

Brochure | Supporting SMEs through Resource Efficiency and Circularity Approaches

Table of Contents

Brochure Supporting SMEs through Resource Efficiency and Circularity Approaches.....	1
Who we are.....	2
The Programme:	2
What we offer	2
Activity 1: Capacity-building and knowledge-sharing activities.....	2
Activity 2: Customised technical assistance to SMEs.....	2
Activity 3: Resource Efficiency and Circularity Grants	3
Resource Efficiency and Circularity Grant characteristics	4
Eligible items.....	4
Eligible Sectors	4
Eligible companies	4
How to Apply.....	5

Who we are

The European Bank for Reconstruction and Development (EBRD) belongs to a family of multilateral development banks. Our main mission is to help businesses and economies thrive through financial investments, business services and involvement in high-level policy reform, promoting entrepreneurship and resilience. The EBRD operates in 38 countries of operations, across three continents, from the Southern and Eastern Mediterranean to Central and Eastern Europe, to Central Asia - with a particular focus on sustainable development. We invest around EUR 10 billion a year into a mix of small, large private firms, local banks and microfinance institutions, venture capital and local and national authorities. Our aim is to provide the right financing and a strong valuable partnership to help these bodies grow and develop their own skills.

The Bank is unique in its outreach to small and medium-sized enterprises (SMEs). Not only do we reach over 200,000 MSMEs annually through more than EUR 1 billion in direct and indirect financing, but we also provide business advisory services to over 2,200 small businesses a year across our regions. Moreover, we extended our focus, beyond SMEs, to the early-stage business space, investing in a number of young venture capital funds in the regions and mobilising knowhow through the Star Venture Programme.

The Programme:

Launched in 2024 with funding from the European Union, the programme aims to contribute towards increased competitiveness and resource efficiency in the Lebanese private sector. The Programme provides incentives to SMEs, in the form of capacity building, targeted advisory services, and Resource Efficiency and Circularity grants to facilitate their transition to sustainability.

What we offer

The Programme delivers a holistic approach to support enterprises in their green transition. While activities and advisory services provide the know-how needed to adopt resource efficiency measures, cost-share grants aim to support companies in acquiring the needed technologies and solutions to become more resource efficient.

Activity 1: Capacity-building and knowledge-sharing activities

The EBRD will organise online and in-person workshops, trainings and visibility events featuring local and international experts, in relation to resource efficiency, renewable energy, the circular economy and other topics relevant to the objectives of the programme.

Their main objective is to improve the knowledge and build the capacity of local SMEs, organisations, associations, consultants, vendors and service providers. Those stakeholders would then be better informed on the adequate solutions in their respective fields.

Activity 2: Customised technical assistance to SMEs

Applications under this activity are accepted on rolling basis. Eligible SMEs will receive customised technical assistance to plan their sustainable transition with the support of local consultants or international advisors. The topics will include energy audits, waste water treatment strategies,

circularity strategies, greening supply chain strategies, technologies to reduce waste and environmental impact, and certifications for international norms, among others.

This advisory can support companies applying for the Resource Efficiency and Circularity Grant (Activity 3 below). In such cases, the study will be used as the pre-requisite to apply. However, it is possible for companies to apply to Activity 3 using studies not funded by this programme. The aim of this Activity is to complement other programmes such as UNIDO’s 2Circular, if needed, rather than to duplicate efforts.

Activity 3: Resource Efficiency and Circularity Grants

This activity aims at supporting selected companies access the equipment needed for their green transition. After receiving specialised consultancy services (either through this programme or independently), eligible enterprises wishing to implement the findings of the resource efficiency study, may apply for Resource Efficiency and Circularity grants. One call for applications will be launched on an annual basis.

The programme will support beneficiary SMEs with accessing the needed upfront payment for the equipment. Helped by the savings generated from the equipment installed, companies will repay part of the cost of the equipment over two years. The amounts to be repaid, and subsequently the residual amount granted to SMEs will vary based on the size of the company and the resource efficiency results achieved.

Once an SME is selected to benefit from activity 3, to purchase the equipment,

- The SME pays 20 per cent down-payment to the approved supplier upon receipt of the pro-forma invoice;
- The EBRD then disburses the remaining amount (80 per cent) directly to the supplier in two instalments: one when the equipment is delivered and the second once it is installed.

The EBRD will invoice beneficiary SMEs part of the costs in two instalments over two consecutive years following full equipment commissioning. To further incentivise impact, the amount to be paid by the SME will be reduced if the pre-set green performance indicators are achieved. This aims to reward improved resource utilisation, and to create a positive correlation between the grant amount and the resource efficiency enhancements.

The following table summarises the expected cashflows:

	Smallest SME (<10 employees, <€2m turnover)		Largest SME (<250/500* employees, <€50m turnover)	
	Baseline	Success (SME meets pre-set KPIs)	Baseline	Success (SME meets pre-set KPIs)
Down payment	20%	20%	20%	20%
Total Cost-Share	70%	50%	90%	70%
Cost-share #1	25%	15%	35%	25%
Cost-share #2	25%	15%	35%	25%

An EBRD-hired consultant will accompany applicants as needed during the application process, as well as after approval to verify the successful installation and functioning of the relevant systems.

Resource Efficiency and Circularity Grant characteristics

Size

The supported projects range between EUR 70,000 and EUR 250,000 depending on the size of the enterprise, its technical needs and the resulted savings from installing the resource efficiency equipment.

Timeline

Once a project is approved, there is an initial period of one year dedicated to completing the procurement installation and utilisation, after which the enterprise is expected to reimburse the two cost-share instalments over two consecutive years.

Eligible items

Eligible items covered by the grants are to be in accordance with the EBRD's [Green Technology Selector](#) (GTS) which includes a list of available and eligible technologies that meet the minimum performance requirements such as: solar energy systems (PV panels, batteries, etc.), heat pumps, boilers, thermal insulation systems, irrigation items, water use and recovery, water efficiency, waste management, etc. among others. The project mix supported by grants will be demand driven with priority given to projects other than traditional solar PVs.

The GTS list evolves based on demand to include new categories as they become more efficient or needed, and the EBRD will promote the availability of resource efficiency technologies beyond well-known renewable energy technologies, particularly related to climate adaptation and mitigation technologies such as water reuse and recovery among others.

Eligible Sectors

The Programme aims to support small and medium enterprises in the industrial sector, with a priority to companies operating within the food and beverage value chain. Priority will be also given to women-led enterprises, youth-led enterprises, and enterprises with a social/impact driven business model.

Eligible companies

Small and Medium Enterprises:

- Size: up to 250 employees and a maximum annual turnover of EUR 50 million or balance sheet total of no more than EUR 43 million. Companies with up to 500 employees may be exceptionally eligible.
- Ownership: privately owned and majority locally owned enterprises (with not more than 49% foreign ownership).
- Area of activity: companies in the industrial sector, with priority for companies in the food and beverage value chain, at the exception of hard liquor or any EBRD prohibited practices.

- **Maturity:** at least two years of sound operations and potential for growth as indicated by ability to export or availability of innovative products, processes or organisational structure. Exceptionally, high potential start-ups with less than two years of operations may be considered.
- **Management commitment:** management must be open and committed to receiving assistance and to achieving agreed objectives, and willing to contribute to the cost of the project.
- **Integrity:** enterprise and management are credible and respectable and must comply with the EBRD integrity procedures. There must be no previous or ongoing legal proceedings which may affect the implementation of the project or constitute reputational risk to the EBRD.
- **Viability:** ability to demonstrate further potential for growth in terms of having a discernible competitive advantage, being able to demonstrate profitability, and having sufficient financial and operational resources available for implementation and follow up of advisory services.

How to Apply

To submit your application for customised technical assistance, kindly send an email to knowhowlebanon@ebrd.com and include your application form as well as all required documents.

To submit your application for Resource Efficiency and Circularity grants, please check the yearly deadline for the Call for Applications, and kindly send an email to knowhowlebanon@ebrd.com including your application form and all required documents.