

## Chapter 4

### Country profiles

*This chapter summarises the country-specific reports on climate-related development finance for 11 countries of Eastern Europe, the Caucasus and Central Asia (EECCA). The full country reports are available on the website of the OECD-hosted GREEN Action Programme [[www.oecd.org/environment/outreach/eap-tf.htm](http://www.oecd.org/environment/outreach/eap-tf.htm)]. Each report analyses the country's climate targets and priority sectors/areas for climate actions; development finance flows to support climate actions in the EECCA region; and in-country enabling environments, such as laws, regulations, institutional arrangements and domestic financing mechanisms.*

## Analytical framework

This chapter summarises country-specific reports for the 11 countries of Eastern Europe, the Caucasus and Central Asia (EECCA) on climate-related development finance. The full country reports are available on the website of the OECD-hosted GREEN Action Programme.<sup>1</sup> Each of the full country reports contains:

- An analysis of the country’s climate targets and priority sectors/areas for climate actions based on the country’s Intended Nationally Determined Contribution (INDC) if relevant, and other relevant policy documents and reports to the United Nations Framework Convention on Climate Change (UNFCCC).
- An overview of international development finance flows to support the country’s climate actions, based on a quantitative analysis for the two years between 2013-14 and a qualitative analysis for 2011-15. This analysis does not offer a complete picture of climate finance from all possible sources. However, it provides a clearer understanding of international (public) finance flows in terms of major sectors/areas, providers and financing structures for individual projects, as well as domestic institutions involved in accessing and using such finance, on which relevant data tend to be scattered.
- Brief overview of in-country enabling environments, such as laws, regulations, institutional arrangements and domestic financing mechanisms, which directly or indirectly relate to promoting low-carbon, climate-resilient development. This analysis is based on publicly available documents on legal and policy frameworks, as well as public financing entities.

The quantitative analysis for 2013-14 used the database from the OECD Development Assistance Committee (DAC) Creditor Reporting System (CRS).<sup>2</sup> This database allows for an approximate quantification of climate-related development finance flows that target climate mitigation or adaptation objectives of the Rio Conventions. The bilateral sources include the OECD DAC members, whereas multilateral sources include multilateral development banks (MDBs), international climate funds and some South-South co-operation and non-DAC member contributions. This study tracks development finance flows for activities that target climate mitigation or adaptation as either their principal or significant objective. The qualitative analysis for 2011-15 is based on project-level information (e.g. project appraisal documents, interim or terminal evaluation reports, and periodic donor reports). Such information is obtained from publicly available information on bilateral and multilateral providers of support.

The DAC CRS records face values of the activities on the dates when recipients sign grant or loan agreements (i.e. commitment, but not disbursement of funds). Therefore, there may be gaps between results from the DAC CRS and recipient countries’ external climate-related development finance statistics on the ground, especially when observed over a longer period.

Data sources for both the quantitative and qualitative analysis sections are limited to the OECD DAC member countries, the MDBs and climate funds. Therefore, the sources do not include some non-DAC member donors such as the People’s Republic of China and the Russian Federation, or the private sector, which are likely to have provided a significant amount of finance to some of the EECCA countries.

## Armenia

Armenia submitted its INDC in 2015, highlighting the need to address both adaptation and mitigation. The country communicated its intention to set the total aggregate quantitative contribution equal to 633 million tCO<sub>2e</sub> for 2015-50 or an annual average of 5.4 tCO<sub>2e</sub> per capita (Government of Armenia, 2015). The INDC also states the country will pursue an “ecosystem-based approach” to adapting to climate change. Armenia has already developed a range of legal and policy frameworks on addressing issues concerning climate change and a wider sustainable development agenda (e.g. Strategic Development Programme of the Republic of Armenia for 2012-25) (Government of Armenia, 2016).

During the two years of 2013-14, nearly USD 200 million per year of climate-related development finance was committed to support mitigation and adaptation in Armenia. The level of the committed amount was lower than the average of USD 303 million per year among EECCA countries. Nevertheless, annual climate-related development finance “per capita” committed to the country (approximately USD 55) is about double the EECCA average of USD 27 per capita annually. The allocation of funds between mitigation, adaptation and multi-focal (i.e. both mitigation and adaptation) projects was relatively well balanced (29%, 38% and 33% respectively) during the period. The energy-, agriculture- and water-related sectors got the largest committed amounts of climate-related development finance in 2013 and 2014 (approximately USD 162 million per year, or 67.8%) in the country.

Both bilateral and multilateral providers committed significant amounts of climate-related development finance in 2013 and 2014. The largest contributor was Germany, as well as the World Bank Group (WBG), the Asian Development Bank (ADB) and the European Bank for Reconstruction and Development (ABRD). Loans are predominantly used as financial instruments. Diverse financial instruments are used, including grants, concessional and non-concessional loans and equity.

The Ministry of Nature Protection is involved in a range of climate-related projects supported by international sources. However, many other ministries and governmental agencies, as well as domestic public financing mechanisms, also engage in or co-finance such projects. For instance, the Ministry of Energy and Natural Resources is responsible for energy policy. The Energy Saving and Renewable Energy Fund (R2E2) co-finances projects supported by international sources (R2E2, 2014).

Figure 4.1. Climate-related development finance flows committed in 2013-14 (Armenia)

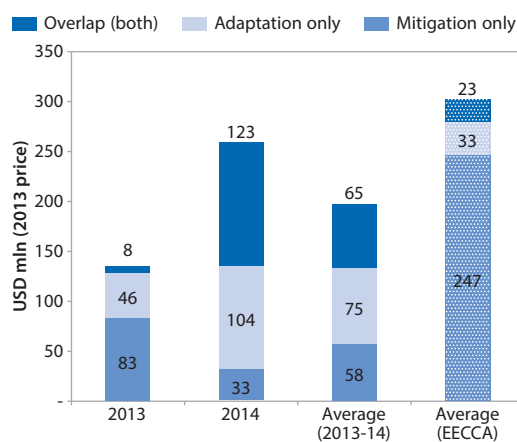
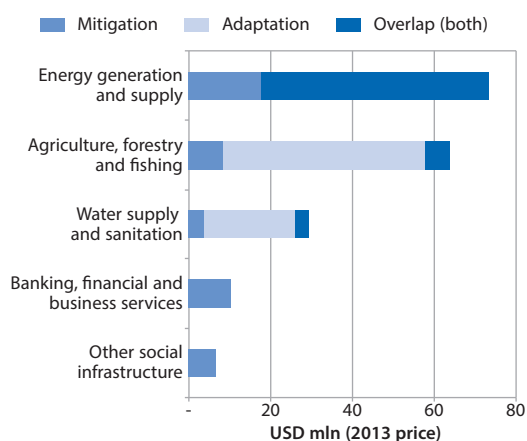


Figure 4.2. Top 5 Sectors in 2013-14



Note: Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

Source: Based on OECD (2016).

## Azerbaijan

Azerbaijan submitted its INDC in 2015 with the quantitative targets to reduce total greenhouse gas (GHG) emissions by 25.7 million tCO<sub>2e</sub> (excluding land use, land-use change and forestry, or LULUCF) or 24.2 million tCO<sub>2e</sub> (including LULUCF) by 2030 compared to the 1990 level (Government of Azerbaijan, 2015). The INDC also indicates the priorities in mitigation actions such as in the energy, oil and gas extraction, and transport sectors. The energy sector is the largest emitter of GHGs for which the country aims to increase the introduction of energy efficiency measures, as well as alternative and renewable energies.

In 2013 and 2014, multilateral and bilateral providers committed about USD 63 million per year to climate actions in the country. This is considerably lower than the average among EECCA countries (i.e. USD 303 million per year) and a similar level to that for Kyrgyzstan. This may reflect the country's high level of economic development (USD 16 710 per capita gross domestic product purchasing power parity [GDP PPP] in 2014 was the third highest after Kazakhstan and Belarus) and less need for development finance.

Multilateral institutions were the dominant channel to deliver climate-related development finance to Azerbaijan in 2013 and 2014, accounting for USD 51 million per year (or 80% of all channels). The major contributors included the WBG, the ADB and the EBRD. The largest amount of climate-related development finance was committed to the waste management and disposal sector and the transport sector in 2013 and 2014. This is attributed to two large-size projects in these sectors by the World Bank and the Asian Development Bank. Other projects on energy efficiency and renewable energy were committed between 2011 and 2015. Apart from development finance, about 80% of foreign direct investment flows were intended for the oil and gas sector in 2014.

A range of ministries and governmental agencies, as well as domestic public financing mechanisms, engage in climate-related projects that are supported by international sources (Government of Azerbaijan, 2016). For instance, the State Agency for Alternative and Renewable Energy Sources acts as a principal regulatory institution for renewable energy resources. The Ministry of Energy and Industry supervises, regulates and controls the efficient use of the fuel and energy mix, and the State Oil Fund of the Republic of Azerbaijan has invested in a range of infrastructure projects in energy, water supply and sanitation, irrigation systems, and transport, among other sectors.

Figure 4.3. Climate-related development finance flows committed in 2013-14 (Azerbaijan)

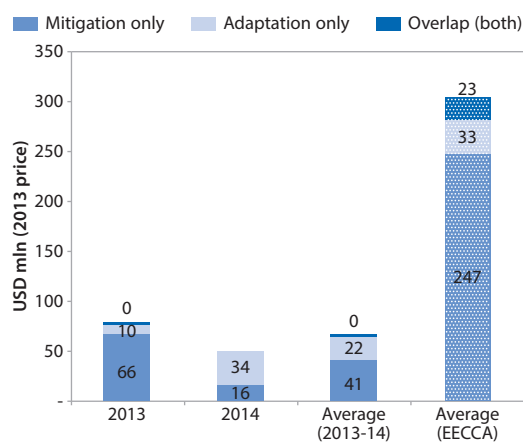
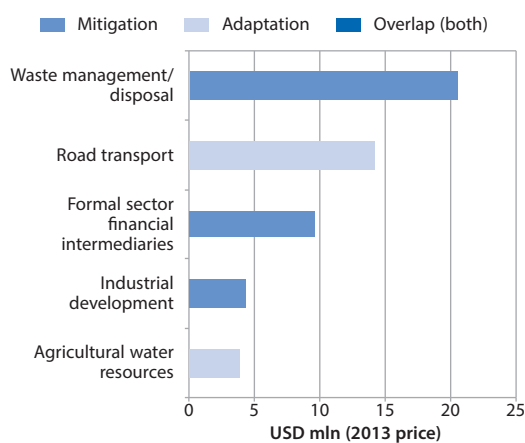


Figure 4.4. Top 5 sectors in 2013-14



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).

## Belarus

Belarus submitted its INDC in 2015, communicating its intention to reduce GHG emissions by at least 25% by 2030 below 1990 levels (Government of Belarus, 2015a). While the INDC stresses the importance of adaptation, it notes that specific adaptation measures will be developed in the coming years. Forestry and agriculture are identified as the most vulnerable sectors to climate change. Belarus has already developed a range of legal and policy frameworks for addressing issues concerning climate change and a broader sustainable development agenda (e.g. the State Programme on Mitigation Actions in 2013–20, the National Strategy for Sustainable Development until 2030 and the Concept of the Law on Climate Protection) (Government of Belarus, 2015b).

During 2013-14, USD 140 million per year of climate-related development finance was committed to Belarus, 99% of which was to be provided to mitigation projects. The level of commitment to Belarus is lower than average among the countries of EECCA (USD 303 million per year) during the two-year period. Given that Belarus's GDP per capita PPP is the second highest among the EECCA countries, climate actions including adaptation measures seem to be largely financed by domestic sources. For instance, the average expenditure from Belarus's national and regional budget for energy-saving measures was USD 319 million per year in 2013 and 2014; this was 2.3 times larger than the (international) climate-related development finance committed to the country during the same period.

Multilateral development banks (MDBs) such as the WBG and the EBRD committed the largest amounts of climate-related development finance in 2013-14 (about 96% of total), mainly through non-concessional loans. In the two-year period, the largest amount of financing was directed to the energy sector for projects such as renewable energy development and energy saving. The committed amount to the banking sector was also large. It took the form of a credit line supported by the EBRD for energy efficiency measures called the Belarus Sustainable Energy Finance Facility.

The Ministry of Natural Resources and Environment develops and implements national policies in climate change, both in mitigation and adaptation, and co-ordinates relevant government bodies. This ministry, as well as others such as the Department for Energy Efficiency, Ministry of Energy and Ministry of Forestry, is involved in a range of climate-related projects supported by international sources.

Figure 4.5. Climate-related development finance flows, committed in 2013-14 (Belarus)

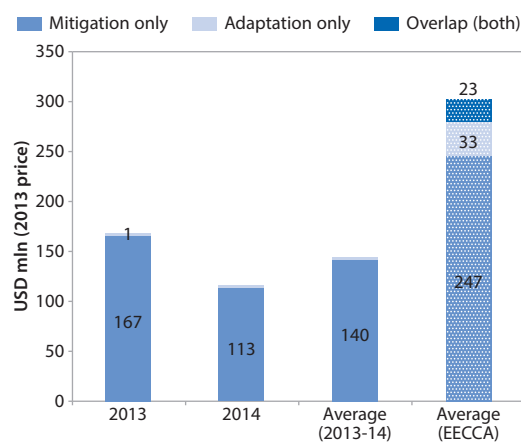
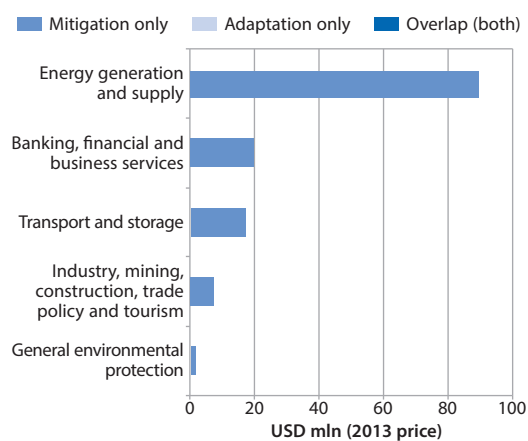


Figure 4.6. Top 5 sectors in 2013-14



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).



## Georgia

Georgia submitted its INDC in 2015, highlighting the need for addressing both adaptation and mitigation (Government of Georgia, 2015). Through its INDC, Georgia communicated its intention to reduce GHG emissions by at least 15% below the business-as-usual scenario (BAU) by 2030. Georgia has been developing a range of legal and policy frameworks, relating to climate change and the wider sustainable development agenda (e.g. the Law on Electricity and Natural Gas, and the Low-Emission Development Strategy to be finalised soon) (Government of Georgia, 2016).

During 2013-14, approximately USD 239 million per year of climate-related development finance was committed to support mitigation and adaptation actions in Georgia, but the amounts fluctuated considerably between these two years. The level of the committed amount was lower than average for the EECCA countries (i.e. USD 303 million per year). However, annual climate-related development finance “per capita” committed to the country (approximately USD 55 per capita per year) was about double the EECCA average (USD 27 per capita annually).

The largest amount of climate-related development finance in 2013 and 2014 was committed to the energy sector (i.e. 67.8% of total). Examples of large-scale energy projects include the development or rehabilitation of hydropower plants and energy efficiency in transmission networks. There have been projects on other types of renewable energy (e.g. biomass and wind energies), and energy efficiency on the demand side over the past five years. With regard to adaptation, climate-related development finance was directed mostly to forestry, agriculture and disaster risk management. Most of the climate-related finance committed in 2013 and 2014 was delivered through MDBs (67% from the EBRD and the International Finance Corporation), followed by bilateral donors (32% from the EU, France and Germany). Loans are predominantly used as financial instruments.

Within the country, the Ministry of Environment and Natural Resource Protection is the national focal point, or designated authority, to the UNFCCC, the Green Climate Fund and the Global Environment Facility. It is involved in a range of climate-related projects supported by international sources. However, many other ministries and governmental agencies (e.g. the Ministry of Economy and Sustainable Development), as well as domestic public financing mechanisms also engage in and/or co-finance such projects (Government of Georgia, 2016).

Figure 4.7. Climate-related development finance flows, committed in 2013-14 (Georgia)

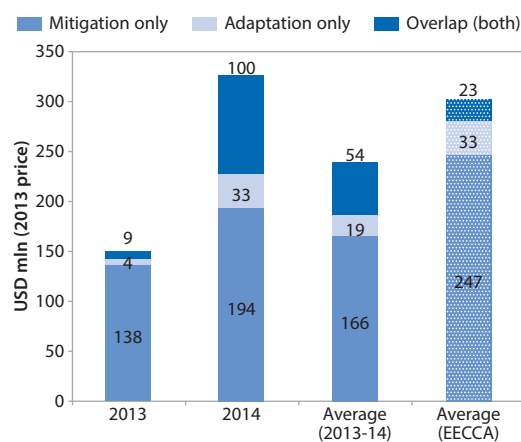
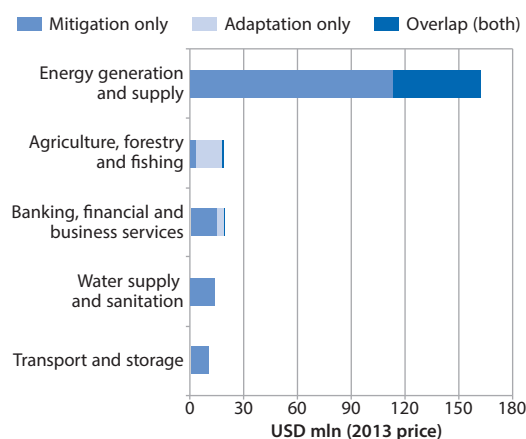


Figure 4.8. Top 5 sectors in 2013-14



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).

## Kazakhstan

Kazakhstan submitted its INDC in 2015 with the quantitative target to reduce GHG emissions by 15-25% by 2030 compared to 1990 levels (Government of Kazakhstan, 2015). Kazakhstan has also adopted a range of legal and policy frameworks on addressing issues concerning climate change and a wider set of sustainable development agenda (e.g. Concept for Transition to a Green Economy, the Law on Energy Saving and Energy Efficiency and the Law on Supporting the Use of Renewable Energy Sources).

During 2013-14, about USD 346.7 million of climate-related development finance was committed to Kazakhstan; 91% of the finance targeted mitigation projects. The volume of climate-related development finance committed to Kazakhstan was slightly larger than the average amount in all EECCA countries (USD 303 million/year), while the country's GDP per capita PPP is the highest in the EECCA region. Kazakhstan is also a provider of Official Development Assistance, which is largely directed to Kyrgyzstan, Tajikistan and Ukraine in the region (not limited to climate-related support).

A significantly large share of climate-related development finance was delivered through multilateral channels (USD 311 million per year, or 89.6% of total) in 2013-14. Examples include the EBRD and the European Investment Bank (EIB), using non-concessional loans, and the Climate Investment Funds (CIF) with concessional loans. The EU has provided a significant amount of grant financing.

The largest amount of climate-related finance was directed to the energy generation and supply sector. It was committed to energy efficiency and renewable energy projects, and aligned with national policies on promoting renewable energy and energy efficiency. The finance for the banking and financial sector mostly represents the extension of credit-lines by the EIB to local banks, aiming to help small and medium-sized enterprises finance mainly renewable energy or energy efficiency measures on the demand side.

The Ministry of Energy is a lead ministry for energy policy and governance, as well as climate policies which were under the Environment Ministry until 2014. The Ministry of Energy is involved in a range of climate-related projects supported by international sources. However, many other ministries and governmental agencies, as well as domestic public financing mechanisms, also co-finance and/or engage in such projects. For instance, the Sovereign Wealth Fund “Samruk-Kazyna” has significantly invested in a number of projects on renewable energy, among others (Government of Kazakhstan, 2016). The Ministries of Agriculture, Investment and Development, and National Economy, among others, have also actively engaged in climate actions.

Figure 4.9. Climate-related development finance flows, committed in 2013-14 (Kazakhstan)

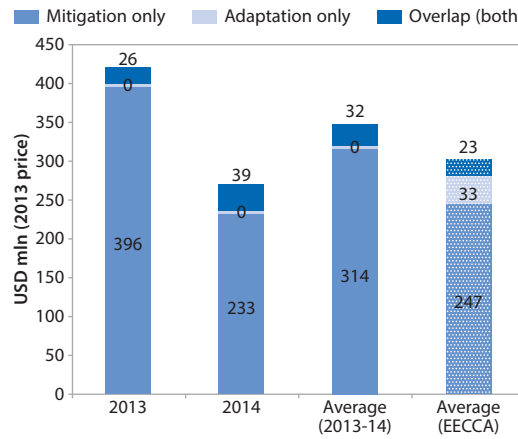
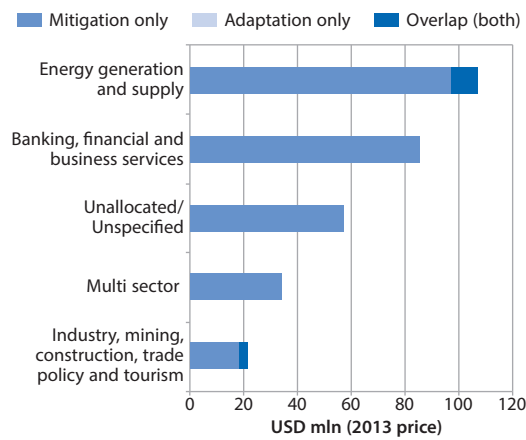


Figure 4.10. Top 5 sectors in 2013-14



Note: Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

Source: Based on OECD (2016).

## Kyrgyzstan

Kyrgyzstan submitted its INDC, outlining both adaptation and mitigation targets and actions. On climate change adaptation, the INDC refers to the “Priorities for Adaptation to Climate Change in the Kyrgyz Republic till 2017”. Its priority sectors in adaptation include agriculture, energy, water, emergencies (e.g. disaster risk management), healthcare and forest and biodiversity. Kyrgyzstan has also communicated mitigation targets to reduce GHG emissions by between 11.49% and 13.75% below BAU levels in 2030. Kyrgyzstan has also pledged to reduce GHG emissions by between 29.00% and 30.89% below BAU levels in 2030, contingent on international support (e.g. finance, technology and capacity building) (Government of Kyrgyzstan, 2015).

In 2013-14, bilateral and multilateral donors committed USD 59.9 million per year to climate actions in Kyrgyzstan. This amount of climate-related development finance is five times lower than average amounts for the EECCA countries. The level of finance is lower than that for Tajikistan (USD 260 million/year) and Moldova (USD 136 million/year) whose income levels are similar to that of Kyrgyzstan. The committed finance “per capita” (USD 10.3 per person) is also considerably lower than the EECCA average (USD 33.2 per person).

The largest amount of climate-related development finance was committed to the energy sector (i.e. energy generation and supply) in 2013 and 2014. The banking, financial and business services sector received the second largest amount committed (notably for the Kyrgyzstan Sustainable Energy Financing Facility). Despite the importance of adaptation in the Kyrgyzstan’s INDC, the thematic balance in the climate-related development finance between adaptation and mitigation was not well struck in 2013 and 2014: the shares of committed amounts to mitigation, adaptation and multi-focal projects were 69%, 10% and 21%, respectively.

The Coordinating Commission on Climate Change is responsible for ensuring multi-sector co-ordination of all climate actions in Kyrgyzstan. It consists of all relevant ministries and divisions, and representatives of the civil, academic and business sectors. The State Agency for Environmental Protection and Forestry and the Ministry of Energy and Industry also play key roles in developing and implementing climate- and energy-related policies. International sources financed 97% of public investments (including in climate-related ones) in 2012 (PPCR, 2015).

Figure 4.11. Climate-related development finance flows, committed in 2013-14 (Kyrgyzstan)

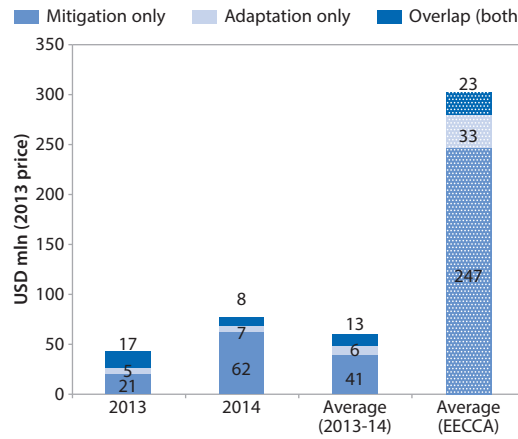
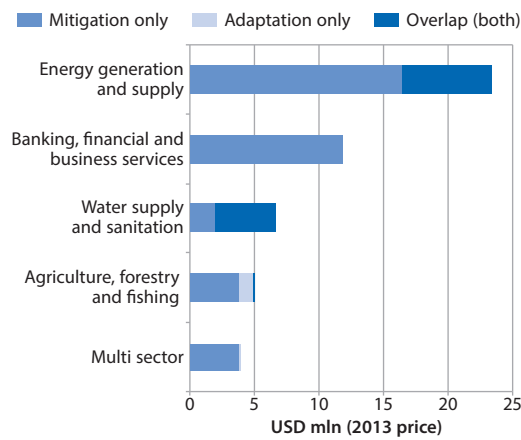


Figure 4.12. Top 5 sectors in 2013-14



Note: Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

Source: Based on OECD (2016).

## Moldova

The Republic of Moldova (Moldova) submitted its INDC in 2015, highlighting the need for addressing both adaptation and mitigation. Through its INDC, the country communicated its intention to reduce its GHG emissions by 64-67% below its 1990 level by 2030, and to reduce GHG emissions by 78% by 2030 if international support is available (Government of Moldova, 2015). Moldova's Low-Emission Development Strategy (LEDS) has been developed and plans were to be approved in 2016. The LEDS outlines key steps on climate actions for the period up to 2030. The INDC also refers to Moldova's Climate Change Adaptation Strategy until 2020 and the Action Plan on its implementation, in order to outline its mid-term adaptation vision, goal and targets.

During 2013-14, USD 136.2 million of climate-related development finance was committed to Moldova – 68% for mitigation, 19% for adaptation and 11% to multi-focal projects (both mitigation and adaptation). The finance is substantially smaller than the average commitments to the 11 EECCA countries (USD 303 million/year). However, the committed finance “per capita” (USD 38 per person) is slightly higher than the average in EECCA countries (USD 33 per person).

The largest amounts of climate-related development finance in 2013 and 2014 were committed to the energy sector (generation and supply) and the agriculture, forestry and fishery sectors. The latter was committed almost the same amounts in adaptation and mitigation activities. While adaptation and multi-focal projects were committed at a level similar to that of the EECCA average, the finance committed to mitigation projects was substantially lower than average. About 80% of climate-related development finance flow was committed through multilateral channels, using mainly loans (EBRD, EIB and WBG); bilateral sources (EU, Germany and Japan) committed the remainder, mainly in the form of grants.

The National Commission for the Implementation and Realization of the Commitments implements and achieves the commitments under the UNFCCC (chaired by the Minister of Environment). A number of other ministries (e.g. Ministry of Environment, Ministry of Economy and Ministry of Regional Development and Construction, Ministry of Agriculture and Food Industry) and domestic financial mechanisms (the Energy Efficiency Fund and the National Fund for Regional Development) have also engaged in climate-related projects, including public investment (Government of Moldova, 2016).

Figure 4.13. Climate-related development finance flows, committed in 2013-14 (Moldova)

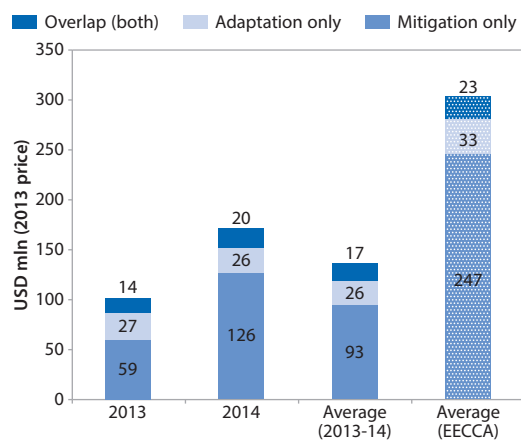
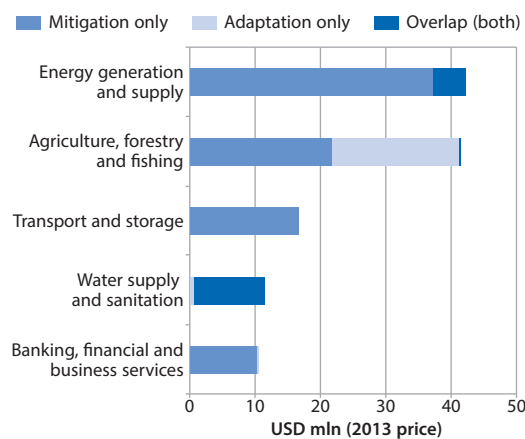


Figure 4.14. Top 5 sectors in 2013-14



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).



## Tajikistan

The Republic of Tajikistan (Tajikistan) submitted its INDC in 2015, communicating unconditional and conditional (on international support) targets with regard to both adaptation and mitigation. The unconditional mitigation target is not to exceed 80-90% of GHG emissions at the 1990 level by 2030, whereas the conditional target is not to exceed 65-75% on the same basis (Government of Tajikistan, 2015).

In 2013-14, USD 286 million per year of the climate-related development finance was committed to Tajikistan. This amount is slightly smaller than the EECCA average (i.e. USD 303 million per year), while the committed finance “per capita” (USD 31.3 per person) is also slightly lower than average (USD 33.2 per person). Most of the finance was committed in the form of either grants or concessional loans, reflecting the relatively low level of economic development.

While 61% of finance was committed to mitigation projects, 20% was committed to multi-focal projects (both mitigation and adaptation), most of which was for two large-scale activities in the energy and agriculture sectors. MDBs, bilateral donors and climate funds all committed significant amounts of climate-related development finance in 2013 and 2014. Major contributors of climate-related development finance during the period included the ADB, EBRD, Climate Investment Funds (CIF), WBG, Germany and Switzerland.

Tajikistan is the first country in the EECCA region to participate in the multi-donor Pilot Program for Climate Resilience (PPCR) managed by the CIF. The PPCR includes sub-projects such as enhancing resilience of the energy sector, improving rural livelihood and land use, and supporting small and medium-sized enterprises/farmers. Nonetheless, the energy sector was committed by far the largest amount of climate-related development finance during 2013-14 (i.e. about USD 170 million per year, or 67% of the total).

While the Committee on Environmental Protection is responsible for natural resources management and environmental protection, other ministries and governmental bodies are also involved in climate-related projects and programmes. In general, the share of financial support from international sources in public investments remains considerably high in Tajikistan; of the USD 2.13 billion of public investment within the country from 2002-12, only USD 147 million came from the government budget.

Figure 4.15. Climate-related development finance flows, committed in 2013-14 (Tajikistan)

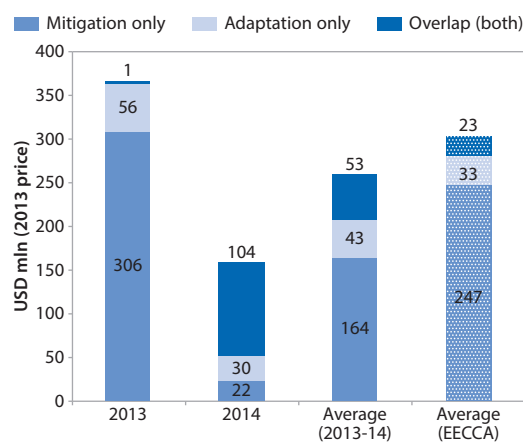
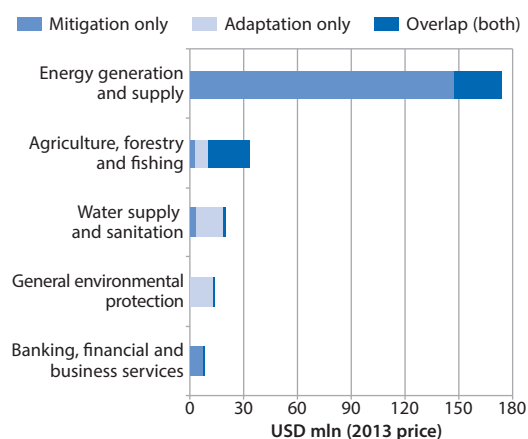


Figure 4.16. Top 5 sectors in 2013-14



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).

## Turkmenistan

Turkmenistan's INDC, submitted in 2015, has communicated both conditional (on international support) and unconditional mitigation targets. Through the unconditional target, the growth rate of GHG emissions will be lower than the growth rate of the country's GDP between 2015 and 2030. During that same period, the conditional target is that GHG emissions will not increase. The INDC also stresses the importance of preparing a detailed national action plan for adaptation. Agriculture, water management, health, soil and land resources, ecosystems (flora and fauna) and forestry are identified as the most vulnerable sectors to climate change (Government of Turkmenistan, 2015).

Turkmenistan receives a considerably small size of climate-related development finance, compared with amounts committed to other EECCA countries. In 2013-14, the committed financial flows to Turkmenistan from international sources amounted to USD 3.3 million per year to mitigation projects, and USD 1.6 million per year to adaptation projects – merely 1.6% of the EECCA average (i.e. USD 303 million per year). This reflects the country's view that domestic finance will be the primary source for its climate actions as described in its INDC.

The GEF committed 98% of climate-related development finance to the country in 2013 and 2014. It supported two large-scale projects, one on energy efficiency and renewable energy for water management systems (which could have also fallen into the water sector) and one on climate-resilient livelihoods in agricultural communities.

The major policies of Turkmenistan to mitigate climate change are reflected in the main government programmes, especially in the National Strategy of Social and Economic Transformation of Turkmenistan until 2030 and the National Strategy of Turkmenistan on Climate Change. The latter also includes possible measures for energy efficiency. The government is developing NAMAs. By the end of 2014, no binding target on energy efficiency or renewable energy had been established, although the INDC includes targets on GHG emissions (i.e. not to increase GHG intensity towards 2030). Adaptation to climate change is also a major focus of the National Strategy on Climate Change. The strategy will be implemented through the National Action Plan for Adaptation, which is under development and meant to become an integral part of the national programmes and plans for socio-economic development.

Figure 4.17. **Climate-related development finance flows, committed in 2013-14 (Turkmenistan)**

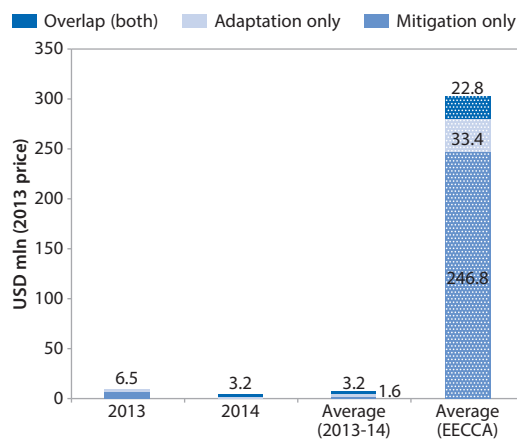
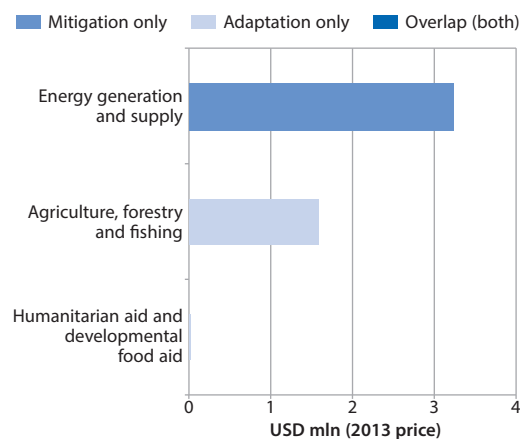


Figure 4.18. **Top 5 sectors in 2013-14**



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).

## Ukraine

Ukraine submitted its INDC with a target of reducing GHG emissions by at least 40% below 1990 levels by 2030, including LULUCF. The INDC does not indicate any adaptation-related targets or actions, but states it will consider adaptation with the same priority as mitigation “for a medium-term outlook” (Government of Ukraine, 2015).

Nearly USD 860 million per year of climate-related development finance has been committed to Ukraine in 2013 and 2014. This amount is significantly larger than average among the EECCA countries (i.e. USD 303 million per year), and the second largest only after Uzbekistan. Nevertheless, annual climate-related development finance committed to Ukraine (approximately USD 19 per capita/year) is about 30% smaller than the EECCA average (USD 27 per capita/year).

Nearly 90% of climate-related development finance was committed to the energy generation and supply sector in 2013 and 2014. A number of donors and financial institutions committed a significant amount of finance to energy efficiency and renewable energy related projects, both on the supply and demand sides. This reflects the need to improve the GHG efficiency of Ukraine’s energy sector, which is one of the most energy-intensive in the world. The “unallocated and unspecified” sector is the second largest sector supported in the observed period. In this sector, the two largest projects supported by MDBs were the subway system development project and the railway tunnel development, which could have also been recorded as transport sector projects.

Both bilateral and multilateral providers committed significant amounts of climate-related development finance in 2013 and 2014. The EBRD, WBG, EIB and CIF committed the largest amounts of climate-related development finance during the two-year period, mainly using non-concessional loans. Bilateral donors such as Denmark, the EU, Germany, Sweden, Switzerland and the United States also committed large amounts of grants to the country during the period.

The Ministry of Ecology and Natural Resources is in charge of the development and implementation of state environmental policies, including climate change issues. However, many other ministries and governmental agencies, as well as domestic public financing mechanisms, also co-finance and/or engage in such projects. This list includes the State Agency on Energy Efficiency and Energy Saving.

Figure 4.19. Climate-related development finance flows, committed in 2013-14 (Ukraine)

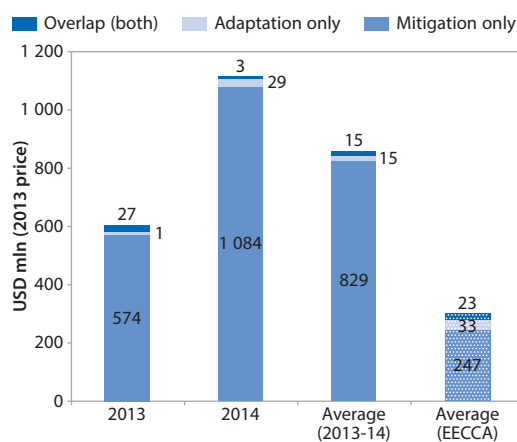
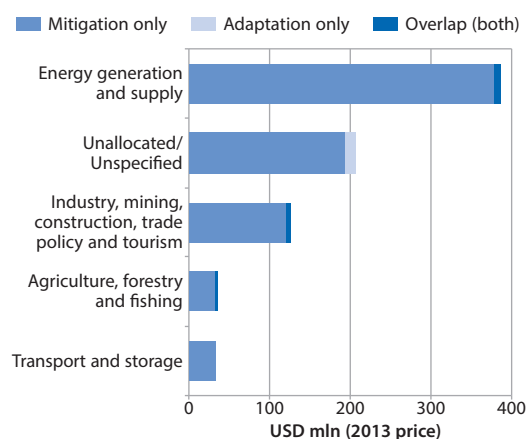


Figure 4.20. Top 5 sectors in 2013-14



*Note:* Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

*Source:* Based on OECD (2016).

## Uzbekistan

As of September 2016, Uzbekistan had not communicated its INDC. However, the government has announced it will reduce GHG emissions by promoting renewable energy development and energy efficiency measures, including rational energy pricing (Government of Uzbekistan, 2009). To date, there has been no quantified target for GHG emissions, energy consumption/intensity or installed capacity of renewable energy plants. There is no comprehensive, national-level policy that promotes adaptation, either.

More than USD 1 billion per year of climate-related development finance was committed to mitigation and adaptation projects in Uzbekistan in 2013-14, which was the largest amount among the 11 EECCA countries (the average committed amount to the EECCA countries was USD 303 million per year per country). Japan committed to two large projects on gas-fired power plants, which accounted for 51% of the total committed finance during the period. Nonetheless, even without these two projects, a significantly larger amount of climate-related development finance (about USD 500 million per year) was committed to climate actions in the country. For instance, the agriculture and water sectors together received USD 245 million per year of climate finance, including for a range of adaptation projects.

Both bilateral and multilateral providers committed significant amounts of climate-related development finance in 2013 and 2014. As mentioned above, Japan was the largest contributor during the period, providing USD 540 million per year of concessional loans. Among multilateral channels, the ADB, WBG and Islamic Development Bank committed significant amounts of finance in the form of both concessional and non-concessional loans.

Uzbekistan has mobilised a considerable amount of domestic finance for climate-related projects and for a wider set of development activities. It created the Fund for Reconstruction and Development in mid-2006. Between its creation and 2014, the Fund had accumulated USD 15 billion in assets, most of which were managed by the Central Bank of Uzbekistan. The Fund has also financed several projects supported by international climate-related development finance. Moreover, a centralised electricity system operator “UzbekEnergO” developed its periodic investment plans in energy efficiency implementation, as well as in energy sector infrastructure in general, amounting to USD 5 billion over 2011-15. The State Committee for Nature Protection is responsible for the protection of environment and natural resources, and works with other ministries on climate change-related issues.

Figure 4.21. Climate-related development finance flows committed in 2013-14 (Uzbekistan)

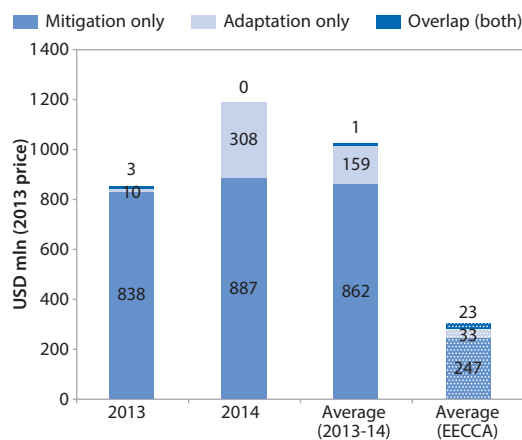
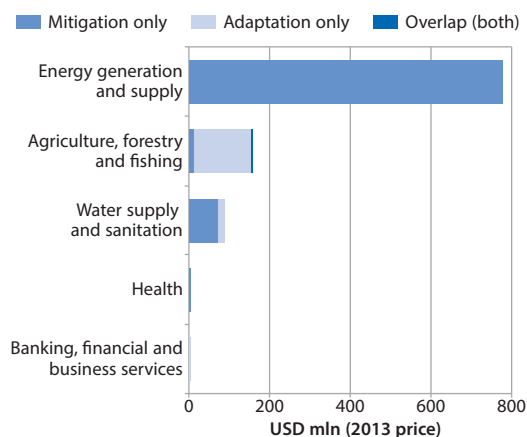


Figure 4.22. Top 5 sectors in 2013-14



Note: Total climate-related development finance = Mitigation + Adaptation – Overlap (both).

Source: Based on OECD (2016).



## Notes

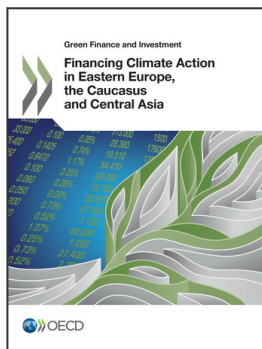
1. Please see: [www.oecd.org/env/outreach/eap-tf.htm](http://www.oecd.org/env/outreach/eap-tf.htm).
2. For more details, see [www.oecd.org/dac/stats/climate-change.htm](http://www.oecd.org/dac/stats/climate-change.htm) and on the DAC members see [www.oecd.org/dac/dacmembers.htm](http://www.oecd.org/dac/dacmembers.htm).

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