although men own most land and property in Serbia, **there is significant discrepancy between regions in terms of women's land ownership** (FAO, 2015). While 51% of property owners are women in the North of Serbia, only 13% of women own property in Presevo (FAO 2015; Colakovic et al., 2017; Gabellini, 2016). Concerning access to finance and entrepreneurship, 83% of both women and men have a bank account (World Bank, Findex, 2014) **but only 26% of SMEs are owned by women** (Kalinić et al., 2014).

Roma women face multiple discrimination on the basis of sex and ethnicity, with greater challenges to access education, health care services, and employment opportunities (CEDAW, 2013). Roma girls have lower educational attainment and higher dropout rates than Roma boys (SORS, UNICEF, 2014).

1.5.3 Table. Key indicators: Women and men in the Serbian economy

		Serbia			South Eastern Europe		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2016*	45.4	61.8	53.3	48.6	61.3	52.3
	Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2016*	38.1	52.8	45.2	37.3	52.9	45
	Unemployment rate	16.1	14.6	15.3	15.2	13.8	14.4

	Serbia			South Eastern Europe		
	Female	Male	Total	Female	Male	Total
(% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2016*						
Public sector employment (% of women and men employed in the public sector) *ILO, ILOSTAT, 2016*	51.5	48.5	[100]	-	-	-
Private sector employment (% of women and men employed in the private sector) *ILO, ILOSTAT, 2016*	40.8	59.2	[100]	-	-	-
Informal employment (% of female, male and combined population in non-agricultural employment who are in informal employment) *ILO, ILOSTAT, 2016*	5.6	9.6	7.9	-	-	-
Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers) *ILO, ILOSTAT, 2016*	24.5	30.7	28	23.5	26.8	25.5
Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs) *ILO, ILOSTAT, 2016*	11.6	26.5	20	12.2	21.5	17.6
Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner) *ILO, ILOSTAT, 2016*	12.9	4.2	8	10.6	4.4	7
Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training) *ILO, ILOSTAT, 2016*	18.7	17.5	18.1	20.7[10]	18.1[1]	19.4[1]
Time devoted to care work (Average time in hour devoted to unpaid work in a 24-hour period) *UN, Time use data portal, 2011*	5	2.5		4.6[11]	2[2]	-
Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	0.404			0.408		
Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, Global Databases, 2014*	6.6	12.2	9.5	6.4[12]	9.9[3]	8.2[3]
Gender pay gap	16.7			12.9[13]		

[10] The regional average excludes Albania.
[11] The regional average excludes Bosnia and Herzegovina, Cyprus, Kosovo and Montenegro.
[12] The regional average excludes Bulgaria, Cyprus, Greece, Kosovo and Romania.
[13] The regional average excludes Bosnia and Herzegovina, Kosovo and Montenegro.

		Serbia			South Eastern Europe		
		Female	Male	Total	Female	Male	Total
	(% gap between men's and women's average monthly earnings from employment) *UNECE, Statistical Database, 2015*						
Business	**Firms with female participation in ownership** (% of all firms) *World Bank, Enterprise Surveys, 2013*	29.8			36.7[14]		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2014*	83	83.2	83.1	65	70.8	67.8
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed any money from a financial institution in the past year) *World Bank, Findex, 2014*	8.2	9.6	8.9	11.3	11.6	11.4
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	14.3			19.3[5]		
Political participation	**Representation in national parliament** (% of seats held by women and men in the Parliament) *IPU, 2017*	34.4	65.6	[100]	22.9[15]	77.1	[100]

Notes: The South Eastern Europe region as defined by the EBRD includes Albania, Bulgaria, Bosnia and Herzegovina, Cyprus, Greece, Kosovo, the FYR of Macedonia, Montenegro, Romania and Serbia. For some indicators, data is not comparable across countries and therefore the regional average could not be computed. Such cases are indicated with a - sign.

Sources: ILO (n.d.), ILOSTAT (database), International Labour Organization, Geneva; IPU (2017), Women in national parliaments, Inter-Parliamentary Union, Geneva; UNECE (n.d.), UNECE Statistical Database: Population and Gender; UN (n.d.), United Nations Statistics Division Time Use data portal; UNICEF (n.d.), UNICEF Global Databases: Child Protection ; Walk Free Foundation (2016), The Global Slavery Index 2016, Walk Free Foundation; World Bank (n.d.), Global Financial Inclusion Database, World Bank, Washington; World Bank (n.d.), Enterprise Surveys, World Bank, Washington.

[14] The regional average excludes Cyprus and Greece.

[15] The regional average excludes Kosovo.

1.6 Tunisia gender profile

In the Tunisian Republic, men and women are equal before the law (Constitution of the Tunisian Republic, 2014). In addition, Article 46 indicates a commitment to eradicating all forms of violence against women and protection of women's rights in all domains.

1.6.1 Female participation in the labour force

In Tunisia, large labour force gender gaps persist. While 43% of women, compared to 26% of men, pursue tertiary education (World Bank, WDI, 2015), only 26% of women, compared to 70% of men participate in the labour force (ILO, ILOSTAT, 2013). In addition, a gender wage gap of 36% in the informal sector and of 25% in the formal sector were measured in 2012 and in 2011 respectively (INS, 2015b). Contributing factors to this large gap in labour market participation include for instance that women spend on average 5.3 hours on care work a day, compared to 0.7 hours spent by men (UN, Time use data portal, 2006). Similarly, access to public childcare services is very limited. Moreover**, women's access to employment is restricted by Labour Code provisions that prohibit women from working in mines or with heavy metals**, as typically done in high impact sectors, while night work for women is restricted from 10p.m. to 6a.m. (Code du Travail, 2010). In addition, 91% of women indicated that they had been physically assaulted by a man in public transportation (CREDIF, 2016).

1.6.2 Barriers to economic opportunities for women

There is a substantial gender gap in literacy rates in Tunisia. While close to 90% of men are literate, the same holds only for 73% of women. 97% of girls and 98% of boys go to primary school and 94% of girls and 90% of boys are enrolled in secondary education. 43% of women compared to 26% of men enjoy tertiary education (World Bank, WDI, 2015).

Concerning access to finance, 34% of Tunisian men and 21% of Tunisian women hold a bank account at a financial institution (World Bank, Findex, 2014). In addition, a report by the French Development Agency suggests that **access to credit is one of the largest challenges for women working in the informal sector, as well as for rural women** (AFD, 2016). This might well be interlinked with very low female land ownership in Tunisia. While the law guarantees equal access to land ownership to both sexes, in practice women frequently transfer their entitlements to their husbands in the case of marriage and to their brothers in the case of succession (EU, 2014). According to law, when it comes to inheritance, daughters are entitled to half the amount of sons, while female surviving spouses are entitled half the amount of male surviving spouses (Code du Statut Personnel 2012: Articles 103, 101-102). It has been noted that women infrequently exercise their right to inherit land and other assets due to discriminatory practices that favour men, as well as the desire to keep property within the family (Abadeer, 2015).

In terms of female firm ownership and managerial responsibility, only 8.5% of firms have a female top manager while women participate in the ownership of 50% of firms (World Bank, Enterprise Surveys, 2013).

1.6.3 Table. Key indicators: Women and men in the Tunisian economy

		Tunisia			SEMED region		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2013*	25.6	70	47.4	22.9	70.4	46.7
	Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2013*	19.7	60.8	39.9	18.2	63.5	40.9
	Unemployment rate (% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2013*	23	13.3	15.9	20.6	9.8	12.3
	Public sector employment (% of women and men employed in central government) *OECD/CAWTAR, 2010*	27	73	[100]	-	-	-
	Private sector employment (% of women and men employed in the private sector) *CRES, 2011*	37	63	[100]	-	-	-
	Informal employment (% of female, male and combined population in non-agricultural employment who are in informal employment) *INS, 2012*	21.9	25.8	24.8	-	-	-
	Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers) *ILO, ILOSTAT, 2012*	17.2	23.1	21.6	48.3[16]	26.6[1]	31.3[1]
	Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs) *ILO, ILOSTAT, 2012*	10.3	19.6	17.3	9.2[1]	19.5[1]	17.2[1]
	Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner) *ILO, ILOSTAT, 2012*	6.9	3.5	4.3	39.2[1]	7.2[1]	14.2[1]
	Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training) *ILO, ILOSTAT, 2013*	29.9	21.2	25.4	-	-	-
	Time devoted to care work (Average time in hour devoted to unpaid work in a 24-hour period) *UN, Time use data portal, 2006*	5.3	0.7		-	-	-

[16] The regional average excludes Jordan.

		Tunisia			SEMED region		
		Female	Male	Total	Female	Male	Total
	Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	0.766			0.641		
	Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, Global Databases, 2012*	1.6	2.6	2.1	5.6	7.6	6.7
	Gender pay gap (% gap between women's average earnings and men's average earnings) *INS, 2012 / 2011*	35.5 (informal sector) 25.4 (formal sector)			-		
Business	**Firms with female participation in ownership** (% of all firms) World Bank, *Enterprise Surveys, 2013*	49.5			22.4		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2014*	20.5	34.1	27.3	14.7	27.9	21.3
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed any money in the past year) *World Bank, Findex, 2014*	6.2	9.9	8	5	7.7	6.4
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	8.5			6.3		
Political participation[17]	**Representation in national parliaments** (% of seats in a lower chamber held by women/men) *IPU, 2017*	31.3	68.7	[100]	17.5	82.5	[100]
	Representation in municipal councils (% of seats in municipal councils held by women/men) *EU, 2010*	32.8	67.2	[100]			

Note: The Southern and Eastern Mediterranean (SEMED) region as defined by the EBRD includes Egypt, Jordan, Morocco and Tunisia.

Sources: Centre de Recherches et d'Études Sociales (CRES) (2012), Enquête sur la structure des salaires, Tunisie 2011; • European Union (2014), Profil Genre de la Tunisie; ILO (n.d.), ILOSTAT (database), International Labour Organization, Geneva; IPU (2017), Women in national parliaments, Inter-Parliamentary Union, Geneva; UN (n.d.), United Nations Statistics Division Time Use data portal; OECD/CAWTAR (2014), Women in Public Life: Gender, Law and Policy in the Middle East and North Africa, OECD, Paris; UNICEF (n.d.), UNICEF Global Databases; Walk Free Foundation (2016), The Global Slavery Index 2016, Walk Free Foundation; World Bank (n.d.), World Development Indicators (database), World Bank, Washington, DC; World Bank (n.d.), Global Financial Inclusion Database, World Bank, Washington, DC; Institut National de Statistique (INS) (2015b), Rapport National Genre Tunisie 2015.

[17] At the time of the writing, Egypt is without local councils. Elections are scheduled to take place in 2017, but have not been held yet.

1.7 Uzbekistan gender profile

The Constitution of the Republic of Uzbekistan (1992) establishes the principle of equality between men and women (Art. 46) and provides protection from discrimination on the grounds of sex (Art. 18)

1.7.1 Female participation in the labour force

In Uzbekistan, women's labour force participation is very low compared to the Central Asian regional average. Only 38% of Uzbek women compared to a 61% female regional average are economically active. There is a small gender gap with 44% of men being economically active (ILO, ILOSTAT, 2007). Labour Code provisions that **prohibit women from working in certain high impact industries (mining, construction, and metalworking)** affect women's access to employment, (Labour Code of the Republic of Uzbekistan, Art. 225; Order No. 865 of 5 January 2000). There is no legislation prohibiting and criminalising sexual harassment in the workplace (CEDAW, 2014)

1.7.2 Barriers to economic opportunities for women

While higher education attainment rates are overall low, women have slightly less access than men do: Literacy is near-universal for both women and men (World Bank, WDI, 2015). Enrolment rates in primary and secondary education are above the 90% mark. In contrast, the challenge lies in tertiary education, where gross enrolment rates are very low: 7% for women and 11% for men.

Women more so than men are restricted in their labour market access: There is a declining gender gap in unemployment; however, rates are significantly higher than the regional average. 8.8% of women are unemployed compared to 6.6 in the region, whereas 6.6% of men are unemployed compared to 5.2% in the region (ILO, ILOSTAT, 2016). Moreover, Uzbekistan has a gender pay gap of 36% (ADB, 2014).
In 2013, only 8% of firms in Uzbekistan had a majority female ownership, compared to a 12% average within Europe and Central Asia (World Bank, Enterprise Surveys, 2013).
Most female entrepreneurs are involved in small-scale production of consumer goods, retail trade, and professional services such as education and healthcare (ADB, 2014). In addition, 4% of the Uzbek population live in modern slavery. This is two times higher than the regional average, which is 2% (Walk Free Foundation, 2016).

Women face challenges in their access to finance: Access to bank accounts for both women and men in Uzbekistan is higher than the Central Asian regional average. 39% of women have a bank account at a financial institution compared to 31% of women in Central Asia; while 42% of men have a bank account compared to 32% of men in Central Asia (World Bank, Findex, 2014). However, the number of women and men obtaining loans in Uzbekistan is very low, with 0.7% of women obtaining loans in 2014 and 1.9% of men, compared to a regional average of 7.3% of women and 8.3% of men (World Bank, Findex, 2014). According to the Asian Development Bank, in practice very few women own land or real estate (ADB, 2014) which exacerbates the restricted access to finance.

1.7.3 Table. Key indicators: Women and men in the Uzbek economy

		Uzbekistan			Central Asia		
		Female	Male	Total	Female	Male	Total
Labour market	**Labour force participation** (% of female, male and combined population aged 15+ who are economically active) *ILO, ILOSTAT, 2007*	37.6	44.0	40.8	61[18]	75.8[1]	68.1[1]
	Employment rate (% of female, male and combined population aged 15+ who are employed) *ILO, ILOSTAT, 2007*	37.6	44.0	40.8	57.1[1]	71.9[1]	64.2[1]
	Unemployment rate[19] (% of the female, male and combined labour force (15+) that is without work but available for and seeking employment) *ILO, ILOSTAT, 2016*	8.8	9.0	0.4	6.6[1]	5.2[1]	5.8[1]
	Public sector employment (% of civil servants employed in public sector on state positions)	n.a.			-	-	-
	Private sector employment (% of employees of private enterprises)	n.a.			-	-	-
	Informal employment (% of female, male and combined employed population who work in the informal sector)	n.a.			-	-	-
	Vulnerable employment (% of female, male and combined employed population who are contributing family workers or own-account workers)	n.a.			26.3[1]	29.2[1]	27.9[1]
	Own-account workers (% of female, male and combined employed population aged 15+ who hold self-employed jobs)	n.a.			22.1[1]	27.9[1]	25.4[1]
	Contributing family workers (% of female, male and combined population who work in a business owned by a family member, without being paid, but not as a partner)	n.a.			4.3[1]	1.2[1]	2.5[1]

[18] The regional average excludes Tajikistan, Turkmenistan and Uzbekistan.
[19] ILO modelled estimates are reported for unemployment rates, as national statistical data are not available.

		Uzbekistan			Central Asia		
		Female	Male	Total	Female	Male	Total
	Youth not in employment or education (% of female, male and combined population aged 15-24 who are not in employment, education or training)	n.a.			-	-	-
	Time devoted to care work (Average time in hour devoted to unpaid work in a 24-hour period)	n.a.			4.2[1]	2[1]	-
	Population living in modern slavery (% of the population living in modern slavery) *Walk Free Foundation, 2016*	4.0			2.0		
	Child labour (% of children aged 5-14 engaged in child labour i.e. in contravention of ILO C138 or 182) *UNICEF, 2005*	n.a.			8[20]	9.4[2]	8.7[2]
	Gender pay gap (% gap between women's average earnings and men's average earnings) *ADB, 2014*	36.0			-		
Business	**Firms with female participation in ownership** (% of all firms) *World Bank, Enterprise Surveys, 2013*	29.2			31.6[21]		
	Female top managers (% of firms with female top manager) *World Bank, Enterprise Surveys, 2013*	13.4			16.7[3]		
	Bank account at financial institution (% of female, male and combined population aged 15+) *World Bank, Findex, 2014*	39.3	42.2	40.7	31.1	32.1	31.6
	Loans from a financial institution (% of female, male and combined population aged 15+ who borrowed money from a financial institution in the past year) *World Bank, Findex, 2014*	0.7	1.9	1.3	7.3	8.3	7.8

[20] The regional average excludes Mongolia, Turkmenistan and Uzbekistan.
[21] The regional average excludes Turkmenistan.

		Uzbekistan			Central Asia		
		Female	Male	Total	Female	Male	Total
Political participation	**Representation in national parliament (lower house)** (% of seats in the lower chamber held by women/men) *IPU, 2017*	16.0	84.0	[100]	20.1[1]	79.9[1]	[100]
	Representation in national parliament (upper house) (% of seats in the upper chamber held by women/men) IPU, 2017	17.0	83.0	[100]	-	-	-

Note: The Central Asia as defined by the EBRD includes Kazakhstan, the Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan and Uzbekistan. For some indicators, data is not comparable across countries and therefore the regional average could not be computed. Such cases are indicated with a - sign.

Sources: ADB (2014), Uzbekistan Country Gender Assessment; ILO (n.d.), ILOSTAT (database), International Labour Organization, Geneva; IPU (2017), Women in national parliaments, Inter-Parliamentary Union, Geneva; Walk Free Foundation (2016), The Global Slavery Index 2016, Walk Free Foundation; World Bank (n.d.), Enterprise Surveys (database); World Bank (n.d.), Global Financial Inclusion Database.

2 Gender strategy in High Impact Programme for the Corporate Sector

EBRD's mandate in line with its private sector approach in terms of gender and economic inclusion is enhancing equal access to economic opportunities for women and men. EBRD's Gender & Economic Inclusion team have developed a number of gender approaches for green climate projects to this end along the three dimension of (1) access to employment and skills, (2) access to finance and entrepreneurship, (3) access to infrastructure and services that mainly put the EBRD's client at the core of the activities.

The design of the gender activities presented below is based on the analysis of the gender profiles of the High Impact Programme's target countries and the relevant indicators, and on EBRD's unique private sector approach and experience working with the GCF on previous programmes. The gender activities presented below have as overall objective to promote equal economic opportunities for both men and women in these high impact sectors, with EBRD's clients as entry point. Sustainable impact with regards to equal opportunities is sought to be achieved by setting higher gender equality standards, transferring skills and know-how to the client and by building capacity on the understanding of the gender and climate nexus. The gender activities will contribute ultimately to gender equality and the empowerment of women and girls, and will thus contribute to the achievement of SDG 5.

In particular, the gender activities of the High Impact Programme, mainstreamed in the components 1 and 3 of the Programme aim to address the following gender inequalities in close collaboration with our clients that have been identified as gaps as part of the analysis:

Gender inequalities in the target countries persist on all several dimensions of access to finance, access to services and access to employment and skills. Access to employment and skills has been identified as the most promising entry points to collaborate on with clients.

a. Access to employment and skills: Women to have equal access to employment in high impact sectors, hence, equal access to decision – making and planning of low-carbon strategies
b. Women are still underrepresented in the workforce, specifically in the energy-intensive sectors and even more so in management positions in the target countries.
c. Low labour force participation as well as overrepresentation in low-skilled, poorly paid, part-time employment due to care responsibilities, limited access to education or persisting gender biases create a gender pay gap across all targeted countries.
d. Women continue to experience gender-based violence and sexual harassment in the workplace in the target countries.

These gender inequalities will be addressed by specific gender activities in collaboration with clients in high impact sectors as per EBRD approach to leverage the private sector's opportunity to shape gender equality.

Under Component 1 (**High impact technologies identification and corporate low-carbon strategy development)**, corporate low-carbon strategy development that considers gender as a dimension along which decarbonisation can be more effective by being more inclusive. Similarly, a gender action plan at the corporate level will equip key staff with the ability to recruit, promote and retain female staff while ensuring a safe work environment that promotes equal opportunities for all.

Under Component 3 (**Low-carbon sectoral roadmaps for high impact industries and knowledge sharing**), low-carbon sectoral roadmaps for high impact industries that a gender assessment of the energy-intensive sectors in terms of, for example, female workforce at all levels, impact of climate change consequences on female population and ways to adapt and mitigate, and gender-responsive knowledge sharing of these results.

This approach is in line with The EBRD's Strategy for the Promotion of Gender Equality (2016-2020) (http://www.ebrd.com/gender-strategy.html), which aims to increase women's economic empowerment and equality of opportunity by focusing on three specific objectives: (i) access to services, (ii) access to employment and skills and (iii) access to finance– particularly targeting those countries of operations, regions or sectors that display the largest gender gaps.

The EBRD's approach to promoting gender equality into its operations is fully aligned with the strategic goals of the Fund's Gender Policy and Action Plan, which requires the Fund beneficiaries to ensure that women and men equally contribute to and benefit from activities and that any potential adverse gender impacts are identified and mitigated.

3 Draft Gender Action Plan: activities and expected results

The draft Gender Action Plan below is at the Programme level, covering all the countries and the participating private sector companies. Once the private sector companies have been identified for EBRD investments, gender activities will be developed and will be monitored at the project level as appropriate, and relevant timeline will be set. This approach is based on EBRD's unique model of investments, and lessons learned from EBRD's experience working on gender on previous GCF projects.

At the sectoral level, the Programme will develop sector-specific gender assessments as part of the development of the low-carbon sectoral roadmaps, as summarized below.

Activities	Indicators and Targets	Timeline	Responsibilities
Impact Statement: Increased number of energy-intensive investors and developers promoting women's economic empowerment **Outcome Statement:** The targeted energy-intensive sectors are more gender-responsive and provide equal opportunities for men and women **Means of verification**: Gender disaggregated data assessed against appropriate indicators to measure enhanced access for women to energy-intensive skills and employment			
Output 1: Gender Analysis: Sector specific country-level assessments to be undertaken as part of the development of low-carbon sectoral roadmaps and rollouts			
(i) Sector-specific gender assessments will be undertaken to better understand the different needs and perspectives of women and men in terms of access to economic opportunities in the energy-intensive sector targeted (ii) Findings of the gender assessments will be presented and discussed at country-and sector-level multi-stakeholder roadmap workshops and will help development recommendations for the development low-carbon strategies (iii) Based on the findings of the gender assessments, low carbon strategies developed will include gender considerations	5 gender assessments developed 2 multi-stakeholder workshops held Number of participants at the multi-stakeholder workshops (with at least 30% of women) Enhanced understanding of different needs and priorities of men and women Evidence and findings of multi-stakeholder workshops reflected in analysis undertaken for the preparation of the low-carbon strategy	As projects are identified	consultant with support from local stakeholders funded by GCF

Output 2: Clients will contribute to strengthening women's access to energy-intensive employment			
(i) As part of the development of low carbon, gender-responsive corporate strategy development, equal opportunities action plan developed at the corporate level, with measures undertaken to increase workforce diversity	17 low-carbon, gender-responsive corporate strategies developed	As clients are identified	Clients HR departments with consultant funded by GCF
Output 3: Knowledge exchange and learning opportunities through the Programme			
Enhance knowledge and learning of EBRD clients and others in relevant sectors by providing knowledge building opportunities to integrate gender considerations through: (ii) Regional and sectoral events where clients and multi stakeholders can share lessons learned; Knowledge sharing with local women's economic empowerment NGOs. (iii) Provision of gender focused capacity building workshops on the gender diversity dimensions of energy-intensive sectors, facilitated through the development process of the Programme. (iv) Case study development and dissemination: identifying the gender diversity dimensions of energy-intensive sectors, and enabling promotion of best practices	5 panels and discussions focusing on gender held at the Regional and sectoral workshops 5 gender focused capacity building workshops conducted as part of the Programme 1 case study compilation with a focus on gender-related best practices identified through the Programme	At the time of the delivery of events and reports, on a rolling basis	consultant funded by GCF