

PUBLIC

**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

FINANCIAL SECTOR STRATEGY 2016-2020

**REPORT ON THE
INVITATION TO THE PUBLIC TO COMMENT**

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FINANCIAL SECTOR STRATEGY 2016-2020

**RESPONSES TO THE PUBLIC CONSULTATION PERIOD –
OCTOBER TO NOVEMBER 2015**

In accordance with the EBRD Public Information Policy (PIP), the draft Financial Sector Strategy 2016-2020 was posted on the EBRD website for 45 calendar days from 6 October 2015. The public was invited to submit comments on the draft Strategy no later than 19 November 2015.

Information about the public consultation process was posted on the EBRD's dedicated webpage "Have your say", which highlights the latest opportunities for the public to comment on the Bank's policies and strategies under review. In addition, notifications of the consultation process were sent to civil society organisations (CSOs) that have expressed interest in the Bank's work.

The Bank received comments on the draft Strategy from one organisation.

PUBLIC COMMENTS AND STAFF RESPONSES

	Comment	EBRD Response
Climate Change	<p>It was suggested that the Strategy does not offer solutions to new challenges, including climate change commitments and low carbon economy, and growing interest/need for green development both of which are evidently strong issues for EBRD as a development institution.</p> <p>The EBRD was encouraged to position itself in climate change finance and the development of relevant financial instruments, not only for reasons of sector growth, but also for reasons of shifting finance to areas of lower risk.</p>	<p>The EBRD has had a strong environmental mandate from its foundation. As announced in September 2015, the EBRD is stepping up its contribution to the global fight against climate change with a sharp increase in green financing over the next five years. With this Green Economy Transition approach, the EBRD is aiming to increase quite substantially green financing over the next five years.</p> <p>The Financial Sector Strategy is aligned to the EBRD's Sustainable Energy and Sustainable Resources Initiatives (SEI/SRI) which are being scaled up as a result of this new approach and specific emphasis will be made to support the Bank's related activities in the financial sector across all COOs.</p>
Green Finance Mechanisms	<p>The EBRD was urged to take a lead in green finance mechanisms and financial support for green economy across all COOs, particularly considering that some COOs, like Kazakhstan, have adopted green economy strategy.</p> <p>EBRD was encouraged to consider two approaches:</p> <ol style="list-style-type: none"> i. integrate green investment in existing activity framework by promoting economic and fiscal mechanisms for green development. ii. a separate set of promotion for green investments that utilize the mechanisms available to the EBRD including technical assistance and policy dialogue. 	<p>The Sustainable Energy Finance Facility (SEFF) model is a core component of SEI/SRI and blends policy dialogue with commercial financing and grant funding for technical assistance, incentives and risk sharing to strengthen the transition impact when delivering green finance via financial intermediaries. The Bank will seek to expand the SEFF product to include: the promotion of best practice waste management and water efficiency; technical assistance and incentives to partner financial institutions and end-borrowers to encourage the adoption</p>

	<p>It was suggested the EBRD develop an approach to provide an approximate assessment of the overall footprint of financially intermediated lending and equity operations.</p>	<p>of the “green” technologies; and targeted policy dialogue on energy and resource efficiency, renewable energy development and efficient water and waste management policies.</p> <p>In response to these comments, section 7.2 of the Strategy has been amended to give further elaboration on this point.</p>
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