

# Sustainability Report 2021



European Bank  
for Reconstruction and Development



**The *Sustainability Report 2021* explores the many ways in which the European Bank for Reconstruction and Development (EBRD) has had an impact this year, making a real difference to the daily lives of millions of people on three continents.**

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# 1. Introduction



## President's message

**I am delighted to introduce the EBRD's Sustainability Report for 2021. It is published as our world is engulfed by another serious crisis, caused by the Russian-led invasion of Ukraine. Despite the need to provide immediate resilience support to Ukraine and our other countries of operations affected by the war, we will not lose sight of our sustainability goals. We will build on a very successful 2021 – the year that the EBRD celebrated its 30th anniversary. From the outset, sustainability has been fundamental to what the Bank does and, over the course of the past three decades, it has accelerated, deepened and broadened its efforts to make a meaningful environmental and social impact.**

Last year was no exception. In 2021, the EBRD pledged to align all of its activities with the goals of the Paris Agreement by the end of 2022 and promptly started to deliver on that commitment. It adopted its first Equality of Opportunity Strategy, as well as a new Strategy for the Promotion of Gender Equality, and sharpened its focus on combatting gender-

based violence. With its partner multilateral development banks (MDBs), the Bank pledged to work to enhance biodiversity and mainstream nature-based solutions. It also continued to finance green projects, which, for the first time in the Bank's history, accounted for more than half of the Bank's annual investment, contributing to its [Green Economy Transition](#) (GET) initiative.

For the EBRD, as for the world, the sustainability focus in 2021 was dominated by the response to the twin emergencies of the Covid-19 pandemic and the increasingly evident climate crisis. In 2020, the Bank moved swiftly to address the immediate impact of the world's largest recorded economic contraction. In 2021, as the crisis evolved, it focused on supporting its investee economies in rebuilding and making their economies sustainable and resilient for the long term.

A central part of this effort was a redoubling of the Bank's efforts to address unequal access to economic opportunity, particularly for women. Under its new strategies, the EBRD has set itself a target that by 2025, 40 per cent of its projects will have a gender component and 25 per cent will involve greater inclusion – both more than double current levels, further embedding sustainability in the Bank's operations.

The EBRD has long experience in supporting action to combat climate change. The Bank played an active role in both the preparations for and discussions at the COP26 climate conference and, over the course of the year, set out an ambitious climate agenda. Alongside its own commitments on Paris alignment, the Bank will work with the government of Egypt, host of COP27, and lend greater support to the economies in which it operates, so that they can put in place their own ambitious long-term plans for decarbonisation – essential steps in achieving sustained climate action.

The Bank has also set out a comprehensive action plan for the mobilisation of much-needed private-sector climate finance. As part of this effort, it has launched the High Impact Partnership on Climate Action together with a set of donor countries, to overcome obstacles to private-sector investment. Lastly, I am proud that the Bank was among the first to join the Global Methane Pledge, signatories to which commit to reducing methane emissions by at least 30 per cent from 2020 levels by 2030.

We all know that the task ahead of us is huge – made even greater by the impact of the war on Ukraine – and that global challenges can only be tackled with a comprehensive, collaborative and consistent response. The EBRD will continue to play its full part in this essential endeavour to achieve a world that is both sustainable and prosperous. This report details some of the ways in which the Bank is delivering on that commitment.

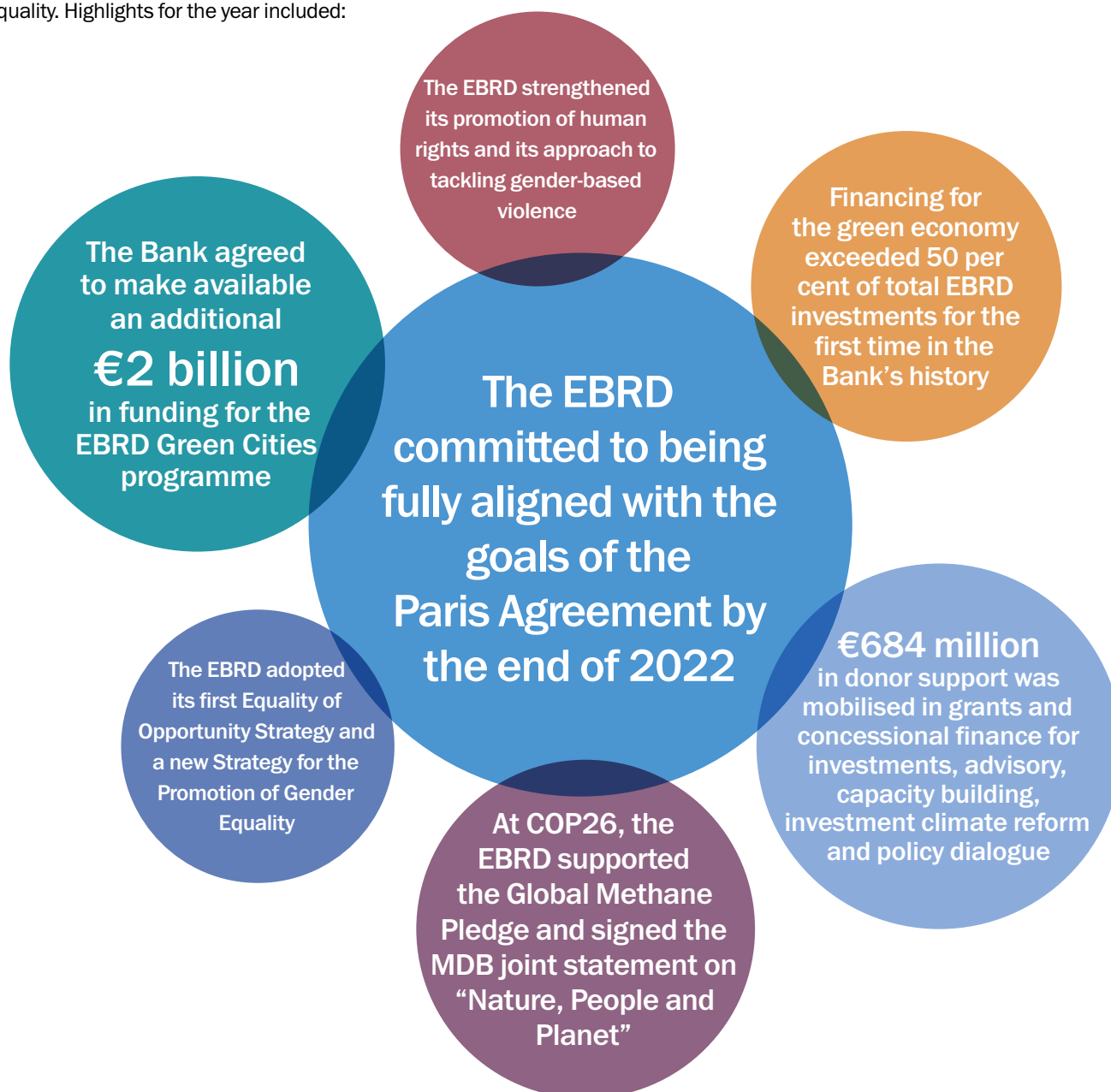
**Odile Renaud-Basso**

President, European Bank for Reconstruction and Development  
March 2022



## Highlights for 2021

2021 was a milestone year for environmental and social sustainability and the EBRD was proud to contribute to global efforts to address climate change, project nature and advance equality. Highlights for the year included:



## The EBRD's approach to sustainability

The EBRD's approach to sustainability is closely aligned with the United Nations (UN) 2030 Agenda for Sustainable Development. The [Sustainable Development Goals](#) (SDGs) constitute a globally shared blueprint for ending poverty, improving health and education, spurring inclusive economic growth, tackling climate change and working to preserve our oceans and forests.

The Bank sets and adheres to the highest standards of governance, while managing its own footprint. It measures, monitors and reports on the impact of its work to ensure transparency and accountability in seeking to deliver on its mandate for sustainable development in the economies where it operates.

Further details about the EBRD's approach to sustainability can be found in the Bank's Global Reporting Initiative (GRI) disclosure report for 2021. This provides a comprehensive overview of the EBRD's approach to environmental, social and governance (ESG) issues.

## Covid-19 response

In 2021, the Covid-19 pandemic and its economic consequences continued to pose an unprecedented challenge to the economies where the EBRD operates. It exposed weaknesses in global systems, including health infrastructure and staffing, medical supply chains, access to and quality of healthcare, pandemic preparedness and national budget allocation. The impacts were felt most acutely in emerging economies, including many regions where the Bank invests.

The pandemic is still unfolding and the vaccine rollout is racing against the emergence of new variants. The number of deaths in the EBRD's regions are reported to be high, with some economies among the 20 most affected worldwide. While central Europe and the Baltic States, Mongolia, Morocco, Turkey and Turkmenistan have achieved 50 per cent vaccination to date, in Armenia, Belarus, Egypt, the Kyrgyz Republic, Tajikistan and Ukraine, vaccination rates are low.

An EBRD [report](#) published in November 2021 examined how the Bank's regions have been affected by the Covid-19 pandemic, with a focus on the five largest recipients of EBRD funding: Turkey, Egypt, Ukraine, Kazakhstan and Poland. The report underlines the critical role the Bank plays in investing in the healthcare and hospital sectors, supporting sustainable recovery and aligning with the SDGs.

In 2021, the EBRD continued to implement its Resilience Framework to meet the short-term liquidity and working-capital needs of existing clients, especially those badly affected by the crisis, including financial institutions, small and medium-sized enterprises (SMEs), and corporate sectors, such as tourism and hospitality, automotive, transport providers, agribusiness and medical suppliers.

## 2. Climate commitments



The EBRD has made addressing climate change and increasing green finance strategic priorities. In 2021, it committed to aligning all of its activities with the goals of the Paris Agreement by the end of 2022. It increased support for climate strategies at national, city and sectoral level. It bolstered corporate climate governance (CCG) processes among its clients. It further committed to doubling its mobilisation of private-sector climate finance by 2025 to support the low-carbon transition. More details can be found in this chapter.

### Paris alignment

At its 2021 Annual Meeting, the EBRD approved a climate action [resolution](#) in which it committed to fully aligning the Bank's activities with the objectives of the Paris Agreement by the end of 2022.

The Paris Agreement is an international treaty with the goal of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels". All of the economies in which the EBRD invests have ratified it.<sup>1</sup>

MDBs, including the EBRD, have agreed to align with the objectives of the Paris Agreement. To this end, they developed a "joint Paris alignment approach" consisting of six building blocks: mitigation and adaption for investment, increasing climate finance, policy engagement, reporting and internal activities (see figure below).

In line with its commitment to align fully with the objectives of the Paris Agreement by end 2022, the EBRD started to assess its direct investments for alignment in June 2021. A methodology developed jointly by the MDBs sets out how the EBRD determines whether projects are "aligned" or "non-aligned" with the mitigation and adaptation goals of the Paris Agreement. New investments are now screened at the concept stage for exposure to physical climate risk; previously, adaptation efforts were solely opportunity driven. Under the

new approach, projects identified as having material physical climate risks can be required to implement appropriate adaptation responses. This will create new opportunities for climate-resilience business development and the delivery of adaptation finance.

The methodology developed jointly by the MDBs for "indirect" finance, processed through financial intermediaries (see page 9), has also been drafted and is undergoing public consultation.

The Bank is on track to complete the implementation of all six building blocks of the Paris alignment approach by the end of 2022.

### Limiting fossil-fuel financing

In its Climate Ambition resolution, the EBRD also underscored the importance of its support for the urgent decarbonisation of the energy sector. It committed to stepping up its investment in renewable energy and associated energy systems. It will further narrow and limit fossil-fuel financing to projects that strictly aim to accelerate the low-carbon transition in specific national contexts.

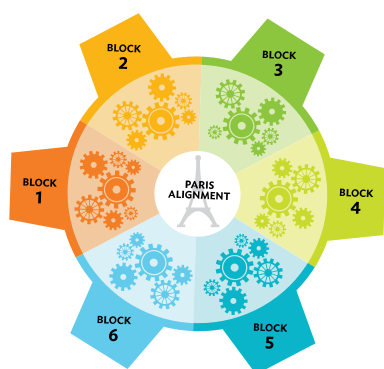
### Supporting climate strategies

The EBRD supports the development of long-term, low-carbon pathways at a national, city and sectoral level, in line with Paris alignment. To this end, the Bank will increase its support for countries developing nationally determined contributions (NDCs) and long-term strategies (LTSs).

#### Ukraine's NDC

Since 2018, the EBRD has worked with the government of Ukraine to update its NDC. Funded by the Swedish International Development Cooperation Agency (Sida), this work included support to Ukraine's Ministry of Environmental Protection and Natural Resources and other government ministries to revise Ukraine's 2030 greenhouse gas (GHG) emission reduction targets.

#### Joint Paris alignment approach



- 1 Alignment with mitigation goals**  
Operations consistent with national low-emissions development pathways and compatible with objectives of the Paris Agreement.
- 2 Adaptation and climate-resilient operations**  
Operations systematically screened for climate-resilience. Support increase in clients' ability to adapt to climate change.
- 3 Accelerated contribution to the transition through climate finance**  
Further scale-up climate finance, operationalise new approaches to support NDCs, and accelerate realisation of ambitions agreed under UNFCCC and in line with science-based evidence identified by IPCC.
- 4 Engagement and policy development support**  
Develop new services to support clients, put in place long-term strategies for low-emissions and climate-resilient development ensuring consistency with the SDGs.
- 5 Reporting**  
Develop tools and methods for characterising, monitoring and reporting on the results of our Paris-aligned activities.
- 6 Align internal activities**  
Progressively ensure that internal operations, including facilities and other internal policies, are also in line with the Paris Agreement.

1 All except Kosovo, which is not a party to the United Nations Framework Convention on Climate Change (UNFCCC).

The Bank provided technical assistance and stakeholder engagement to promote information sharing and coordination with related activities, such as the development of the National Energy and Climate Plan (NECP) and Ukraine Green Deal.

Key milestones this year have included:

- In July 2021, Ukraine adopted its revised NDC, which it communicated to the [UNFCCC](#) and made available in the NDC registry.
- Ukraine announced plans to adopt an NDC Action Plan, climate finance strategy, climate law framework, and monitoring, reporting and verification system for NDC accounting by 2022.
- At the COP26 climate conference, the EBRD and the Ukrainian Ministry of Environmental Protection and Natural Resources presented the country's updated NDC, implementation plans, lessons learned, challenges and opportunities.
- The Bank issued a publicly available report, consolidating all EBRD technical studies to inform and support related future activities.

The EBRD will continue to support the government of Ukraine with its NDC implementation thanks to new funding received from the German government's International Climate Initiative.

### Supporting development of a low-carbon roadmap for the nitrogen fertiliser industry



#### Sectoral

The EBRD supported the creation of a roadmap for the nitrogen fertiliser industry, developed jointly by the International Fertiliser Association and the International Energy Agency. This pathway to 2050 highlights the technologies needed to reduce the industry's GHG emissions. It will support private-sector players and identify the investments needed to remain competitive while addressing climate change.



**Donors:** EBRD Shareholder Special Fund

**Amount:** €350,000

**Impact:** The roadmap aims to support an industry that is currently responsible for around 2 per cent of global energy consumption and 1.5 per cent of CO<sub>2</sub> emissions to transition to a sustainable low-carbon future.

### Supporting a net zero target for the electricity sector



#### Uzbekistan

The EBRD worked with the Ministry of Energy and the Ministry of Investments and Foreign Trade to develop a decarbonisation roadmap for Uzbekistan's electricity sector. It confirmed the technical and financial feasibility of an early peak in GHG emissions and carbon neutrality by 2050. Further expansion of the modelling associated with the roadmap's implementation is ongoing.



**Donors:** Funding from Japan through the Japan-EBRD Cooperation Fund

**Loan:** N/A

**Impact:** Carbon neutrality in the electricity sector by 2050.

## Corporate climate governance

CCG is integral to the EBRD's climate action activities. The Bank became the first MDB to support the Task Force on Climate-related Financial Disclosures (TCFD) in 2018, and its 2020 GET approach commits the EBRD to strengthening CCG among its clients. The Bank is also involved in the European Union (EU) Sustainable Finance Action Plan, the Network for Greening the Financial System, and the G20 Sustainable Finance Working Group.

CCG recognises the need to assess climate-related risks and opportunities as part of business and financial planning. The EBRD now supports more than 20 clients in strengthening CCG, including large companies, such as Louis Dreyfus Company and Olam in the agribusiness sector, major energy utilities, such as PPC (Greece) and STEG (Tunisia), and some financial intermediary clients. Support includes:

- adopting best-practice disclosure frameworks
- building technical capacity for climate risk assessment and the identification of climate opportunities
- the use of climate scenarios in value-chain assessments
- CCG roadmaps and low-carbon pathways
- green investment plans, low-carbon strategies and access to capital markets, for example, through green and sustainability bonds.

In early 2022, the EBRD will launch a dedicated **CCG Client Advisory Facility**, to help financial and non-financial companies to strengthen CCG and disclosure practices and to increase their access to capital markets.

### Agribusiness firm strengthens CCG



#### Ukraine

As part of its cooperation with the EBRD, Kernel Group has committed to strengthening its CCG practices. It will develop a climate change strategy and set decarbonisation targets and will also improve climate-related disclosures and climate risk management in line with the recommendations of the TCFD.




**Donors:** Clean Technology Fund under the High Impact for the Corporate Sector programme

**Loan:** US\$ 57 million

**Impact:** This will produce the first decarbonisation and climate adaptation pathway for a company with agricultural operations of this size in the EBRD regions. It is expected to have a significant demonstration effect in the agriculture sector beyond Ukraine.

## Task Force on Climate-related Financial Disclosures

The [TCFD](#) reporting framework aims to standardise and report financial risks associated with climate change to provide investors with transparent information on the risks and opportunities involved. The EBRD was the first MDB to sign up to the TCFD in 2018. In line with its commitment to disclosure best practice, the EBRD published its second annual TCFD report in 2021.

The 2021 TCFD report discloses climate risk-screening methodologies, data sources and initial portfolio risk assessments for carbon-transition and physical climate risk, charting the Bank's performance against climate risk indicators. Disclosure supports transparency and standardisation and enhances the visibility of climate risk across the industry. The report also sets targets for addressing the impact of climate change on the economies where the Bank invests. These include aligning all Bank activities and investments with the goals of the Paris Agreement by the end of 2022 and ensuring that GET projects account for at least 50 per cent of all new investments by 2025.

## COP26

The EBRD sent a high-level delegation to COP26 in Glasgow, led by the President. The Bank participated in around 70 events, co-organising 20 of those with its partners. It reiterated its commitment to climate action through various pledges and actions, including:

- The Bank presented its [Action Plan to Mobilise Climate Finance](#). At COP26, the EBRD announced plans to double its mobilisation of private-sector climate finance by 2025 to support the economies in which it operates in their low-carbon transition.
- In a joint [Climate Statement](#), MDBs committed to increasing climate financing, with a focus on adaptation and the mobilisation of private investment.
- The Global Methane Pledge, a joint EU-US initiative, aims to reduce global anthropogenic methane emissions from all sectors by at least 30 per cent (from 2020 levels) by 2030. As part of this pledge, the EBRD committed to support its investee economies in advancing their domestic methane reduction efforts. The Bank will provide technical assistance to support the development of effective inventories, policies, regulations and standards. It stands ready to provide funding for methane abatement projects in key economic sectors.
- A joint MDB statement, *Nature, People and Planet* (see page 21), pledged to mainstream nature across policies to boost 'nature-positive' investments and finance for member countries and to foster sustainable strategies at regional and national level.
- High-Level Principles on a [Just Transition](#), published in October, were presented at COP26. They outline how MDBs, including the EBRD, will support those regions that are highly dependent on fossil-fuel industries with economic diversification through green investments (see page 10).
- MDBs committed to developing shared principles to help public- and private-sector clients design and implement LTSs for low-carbon, climate-resilient development.

Other highlights include a heatmap of the Bank's portfolio, illustrating inherent physical and carbon-transition risk. The report also provides the results of pilot modelling for a segment of the Bank's oil and gas portfolio, a sector widely regarded as high carbon-transition risk. Over time the EBRD will expand its climate risk assessment and disclosure to include transactions in financial institutions, sovereigns and equities. The Bank is committed to further developing the scope of its climate risk methodologies, introducing ongoing portfolio assessment and wider scenario- and stress-testing.

## 3. Policy engagement



The EBRD engages with stakeholders to support policies that are in line with its sustainability objectives. In 2021, the Bank committed €2 billion of new funding to double the existing headroom for EBRD Green Cities over the next two years. It created and launched two digital apps to guide financial intermediary clients through the ESG due diligence process. At the COP26 climate conference in Glasgow, together with other MDBs, the EBRD presented five [High-Level Principles for a Just Transition](#) to ensure that the benefits of a green economy transition are shared. More details can be found in this chapter.

### EBRD Green Cities

[EBRD Green Cities](#) helps cities to foster systemic climate action. Through Green City Action Plans (GCAPs), cities can systematically identify their most pressing environmental challenges and prepare targeted sustainable infrastructure investments and policy measures to implement over a five-year period.

EBRD Green Cities has mobilised more than €5 billion in EBRD and donor commitments and leveraged co-investments since 2016. In 2021, the programme reached several important milestones:

- **Nine cities** joined EBRD Green Cities, bringing the total network to **53 cities**. These were Walbrzych (Poland), Dnipro and Kharkiv (Ukraine), 6 of October City (Egypt), Gaziantep and Istanbul (Turkey), Medias and Timisoara (Romania) and Samarkand (Uzbekistan).
- Existing member cities **completed six** – Craiova (Romania), Belgrade (Serbia), Pristina (Kosovo), Balti (Moldova), Varna (Bulgaria) and Kyiv (Ukraine) – and **approved seven** – Craiova, Amman (Jordan), Lviv (Ukraine), Pristina, Sarajevo (Bosnia and Herzegovina), Belgrade, Balti – GCAPs.
- The EBRD **signed off on 24 projects** through the EBRD Green Cities initiative, committing **€842.4 million** in EBRD funds, bringing the total number of Green Cities projects to 64, for an overall investment volume of **€1.6 billion**.
- The EBRD committed **€2 billion of new funding** to EBRD Green Cities in November 2021, [doubling the scope](#) of the Bank's flagship programme to invest in green urban infrastructure over the next two years.

#### Green trams tackle congestion in the city of Izmir



##### Turkey

The construction of a new metro line in Izmir will cut pollution and traffic congestion in one of the town's business districts, Buca. Some 500,000 residents will have access to safer, more reliable and greener transport. The project emerged out of Izmir's GCAP, developed by the municipality and the Bank as part of the EBRD Green Cities initiative.



**Donors:** EBRD Shareholder Special Fund, with co-lenders the Asian Infrastructure Investment Bank (AIIB), Agence Française de Développement (AFD) and the Black Sea Trade and Development Bank (BSTDB)

**Loan:** €125 million

**Impact:** The project is expected to almost halve Buca's GHG emissions from current levels. The loan will be used to construct 13.4 km of metro line, including 11 stations, a depot and an additional 6 km of access tunnels.

#### Upgrade of Semey waste plant is boost for environment



##### Kazakhstan

The modernisation of an integrated solid waste management facility in Semey will include a sanitary landfill and biological solid waste treatment facility. It will have higher environmental and waste management standards thanks to its reduced waste disposal and lower CO<sub>2</sub> and methane emissions. Significant climate mitigation benefits make the project an appropriate trigger investment for Semey's GCAP.



**Donors:** Austria, EBRD Shareholder Special Fund

**Loan:** KZT 4.79 billion (€9.39 million)

**Impact:** An annual reduction in CO<sub>2</sub> emissions of 8,226 tonnes (or 34 per cent on current emissions), increased waste recycling and recovery rates, and improved environmental, health and safety standards.

### Loan supports electric buses, cuts pollution



**Serbia**

The EBRD is providing Novi Sad with a loan of up to €8 million under the Green Cities programme to finance the acquisition of as many as 10 electric buses and related charging infrastructure. The buses will be used on two of the busiest routes in the city and will replace polluting diesel buses.






**Loan:** €8 million

Donors: GCF and EBRD Shareholder Special Fund (€0.37 million of funds to support technical cooperation)

**Impact:** 2,595 tonnes reduction in CO<sub>2</sub> emissions.

## Financial intermediaries

The EBRD helps financial intermediary and private equity fund clients to integrate ESG practices into their core business processes. Because of the Paris Agreement and the urgent need to boost sustainable finance, the regulatory environment is developing rapidly across the regions in which the Bank operates. To ensure financial intermediaries comply with and are prepared for further changes, sustainability must become a core component of their organisational strategy. The EBRD and its financial intermediary partners continued to work on their shared goals in 2021.

Also in 2021, the EBRD created and launched two [digital applications](#) (apps) to guide financial intermediary clients through the ESG due diligence process. This was previously done manually, making it more difficult to gather and extrapolate accurate data. The apps digitalise the ESG screening, assessment and monitoring of loans and investments, generating both a due diligence report and an Environmental and Social Action Plan (ESAP). This will enable financial intermediaries to implement environmentally and socially sound investments while protecting their financial and business interests, reputation and legal position. Clients using the apps will automatically comply with EBRD Environmental and Social (E&S) requirements. Using them will also help them to develop their own systems to identify and manage such risks.

Despite Covid-19 restrictions, the Bank continued to deliver E&S risk management training to financial intermediaries across its regions. In 2021, it held eight training sessions for 142 participants from 55 intermediaries on physical, virtual and hybrid platforms. Feedback was excellent. In the southern and eastern Mediterranean region (SEMED), the EBRD launched a capacity-building project to help financial intermediaries establish an environmental and social management system, or part of one. This could be an E&S policy, a risk management procedure, a grievance mechanism, a procedure for a specific business line, product or commodity, or anything related to the firm's E&S risk management approach. To date, the EBRD has used this project to support two financial intermediaries in Morocco and Egypt. The EBRD provided funding, along with a consultant who advised them and helped them to draft and establish their environmental and social management system.

## Capital market development

The EBRD supports the development and strengthening of local capital markets in the economies where it invests. Capital markets can be a reliable source of funding, contributing to financial resilience and sustainable growth. Working with local authorities, market regulators and participants, in 2021, the Bank continued to strengthen capital-market infrastructure, develop legal and regulatory environments, diversify the local investor base and reduce reliance on foreign-currency lending. Highlights of the Bank's policy dialogue and technical cooperation included:

- **Social bond market review and analysis paper.** A study of the social bond markets in the EBRD regions provided information on those clients and partner banks with the greatest potential to start issuing social and sustainability bonds in the near to medium term. The Bank assessed countries for market attractiveness and issuer potential. It mapped the social bond eligibility criteria, as defined by the International Capital Markets Association (ICMA) Social Bond Principles, against the EBRD's own objectives to define the relevant social project categories.
- **ESG guidelines for the Warsaw Stock Exchange.** The EBRD and the Warsaw Stock Exchange created a framework to help central and Eastern European listed companies improve their ESG reporting. The framework did not set any requirements for issuers, but aimed to encourage firms to comply with EU ESG disclosure standards. A set of guidelines described existing requirements set out in the Non-Financial Reporting Directive at EU level (soon to be replaced by the Corporate Sustainability Reporting Directive). It also included other indicators that could be relevant to disclosure, depending on sector and corporate ambition. The framework will allow investors to analyse and compare ESG compliance with greater transparency. The project is being rolled out to other countries, including Romania and the Czech Republic.

For more information on the EBRD's investment in green and sustainability-linked bonds, see page 14. For more on the Bank's own green bonds, see chapter 8.

## REEP: Promoting energy efficiency in the Western Balkans

The Regional Energy Efficiency Programme (REEP) is a €630 million flagship regional programme that offers financing and technical assistance to public- and private-sector clients in the Western Balkans. It is also a key mechanism for policy dialogue, creating and strengthening energy-efficiency policy frameworks in the six countries where it operates. Since its establishment in 2013, the REEP has delivered 75 policy products.

In 2021, REEP policy support contributed to:

- Albania's amended *Law on Energy Efficiency*, which fully transposes the requirements of the EU Energy Efficiency Directive
- Kosovo's national *Building Renovation Strategy*, which is integrated into the NECP
- the update of eco-design and energy labelling regulations in Bosnia and Herzegovina
- notable progress on the transposition of the EU Energy Performance of Buildings Directive into the legislative frameworks of North Macedonia and Bosnia and Herzegovina, preparing them for adoption in 2022.

The REEP is funded by the Western Balkans Investment Framework (WBIF), Austria and other donors.

## Just Transition initiative

The EBRD's approach to just transition entails supporting those regions highly dependent on fossil-fuel industries with economic diversification through green investments. This includes working with clients on the reconversion of high-carbon assets, including the remediation and rehabilitation of related infrastructure. It also includes supporting impacted workers through reskilling and by enhancing entrepreneurship programmes.

The Bank is involved in planning for a just transition in its countries of operations. One example is in Serbia, where over 60 per cent of electricity is coal generated. The EBRD is working with the authorities to support the coal regions of the Kolubara and Kostolac basins. Plans include defining actions and investments that will provide for a just transition, including supporting workers who may be affected and spurring economic diversification. Similar work is being undertaken in other Western Balkan countries, in eastern Europe and the Caucasus.

Work is also underway in the Polish city of Walbrzych, which recently joined the EBRD Green Cities programme. Walbrzych struggled in the wake of coal mine closures, and the Bank is taking part in plans for its environmental and economic revival. The EBRD's first investment in the city is a [€21.5 million loan](#), which will support an ambitious urban regeneration programme. This will facilitate economic development and the reintegration of several underdeveloped parts of Walbrzych by improving connectivity links with the rest of the city and the broader region.

The EBRD is a key player advancing just transition. At the COP26 in Glasgow, together with other MDBs, a joint MDB commitment to five [High-Level Principles for a Just Transition](#) was presented. This articulates how institutions will support the delivery of climate objectives while enabling socio-economic outcomes.

## Green policy case studies

### Whole-life carbon roadmap



#### Poland

A [study](#) by the [Polish Green Building Council](#) and the EBRD highlights the building sector's role in meeting Poland's 2050 net-zero emissions goal. Including construction, the sector produces about 38 per cent of Poland's carbon emissions. The report illustrates key actions for delivering a whole-life, net-zero carbon buildings footprint, with stakeholder engagement and cooperation being key.



**Donors:** EBRD Shareholder Special Fund

**Loan:** N/A

**Impact:** The roadmap supports the rapid decarbonisation of Poland's building sector in response to the climate emergency by drawing in market players from across the value chain.

### Biomethane replaces gas imports



#### Ukraine

The EBRD conducted a feasibility study with local stakeholders, analysing the technological, economic and legal framework for defining zoning areas for the use of renewable biomethane. This supported the implementation of new legislation on the integration of biomethane into Ukraine's gas mix and will serve as a blueprint for other countries in central and eastern Europe.



**Donors:** GEF

**Amount:** US\$ 74,000

**Impact:** The study identified potential for 8 billion m<sup>3</sup> of biogas production. If fully implemented, biogas production could cut gas imports by up to 50 per cent, reduce carbon emissions by 12 million tonnes and improve the fertility of agricultural land.

### Developing the local renewable supply



#### Kazakhstan

Traditionally reliant on fossil fuels, Kazakhstan is aiming for 15 per cent of its energy to come from renewables by 2030 and has set a 2060 net zero target. In this context, the EBRD advised the government on policies to develop local renewable supply chains to support economic growth and sustainable green job opportunities.



**Donors:** EBRD Shareholder Special Fund

**Loan:** €74,900

**Impact:** The EBRD supported the government of Kazakhstan in developing local renewable supply chains by identifying policy measures that could foster greater climate ambition to accelerate a green economic recovery while adhering to international trade rules.

## 4. Investments and impact



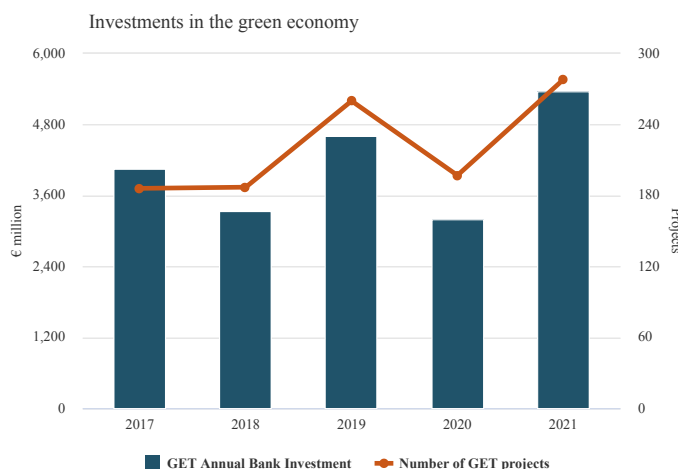
The scale of the EBRD's green investments demonstrates its commitment to addressing environmental and climate challenges. In 2021, the proportion of finance channelled to the Bank's GET initiative exceeded 50 per cent for the first time, with the total value of projects supported by the initiative hitting more than €50 billion. The Bank also invested a record €571 million in 17 green bonds in 2021. This corresponded to 70 per cent of its total investment in green bonds since 2017. More details can be found in this chapter.

### Investments and impact

It was a record year for EBRD investments in the green economy, with the proportion of finance contributing to the GET initiative surpassing 50 per cent for the first time. Following a dip in 2020 as countries and companies dealt with the impact of the Covid-19 pandemic, both the value of investments and the number of projects bounced back to record levels in 2021. The total value of projects supported by the GET initiative, including financing and equity contributions from all sources, is also estimated to have reached a record of more than €50 billion.

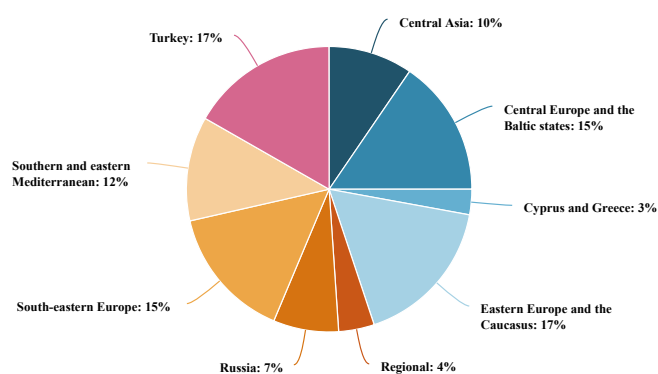
	2017	2018	2019	2020	2021
GET finance commitments (€ million)	4,054	3,344	4,618	3,192	5,366
Number of projects	186	187	260	197	278
EBRD ABI (€ million)	9,403	9,253	10,041	10,995	10,446
GET share of ABI (€ million), %	43%	36%	46%	29%	51%

The EBRD's growing commitment to addressing environmental and climate challenges is demonstrated by the upward trend in its green financing over the past 15 years. The [new GET approach](#) adopted in 2020 set a target for EBRD green finance to reach more than 50 per cent by of total financing by 2025. That target was reached four years ahead of schedule.

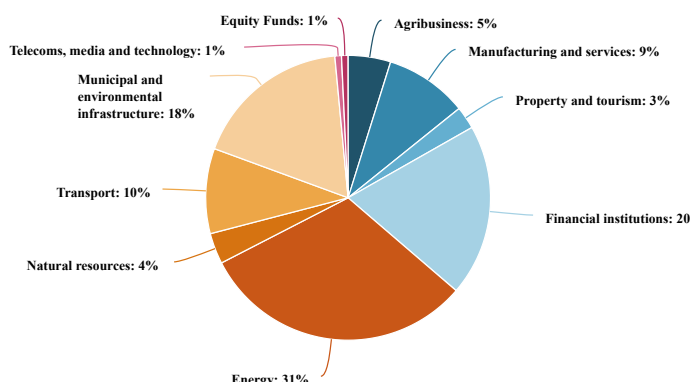


EBRD green financing totalled more than €40 billion from 2006 to 2021, with investments spread over the numerous economies and sectors in which the Bank is active.

Green investments by region, 2006-21 (€ million)



Green investments by sector, 2006-21 (€ million)



## Investing for impact

The EBRD makes green investments with a view to making an impact, by promoting climate action or addressing environmental challenges in the economies where it invests. The expected impacts of projects are assessed prior to investment and are presented here. In 2021, the Bank adopted a new monitoring, reporting and verification approach that will enable it to track and verify actual impacts of these projects as they are implemented.

### GET impact indicators

	2017	2018	2019	2020	2021
CO <sub>2</sub> e emissions reduced (kt/y)	6,308	7,120	4,797	3,711	6,994
Primary energy saved (GJ/years)	82,338,451	27,610,703	59,876,902	28,223,568	36,259,038
Water saved (m <sup>3</sup> /year)	144,702,819	125,821,617	52,333,946	42,583,167	20,033,035
Materials reduced (tonnes/year)	610,822	496,631	379,692	6,470	66,269
Renewable energy – capacity installed (MW)	1,883	877	2,249	1,484	1,979
Renewable energy heat produced (GJ/year)	891,730	282,871	3,034,026	1,476,610	26,137
Renewable energy electricity produced (MWh/year)	4,643,695	2,308,834	5,365,724	3,025,530	4,855,286

The EBRD has assessed the above indicators for a number of years. Following the adoption of the GET approach for 2021-25, the EBRD has expanded the range of indicators it assesses to cover a wider range of environmental elements. The Bank presents these here for the first time.

	2021
Drinking water supplied (m <sup>3</sup> /year)	16,094,705
Drinking water – number of people connected	205,457
Wastewater treated (m <sup>3</sup> /year)	18,294,065
Wastewater reduced (m <sup>3</sup> /year)	7,655,595
Waste treated/disposed of (tonnes/year)	1,180,991
Waste recovered, recycled or re-used (tonnes/year)	109,625
NO <sub>x</sub> reduced (tonnes/year)	2,391
PM reduced (tonnes/year)	206
SO <sub>2</sub> reduced (tonnes/year)	1,522
VOC reduced (tonnes/year)	7,002
Ecosystem (ha)	9,320

## Financial institutions

The impacts of Covid-19 underscored the importance of partnering with financial institutional clients to support the aims of the Paris Agreement. Because climate risk is a financial risk, resilient financing opportunities are easier to access when climate-related risks are managed. In 2021, the EBRD sought out opportunities to combine the capital needs of financial-sector clients with green financing that aligned with low-carbon and climate-resilient objectives. The Bank offered clients both financial and technical support to accelerate the uptake of the best products and technologies available in local markets. In 2021, for the first time, Bank climate finance delivered through financial institutions exceeded €1 billion and is estimated to have avoided more than 700,000 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) emissions per year.

Businesses and households in the EBRD regions are vulnerable to a range of climate change impacts, ranging from increasing water and heat stress to extreme weather events, such as flooding. Access to the right kind of finance is vital to help them adopt the technologies and practices needed to manage these risks and become more climate resilient.

In collaboration with the Climate Investment Funds' Pilot Programme for Climate Resilience (PPCR), the EBRD piloted a Climate Resilience Financing Facility (Climadapt) in Tajikistan in 2016. Climate resilience has now been mainstreamed across the Bank's GEFFs, with significant co-financing support from the Green Climate Fund (GCF), thanks to a range of technologies such as efficient irrigation systems in Morocco and water-efficient energy generation in Egypt. As banks across the EBRD regions become more aware of the risks associated with climate change, GEFFs are helping them to identify opportunities for new business.

### GEFF project highlights in 2021 included:

- A new €500 million green financing programme for **Turkey**, incorporating CCG and gender-responsive on-lending into financial institutional strategies, processes and practices.
- A US\$ 60 million pilot [programme](#) providing finance, advice and grant incentives for private-sector businesses in **Uzbekistan** to improve competitiveness through climate change mitigation and adaptation investments involving the best products and technologies available on the local market. Two new banks joined in 2021.

### Investing in green and sustainability-linked bonds

One of the ways in which the EBRD is supporting the green transition is through its investments in green and sustainability-linked bonds (SLBs). Green bonds<sup>2</sup>, a product in which the EBRD first invested in Lithuania in 2017, are any type of bond instrument where the proceeds will be exclusively used to finance or refinance eligible green projects, in alignment with internationally recognised standards, such as the ICMA Green Bond Principles (GBP). For many issuers, the chance to improve their climate governance is a major attraction of [issuing green bonds](#).

SLBs are a type of bond instrument wherein the financial and/or structural characteristics vary depending on whether the issuer achieves certain ESG objectives within a predefined period. As with green bonds, SLBs are guided by the ICMA Sustainability-Linked Bond Principles. The EBRD's first investment in an SLB was in that issued by Greek utility PPC in 2021 (it was also the first SLB issuance in the economies where the Bank operates). Unlike with green bonds, SLB proceeds can be used for general purposes. In this case, however, the issue was linked to company performance on decarbonisation.

The EBRD's investments in green bonds and SLBs reached several important milestones in 2021:

- The Bank invested a record €571 million in 17 green bonds, mainly issued by companies in the financial, energy, transport and real-estate sectors.
- The Bank's 2021 investment in green bonds amounted to more than 70 per cent of its €787 million aggregate investment in green bonds since 2017.
- The Bank invested in five separate SLBs (two issued by PPC) in 2021, for an aggregate investment of €177 million, out of total issuance exceeding €2.3 billion.
- The Bank's aggregate investment in green bonds and SLBs since 2017 has now surpassed €1 billion in more than 30 issues, with a combined issuance total of more than €9 billion. Funding raised through these instruments is to be used in full for eligible, green purposes, in line with dedicated sustainable finance frameworks aligned with the relevant ICMA Principles.

The EBRD works with issuers to ensure its minimum requirements and green criteria are met. It assists prospective issuers in preparing for their inaugural green bond issuance, for example, in the case of financial institutions, through a green bond readiness assessment.

In 2021, the Bank invested in inaugural green bonds and SLBs issued in Greece, the Slovak Republic, Romania and Latvia, as well as issues with a regional dimension.

<sup>2</sup> The EBRD has been issuing green bonds since 2010.

See: <https://2019.sr-ebd.com/investor-information-green-and-social-bonds>

## EBRD investments in Green Bonds

	Issuer	Type	Country	Sector	Issuance date	Currency	Total size (€ million)	EBRD investment (€ million)
1	Terna Energy Finance	Green bond	Greece	Renewable energy	Oct-19	EUR	150	18
2	National Bank of Greece	Green bond	Greece	Financial	Oct-20	EUR	500	50
3	Lietuvos Energija	Green bond	Lithuania	Energy	Jul-17	EUR	300	30
4	Lietuvos Energija II	Green bond	Lithuania	Energy	Jul-18	EUR	300	30
5	PKO Bank Hipoteczny	Green bond	Poland	Financial	Jun-19	PLN	58.5	11.7
6	PKO Bank Hipoteczny	Green bond	Poland	Financial	Dec-19	PLN	57.8	11.4
7	ING Bank Hipoteczny	Green bond	Poland	Financial	Oct-19	PLN	92.5	18.5
8	Cyfrowy Polsat	Green bond	Poland	Telecoms	Feb-20	PLN	235	47
9	Schaeffler e-mobility	Green schuldschein	Regional - Hungary and Slovak Republic	Transport	Mar-20	EUR	350	75
10	Tauron Energia Polska	Transition Bond	Poland	Energy	Oct-20	PLN	221	53
11	VGP	Green Bond	Regional - Hungary, Romania, Latvia and Slovak Republic	Logistics/Real estate	Mar-21	EUR	600	67
12	PPC	SLB	Greece	Energy	Mar-21	EUR	650	50
13	Tatra Banka	Green Bond	Slovak Republic	Financial	Apr-21	EUR	300	30
14	Mytilineos	Green Bond	Greece	Industry/ Energy	Apr-21	EUR	500	60
15	MAS Real Estate Inc.	Green Bond	Romania	Real estate	May-21	EUR	300	24.7
16	RBRO	Green Bond	Romania	Financial	May-21	RON	81.3	10.8
17	Latvenergo	Green Bond	Latvia	Energy	May-21	EUR	200	50
18	SLSP	Green bond	Slovak Republic	Financial	Jun-21	EUR	100	20
19	Georgian Railways	Green bond	Georgia	Transport	Jun-21	USD	413	41
20	Finansbank	Green bond	Turkey	Financial	Jun-21	USD	41	41
21	CTP	Green Bond	Regional - Hungary, Poland, Romania, Serbia and Slovak Republic	Real estate	Jun-21	EUR	500	42.5
22	RBRO	Green bond	Romania	Financial	Jun-21	RON	246	52
23	PPC	SLB	Greece	Energy	Jul-21	EUR	500	25.5
24	Aydem	Green bond	Turkey	Energy	Jul-21	EUR	750	75
25	BCR	Green Bond	Romania	Financial	Oct-21	RON	101	15.2
26	AST	Green Bond	Latvia	Energy	Oct-21	EUR	100	14.2
27	Photon Energy	Green Bond		Energy	Nov-21	EUR	55	10.0
28	Ukrenergo	SLB	Ukraine	Energy	Nov-21	USD	825	66.4
29	Autonom	SLB	Romania	Transport/ Mobility	Nov-21	EUR	48	10
30	Noval Property	Green bond	Greece	Real estate	Dec-21		120	12.0
31	AEI	Green bond	Lithuania/Poland	Energy	Dec-21	EUR	25	5.0
32	GEK TERNA	SLB	Greece	Infra/energy/ industrial and real estate	Dec-21	EUR	300	25
	<b>Totals</b>						<b>9,019</b>	<b>1,092</b>
								12%

## Aluminium producer's first green Eurobond gets EBRD support



### Greece

The EBRD invested €60 million in the first green Eurobond issued by an aluminium producer in the economies where it operates. Mytilineos's offering, totalling €500 million, was also the first green bond issued by a private company in Greece.



**Donors:** N/A

**Loan:** €60 million

**Impact:** The proceeds will support Mytilineos's low-carbon strategy, increase its production of recycled aluminium and help it achieve net-zero emissions by 2050.

## Bond investment supports renewable energy



### Ukraine

The EBRD's US\$ 75 million investment in the US\$ 825 million sustainability-linked bond (SLB) issued by [Ukraine's](#) national power company, Ukrenergo, will help resolve the payments crisis gripping the country's renewable energy sector. It is the first SLB issued by a Ukrainian company and the EBRD's participation as the anchor investor will support wider market participation.



**Donors:** N/A

**Subscription amount:** US\$ 75 million invested by the EBRD in a US\$ 825 million bond issue

**Impact:** The SLB issuance will facilitate an overall increase in renewable energy generation, leading to progressive growth in the share of renewable energy generation from 11.8 per cent in 2020 (baseline) to 14.6 per cent in 2022 and 18.7 per cent in 2030, with an increase from 6.5 GW (baseline) in 2020 to 10.1 GW by 2030.

## Romania's first sustainability-linked bond targets GHG cuts



### Romania

The EBRD invested €10 million in the inaugural, €48 million, SLB issued by Romania's Autonom Services, a car leasing and rental company. The bond underpins the company's sustainability strategy to cut carbon emissions by 25 per cent and 51 per cent by 2025 and 2030, respectively, by financing its investment in zero- and low-emission cars.



**Donors:** N/A

**Loan:** €10 million participation in the bond issue

**Impact:** Compared with 2020, the average CO<sub>2</sub> intensity of the company's fleet is set to decrease by 25 per cent in 2025 and 50 per cent by 2030.

## Green investment case studies

### Investing in roads and eco-tourism boosts the economy



### Albania

Upgrading roads will improve mobility, including routes between Velipoja and Shëngjin. A new cycle lane and sustainable urban mobility plans will increase safety and promote green transport. The EBRD is also supporting environmental and conservation practices and promoting equal opportunities for women and men in the tourism sector.




**Donors:** The eco-tourism component of the project is supported by [Italy](#) through the [Central European Initiative](#) (CEI) Fund

**Loan:** US\$ 50 million




**Impact:** The eco-tourism component of the project will help improve awareness of environmental and social measures that could contribute to sustainable development.

### Photovoltaic plants generate electricity for private sector



**Jordan**

A loan to Yellow Door Energy will support the development, construction and operation of a portfolio of eight solar photovoltaic plants. They will supply all of the electricity generated to five private consumers: Umniah (telecommunications), Carrefour supermarkets, Safeway supermarkets, Taj Mall (retail) and Classic Fashion (garments manufacturing).






**Donors:** A US\$ 5 million concessional loan from the Global Environment Facility (GEF); a €100,000 grant under the SEMED Private Renewable Energy Framework (SPREF); and up to €1.46 million in grants from Spain

**Loan:** US\$ 10.6 million provided by the EBRD, US\$ 5 million mobilised from the GEF and US\$ 15.6 million from German development finance institution Deutsche Investitions- und Entwicklungsgesellschaft (DEG)







**Impact:** The project is expected to generate more than 81 GWh of renewable energy per year in total, reducing CO<sub>2</sub> emissions by more than 49,000 tonnes per year. It will supply electricity and generate savings of between 33 per cent and 61 per cent of current tariffs.

### Utility company introduces smart investments



**Turkey**

Enerjisa Enerji, which supplies electricity to nearly a quarter of Turkey's population, will use an EBRD loan to upgrade its network. It will introduce smart metering and smart grid systems, digitalise the network, improve the reliability of power supply and integrate renewables.

**Donors:** N/A

**Loan:** US\$ 110 million equivalent in a TRY unsecured loan

**Impact:** Once completed, the project will reduce annual CO<sub>2</sub> emissions by around 30,405 tonnes annually.

### EBRD supports private-sector waste management



**Turkey**

The EBRD bought a 5.9 per cent stake in Biotrend, which operates 18 waste-to-energy plants in Turkey, with a total installed capacity of 84.8 MW. Biotrend, which has been listed on Borsa Istanbul since April 2021, will also adopt and implement a comprehensive climate corporate governance action plan, as agreed with the EBRD.








**Donors:** N/A

**Loan:** US\$ 20 million









**Impact:** It is provisionally estimated that Biotrend's investment programme, when completed, will create a CO<sub>2</sub>-equivalent GHG saving of 1.1 million tonnes per year.

### Increasing wastewater treatment capacity



**Jordan**

An EBRD loan will finance a new wastewater treatment plant near Amman. This will serve around 1 million residents – around 20 per cent of whom are Syrian refugees – who are not connected to the mains network. This will substantially increase wastewater treatment capacity and deliver treated water for other uses.

**Donors:** EU Neighbourhood Investment Platform, with technical cooperation support from the EBRD's Shareholder Special Fund

**Loan:** EBRD loan of up to €30 million to the government of Jordan, with a capital grant of €30 million from the EU Neighbourhood Investment Platform

**Impact:** The investment will substantially increase wastewater treatment capacity in Amman and the surrounding areas and deliver treated water for other uses. It will benefit around 1 million people.

## Upgrading water and wastewater infrastructure



### Uzbekistan

The EBRD is supporting the rehabilitation and expansion of water intakes, water treatment plants, water distribution networks and wastewater infrastructure in several districts of the Namangan Region. Waterflow metering will be introduced and cost-recovery tariff levels will be achieved to improve operational and financial performance of the water company.



**Donors:** Technical cooperation support for company's corporate development programme, financed by the EBRD's Shareholder Special Fund

**Loan:** US\$ 70 million provided by the EBRD

**Impact:** The project is expected to increase the number of people benefitting from quality water supply by 170,000 and reduce water losses by 0.6 million m<sup>3</sup> per year.

## Rehabilitating Nookat's water supply infrastructure



### Kyrgyz Republic

The EBRD is supporting improvements in critical drinking water supply in the city of Nookat and neighbouring villages of Frunze, Chapaev, Noigut and Aral. This is the first sub-project under the Kyrgyz Water Sector Resilience Framework, which builds on the Bank's track record in supporting water-sector reform in the country.



**Donors:** Co-financed by the EU's Investment Facility for Central Asia (capex grant) and by the Government of Japan through the Japan-EBRD Cooperation Fund (technical cooperation grant)

**Loan:** €2.2 million provided by the EBRD

**Impact:** The investment will benefit around 26,000 people, reduce annual CO<sub>2</sub> emissions by 9 tonnes and save 93,000 KWh per year.

## Plan to renovate buildings receives EBRD support



### Lithuania

The EBRD is providing a second loan of up to €67.5 million to the Lithuanian Public Investment Development Agency. This will support an innovative approach to accelerating the renovation of buildings through a combination of long-term debt financing, financial incentives, technical assistance and support for low-income households.



**Donors:** EBRD

**Loan:** €67.5 million

**Impact:** The project is expected to save 4,523 tonnes of CO<sub>2</sub> per year.

## EBRD loan supports greening of buildings



### Lithuania

A second [EBRD loan](#) to the Lithuanian Public Investment Development Agency (VIPA) will help scale up a successful and innovative approach to retrofitting residential buildings, targeting homeowner associations. The programme combines long-term, low-cost loans, grants, technical assistance and support for low-income households. The project aligns with broader EU climate objectives, including its Renovation Wave Strategy.



**Donors:** N/A

**Loan:** €67.5 million

**Impact:** The loan will improve the energy efficiency of apartment buildings by at least 40 per cent.

### Loan supports green expansion of retail chain



#### Bosnia and Herzegovina

The EBRD's €20 million loan to Bingo, a leading retail chain in Bosnia and Herzegovina, will be used for the development of a new shopping centre in Sarajevo and future investments to expand the retail network. Bingo Sarajevo will be the first building in Bosnia and Herzegovina to gain international green building certification, with a BREEAM "Very Good" rating.



**Donors:** Technical cooperation support has been provided by the Republic of Austria under the Delivering Resource Efficiency Investments (DRIVE) Fund

**Loan:** €20 million

**Impact:** The project is expected to lower the building environmental footprint by 200 tCO<sub>2</sub>e and 1,400 m<sup>3</sup> of water consumption. The initiative has the potential to have a strong demonstration effect, especially in the construction and property industry, as international green building certifications can be earned for all types of real-estate asset and promote the adoption of more sustainable practices throughout construction supply chains.

### EBRD supports energy-efficient steel production



#### Slovenia

An EBRD loan will support further energy efficiency improvements in Slovenian Steel Group's operations. Specialised in producing steel from scrap at two electric arc furnace plants, the company's activities are fully aligned with the EU Taxonomy for climate change mitigation and the EU Circular Economy Action Plan.



**Donors:** N/A

**Loan:** €25 million

**Impact:** CO<sub>2</sub> emissions will decline by about 80,000 tonnes per year compared with a no-investment scenario, thanks to the reduced consumption of electricity and natural gas.

## EBRD Sustainability Awards 2021

The EBRD's Sustainability Awards recognise and celebrate deserving clients for their outstanding achievements in promoting green economies and better environmental and social performance. The winners this year **demonstrated their impact** in six categories:

- Sustainable energy
- Climate resilience
- Environmental and social best practice
- Environmental and social innovation
- Gender and economic inclusion
- Financial intermediaries

Twenty-one projects were selected from 62 nominations over the six categories for their Gold, Silver and Bronze achievements. Clients were honoured with awards at the EBRD's [2021 Annual Meeting](#).

### Gold Award winners

- The winner of the **Gold Award** in the **sustainable energy** category was InterGas Central Asia in [Kazakhstan](#). A financial package of €243.5 million, provided to the subsidiaries of the national gas transportation system operator, KazTransGas, will help it reduce its fugitive methane emissions and carbon intensity.

**Impact:** Modernising the country's ageing gas transit-pipeline infrastructure will be one of the biggest contributors to Kazakhstan's goal of reducing national GHG emissions, including methane, by 1.5 million tonnes of CO<sub>2</sub>e. Strengthening its domestic gas infrastructure will facilitate the fuel switch from coal to natural gas and underpin the country's commitment to reaching carbon neutrality by 2060.

- In the **climate resilience** category, [Tajikistan](#) won the **Gold Award** for the Obigarm-Nurobod road project (M41 detour road). This project targets one of the key barriers to economic and social development in the country – the inefficient and unreliable functioning of the country's transport corridors. The project is remedying the situation and promoting regional trade by developing safe and reliable road corridors, creating sustainable mechanisms for road maintenance and improving road safety.

**Impact:** As Tajikistan's primary trading links are by road, it is vital to maintain these connections and improve their climate resilience. The economic cost of a day's closure is estimated at about US\$ 2 million. With the road better able to cope with increasingly common extreme weather events, the number of days' closure will be significantly reduced. In addition, the costs of repairing any damage to assets will be lower and less time will be needed for repairs.

- The **Gold Award for environmental and social best practice** went to Anadolu Etap in [Turkey](#), which provided a safe and healthy working environment for female migrant workers, offering their children a chance to attend school, implementing a Covid-19 response plan to reduce pandemic risks for migrant workers, and initiating a world-class supply-chain risk-assessment programme. Anadolu Etap became a member of the circular economy platform Turkey Materials Marketplace, and matched with Sutas, another EBRD client, to reduce waste and pollution. It also implemented a comprehensive gender and youth inclusion programme.

**Impact:** The company brought about significant improvements to the working and living conditions of migrant workers, reducing the risk of child labour, lowering energy costs and fostering significant ecological benefits.

- In the **environmental and social innovation category**, the **Gold Award** went to [Georgia](#) Healthcare Group, the largest healthcare services provider in the country. The EBRD supported the company with a US\$ 25 million loan to fund its critical role in fighting Covid-19. The funds enabled Georgia Healthcare Group to adapt six major hospitals for patients, including enhancing diagnostic capacities. The company also developed a unique mobile healthcare application called EKIMO (Hey, Doctor).

**Impact:** The EKIMO app is a unique innovation and a game-changer for primary healthcare in Georgia, reshaping the outpatient segment, encouraging a higher quality of service and efficiency. It is driving greater competition, supporting inclusion and increasing healthcare access. The company's work on the digital healthcare app is an example of how to accelerate the digital transition, a key priority for the EBRD.

- May Agro Tohumculuk Sanayi Ve Ticaret, one of the leading producers of seed in Turkey and a pioneer in the field of seed production, won the **gender and economic inclusion Gold Award**. MAY Agro is the first seed producer in Turkey to sign up to the UN Women Empowerment Principles and is an active member of the Women's Empowerment Platform in the north-western city of Bursa. It has introduced a Gender Equality in Society policy and has three dedicated programmes to attract and prepare youth for a future career.

**Impact:** May Agro's work to support the economic inclusion of women and young people is highly innovative. With agriculture being critical to the Turkish economy, if women farmers were given the same access to technical skills and employment formality as men, annual agricultural output would grow by an estimated average of 4 per cent.

- Piraeus Bank, [Greece](#), won the **financial intermediaries Gold Award**. Piraeus Bank collaborates with the EBRD on several products, including the Bank's Trade Facilitation Programme (TFP) and covered bonds. Piraeus issued the first sustainability-linked loan in the Greek market in 2020 and was also the only Greek bank involved in the formation of the Principles of Responsible Banking, along with 29 other banks from around the world.

**Impact:** Piraeus is the highest-ranking EBRD financial intermediary in the Bank's annual environmental and social reporting tool, the Sustainability Index. It facilitated the highest number of transactions in 2021, most of them in the renewable energy sector, with a total CO<sub>2</sub> emission reduction equivalent to taking 6,000 cars off the road.

The following companies won Silver and Bronze Awards:

### Silver Awards

Sustainable energy: Johnson Matthey, [Poland](#)

Climate resilience: Louis Dreyfus Company and ES Milli Hasy, [Turkmenistan](#)

Environmental and social best practice: Fozzy Group, [Ukraine](#)

Environmental and social innovation: KESH Floating Solar PV Project, [Albania](#)

Gender and economic inclusion: Osmangazi Elektrik Dağıtım, Turkey and Tbilisi Transport Company, Georgia

Financial intermediaries: Banca Comerciala Romana, [Romania](#)

### Bronze Awards

Sustainable energy: City of Walbrzych, Poland

Climate resilience: Banque Centrale Populaire, [Morocco](#)

Environmental and social best practice: Beo Cista Energija, [Serbia](#)

Environmental and social innovation: TAURON Polska Energia, Poland and Sapro Temizlik Urunleri Sanayi ve Ticaret, Turkey

Gender and economic inclusion: Agrofusio Group, Ukraine

Financial intermediaries: Nova Kreditna Banka Maribor (Nova KMB), [Slovenia](#)

## 5. Biodiversity



The EBRD works to mainstream nature-positive activities throughout its operations, helping to protect biodiversity in the economies where it invests. The Bank this year signed a joint statement with other MDBs, [Nature, People and Planet](#), reiterating its commitment to protecting nature. The blue economy is recognised as key to achieving the aims of the Paris Agreement and the EBRD this year co-authored two reports on the topic. The Bank also carried out two audits on antimicrobial resistance, which is a threat to biodiversity. More details can be found in this chapter.

### Nature

The 2021 [Dasgupta Review of the Economics of Biodiversity](#), on which the EBRD provided feedback, states that nature is both a form of capital and infrastructure. Yet, human activity is causing biodiversity loss at unprecedented levels, with potentially far-reaching systemic implications for economies and livelihoods.

The EBRD works to mainstream nature-positive activities throughout its operations, helping to address the climate emergency through nature-based solutions. Traditionally, MDBs have incorporated ecosystem and biodiversity protection into their environmental and social policies (ESPs). The EBRD reflects it in, among other things, its Performance Requirements 6 (biodiversity protection) and 3 (pollution prevention), which apply to all projects. Over the past 30 years, the Bank has invested more than €6 billion in pollution prevention and wastewater treatment, with more than half that invested in the last four years.

In 2021, MDBs including the EBRD presented a joint statement at COP26, reiterating their commitment to protecting biodiversity and increasing and coordinating policy work to achieve systemic impact. In *Nature, People and Planet*, MDBs agreed to further mainstream nature into their policies, analysis, assessments, advice, investments and operations, in line with their respective mandates and operating models. They will do this: (i) through leadership on safeguards, (ii) by tackling the drivers of nature loss through nature-positive investments, (iii) by fostering national and regional level synergies, (iv) by valuing nature to guide decision making, and (v) by reporting accurately on impacts.

The EBRD has been involved in the development of the Taskforce on Nature-related Financial Disclosures (TNFD) since 2019. The TNFD, launched in 2021, is modelled on the TCFD. It provides a framework for companies to identify, assess, manage and report on their impacts and dependencies, with a view to driving change and identifying opportunities and the risks of scaling up nature-positive projects. Through its involvement in the TNFD, the EBRD will continue to support efforts to develop a common approach to nature risk assessment, valuation and disclosure. It will take at least two years for the TNFD to make disclosure recommendations. The principle of double materiality, the numerous indicators that reflect the biodiversity context and the importance of supply chains significantly increase the complexity of nature-related risk assessment compared with that of climate risks. The EBRD, therefore, will not make any commitments to nature-related risk disclosures until it understands their compatibility with the Bank's modalities and resource requirements.

The EBRD continued to harness regional efforts through, for example, its support of the blue economy and the Northern Dimension Environmental Partnership (NDEP). As fund manager of this flagship blue economy programme, the Bank has gained valuable experience in promoting systemic environmental remediation in the Baltic and Barents Seas. This partnership between MDBs, shareholders and recipient countries could be a useful model for other areas, such as the Mediterranean and Red Seas.

### Blue economy

The blue economy is now globally recognised as key to achieving the aims of the Paris Agreement and the SDGs. The sector received widespread coverage at COP 26 in Glasgow, with events highlighting the critical importance of ocean health and the role of the blue economy in closing the emissions gap and supporting job creation. The EBRD is helping to strengthen the blue economy and, since signing up to the [Sustainable Blue Economy Finance Principles](#) in 2020, has been able to classify many of its projects as aligned with and promoting [SDG 14: life below water](#). Some examples in 2021 included projects on wastewater treatment, coastal waste management, property and tourism in coastal areas, and marine transport.

#### Better sanitation decreases Black Sea pollution



#### Bulgaria

A loan to the Burgas Water Supply and Sanitation Company will support improvements to water and sanitation infrastructure in the Burgas region on the Black Sea. More than 76 km of pipelines will be rehabilitated, 42 km of wastewater networks will be constructed and several treatment plants upgraded. These will ultimately help to reduce pollution flowing into the Black Sea basin.



**Donors:** Stage 1 of the project is estimated at €88.5 million and will be majority financed by grants from the EU's Operational Programme Environment 2014-20

**Loan:** €17.3 million EBRD loan

**Impact:** An additional 611,484 m<sup>3</sup> of wastewater will be treated, 1.5 million m<sup>3</sup> of water will be saved annually and an additional 45,000 people will be connected to an EU-compliant wastewater treatment system.

## Financial value of Blue Economy projects and overall financing that these projects unlock

Solid waste									
Op Id	Operation Name	DTM Client	Country	Status	Portfolio Class	SIC Industry Name	Sector Team	Sector Team	
53000	Biotrend Equity (f. Project Blake II)	Biotrend çevre ve enerji yatirimlari as	Turkey	Active	Private	Waste Management and Remediation Services	Municipal & Env Inf	Infra TMEA	
52825	GrCF2 W2 - Tbilisi Solid Waste Extension	Georgia sovereign	Georgia	Active	State	Waste Management and Remediation Services	Municipal & Env Inf	Infra Eurasia	
52515	MR3: GAM Solid Waste Crisis Response - Cell 6	Municipality of greater Amman	Jordan	Active	State	Waste Management and Remediation Services	Municipal & Env Inf	Infra TMEA	
Waste water									
Op Id	Operation Name	DTM Client	Country	Status	Portfolio Class	SIC Industry Name	Sector Team	Sector Team	
52846	DFF - Engicon O&M - WWTP	Al-alamiah lil khidmat wa al tashgheel wa siana	Jordan	Active	Private	Water and Sewage Systems	Municipal & Env Inf	Infra TMEA	
49875	MR3: Al Ghabawi Septic Tank Facility	Jordan sovereign	Jordan	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra TMEA	
50458	Mitrovica Wastewater Development Project	Kosovo sovereign	Kosovo	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra Europe	
53169	Serbian Climate Resilience & Irrigation Programme 2	Serbia sovereign	Serbia	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra Europe	
51436	Kulob Water and Wastewater Project	Tajikistan sovereign	Tajikistan	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra Eurasia	
49250	Southern Oases Hydraulic Infrastructure	Tunisia sovereign	Tunisia	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra TMEA	
51032	Namangan Regional Water and Wastewater Project	Uzbekistan sovereign	Uzbekistan	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra Eurasia	
52115	ESIF: Burgas Water Project	Water and sewage company of the city of burgas	Bulgaria	Active	State	Water and Sewage Systems	Municipal & Env Inf	Infra Europe	
Ports and harbours									
Op Id	Operation Name	DTM Client	Country	Status	Portfolio Class	SIC Industry Name	Sector Team	Sector Team	
52871	DFF - Altintel Port Expansion	Altintel liman ve terminal isletmeleri as	Turkey	Active	Private	Ports and Harbours Operations	Transport	Infra TMEA	
Property and tourism									
52771	Barut Hotel								

	Country of Operation	Team of OL	OL Name	Instrument	Sovereign Risk Name	Original Signing Date	SBI Sub-Category	Historical & Current ASB Projects	Possible future ASB Project	ABS FI Integral Component	NCBI	TPV
	Turkey	Infra TMEA, SIG	Gursel I.	Equity	Non-Sovereign	21 Aug 2021	–	–	–	–	16,930,501	16,930,501
	Georgia	Infra Eurasia, SIG	Chikhradze S.	Debt	Sovereign	01 Jul 2021	–	–	–	–	3,030,000	3,030,000
	Jordan	Infra TMEA, SIG	Masri K.	Debt	Non-Sovereign	30 Nov 2021	–	–	–	–	9,844,028	14,644,028
											<b>29,804,529</b>	<b>34,604,529</b>
	Country of operation	Team of OL	OL Name	Instrument	Sovereign Risk Name	Original Signing Date	SBI Sub-Category	Historical & Current ASB Projects	Possible future ASB Project	ABS FI Integral Component	NCBI	TPV
	<regional>	Infra TMEA, SIG	Masri K.	Debt	Non-Sovereign	11 Nov 2021	Pillar 3 - DFF SME	–	–	–	1,493,065	2,611,980
	Jordan	SEMED - Amman (Jordan)	Griffies Weld E.	Debt	Sovereign	28 Nov 2021	–	–	–	–	30,000,000	69,500,000
	Kosovo	Pristina (Kosovo)	Muaremi B.	Debt	Sovereign	10 Dec 2021	–	–	–	–	13,500,000	38,200,000
	Serbia	Belgrade (Serbia)	Erkan C.	Debt	Sovereign	15 Dec 2021	–	–	–	–	15,000,000	15,000,000
	Tajikistan	Null Value	Erkaev A.	Debt	Sovereign	02 Mar 2021	–	–	–	–	3,000,000	15,000,000
	Tunisia	SEMED - Tunis (Tunisia)	Chaouachi A.	Debt	Sovereign	09 Jul 2021	–	–	–	–	49,000,000	63,300,000
	Uzbekistan	Infra Eurasia, SIG	Narbayev M.	Debt	Sovereign	07 Jun 2021	–	No	No	No	61,842,919	74,211,503
	Bulgaria	Infra Europe, SIG	Manolov S.	Debt	Non-Sovereign	23 Nov 2021	–	–	–	–	11,700,000	91,800,000
											<b>185,535,984</b>	<b>369,623,483</b>
	Country of Operation	Team of OL	OL Name	Instrument	Sovereign Risk Name	Original Signing Date	SBI Sub-Category	Historical & Current ASB Projects	Possible future ASB Project	ABS FI Integral Component	NCBI	TPV
	Turkey	Infrastructure, Energy (Turkey)	Bal C.	Debt	Non-Sovereign	23 Nov 2021	Pillar 3 - DFF Non-SME	–	–	–	7,509,497	10,159,908
											<b>7,509,497</b>	<b>10,159,908</b>
	Turkey										<b>25,000,000</b>	<b>25,000,000</b>

Supporting policy engagement that will have a long-term impact on the blue economy is central to the EBRD's commitment to preserving natural capital. Other highlights this year have included:

- Co-authoring two reports with the United Nations Environment Programme Finance Initiative (UNEP FI), which hosts the Blue Economy Finance Principles. [Rising Tide](#) maps the current state of ocean finance and offers frameworks and financial instruments that can successfully address ocean sustainability. [Turning the Tide](#) is the UN's practical toolkit to help financial institutions start financing ocean sectors in sustainable ways. It provides detailed recommendations on which client activities to seek out, challenge or avoid.
- Involvement in several high-level events on the blue economy. These included the eighth annual [World Ocean summit](#), which brought together world leaders, policymakers and economists. The EBRD gave a presentation on its commitment to the sector and outlined its plans for financing a sustainable ocean economy.
- Collaborating with the UN's International Maritime Organisation and the World Bank as part of the FinSmart initiative. A [roundtable](#) including private- and state-sector stakeholders discussed financial solutions for decarbonising shipping, which is a significant source of pollution and global CO<sub>2</sub> emissions. The EBRD presented the findings of the roundtable at the [Zero- and Low-Emission Innovation Forum](#), hosted by the International Maritime Organization (IMO) and UNEP in September 2021.

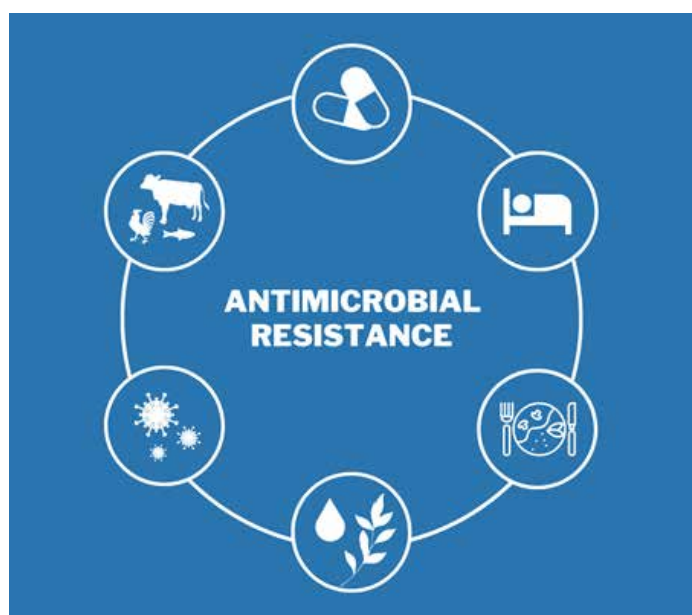
## Environmental Technology Transfer Programme (EnviTECC)

The EBRD's [Environmental Technology Transfer Programme \(EnviTECC\)](#) offers private and public companies a combination of EBRD co-financing and Global Environment Facility (GEF) grants, complemented by funding from other co-financiers, to promote investments in wastewater treatment and recycling and to reduce or eliminate persistent organic pollutants (POPs). It supports advanced environmental technologies with a view to creating cleaner coasts and water systems in Albania, Bosnia and Herzegovina, Egypt, Lebanon, Montenegro, Morocco, Tunisia and Turkey.

Part of the wider UNEP-led and GEF-funded [Mediterranean Sea Programme \(MedProgramme\): Enhancing Environmental Security \(2020-24\)](#), EnviTECC has been operating since 2020. It provides technical assistance support for pre-investment POPs/water audits and helps to develop gender action plans, POPs and water/wastewater technology guides in order to integrate appropriate technologies through the EBRD's [Green Technology Selector](#). The programme also includes a policy dialogue component to support GCAPs and to develop industrial depollution roadmaps. In 2021, MedProgramme conducted POPs audits on companies in Tunisia and Bosnia and Herzegovina as part of its pre-investment support process, to identify the presence of POPs and assess safe removal and disposal options. It also supported a wastewater treatment and re-use project in Egypt, backed by Finance and Technology Transfer Centre for Climate Change (FINTECC) funding.

The Bank has introduced a number of other initiatives to drive blue economy policy engagement and project generation that will produce tangible results in 2022. One example is its mainstreaming of the topic throughout its operational manual on the GET, which now includes a dedicated blue economy annex. This will help raise awareness of the topic within the Bank and assist staff in recognising those projects and their components that actively promote healthy oceans and seas.

## Antimicrobial resistance



Antimicrobial resistance (AMR) remains one of the biggest public health challenges of our time. Described as a “silent pandemic” by the UK Special Envoy on AMR, it poses a substantial challenge to achieving the SDGs in the economies where the EBRD invests.

The EBRD has been ahead of most international financial institutions in systematically providing AMR capacity building for its healthcare-sector clients. It was the first international financial institution to refer specifically to AMR, in its 2019 ESP. The same year, on-site AMR audits and training were carried out at client hospitals in Georgia and Turkey, and in 2020, the Bank signed a memorandum of understanding with the [British Society for Antimicrobial Chemotherapy \(BSAC\)](#).

This year, due to travel restrictions, two AMR audits were conducted online, in Ukraine and Egypt. Hospital clients subsequently received training, while the wider medical community was invited to workshops on infection prevention and control, antibiotic stewardship, laboratory capacity and surveillance. In Ukraine, 142 medical professionals took part.

Other highlights in 2021 included:

- Plans for the next stage of capacity-building engagement via the BSAC's e-learning platform. This will include best practice for antibiotic stewardship for existing and future healthcare clients and the medical community in the economies where the Bank invests.
- The completion of a study commissioned by the EBRD and carried out by AMR experts at the University of Liverpool. This supported the development of internal Bank project guidelines ahead of the introduction of new EU regulations in January 2022 prohibiting the routine use of livestock antibiotics, including for preventive group treatment. This is the most significant shift in EU regulations on the use of antibiotics in livestock since 2006, when it prohibited their use as a growth agent. The EU also aims to reduce the sale of antibiotics for livestock in member states by 50 per cent by 2030.
- The publication of a Japan-Europe Cooperation Fund (JECF)-funded [report](#) on the impacts of Covid-19 and AMR on the five largest recipients of EBRD funding. *Covid-19 response and impact: A study on how the pandemic affected Egypt, Kazakhstan, Poland, Turkey and Ukraine* looks at national responses to the pandemic and its impact on their populations. It underlines the critical role of the Bank's investment in the healthcare sector and public-private partnership (PPP) hospitals and the need to expand AMR technical support where it invests.

## 6. Donor support and partnerships



Donor governments and partners make a vital contribution to the EBRD's work by providing funds that act as a catalyst for the Bank's investments and other activities. A large community of donors is backing the EBRD with more resources than ever before, a sign of support for the Bank and its model of sustainable and inclusive development led by the private sector. More details can be found in this chapter.

### Donors

The need for donor support in the EBRD regions during the Covid-19 pandemic underscores the importance of the Bank's longstanding partnership with the international donor community.

In 2021, donors provided €684 million to support the EBRD's investments, advisory, capacity building, investment climate reform and policy dialogue in the form of grants and concessional finance. During the year, in its role as fund manager, the Bank mobilised an additional €75 million for EBRD-managed funds open to other development entities and development finance institutions. Grounded in a shared vision for the future, the Bank hopes to bolster its partnerships with donors over the 2021-25 strategic period.

#### Bilateral donors

In 2021, bilateral donors continued to play a critical role, enabling the Bank to have a substantial impact on a range of sectors. Outcomes include significantly reduced carbon emissions and energy use, access to clean water for millions of people, vital connectivity infrastructure, local capital markets and support for thousands of small enterprises, including businesses led by women, refugees and young people.

Bilateral donors continue to support key climate policy dialogue, including on renewable energy auctions, sectoral reform and climate corporate governance.

#### High-Impact Partnership on Climate Action

The EBRD's High-Impact Partnership on Climate Action was launched at COP26. This is the Bank's first multi-donor partnership tackling climate change and environmental degradation. Its primary objectives are to unleash investments and solutions that reduce or prevent greenhouse gas emissions, strengthen resilience, reduce vulnerability to climate change and protect the environment.

The partnership builds on a unique business model combining the EBRD's and other commercial financing with concessional financing, policy engagement and technical assistance, and acts as a conduit to unlock the right market conditions, mobilise co-financing and attract the private sector. It is a pioneering effort by the EBRD and was developed in collaboration with Austria, Finland, the Netherlands, Switzerland, the Taiwan International Cooperation and Development Fund (ICDF) and the United Kingdom.

In line with the Bank's GET approach, the partnership will work in eight thematic areas, including energy systems, sustainable food systems, green financial systems, cities and environmental infrastructure and natural capital. Five cross-cutting themes will include climate adaptation and resilience, just transition, and gender and economic inclusion.

### Climate Investment Funds (CIF)

The CIF is a multilateral fund that aims to accelerate climate action in developing countries through transformational action on clean technology, energy access, climate resilience and sustainable forests. To date, the CIF has supported more than 90 EBRD endeavours in areas such as renewable energy, energy efficiency, climate change adaptation, green cities and agribusiness in countries such as Armenia, Jordan, Kazakhstan, the Kyrgyz Republic, Morocco, Tajikistan, Turkey and Ukraine. Highlights in 2021 included:

- US\$ 2.25 million in additional financing was committed to the GEFF in the context of the CIF Scaling up Renewable Energy Programme (SREP). These donor funds will support about US\$ 12 million of EBRD dedicated climate adaptation and mitigation financing as part of a US\$ 37 million regional facility in Armenia. The loans, channelled through participating financial institutions including banks, microfinance and leasing companies, will target private-sector sub-borrowers seeking to invest in small-scale renewable power and heat technologies, in line with the EBRD's GET approach and the objectives of the SREP. Donor and EBRD funds are expected to result in 28 MW of installed power capacity and the successful implementation of a net-metering framework in Armenia. The facility is also committed to promoting gender equality and seeks to enable both women and men to benefit equally from loans for small-scale renewable energy installations.
- The CIF, together with its MDB partners, is currently in the process of rolling out its new Renewable Energy Integration (REI) Program. In this context, the EBRD remains committed to supporting countries such as Ukraine develop more flexible and resilient energy systems through solutions that can accelerate the uptake of the best technological combinations. The REI Program works by developing national and regional investment plans that address both policy and market barriers preventing further penetration of renewable energies into the grid.

### European Union (EU)

The EU is a key EBRD partner and remains at the forefront of international efforts to address climate change and biodiversity challenges. The EU and the EBRD share a common objective: to create systemic change with a view to meeting international climate targets, for example, through joint action on sustainable finance principles, frameworks, regulation and financing instruments. In 2021, out of €291 million provided by the EU, €93.5 million was marked as GET. In addition, the EBRD signed an agreement to co-invest €500 million from the government of Greece's allocation from the EU Recovery and Resilience Facility, of which at least €192.50 million would be co-invested along with EBRD resources in activities that support climate or environmental objectives.

## Partnering with the EU

The EBRD works to support the EU in its development of landmark policies, green financing mechanisms and industrial strategies. In 2021, this included:

- contributing to the [International Platform for Sustainable Finance](#), which is working towards international approaches on green taxonomies, transition finance and other climate and sustainable finance frameworks and approaches
- supporting the EU in international climate policy discussions, for example, by endorsing the [Global Methane Pledge](#) signed at COP 26 by the US President, the European Commission President and other world leaders
- collaborating with the European Commission and other development finance institutions to develop a set of common climate finance priorities and approaches for the [Western Balkans Investment Framework](#)
- cooperating with the EU on industry initiatives and investments for [batteries](#), [bio-based industries](#), [clean hydrogen](#), [energy efficiency financing](#), [energy-intensive industries](#) and [raw materials](#)
- collaborating with the EU on the topic of just transition and partnering on technical assistance programmes in a number of economies across the EBRD regions that need to transition away from heavy reliance on coal and other fossil fuels in their energy mix.

## Global Environment Facility (GEF)

The [GEF](#) is a multilateral fund tackling global environmental issues, including climate change, international waters, chemicals and waste. The EBRD has been an implementing agency of the GEF for more than a decade. In that time, the GEF has provided the EBRD with grant co-financing, grants for technical assistance and concessional finance to support the Bank's efforts in addressing climate change and environmental degradation.

The GEF's support has been critical to the Bank's activities, including the regional FINTECC programme, delivering water resilience in Central Asia, resource efficiency and green finance in Kazakhstan, and depollution in Tunisia.

## EBRD first circular-economy programme and early work on e-mobility

### Circular economy

In 2021, the Bank launched the *Circular Economy Regional Initiative* in Turkey and the Western Balkans. It will support private-sector investments, particularly by SMEs implementing innovative and resource-efficient technologies and adopting circular business models. The programme will improve the management of raw materials during the full life cycle of products, divert waste from landfill and the marine environment, and reduce or avoid GHG emissions through innovative technologies and circular practices. It will also increase competitiveness, promote innovation and boost economic growth. An innovative pricing mechanism provides interest rate discounts based on implementation milestones linked to circular technologies and business strategies.

The GEF is funding the programme to the tune of US\$ 13.76 million, blended with EBRD financing of about US\$ 140 million and technical cooperation funding of US\$ 1 million from the [Austrian](#) Federal Ministry of Finance.

### E-mobility

At COP26 in Glasgow, the EBRD took part in the launch of the [Global Electric Mobility Programme](#), funded by the GEF. The programme brings together a range of international organisations, including the EBRD, UN Environment, the International Energy Agency and the Asian Development Bank. It aims to overcome common barriers to the development of e-mobility and create the conditions for scaling up investments through knowledge sharing, capacity building and policy engagement with stakeholders, including technology and service providers. As part of its commitment to the programme, the EBRD is building a regional platform to support the transition to e-mobility in the economies where it works.

## Green Climate Fund (GCF)

The EBRD developed a close partnership with the GCF from its inception. From Morocco to Mongolia, and from Egypt to Tajikistan, GCF funds act as a catalyst for investments that drive climate change mitigation and adaptation. Highlights in 2021 included:

### The Green Energy Financing Facilities programme

The EBRD approved an additional US\$ 497 million for the next phase of its successful large-scale partnership with the GCF. This will support thousands of individual investments in technologies that reduce emissions and enhance resilience to climate change. Some US\$ 373 million will come from the Bank's ordinary resources, with the equivalent of up to US\$ 124 million of concessional financing provided by the GCF. The new extension will help maintain momentum and continue scaling up gender-responsive green financing. It is estimated that the latest extension will avoid 800,000 tonnes per year of CO<sub>2</sub> emissions, equivalent to retiring 125 MW of coal-fired electricity generation capacity.

As of end of 2021, more than 30 GCF Green Energy Financing Facility transactions had been signed, for a total value of about US\$ 500 million, comprising about US\$ 380 million from the Bank's ordinary resources and US\$ 120 million from the GCF.

### High-impact programme for the corporate sector

The EBRD and the GCF launched the new US\$ 1.01 billion "high-impact programme for the corporate sector" in August 2021. It combines US\$ 252.5 million of concessional finance from the GCF with US\$ 757.5 million from the EBRD and other co-financiers, with an additional US\$ 5.53 million from the GCF and US\$ 1.36 million from the EBRD for technical assistance and policy dialogue. It will promote the uptake of low-carbon technologies in the industrial sector.

The programme is the GCF's first at-scale engagement in the sector. It has been designed to facilitate a transformational shift within the energy-intensive industries, agribusinesses and mining sectors of Armenia, Jordan, Kazakhstan, Morocco, Serbia, Tunisia and Uzbekistan. The programme is expected to avoid more than 17 million tCO<sub>2</sub>e emissions over the lifetime of the underlying investments.

### Knowledge-sharing partnerships

The EBRD works with partners to develop standards and methodologies and it engages with a range of initiatives to foster knowledge sharing. The EBRD continued to engage with the **Mainstreaming Climate in Financial Institutions Initiative**, a network of public and private banks, working to integrate climate into the institutions' governance, strategy, risk assessments and financing activities. It is an observer to the **Network for Greening the Financial System** (NGFS) and contributed to the update of the guidance on climate and environmental risks in financial supervision.

The EBRD is one of the founding members of the **NDC Partnership** and has been representing the regional development banks in the Steering Committee since 2021. Since becoming a Steering Committee member, the Bank was also invited, together with Rwanda, as Champions for the Finance Taskforce to develop a finance strategy that supports the partnership's 2021-25 work programme. Alongside many other implementing partners, the EBRD provides assistance to countries in enhancing and implementing its NDCs and LTSS.

The Bank has been actively involved with the **EU Sustainable Finance Platform** in the development of the technical work supporting the EU taxonomy on sustainable finance. The EBRD also worked closely with its partner MDBs in developing joint approaches for Paris alignment, nature conservation and occupational health and safety.

## Special environmental programmes: the E5P and NDEP

The EBRD has a global reputation for its work in challenging economies and complex environments, including areas where nuclear safety is of concern. This is why donors and other international financial institutions asked the Bank to manage, on their behalf, two multilateral funds created to address environmental, nuclear safety and climate change challenges in eastern Europe. The [Northern Dimension Environmental Partnership \(NDEP\) Support Fund, a €348 million multi-donor fund](#), is a flagship initiative within the context of the EU Northern Dimension. It helps finance nuclear safety improvements and environmental projects, focusing mainly on wastewater treatment projects in north-west Russia and Belarus\* that will benefit the Baltic and Barents Seas region. The EBRD is also fund manager of the [Eastern Europe Energy Efficiency and Environment Partnership](#) (E5P), bolstering resilient municipal infrastructure in the public sector to help cut global emissions and support the post-Covid-19 recovery. The [E5P](#) is a €265 million fund, which works alongside other MDBs to support environmental and energy-efficiency projects in the EU Eastern Partnership region.

The renovation of district heating networks is the E5P's main sectoral priority, with a focus on Ukraine and Moldova. E5P grants are often used to finance individual heating stations and new monitoring systems to allow users to control how much heat they use, depending on their needs. Consequently, people living in residential buildings or the owners of public buildings, such as schools, hospitals and kindergartens, can reduce their energy consumption by up to 30 per cent, allowing them to save money and cut CO<sub>2</sub> emissions. As of 2021, the E5P had extended grants worth more than €26 million to the Ukrainian cities of Zhytomyr, Ternopil, Lviv, Lutsk and Dnipro, where close to 1,000 individual heating substations have been installed. Such efforts promote policy dialogue and support Ukraine's NDC goals, as well as other reforms in areas such as energy tariffs.



Note: \* The EBRD made no investments in new projects in Russia during 2021, in accordance with the 2014 guidance from a majority of Directors not to engage in new business in the country. The EBRD has not invested in new projects in Belarus in recent times, following the disputed 2020 presidential election in that country. In April 2022, the EBRD Board of Governors formally suspended access by both Russia and Belarus to EBRD resources.

## 7. Social impact



The EBRD believes that equal access to economic opportunity is integral to sustainable market development. In 2021, the Bank more than doubled the share of its projects that address gender inequality. It introduced new strategies to support gender equality and equality of opportunity, as well as a policy on how personal data must be processed by or on behalf of the Bank. The Bank also consulted civil society organisations (CSOs) on several policies to support its activities. More details can be found in this chapter.

### Economic inclusion and gender equality

From 2020 to 2021, the EBRD more than doubled the share of its projects that address gender inequality up to 35 per cent. However, women and other marginalised groups in the economies where the Bank operates continue to face difficulties in accessing the same economic opportunities as men. Covid-19 has exacerbated those inequalities, with education severely disrupted and job opportunities for young people hindered. Women have shouldered the bulk of additional care responsibilities and their labour-force participation has dwindled. It is particularly hard for women and rural populations to share in the gains of the digital revolution.

Integrating women as equal economic actors could substantially strengthen growth and innovation. The EBRD regions would be better equipped to respond to shocks and long-term stressors such as demographic change, boosting gross domestic product (GDP) by at least [US\\$ 400 billion by 2025](#)<sup>3</sup>. The Bank introduced two new strategies in 2021 to support its commitment to equality across its regions.

The [Strategy for the Promotion of Gender Equality](#) (2021-25) will expand the mainstreaming of gender equality activities across the EBRD's operations, making it an integral part of the Bank's business model. The share of projects with a gender component will increase from 18 percent in 2021 to 40 percent by 2025. This aligns with [SDG5: women's equality and empowerment](#).

The [Equality of Opportunity Strategy](#) (2021-25) recognises that the characteristics behind inequality of opportunity overlap and intersect and can change throughout a person's life. The strategy's "human capital approach" supports the needs of a national or sectoral workforce rather than limiting its focus to those of a specific target group. It further supports the inclusivity of regions, financial systems, urban regeneration and infrastructure, among other things. The Bank will promote a more strategic focus on the "future of work" through [digital](#), green and STEM (science, technology, engineering and mathematics) skills development. It will achieve the aims of the Strategy through inclusive investments that will scale up from an annual share of 11 percent (2020) to 25 percent of projects by 2025.

Gender inclusion is now fully mainstreamed into GCAPs under the **EBRD Green Cities** umbrella. A notable example of the success of mainstreaming in 2021 was the Romanian city of Lasi, which incorporated gender inclusion into its green objectives. The city integrated gender considerations into energy-efficient designs and investments in public and commercial buildings.

The EBRD joined other MDBs as part of the **2X Climate Finance Task Force** at COP26 to promote gender equality and women's empowerment in climate finance investments. The task force presented a new [toolkit](#) – the Gender-Smart Climate Finance Guide – on behalf of the 2X collaborative on Gender Day. The guide offers guidance, tools, analysis and case studies to help investors identify investment opportunities and mitigate risk in gender and climate financing.

#### Assessing the investment climate for women



##### Kyrgyz Republic

To promote inclusive financial systems and business environments conducive to women's entrepreneurship, the EBRD implemented a gender-responsive investment climate assessment. This helped to identify the legal and policy-related obstacles that women entrepreneurs face when starting and operating their businesses and when integrating into regional value chains.



**Donors:** We-Fi

**Loan:** US\$ 82,000

**Impact:** The assessment led to a reform of the business licensing system, simplifying it, reducing the costs of doing business and improving regulatory oversight of government authorities.

3 See McKinsey Global Institute (2015), [The Power of Parity](#).

## Developing green and digital skills



### Albania

Young people working for energy distributor OSHEE are being offered work-based opportunities to improve their technical, digital and energy efficiency-related skills. Courses take into account skills that will be required by the client and the industry more broadly, supporting the green economy transition and digitalisation in the context of the 'future of work'. A gender participation quota of 50 per cent will enhance the role of women in the energy sector.



**Donors:** Technical cooperation funds from Japan

**Loan:** EBRD finance of €70 million; technical cooperation funds of €75,000

**Impact:** Over a four-year repayment period, more than 250 young people will gain accredited, market-relevant skills.

## Climate finance supports women entrepreneurs



### Serbia

A funding and technical support programme for financial institution UniCredit Leasing was completed in 2021, with a view to improving women's access to green technologies. A framework examined access to information on climate risks and mitigation among women and men, taking into account their different needs, priorities, vulnerabilities and coping strategies. It also addressed obstacles to accessing finance for related technologies.



**Donors:** GCF and government of Luxembourg

**Loan:** €20 million

**Impact:** More equal access to climate finance for male and female sub-borrowers for the adoption of green technologies, in order to develop climate resilience.

## Human rights

### Covid-19 and digitalisation

Covid-19 continued to affect the economies in which the EBRD operates, exacerbating certain vulnerabilities and human rights risks. The increased use of online platforms and digital tools heightened data privacy and digital surveillance concerns. In 2021, the EBRD published a [Personal Data Protection Policy](#) setting out core principles relating to all personal data processed by or on behalf of the Bank, with a focus on protecting stakeholders, including clients, CSOs and communities. The policy provides for the submission of a complaint to the EBRD Personal Data Review Panel within 90 days of becoming aware of an alleged violation, through the [data subject complaint form](#). Cyber security and data privacy issues were also incorporated into the [EBRD's approach to accelerating the digital transition 2021-25](#), and the Bank's due diligence approaches are being updated to reflect the changing environment.

In November 2021, the Bank refined its already robust ethics framework, including changes to whistleblowing and non-retaliation provisions. A newly-formed Ethics Committee will, among other things, receive and investigate allegations of misconduct against certain "covered persons", namely: (i) Board Officials, (ii) the President, (iii) Vice Presidents, (iv) the Chief Evaluator, (v) the Chief Accountability Officer, (vi) the Chief Compliance Officer, and (vii) the Chief Internal Auditor. The Bank's Whistleblowing Policy prohibits retaliation, provides guidance on available reporting channels and outlines the process for seeking and obtaining interim and final protection measures. New Bank staff already receive mandatory training on this policy. A Bank-wide mandatory e-learning course on the policy will be developed in 2022.

The rapid growth in online communication has also accentuated the digital divide, leaving some stakeholders without access to the necessary tools to communicate with the Bank or provide meaningful feedback on its projects. In 2021, the EBRD facilitated a virtual meeting with members of the International Financial Institution Working Group on Transparency, Disclosure, and Stakeholder Engagement to discuss digital communications. Recommendations included using secure channels, the continued use of hybrid engagement methods in places where there is insufficient access to online tools, and taking into account the needs of local people when planning stakeholder engagement activities.

The EBRD also redoubled its efforts to uphold high standards in social and environmental due diligence and monitoring, despite the limitations on site visits. The Bank identified experienced environmental and social consultants and offered them training to support their on-the-ground assessment of EBRD projects. [Training materials](#) were published online in Arabic, English, Russian and Turkish, and consultants received training on the Bank's 2019 [ESP](#) and Performance Requirements.

An EBRD project in Turkey and Georgia identified and addressed the training needs of community liaison officers (CLOs) for stakeholder engagement during the pandemic and beyond. CLOs are key to the success of Bank activities, as a critical interface between Bank projects and the communities impacted by them. Interviews and site visits to selected projects provided insight into their needs. Training included complex

negotiation techniques, combatting misinformation, managing serious grievances, dealing with aggression or conflict, and gender-sensitive stakeholder engagement methods. Online training modules will be developed and made available to CLOs across the Bank's regions.

### Gender-based violence and harassment (GBVH)

The pandemic also exacerbated gender inequalities and GBVH. In 2021, the EBRD introduced further measures to prevent and mitigate gender risks throughout the project appraisal and monitoring process, for example, by addressing risks in project ESAPs. Bank staff received training on GBVH risk screening, appraisal and monitoring procedures, reporting protocols and engagement with clients.

The Bank piloted a capacity-building project for public and private-sector clients in Turkey on addressing GBVH in the workplace. It reviewed the existing legal and support framework for dealing with GBVH. Country-specific guidance for the private and public sector is being developed with the participation of clients. Public representatives from four municipalities (Istanbul, Izmir, Ankara and Mersin) and more than 50 representatives from the private sector attended two roundtables dedicated to shaping GBVH guidance and training modules based on their needs. Clients will receive training on GBVH prevention and response and be given access to a range of resources. Country-specific support programmes will be rolled out to other EBRD investee economies in 2022.

### Workers' rights

Remote labour risk assessment and monitoring tools were developed to ensure robust EBRD standards on workers' rights were applied to all projects during Covid-19 restrictions. They focused on clients with large workforces and extended supply chains. Sector-specific labour training was offered to clients and consultants in agribusiness, retail, energy and manufacturing. In Uzbekistan, a two-year capacity-building programme on labour rights and standards was completed in December 2021. A country-specific practical labour toolkit was produced, and training and mentoring were delivered to clients, consultants and other partners.

Covid-19 has exacerbated supply-chain disruptions in some sectors and demonstrated, in certain cases, weaknesses and a lack of resilience. In some instances, it has highlighted a lack of transparency and influence to prevent or remedy labour exploitation, particularly of the most vulnerable workers. The EBRD developed internal guidance to support staff in implementing supply-chain requirements on child labour, forced labour and worker health and safety and in establishing roles and responsibilities for clients, their suppliers and the Bank.

In the solar energy sector, allegations of forced labour and other human rights violations proved challenging to assess and tackle in the short term. The EBRD collaborated with other international financial institutions to develop a common risk management approach to supply-chain due diligence, tailored to the solar sector, and outline a phased approach to overcoming these challenges.

## Civil society engagement

Ongoing dialogue with CSOs allows the Bank to hear concerns, as well as proposed solutions, at grassroots level. The EBRD works towards inclusivity and transparency,<sup>4</sup> with CSOs regarded as valued partners in achieving these goals. CSOs often operate under constraints, with limited resources and capacity, and are not always able to engage with the EBRD, its private-sector clients or governments in an effective and sustainable manner. The Bank's [Capacity Enhancement Framework](#) aims to bridge that gap through capacity-building projects that help them to contribute more constructively to the Bank's goals of greater economic inclusion, good governance and digital transformation.

In 2021, the EBRD consulted CSOs on a number of policies, including:

- the EBRD's new Gender and Economic Inclusion Strategy, which aims to boost equality of opportunity and advance women's economic empowerment
- Accelerating the Digital Transition, where CSOs heard the EBRD's approach and provided feedback and shared their experiences
- the methodology to determine the Paris Agreement alignment of projects directly financed by the EBRD. The Bank presented its strategy and engaged with CSOs who offered feedback and recommendations. A public consultation on the alignment of indirectly financed projects was held in January 2022.

Over the course of 2021, the EBRD also held several public events on the role of CSOs. This included a symposium on how to build more inclusive and vibrant societies, where civil society serves as a crucial "third pillar", balancing the state and the private sector. Another event examined how MDBs can enhance the role of CSOs in delivering better and more inclusive policies and investments. A panel discussion explored how the decisions taken at COP26 could affect the lives of future generations. Participants were invited to consider how international financial institutions, including the EBRD, could cooperate with CSOs for climate action to be meaningful and inclusive.

<sup>4</sup> Collaboration between the EBRD and CSOs aims to support the [EBRD's Environmental and Social Policy](#), and promote the EBRD's commitment to good governance.

## Supporting anti-corruption initiatives



### Regional - Central Asia

The EBRD and United Nations Office on Drugs and Crime (UNODC) established national-level dialogue [platforms](#) in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan to coordinate and foster public-private partnerships on anti-corruption. An initial pilot initiative in Uzbekistan supported the implementation of the 2018 Law on Public Control, promoting independent oversight and aiming to set a benchmark for the region.



**Donors:** EBRD Shareholder Special Fund and UNODC (co-funding)

**Loan:** €292,000

**Impact:** The initiatives enhanced the engagement of civil society in anti-corruption efforts and promoted more transparent and accountable governance systems.

## Civil society gets a digital transformation boost



### Turkey

The EBRD launched its first project under the Digital Transformation of Civil Society Programme, aiming to increase CSO preparedness for the “digital world”. A pilot project assessed the digital needs of organisations, provided them with funding and offered them digital mentoring. Mentees developed digital strategies to transform the way they work. The programme will be launched in other countries in 2022.



**Donors:** EBRD Shareholder Special Fund and the Support Foundation for Civil Society (co-funding)

**Loan:** €74,000 (€49,000 EBRD Shareholder Special Fund + €25,000 Support Foundation for Civil Society)

**Impact:** The skills and institutional capacity of five environmental NGOs were increased, with a specific focus on digital transformation.

## Economic inclusion in the hospitality sector



### Jordan

The EBRD partnered with the Jordanian Restaurant Association to support more inclusive recruitment processes to increase the economic participation of underrepresented communities, including women, young people and refugees. A web portal dedicated to the tourism and hospitality sector aims to connect jobseekers and employers to improve employment and training opportunities.



**Donors:** UK Investment Climate & Governance Fund

**Loan:** €98,000

**Impact:** Employment opportunities were opened up for women, youth and Syrian refugees and a job brokerage platform was introduced, dedicated to the tourism and hospitality sector.

## Health and safety

### Road safety

The UN's second Decade of Action for Road Safety was launched in 2021, with the ambitious target of preventing at least 50 per cent of road traffic deaths and injuries by 2030. A new [Global Plan](#) calls for improvements in the design of roads and vehicles, the legal environment and emergency care. In line with these goals, in 2021, the EBRD continued to address road safety in its urban transport projects, implementing child-friendly speed management around schools and planning further training across its regions. The Bank also appointed its Vice President Risk and Compliance and Chief Risk Officer as its Road Safety Champion. She is the most senior Bank official named to this role to date.

Other highlights of 2021 include:

- delivering road-safety engineering training in Azerbaijan
- conducting outreach activities in the Western Balkans, bolstered by the translation of the Bank's Road Safety Engineering eLearning training course into Serbian
- supporting Serbia's state [road agency](#) in implementing the ISO39001 standard for its traffic safety management system
- supporting a Ukrainian logistics company in [implementing ISO39001](#), helping it to reduce traffic accidents by almost 40 per cent in 2021
- delivering workshops in Kyrgyzstan, Lebanon and Tajikistan to key stakeholders involved in [post-crash response](#); developing a toolkit and training to improve post-crash emergency operations.

## Promoting safer road use



### Moldova

The Safer Villages Initiative aims to mitigate risks relating to the rehabilitation of the M3 road, which was financed by the EBRD. Engagement with local communities, schools and children in the villages of Congaz, Svetlii, Chirsova and Comrat is helping to raise awareness of road- and traffic-related risks to help prevent road traffic collisions.



**Donors:** EBRD Special Shareholder Fund (SSF)

**Loan:** €18,400

**Impact:** Sharing key messages with children, parents and teachers will help support safe road use.

## Covid-19

In July and August 2021, the Bank carried out an assessment on the impact of the pandemic on the use of public transport in the Western Balkans. Funded by the [Central European Initiative](#), respondents included passengers, non-governmental organisations (NGOs), local municipalities and public transport operators. Focusing on Pristina, Sarajevo, Banja Luka, Belgrade, Novi Sad, Skopje and Tirana, the study found that:

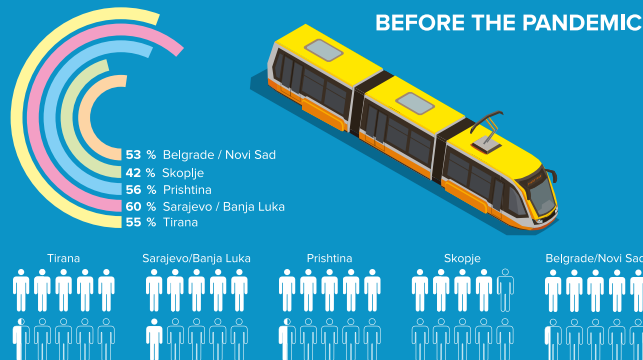
- there had been a huge decline in use of public transport
- public transport operators suffered massive losses
- there had been insufficient assistance and support from local authorities
- the majority of public transport users felt unsafe on public transport
- there was inadequate infrastructure to ensure mobility safety for vulnerable people
- no specific actions were taken to protect the health and safety of vulnerable people
- there was limited communication with the public on health and safety issues on public transport
- no national research was undertaken on the impacts of the pandemic on public transport operations
- there were insufficient traffic safety data.

## Public transport

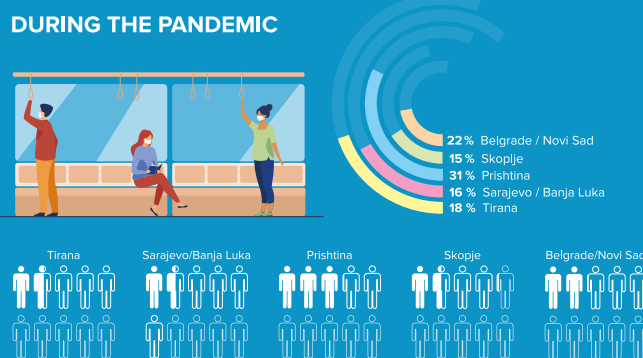
was the **most frequently used** type of transport **before the pandemic**, but private cars became the most preferred mode during the pandemic

### FREQUENT USERS OF PUBLIC TRANSPORT

#### BEFORE THE PANDEMIC



#### DURING THE PANDEMIC



### PEOPLE WHO FEEL COMPLETELY SAFE

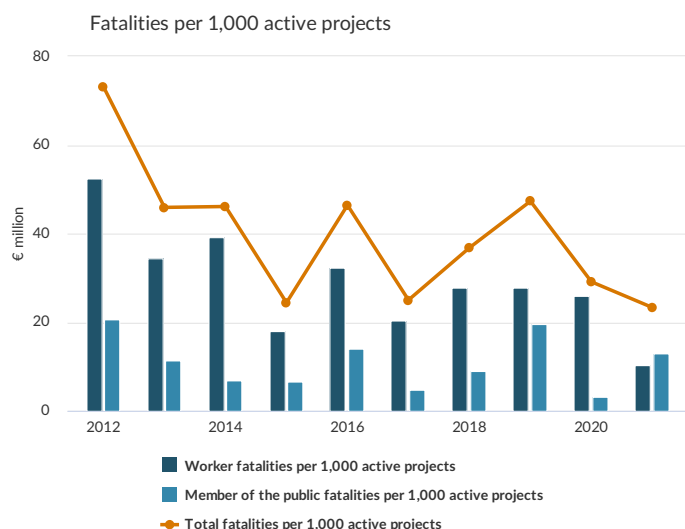
Only a minority of public transport passengers feel completely safe in public transport



### PEOPLE RELYING MOSTLY ON BICYCLES/SCOOTERS FOR MOBILITY

Use of bicycles/scooters increased slightly or insignificantly due to insufficiently built infrastructure





## Independent Project Accountability Mechanism

The [Independent Project Accountability Mechanism](#) (IPAM), the EBRD's accountability mechanism, completed its first full year of operation in July 2021. IPAM receives and reviews concerns raised by individuals and CSOs about Bank-financed projects believed to have caused harm.

IPAM addresses the concerns of affected communities through two functions: (i) the compliance review seeks to determine whether the EBRD has complied with its ESP and/or project-specific provisions of the Public Information Policy; (ii) problem solving aims to restore dialogue between the affected parties and the client to resolve issues without attributing blame or fault.

Promoting access is a key mandate of any effective mechanism. In 2021, IPAM produced its first [Outreach Strategy 2021-24](#) to promote safe access to IPAM by external stakeholders and to provide Bank staff with training to raise awareness about the mechanism. The strategy is based on the [UN Guiding Principles on Business and Human Rights](#) effectiveness criteria for non-judicial grievance mechanisms and the Project Accountability Policy guiding principles.

In 2021, IPAM organised outreach workshops in Uzbekistan and Turkey, hosted a session with CSOs during the EBRD's Annual Meeting, and participated in panels organised by partner institutions on varied topics such as "promoting access to mechanisms", "supply chain and accountability" and "effective monitoring".

IPAM recognises that the most effective way to respond to community concerns is through in-person engagement. As soon as Covid-19 travel restrictions eased, IPAM visited project sites and met with affected parties and other stakeholders where it had cases in both the compliance-review and problem-solving stages. While this is particularly important for building relationships with communities as part of a problem-solving process, it is vital for fact finding in a compliance investigation.

By year end 2021, IPAM had an active portfolio of 13 cases, including: one in assessment, three in problem solving, two in compliance assessment, four in compliance review and three in monitoring of management actions plans. These plans outline the action to be addressed by EBRD management in response to compliance review recommendations. IPAM monitors the implementation of management action plans semi-annually.

## 8. Investor information



The EBRD issues a range of green and social bonds that help to illustrate and support environmental and social aspects in the EBRD mandate. This chapter provides information on these bonds and the impacts the supported projects are expected to have.

The EBRD strives for a high standard of sustainable development in all of its operations, as reflected in its mandate, its ESP, its Sustainability Statement and the Bank's [commitment to aligning all of its financial flows with the Paris Agreement](#). All of its bonds may, therefore, be considered socially responsible investments (SRI).

In response to demand from those in the SRI-focused investor community with portfolios dedicated to thematic investments, since 2010, the Bank has earmarked portfolios of projects against which the proceeds of its Green Bonds and Social Bonds are allocated, tracked and reported.

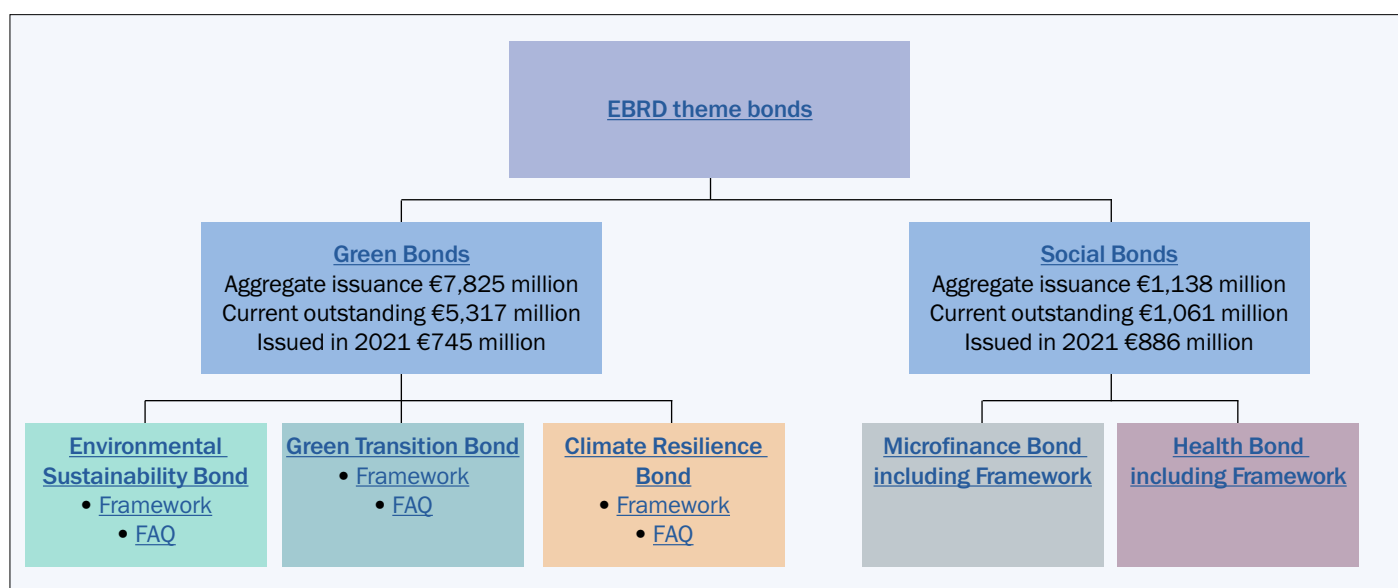
The terms "Green Bond" and "Social Bond" are used by the market for green or social bonds that are issued in line with the GBP and Social Bond Principles (SBP), respectively (collectively, "the Principles"). The EBRD has been a member of the GBP since its inception in 2014. It currently serves on the Executive Committee of the Principles and in various working groups. All of the EBRD's Green Bonds and Social Bonds are aligned with the GBP and SBP.

SRI finance harnesses support from global investors and capital markets to help improve people's daily lives and overcome global challenges, as highlighted by the 17 SDGs. Green Bonds and Social Bonds – the proceeds of which go exclusively to projects with clear environmental or social benefits – are gaining particular global recognition for enabling debt issuers to finance projects that seek long-term sustainability.

In line with best practice, the Bank has sought to report on the impact of such projects, where feasible, in this report. To the extent possible, reporting on the EBRD's Green Bond issuance has used metrics consistent with the [GBP Harmonised Framework for Impact Reporting](#) to ensure that investors are easily able to aggregate and report on the impact of their investment portfolios.

While the EBRD remains committed to the market for Green Bonds and Social Bonds, issuance volumes for such thematic bonds in any year is likely to be more dependent on the volume of disbursements under outstanding projects than on eligible new projects, which typically have a significant delay in their initial drawdown. For this reason and in light of global regulators' increasing focus on the market's integration of sustainability risks and opportunities in all their investments, the EBRD is seeking to provide greater transparency on its overall sustainability reporting. Mindful that the Bank has an investor base that spans six of the seven continents, as well as development-related investments on three continents, it aims to focus on disclosure standards that are consistent with this global context, such as the [GRI Standards](#), and reporting metrics recommended by the Principles.

### Overview of EBRD theme bonds



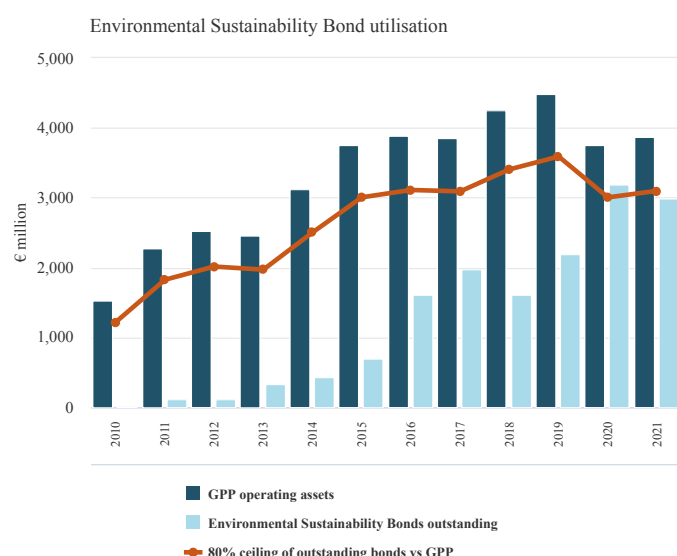
## EBRD Green Bond issuance

The EBRD issues three different types of Green Bond. They are all aligned with the GBP and highlight the importance the Bank places on environmentally sound and sustainable development while fulfilling core elements of its mandate.

All of the Bank's Green Bonds are underpinned by projects that have been scrutinised by the Environmental and Sustainability Department (ESD) for alignment with the [framework established for each Green Bond programme](#). New, eligible projects are not only required to comply with the strict selection criteria of the relevant framework, but must also meet specific hurdles under the GET approach. In addition, all eligible projects are reassessed on a quarterly basis to ensure continued compliance with the respective selection criteria. Any project subsequently deemed ineligible is removed from the relevant Green Bond portfolio, against which issuance is capped at 80 per cent to ensure that the operating assets of each portfolio do not exceed the related Green Bond proceeds.

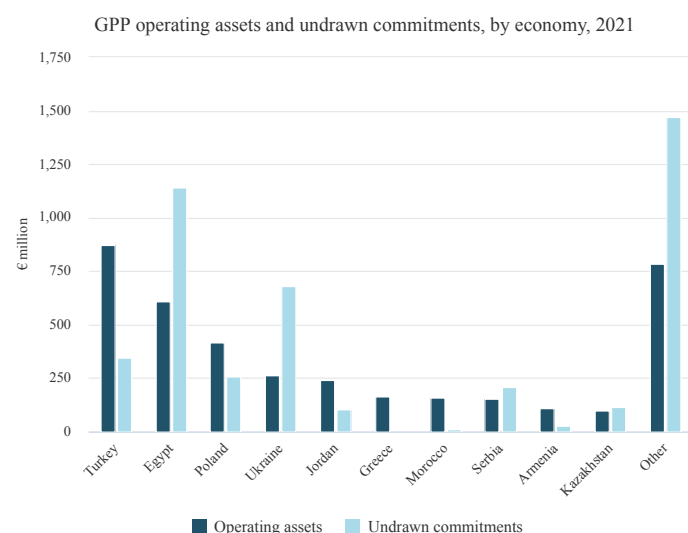
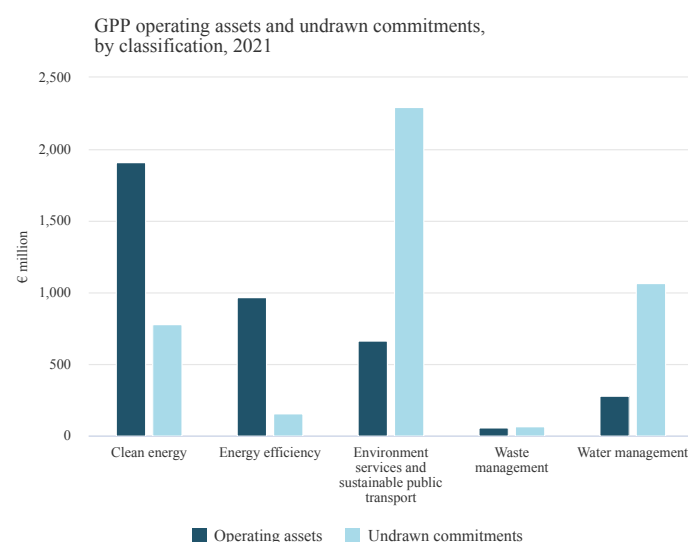
### Environmental Sustainability Bonds

The Bank has issued Environmental Sustainability Bonds since 2010. These are bonds issued against a Green Project Portfolio (GPP) of the EBRD's greenest assets. To date, it has issued an aggregate amount of €5,501 million. The table shows the annual euro equivalent outstanding amount.



The GPP can potentially cover all project categories listed as examples under the GBP, but the focus is on renewable energy, energy efficiency, water and waste management, as well as air pollution prevention (sustainable transport). The following charts show the year-end 2021 GPP composition.

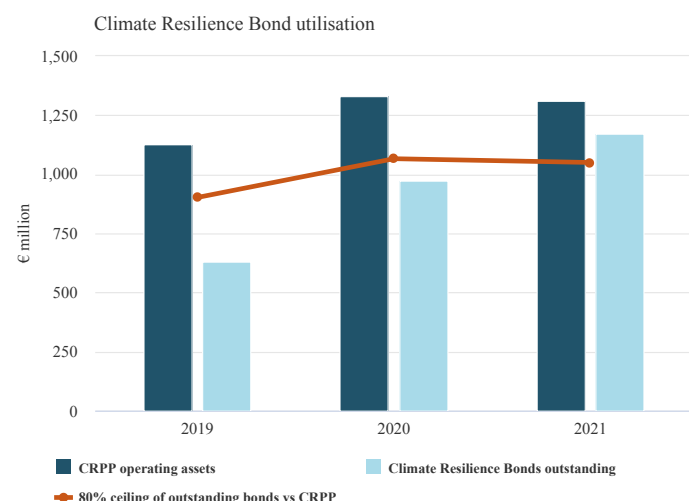
Total operating assets	€3.87 billion
Total undisbursed commitments	€4.36 billion
Number of projects	352
Weighted average remaining life	10.47 years
Weighted average tenor	13.86 years
Weighted average age of the GPP from signing as of 31 December 2021	3.39 years
Total committed amounts approved in 2021	€1.60 billion
Total new operating assets approved in 2021	€315 million
Total undisbursed commitments approved in 2021	€1.28 billion



## Climate Resilience Bonds

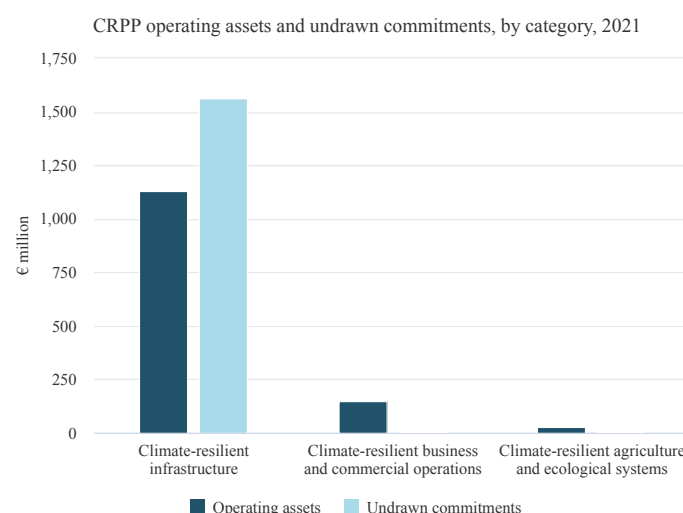
In 2021, we continued to issue under our Climate Resilience Bond framework, which was launched in 2019. The framework was designed in line with the four core requirements of the GBP to fund projects earmarked for the Climate Resilience Project Portfolio (CRPP). These, in turn, are selected and managed in line with the Climate Bonds Initiative's [Climate Resilience Principles](#), published in September 2019. They will typically fall into one of three categories:

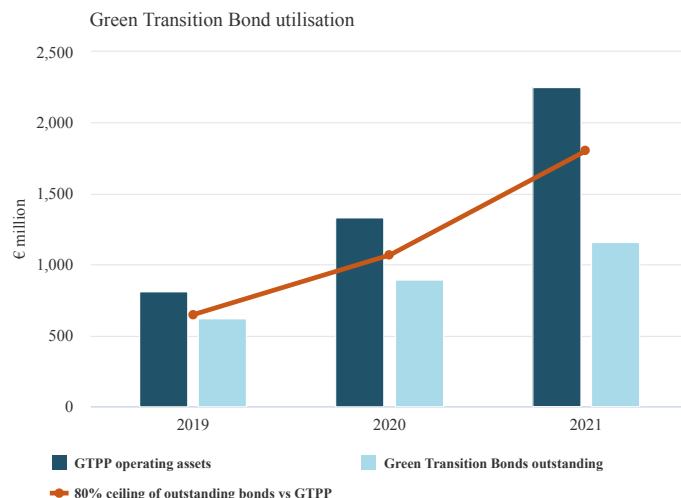
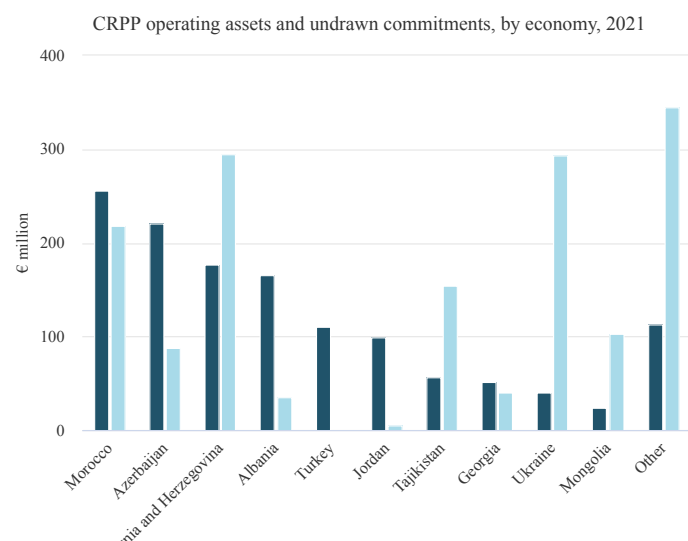
- climate-resilient infrastructure (for example, water, energy, transport, communications and urban infrastructure)
- climate-resilient business and commercial operations
- climate-resilient agriculture and ecological systems.



Currently, the EBRD has a portfolio of almost €3 billion in climate-resilient projects. The projects in the CRPP focus on the GBP category of “climate change adaptation”. The charts and table below show the 2021 year-end CRPP composition:

Total operating assets	€1.31 billion
Total undisbursed commitments	€1.57 billion
Number of projects	76
Weighted average remaining life	11.66 years
Weighted average tenor	14.92 years
Weighted average age of the CRPP from signing as of 31 December 2021	3.27 years
Total committed amounts approved in 2021	€299 million
Total new operating assets approved in 2021	€23 million
Total undisbursed commitments approved in 2021	€277 million





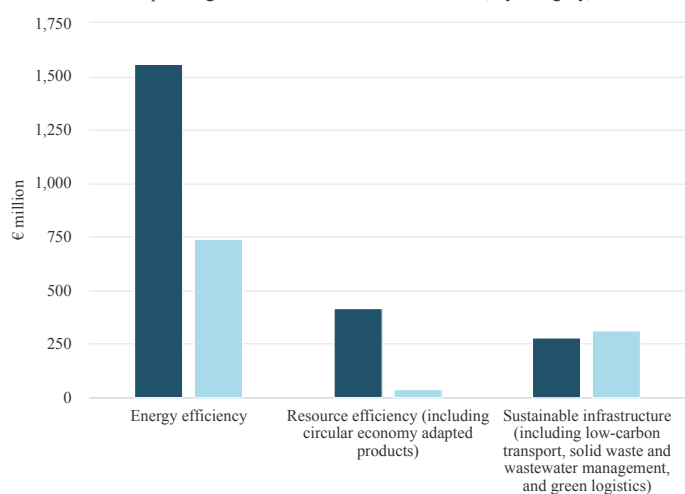
## Green Transition Bonds

The Bank issued three Green Transition Bonds in 2021 under the framework that is aligned with the GBP. The proceeds of the Bank's Green Transition Bonds finance a Green Transition Project Portfolio (GTPP) that focuses on key economic sectors that are highly dependent on the use of fossil fuels, to enable their transition to low-carbon and resource-efficient operations. In assessing GTPP investments, it is vitally important to go beyond the typical Green Bond focus on projects' environmental sustainability goals and contextualise the investments within the overarching mandate, strategies and policies of the borrower. The projects must thus be implemented in the broader context of better climate governance by the borrower. They should also ensure that financing is redirected from carbon-intensive assets and/or processes to enabling the host country to fulfil its Paris Agreement objectives. The projects in the GTPP concentrate on manufacturing, food production and the construction and renovation of buildings, with an emphasis on three GBP categories that account for more than 92 per cent of the portfolio's operating assets: energy efficiency, clean transport and green buildings.

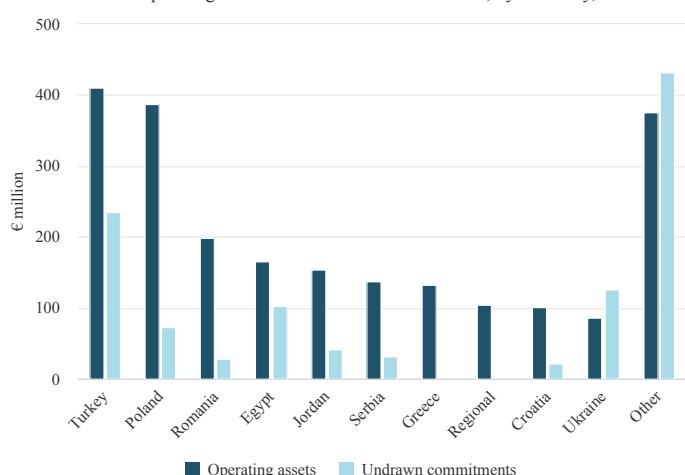
The following charts and table show the 2021 year-end GTPP composition:

Total operating assets	€2.25 billion
Total undisbursed commitments	€1.09 billion
Number of projects	138
Weighted average remaining life	7.03 years
Weighted average tenor	8.59 years
Weighted average age of the GTPP from signing as at 31 December 2021	1.56 years
Total committed amounts approved in 2021	€1.64 billion
Total new operating assets approved in 2021	€895 million
Total undisbursed commitments approved in 2021	€744 million

GTTP operating assets and undrawn commitments, by category, 2021



GTTP operating assets and undrawn commitments, by economy, 2021



## EBRD Social Bond issuance

The EBRD issues two types of Social Bond, both of which are aligned with the SBP.

### Health Bonds

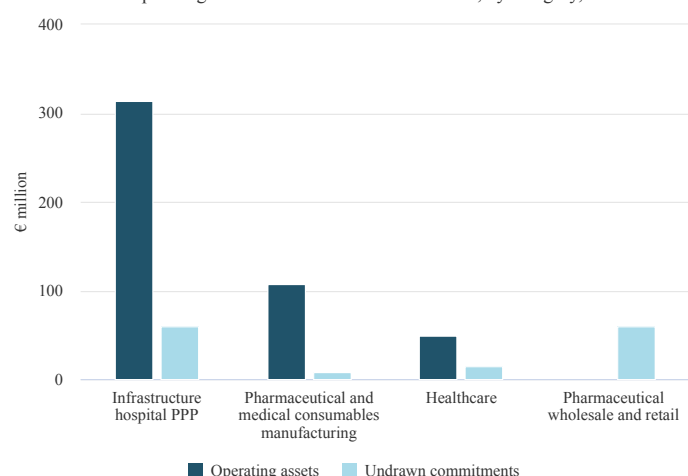
In 2018, the Bank issued its inaugural Health Bond. These finance projects that seek to improve access to and the quality of health services and pharmaceutical products.

The EBRD's Health Bond issuance is linked to the disbursed amount of the Health Project Portfolio (HPP). The eligible project investments focus on general hospitals, speciality hospitals, outpatient treatment centres, diagnostic imaging and laboratory facilities, long-term care, medical technology producers and pharmaceutical production. The Bank finances hospital infrastructure PPPs, which are facility management projects (no medical service provision).

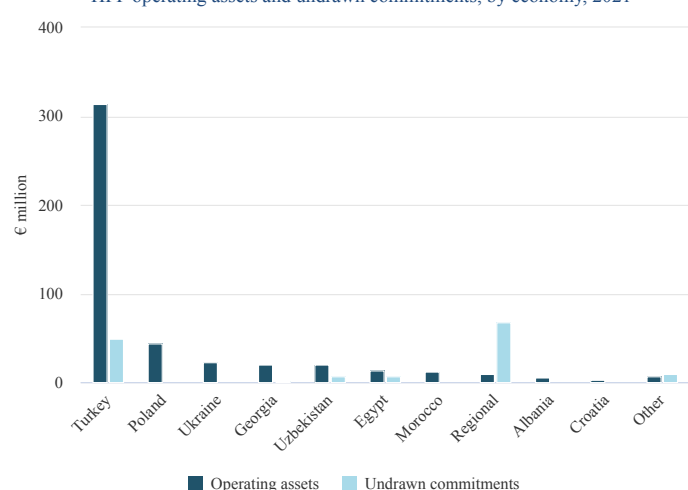
The charts and table below show the 2021 year-end HPP composition:

Total operating assets	€471 million
Total undisbursed commitments	€141 million
Number of projects	32
Weighted average remaining life	7.41 years
Weighted average tenor	11.14 years
Weighted average age of the HPP from signing as at 31 December 2021	3.73 years
Total committed amounts approved in 2021	€117 million
Total of new operating assets approved in 2021	€51 million
Total of undisbursed commitments approved in 2021	€67 million

HPP operating assets and undrawn commitments, by category, 2021



HPP operating assets and undrawn commitments, by economy, 2021



## Microfinance Bonds

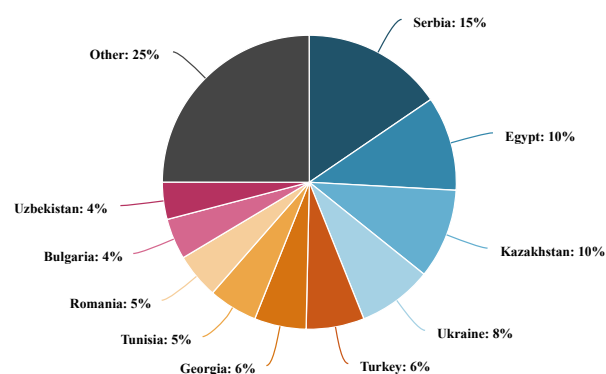
The Bank issued its inaugural Microfinance Bonds in 2010. The proceeds support the smallest loans provided under the EBRD Small Business Initiative (SBI). The SBI builds on the Bank's long experience in the field and provides flexible instruments that are combined into integrated products to help SMEs. Apart from funding micro-, small and medium-sized enterprises, the financing to financial institutions is mostly earmarked for specific, underserved groups, such as women entrepreneurs and those based outside major cities, or for promoting specific priorities, such as trade, competitiveness or innovation. The Bank has issued two privately placed Microfinance Bonds in South African rand and Mexican peso.

The Microfinance Bonds fund a select Micro Finance Portfolio (MFP) that is disbursed via the Bank's network of more than 200 local partner financial institutions, helping the EBRD reach hundreds of thousands of companies every year. The average individual sub-loan to the end-client amounted to less than €6,000. Technical assistance (often through donor funding) typically accompanies these programmes to help the local partner banks adapt the way they do business with small clients for the long term, creating sustainable outcomes.

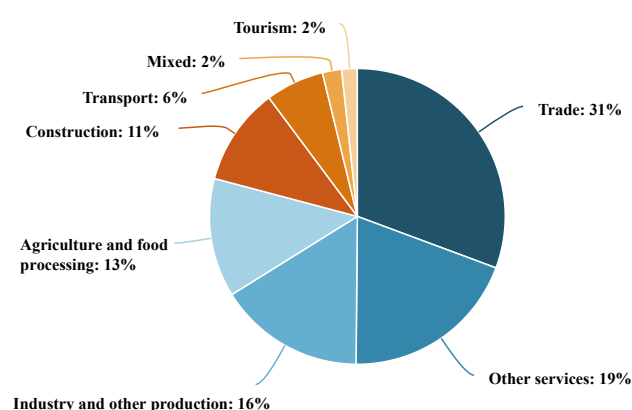
The charts and table below show the June 2021 MFP composition:

Portfolio	€1,818 million
Operating assets	€957 million
Number of "unique" clients	115
Number of active EBRD projects	219
Average sized sub-loan	< €6,000
Weighted average tenor	4.8 years
Weighted average remaining life	2.6 years
Weighted average margin	2.1%

MFPs operating assets, by economy, H1 2021



MFPs operating assets, by industry, H1 2021



## Impact, outcome and output reporting

The expected impacts, outcomes and outputs for all of the project portfolios that underlie the EBRD's Green and Social Bonds are based on the committed investment amounts. Because of the EBRD's focus on a holistic project review, the data is presented on a full project basis, as well as pro rata to the EBRD's share of funding. Note that because of the criteria applied to the respective project portfolios, not all of the EBRD's

investments in these sectors are included. Consequently, investment amounts and project benefits for the GPP are lower than the Bank's overall investments in these sectors. For further data or more granular breakdowns, please [contact the funding team](#) at the EBRD.

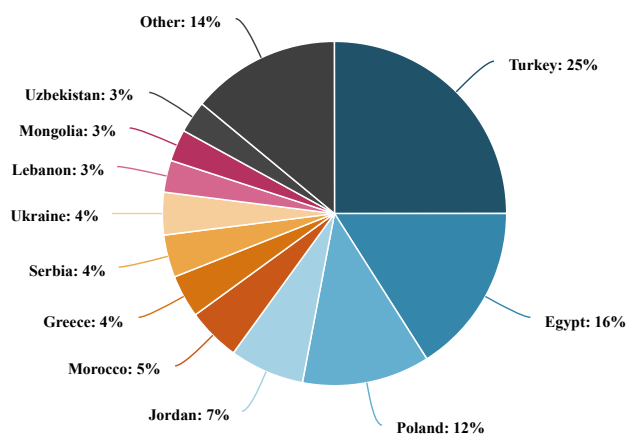
### Green Project Portfolio

The GPP comprises investments in renewable energy, energy efficiency, water, waste and sustainable transport projects.

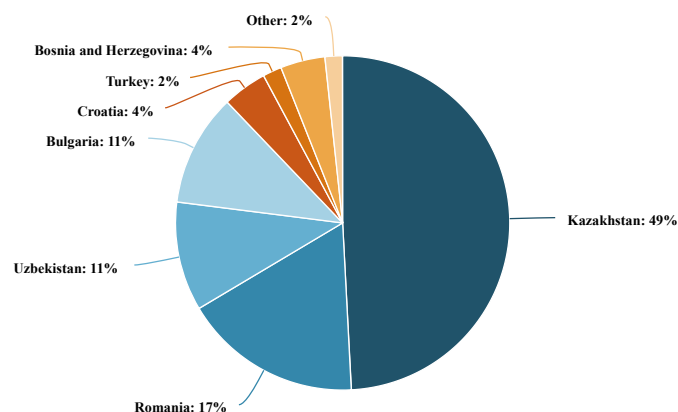
### Summary of GPP impact, 2021

	Impact metric	Impact metric unit	GPP
Portfolio and issuance	Allocated committed project amount (portfolio)	€ ('000)	8,231,386
	Allocated disbursed project amount (operating assets)	€ ('000)	3,872,308
	Outstanding Green Bond issued amount	€ ('000)	2,992,330
Renewable energy	Renewable energy component (based on portfolio)	%	33%
	Renewable energy capacity added (pro rata based on portfolio)	MW/annually	1,349
	Annual GHG emissions reduced (pro rata based on portfolio)	in kiloton of CO <sub>2</sub> equivalent/annually	2,506
Energy efficiency	Energy efficiency component (based on portfolio)	%	14%
	Annual energy savings (electricity/other) (pro rata based on portfolio)	GJ/annually	3,670,788
	Annual GHG emissions reduced/avoided (pro rata based on portfolio)	in kiloton of CO <sub>2</sub> equivalent/annually	1,204
Sustainable water and wastewater management	Sustainable water and wastewater management component (based on portfolio)	%	18%
	Annual absolute (gross) water savings (pro rata based on portfolio)	in m <sup>3</sup> /annually	134,047,320
	Annual waste water treated (pro rata based on portfolio)	in m <sup>3</sup> /annually	115,081,306
Waste management and resource efficiency	Waste management component (based on portfolio)	%	1%
	Waste prevented, minimised, re-used or recycled (pro rata based on portfolio)	tonnes/annually	1,789,552
Clean transport	Clean transport project component (based on portfolio)	%	36%
	Reduction of air pollutants (pro rata as per portfolio)	particulate matter (PM), tonnes/annually	17
	Reduction of air pollutants (pro rata as per portfolio)	nitrogen oxides (NOx), tonnes/annually	326

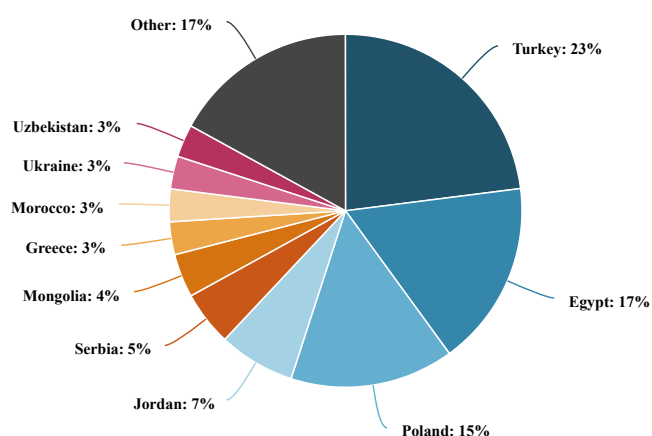
Pro rata GPP GHGs saved for climate projects (3.7 million tonnes per year), by economy, 2021



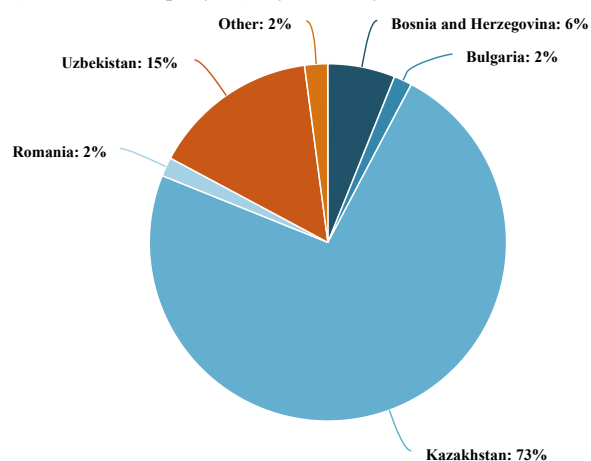
Total water savings (230 million m<sup>3</sup> per year), by economy, 2021



Total GPP GHGs saved for climate projects (12 million tonnes per year), by economy, 2021



Pro rata water savings (134 million m<sup>3</sup> per year), by economy, 2021



## Climate Resilience Project Portfolio

The EBRD's project-level climate resilience results, including those of the CRPP, are assessed as set out in Annex 4.2 of the EBRD's [GET Handbook](#) and are reported at outcome level, as defined in the MDB-IDFC [Framework and Principles for Climate Resilience Metrics in Financing Operations](#). Projects in the CRPP are assessed in relation to five types of physical climate risk: (i) increasing frequency and severity of extreme weather events, (ii) increasing water stress, (iii) increasing heat stress, (iv) increasing hydrological variability, and (v) increasing soil degradation. The results (outcomes) of the projects in the CRPP are reported under six categories, as set out in the GET Handbook. These are the outcomes – based on best estimates, on an ex ante basis – that the projects are expected to deliver against a pre-project baseline in response to the physical climate risks associated with the project-specific context of climate vulnerability.

1. **Increased water availability:** the additional water made available as a result of the project, either through water savings or through the provision of additional usable water, measured in m<sup>3</sup>/year.
2. **Increased energy availability:** the additional energy made available as a result of the project, either through energy savings or through increased energy generation, measured in GWh/year.
3. **Increased agricultural potential:** the additional capacity for agricultural potential achieved as a result of the project through improvements in soil quality, measured in tonnes yield/year.
4. **Improvements to human health/productivity:** improved health/productivity as a result of the project, measured in quality-adjusted life years (QALYs).
5. **Reduced weather-related disruption:** reduction in the amount of time that a system or elements of a system are rendered inoperable due to extreme weather events or acute climate risks, measured in days/year.
6. **Reduced weather-related damage:** Reduction in the damage to assets due to extreme weather events or shifts in climate conditions, measured in a range of units including risk frequency and extra years of service life – but presented in this table in valorised terms only, as it is not possible to aggregate the different physical units used.

These physical climate resilience outcomes are also expressed in valorised terms, as set out in the GET Handbook, in order to provide an estimate of their potential economic value, expressed in monetary terms.

## Summary of CRPP outcomes (total)

			Physical climate risks					Climate resilience	
			Increasing extreme weather events	Increasing water stress	Increasing heat stress	Increasing hydrological variability	Increasing soil degradation	Number of projects	Portfolio amount (€ million)
Number of projects			21	47	4	11	1	76	2,887
Portfolio amount (€ million)			1,892	579	86	330	1		
Climate resilience outcomes	Increased water availability	Number of projects (w. quantitative outcomes)	–	53 (41)	–	3 (2)	–	56	588
		Physical climate resilience outcomes (Δ million m <sup>3</sup> /year)	–	623	–	2.5	–		
		Valorised climate resilience outcomes (€ million/year)	–	654	–	4	–		
	Increased energy availability	Number of projects (w. quantitative outcomes)	–	–	4 (2)	7 (0)	–	11	346
		Physical climate resilience outcomes (Δ million GWh/year)	–	–	21	–	–		
		Valorised climate resilience outcomes (€ million/year)	–	–	2	–	–		
	Increased agricultural potential	Number of projects (w. quantitative outcomes)	–	2 (2)	–	1 (1)	1 (0)	4	12
		Physical climate resilience outcomes (Δ tonnes/year)	–	1,263	–	–	–		
		Valorised climate resilience outcomes (€ million/year)	–	4	–	3	–		
	Improved human health/productivity	Number of projects (w. quantitative outcomes)	2 (2)	–	1 (0)	–	–	3	61
		Physical climate resilience outcomes (Δ QALYs)	4,000	–	–	–	–		
		Valorised climate resilience outcomes (€ million/year)	56	–	–	–	–		
	Reduced weather-related disruption	Number of projects (w. quantitative outcomes)	18 (9)	–	–	3 (2)	–	21	789
		Physical climate resilience outcomes (days/year)	98	–	–	17	–		
		Valorised climate resilience outcomes (€ million/year)	43	–	–	0.6	–		
	Reduced weather-related damage	Number of projects (w. quantitative outcomes)	23 (8)	–	3 (1)	1 (1)	–	27	1,091
		Physical climate resilience outcomes	n/a	–	n/a	n/a	–		
		Valorised climate resilience outcomes (€ million/year)	42.4	–	3	1	–		

## Summary of CRPP outcomes (pro rata)

			Physical climate risks				
			Increasing extreme weather events	Increasing water stress	Increasing heat stress	Increasing hydrological variability	Increasing soil degradation
Climate resilience outcomes	Increased water availability	Number of projects (w. quantitative outcomes)	–	53 (41)	–	3 (2)	–
		Physical climate resilience outcomes (Δ million m <sup>3</sup> /year)	–	501	–	1	–
		Valorised climate resilience outcomes (€ million/year)	–	500	–	2	–
	Increased energy availability	Number of projects (w. quantitative outcomes)	–	–	4 (2)	7 (0)	–
		Physical climate resilience outcomes (Δ GWh/year)	–	–	4.3	–	–
		Valorised climate resilience outcomes (€ million/year)	–	–	0.4	–	–
	Increased agricultural potential	Number of projects (w. quantitative outcomes)	–	2 (2)	–	1 (1)	1 (0)
		Physical climate resilience outcomes (Δ tonnes/year)	–	400	–	–	–
		Valorised climate resilience outcomes (€ million/year)	–	1	–	3	–
	Improved human health/productivity	Number of projects (w. quantitative outcomes)	2 (2)	–	1 (0)	–	–
		Physical climate resilience outcomes (Δ QALYs)	1,420	–	–	–	–
		Valorised climate resilience outcomes (€ million/year)	21	–	–	–	–
	Reduced weather-related disruption	Number of projects (w. quantitative outcomes)	18 (9)	–	–	3 (2)	–
		Physical climate resilience outcomes (days/year)	32	–	–	15	–
		Valorised climate resilience outcomes (€ million/year)	19	–	–	0.2	–
	Reduced weather-related damage	Number of projects (w. quantitative outcomes)	23 (8)	–	3 (1)	1 (1)	–
		Physical climate resilience outcomes	n/a	–	n/a	n/a	–
		Valorised climate resilience outcomes (€ million/year)	12	–	0.5	0.5	–

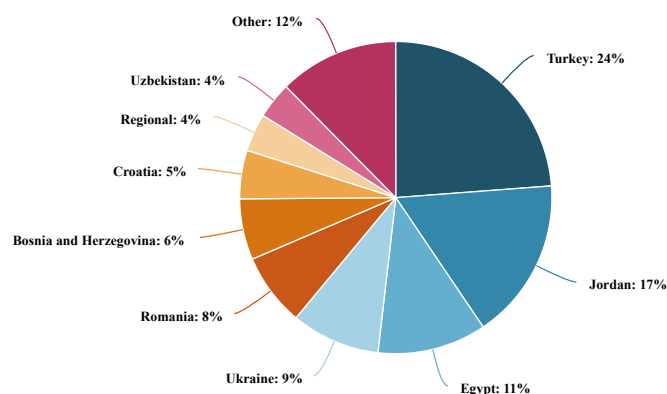
## Green Transition Project Portfolio

The current key impact metric for the GTPP is GHG savings, though further metrics will be considered going forward. The GTPP's GHG savings are split into three main categories:

1. energy efficiency
2. resource efficiency (including circular economy adapted products)
3. sustainable infrastructure (including low carbon transport, solid waste and waste management, and green logistics).

GHG savings are achieved by the GTPP portfolio primarily through energy efficiency projects, which are associated with more than 82 per cent (80 per cent pro rata) of total savings of 3.3 million tonnes of GHG annually (pro rata 1.34 million tonnes of GHG per annum).

Total GTPP GHG saved, by economy, 2021

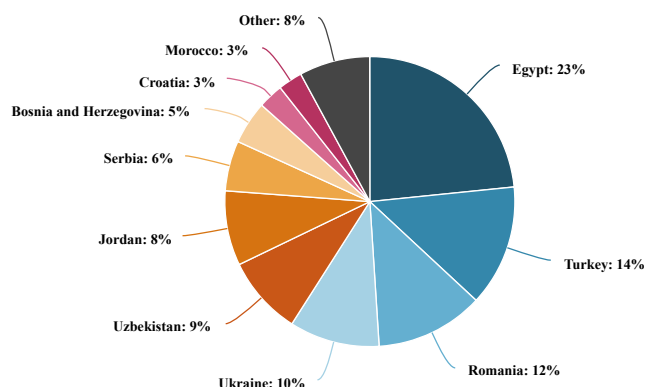


## Summary of GTPP impact, 2021

	Impact metric	Impact metric unit	GTPP
Portfolio and issuance	Allocated committed project amount (portfolio)	€ ('000)	3,344,579
	Allocated disbursed project amount (operating assets)	€ ('000)	2,252,943
	Outstanding Green Bond issued amount	€ ('000)	1,154,510
Energy efficiency	Energy efficiency component (based on portfolio)	%	55%
	Annual energy savings (electricity/other) (pro rata based on portfolio)	GJ/annually	14,257,082
	Annual absolute (gross) water savings (pro rata based on portfolio)	in m <sup>3</sup> /annually	2,028,998
	Annual GHG emissions reduced/avoided (pro rata based on portfolio)	in kiloton of CO <sub>2</sub> equivalent/annually	1,079
Clean transport	Clean transport project component (based on portfolio)	%	22%
	Annual GHG emissions reduced/avoided (pro rata based on portfolio)	in kiloton of CO <sub>2</sub> equivalent/annually	5
Green buildings	Green buildings component (based on portfolio)	%	13%
	Primary energy saved (pro rata based on portfolio)	GJ/annually	63,526

Note: \* The GHG savings of other categories amount to 259 kilotons of CO<sub>2</sub> equivalent per annum.

Pro rata GTPP GHG saved, by economy, 2021



## Healthcare Project Portfolio

More than 71 per cent of the HPP committed amount is allocated to infrastructural hospital PPP and healthcare projects, with the remaining 29 per cent focused on pharmaceutical and medicine manufacturing.

### Summary of HPP impact, 2021

Industry/economy	Project count	Sum of beds	Sum of pro-rata beds
<b>Healthcare</b>	<b>12</b>	<b>914</b>	<b>528</b>
Albania	1	220	57
Egypt	2	261	189
Georgia	4	353	275
Montenegro	2	80	6
<b>Infrastructure hospital PPP</b>	<b>7</b>	<b>8,758</b>	<b>990</b>
Turkey	6	8,758	990
<b>Grand total</b>	<b>19</b>	<b>9,672</b>	<b>1,518</b>

### Disclaimer

Impact indicators are typically based on a number of assumptions. While technical experts aim to use sound and conservative assumptions based on the information available at the time, the actual sustainability impact of the projects may diverge from initial projections. Caution should be taken in comparing projects, sectors or whole portfolios because baselines (and base years) and calculation methods may vary.

Projects will have a wider range of impacts than are captured by the indicators presented in this report. While the EBRD makes efforts to improve the consistency and availability of reported metrics over time, projects cover a wide range of sectors and sub-sectors, making complete harmonisation of reporting metrics challenging. In some cases, numbers have been rounded for ease of presentation.

The EBRD works continuously to update reporting methodologies to provide the most accurate and complete view of the impacts presented in this report.

## 9. Impact inside the EBRD



Alongside its work with clients, the EBRD is committed to implementing best-practice environmental and social standards in its own operations. In 2021, work on the new Bank headquarters continued and set new standards in terms of sustainability of construction and design. The Bank held its annual Green Week and Diversity Week, encouraging reflection on these issues among staff. The EBRD also provided more than €800,000 to support 27 staff-led fundraising projects in 16 countries. More details can be found in this chapter.

### Global Reporting Initiative disclosure report for 2021

Further details on the EBRD's approach to sustainability can be found in the Bank's GRI disclosure report for 2021. The report applies GRI Standards and enables stakeholders to gain a comprehensive overview of the EBRD's approach to ESG issues.

### The new EBRD Headquarters: greener and more sustainable

The new EBRD Headquarters building, based in 5 Bank Street, Canary Wharf, is setting new standards when it comes to the sustainability of construction. The built environment is responsible for around 40 per cent of annual carbon emissions in the United Kingdom, with much of this coming from the materials, equipment and operational power used in the buildings themselves. In line with the EBRD's commitment to the green agenda, therefore, and together with the project's architect-led design team (Perkins & Will), sustainability consultant (Hoare Lea), main contractor (Overbury) and trade contractors, the fit-out construction of the new EBRD Headquarters has been guided by a desire to reduce waste and incorporate the Bank's green values. On site, the project emphasises wellbeing, sustainability, diversity and inclusion, promoting a culture of collaboration and innovation.

The sustainability and wellbeing ethos of the project has been a common thread that has pervaded all elements of the design, including:

- adopting a "cradle-to-cradle" design philosophy that assesses and evaluates the full lifecycle of each element selected, where possible selecting products that are recyclable or with high recycled content, for instance, the carpet tiles
- using sustainable, natural design materials with low volatile organic compounds (VOCs), for example, minimising the use of glues and adhesives and not using polyvinyl chloride (PVC) blinds on windows
- reducing general lighting levels within the building and providing desk lamps for additional light only where needed, giving users greater control over their environment

- using biophilic design and natural planting throughout the space
- developing alternative productive workspaces that will give staff a choice as to the type of environment they use throughout their day for different kinds of tasks
- using smart building technology and an interactive environment to enable staff to take ownership of their workspaces and operate within the building as efficiently and effectively as possible.

The design philosophy also encompasses the construction phase, where main contractor Overbury has pushed the boundaries of fit-out construction best practices. Highlights include:

- the elimination of single-use plastics, with contractors provided with reusable water bottles and milk supplied in glass bottles
- the re-use of steelwork salvaged from the structural works undertaken
- the re-use of reengineered timber veneers for key joinery elements, resulting in significant reductions in timber waste
- responsible sourcing, with the supply chain buying into innovative waste-reduction strategies, for example, through takeback schemes, where suppliers take ownership of pallets, the re-use of offcuts or the use of a closed-loop recycling scheme for the corrugated plastic protection and signage used on site
- the preparation of disassembly guides (or reverse owner's manuals), explaining how to take things apart, re-use them and repurpose them and providing details of relevant takeback schemes, where available; this will allow certain items to be disassembled, flat-packed and re-used, either within the building or on another site to avoid disposal in landfill at the end of their lifecycle
- rationalising the use of steel containment, where possible, to minimise the amount of non-essential metalwork used on the project.

The shell and core building achieved Building Research Establishment Environmental Assessment Method (BREEAM) Outstanding certification in 2020, as well as an Environmental Performance Certificate (EPC) A rating. The Bank is on target to achieve BREEAM Outstanding certification for the fit-out, in addition to WELL Building Standard® V2 Platinum Certification – both the highest possible certification. With the goal of creating a best-in-class working environment for staff and visitors, the new Headquarters will offer the EBRD a workplace that is functional, flexible and encourages full mobility to support the Bank's business needs.

## Green Week

The EBRD supports the transition to green economies in the regions where it operates. Internally, the Bank also encourages staff to be greener. The Bank's annual Green Week aims to encourage staff to become more environmentally conscious as individuals and to understand more about the EBRD's green activities in the economies where it invests. This year's Green Week included a series of thought-provoking events, activities and stories to encourage discussion on the theme, *Be the change in our changing world*. Those who have already taken on greener habits shared their experiences, and some of the EBRD's most cutting-edge green projects were given centre stage on the Bank's internal channels.

A presentation on how the new EBRD Headquarters building is driving the sustainability frontier in construction highlighted the institutional efforts being made, while experts on climate anxiety held a webinar to encourage staff to move past their "green guilt" and make long-term impactful change in their personal lives.

## Diversity Week

Over 2021, increasing numbers of EBRD staff returned to hybrid working, remotely and in the office. This year's Diversity Week focused on *Celebrating integrating* and encouraged reflection on how to make the transition to new working patterns positive for all staff. Events included how to recognise and challenge biases that may arise around this phase, for example, on presenteeism in the office or how to recognise the needs of and contributions by introverted staff members.

Changing work patterns can impact people differently, depending on factors such as their environment, cultural background, physical and mental wellbeing. Diversity Week focused on ensuring recognition of each individual's unique lived experience. The Bank ran its first event with the Human Library – a "library" of people where EBRD staff, the "readers", could borrow "individuals" as "open books" and have conversations they might not normally have. Every "human book" represented a group in society that is often subject to prejudice, stigmatisation or discrimination because of their lifestyle, diagnosis, belief, disability, social status, ethnic origin or other identity element.

## Staff fundraising

EBRD staff have made great efforts over the years to contribute to fundraising projects in the economies where the Bank operates. Through the EBRD Community Initiative, the Bank matches funds raised by staff for local charities supporting humanitarian and disaster relief, health and social care, education and inclusion.

Since the initiative was launched in 2016, more than 1,000 staff have been involved in more than 100 projects, with over €1.8 million of matching funding provided by the Bank. In 2021, €814,036.99 in matching funding was provided by the Community Initiative to support 27 staff-led fundraising projects in 16 countries. These included charities to support children and youth with rare medical conditions and/or from disadvantaged backgrounds, organisations helping women, and humanitarian aid following natural disasters in Croatia and Turkey.

The Community Initiative also provided matching funding to a number of specific Covid-19-related projects. These ranged from assisting medical staff in Tajikistan and primary medical services in Romania to supporting vulnerable families and children in Russia, as well as victims of domestic violence in Turkey, whose vulnerability was heightened during the pandemic.

# 10. Assurance and disclosures



The EBRD's approach to sustainability is underpinned by its ESP which defines the standards that all Bank projects are required to meet. This chapter provides information on the implementation of the policy.

## The Bank's policies

All projects are appraised against the [Bank's ESP and Performance Requirements](#). A project's size, location and potential E&S impacts are taken into account. In 2019, the EBRD undertook a review of its [ESP](#), its [Access to Information Policy](#) and its [IPAM](#). These revised policies came into force in January 2020.

If an appraisal reveals that a project would not be fully compliant with the Bank's requirements, the EBRD agrees an ESAP with the client to bring the project up to the required standards within a reasonable timeframe. If this is not possible, but there are compensating environmental or social benefits, the EBRD's Board may approve derogations from specific parts of the Bank's Performance Requirements (see Box on page 50 for more detail).

## Results in 2021

The environmental and social category – A, B, C or FI (financial intermediary) – reflects the potential impacts associated with a project and determines the nature of the environmental and social appraisal, information disclosure and stakeholder engagement required.

- **Category A projects:** those with potentially significant and diverse E&S impacts, requiring a detailed participatory assessment process
- **Category B projects:** those with E&S impacts that are site-specific and which can be readily assessed and managed
- **Category C projects:** those that are expected to result in minimal adverse environmental or social impacts
- **Category FI projects:** transactions that involve the provision of financing to a financial intermediary – typically a bank or a fund – which are required to adopt and implement procedures to manage their E&S risks.

### E&S due diligence category (2021 signings)

E&S category	Number of projects*	% by number of projects
Category A	14	3%
Category B	206	49%
Category C	22	5%
Category FI	181	43%

Note: \* Indicative numbers only. Includes trade facilitation. Please see the EBRD's [Annual Review 2021](#) for total investments.

## GET assurance process

The EBRD's GET approach aims to increase the amount of financing the Bank directs to green and climate finance. The Bank's target is for 50 per cent of all EBRD investments to support the green economy by 2025. This target was exceeded in 2021 (see page 12).

The Bank has put in place rigorous processes to ensure that only projects with clear and verifiable green benefits are classified as GET projects. The EBRD assesses GET finance and benefits by:

1. identifying projects or project components that meet the GET principles and criteria
2. assessing the physical environmental benefits of GET projects and project components (ex ante analysis)
3. confirming the proportion of GET finance and GET benefits of a project and explaining how it fits into the GET strategy.

There is a clear separation of responsibilities between the Banking and the Climate Strategy and Delivery departments, which are responsible for originating and structuring projects, and ESD, which is responsible for confirming the attribution of green finance. Similar governance arrangements have been adopted to determine the Paris alignment of investments.

For more information on how the Bank implements its GET approach, see [here](#).

## Measuring and monitoring performance

The EBRD closely monitors the E&S performance of all its projects throughout the investment cycle. This involves a combination of client reporting, site visits by Bank staff and independent audits.

The EBRD requires each of its clients to provide a report – at least annually – on their E&S performance and the implementation of applicable ESAPs. Additional monitoring and supervision are determined on a case-by-case basis, depending on the risks and impacts associated with a project and the client's ability to manage them.

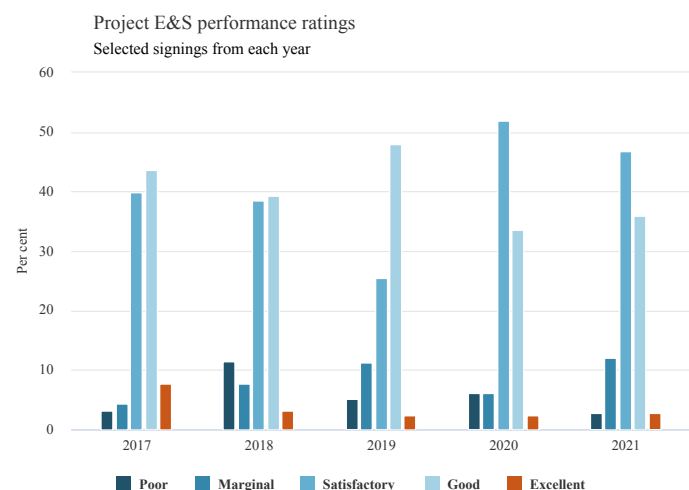
## Project performance indicators

The EBRD has introduced a system of performance indicators for direct investment projects. This system assesses and monitors project compliance with the Bank's E&S Performance Requirements over time. The objectives of this work are:

- greater accountability
- improved management of resources
- enhanced reporting.

At the time of appraisal, the Bank scores each project on its compliance with the main components of each Performance Requirement. It combines these scores to give an overall performance rating for each project on a five-point scale. Projects are rated based on current performance, that is, before the implementation of any future commitments under an ESAP. By tracking projects over time, the Bank aims to demonstrate changes in performance as EBRD investments and associated ESAPs are implemented.

The following chart shows the spread of ratings for projects signed in 2021 for which data are available. The table shows the percentages of these projects that have triggered each of the Performance Requirements.



## Applicability of EBRD Performance Requirements

Performance requirement*	% of projects
PR1: Assessment and management of E&S impacts and issues	100
PR2: Labour and working conditions	100
PR3: Resource efficiency and pollution prevention control	97
PR4: Health and safety	100
PR5: Land acquisition and involuntary resettlement and economic displacement	35
PR6: Biodiversity conservation and sustainable management of living natural resources	36
PR7: Indigenous peoples	0
PR8: Cultural heritage	24
PR10: Information disclosure and stakeholder engagement	97

Note: \* PR9 applies only to investments made through financial intermediaries. These are monitored separately via the FI Sustainability Index.

## Greenhouse gas assessment for 2021

The EBRD's GHG assessment provides an estimate of the net carbon footprint that will result from Bank-financed projects signed in a representative year once those projects are fully implemented. The calculation is based on estimated emission reductions from climate mitigation projects and estimates of additional GHG emissions from greenfield projects or significant capacity expansions.

### Key figures

The EBRD has published GHG estimates for its signed projects every year since 2002. GHG data for the project assessments come from a variety of sources, including environmental impact assessments, energy audits and, in some cases, calculations carried out by EBRD engineers. Find out more about the Bank's GHG reporting and how the Bank assesses it [here](#).

### Projects with significant GHG emission savings

Industry group	Number of investments above significance threshold*	Estimated GHG reductions compared with the baseline scenario (ktCO <sub>2</sub> e/year)		
		Scope 1	Scope 2	Scope 3**
Financial institutions	9	–	555	–
Industry, commerce and agribusiness	3	58	126	1,599
Sustainable infrastructure	24	2,241	1,666	123

Note: \*GHG assessments are conducted for projects that are likely to result in emission decreases of more than 25 ktCO<sub>2</sub>e per year.

\*\* Scope 3 emission savings are only calculated where they are material to the impact of the project, for example the manufacturing of electric vehicles.

## Projects with significant gross GHG emission savings

Industry group	Number of investments above significance threshold*	Estimated gross GHG emissions (ktCO <sub>2</sub> e/year)		
		Scope 1	Scope 2	Scope 3**
Financial institutions	0	–	–	–
Industry, commerce and agribusiness	5	116	132	–
Sustainable infrastructure	8	5338	133	–

Note: \*GHG assessments are conducted for projects that are likely to result in emission decreases of more than 25 ktCO<sub>2</sub>e per year.

\*\* Scope 3 emission savings are only calculated where they are material to the impact of the project, for example the manufacturing of electric vehicles.

## Economic assessment of projects with high emissions

Since 2019, the EBRD has carried out an economic assessment of projects with GHG emissions, defined as (i) those resulting in absolute emissions of more than 100 ktCO<sub>2</sub>e per year after the investment and/or (ii) those increasing GHG emissions by more than 25 ktCO<sub>2</sub>e per year compared with the baseline.

This year has seen an increasing number of economic assessments across the EBRD regions, in sectors ranging from power stations and gas distribution to heavy industry. These reveal the true costs and benefits of EBRD investments when environmental considerations are awarded an economic value. They are a valuable tool for shaping interventions to reach a viable green frontier and a support for decision-making.

Read the methodology used [here](#).

# Annexes



## Annex 1: Climate project disclosure

The EBRD has been tracking climate finance<sup>5</sup> on a project-by-project basis since 2006. Up to 2017, the EBRD disclosed this information on a sectoral or country level. The following table shows climate finance data on a project level.

### Climate finance data on a project level

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
GrCF - Sarajevo Water	Municipal & Env Inf	10.0	10.0	10.0	Water supply and wastewater
Canakkale Solid Waste PPP	Municipal & Env Inf	1.0	1.0	1.0	Solid waste management
GrCF2 W2 - Dushanbe District Heating Project	Municipal & Env Inf	2.2	2.2	2.2	Energy
KR Water Framework - Nookat Water sub-project	Municipal & Env Inf	2.2	2.2	2.2	Water and wastewater systems
Sarajevo Urban Roads	Municipal & Env Inf	1.4	7.0	1.4	Energy, transport and other built environment and infrastructure
MR3: Al Ghabawi Septic Tank Facility	Municipal & Env Inf	30.0	30.0	28.5	Water and wastewater systems
GrCF2 W2 - Alexandria Metro	Municipal & Env Inf	250.0	250.0	250.0	Transport
GrCF2 W2 - Craiova Urban Rehabilitation	Municipal & Env Inf	9.2	9.2	9.2	Buildings, public installations and end-use energy efficiency
GrCF2 W2 - Ust-Kamenogorsk Solid Waste Management	Municipal & Env Inf	8.2	8.2	8.2	Solid waste management
GrCF2 W2 - Semey Solid Waste Management	Municipal & Env Inf	7.8	7.8	7.8	Solid waste management
UPTF2 - Kyiv City Transport II: Metro	Municipal & Env Inf	50.0	50.0	50.0	Transport
GrCF2 W2 - Kyiv District Heating	Municipal & Env Inf	70.0	70.0	70.0	Energy
Namangan Regional Water and Wastewater Project	Municipal & Env Inf	61.8	61.8	12.4	Water and wastewater systems
Kulob Water and Wastewater Project	Municipal & Env Inf	3.0	3.0	3.0	Water and wastewater systems
GrCF2 W2 - Bishkek Buses	Municipal & Env Inf	16.0	16.0	16.0	Transport
GrCF2 W2 - Izmir Metro Project III	Municipal & Env Inf	125.0	125.0	125.0	Transport
GrCF2 W2 - Yerevan Bus Project	Municipal & Env Inf	20.0	20.0	20.0	Transport
GrCF2 W2 - Skopje Bus Rapid Transit Project	Municipal & Env Inf	47.6	47.6	47.6	Transport
MR3: Gaziantep Solar Project	Municipal & Env Inf	4.1	4.1	4.1	Energy
GrCF2 W1-Balti District Heating Phase 2	Municipal & Env Inf	8.5	14.0	8.2	Energy
GrCF2 W2 - Medias Infrastructure Loan	Municipal & Env Inf	7.7	7.7	7.7	Buildings, public installations and end-use energy efficiency
GrCF2 W2 - Timisoara City Trams	Municipal & Env Inf	20.3	20.3	20.3	Transport
MR3: GAM Solid Waste Crisis Response - Cell 6	Municipal & Env Inf	9.8	9.8	3.4	Solid waste management
GrCF2 W2 - Tbilisi Bus Phase III	Municipal & Env Inf	70.0	70.0	70.0	Transport
GrCF2 W2 - Tbilisi Municipal Services	Municipal & Env Inf	9.3	9.6	9.3	Solid waste management
Kragujevac District Heating Project	Municipal & Env Inf	15.0	15.0	15.0	Energy
VCIP II - Marti	Telecommunications, Media and Technology	8.8	8.8	8.8	Transport

<sup>5</sup> At the EBRD, climate finance is defined as Annual Bank Investment (ABI) that qualifies for GET under the climate change mitigation and adaptation categories.

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
Serbian Solid Waste Programme	Municipal & Env Inf	50.0	50.0	50.0	Solid waste management
DFF - Engicon O&M - WWTP	Municipal & Env Inf	0.7	1.5	0.7	Water and wastewater systems
Biotrend Equity (f. Project Blake II)	Municipal & Env Inf	14.1	16.9	14.1	Solid waste management
Serbian Climate Resilience & Irrigation Programme 2	Municipal & Env Inf	15.0	15.0	15.0	Other agricultural and ecological resources
GrCF2 W2 - Novi Sad Electric Buses	Municipal & Env Inf	8.0	8.0	8.0	Transport
Moldovan Railways Restructuring Project	Transport	22.1	23.5	22.1	Transport
Road Corridor VIII - Phase I	Transport	13.8	41.7	13.8	Energy, transport and other built environment and infrastructure
DFF - KCPM	Manufacturing & Services	9.6	10.0	3.2	Energy
Khatlon Energy Loss Reduction Project	Energy	20.0	20.0	20.0	Energy
Anglesey Food (f. Project Growth)	Agribusiness	4.7	8.9	4.7	Buildings, public installations and end-use energy efficiency
Ukraine Road Corridors	Transport	100.7	190.0	100.7	Energy, transport and other built environment and infrastructure
DL Invest	Property and Tourism	42.0	42.0	42.0	Buildings, public installations and end-use energy efficiency
Atyrau Refinery LLP (f. Sustainability Loan)	Natural Resources	69.3	69.3	69.3	Water supply and wastewater
DFF - Kokhavynska Paper	Manufacturing & Services	2.3	13.8	1.3	Manufacturing
DFF - Bingo Extension	Agribusiness	10.0	10.0	10.0	Buildings, public installations and end-use energy efficiency
DFF - Angren Insulation/Ecoclimat GET	Manufacturing & Services	4.4	4.4	4.4	Manufacturing
Livonia Partners Fund II	Equity Funds	10.0	24.0	10.0	Manufacturing
RSF - TSKB Esan Aku	Manufacturing & Services	1.6	5.7	1.6	Manufacturing
Arcelik Green Loan	Manufacturing & Services	83.0	150.0	72.2	Manufacturing
Meridiam Sustainable Infrastructure Europe IV	Equity Funds	120.0	120.0	120.0	Transport
Rural Broadband Rollout 2	Telecommunications, Media and Technology	4.7	50.0	4.7	Information and communications technology and digital technologies
RSF - Union Bank Digit-Alb_OTT_TV Rights	Telecommunications, Media and Technology	0.3	1.9	0.3	Information and communications technology and digital technologies
RSF - MAIB - Linella	Agribusiness	9.8	12.0	5.9	Buildings, public installations and end-use energy efficiency
RSF - UniCredit - MaxCom_OD 2.0	Manufacturing & Services	6.0	6.0	6.0	Transport
RSF - UniCredit - MaxCom_RCL	Manufacturing & Services	8.0	8.0	8.0	Transport

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
DFF - Zelena Dolyna	Agribusiness	6.6	8.0	6.6	Agriculture, forestry, land use and fisheries
Faurecia ESG and E-mobility	Manufacturing & Services	40.0	80.0	40.0	Energy
DFF - Nyva	Agribusiness	1.6	8.8	0.8	Other agricultural and ecological resources
Potegowo Wind	Energy	17.4	17.4	17.4	Energy
IA MREK II	Energy	5.4	9.2	5.4	Energy
Samarkand Solar Power Plant	Energy	21.8	21.8	21.8	Energy
SPREF - Yellow Door Energy Jordan	Energy	9.4	9.4	9.4	Energy
EDS Smart Metering Expansion	Energy	40.0	40.0	40.0	Energy
Kom Ombo	Energy	31.9	31.9	31.9	Energy
Dushanbe Energy Loss Reduction Project	Energy	22.1	22.1	22.1	Energy
Motor Oil bond	Natural Resources	6.2	14.0	6.2	Energy
Project Amigos (VISP)	Energy	3.0	3.0	3.0	Energy
Kesh floating solar PV project	Energy	9.0	9.0	9.0	Energy
Taaleri Wind Poland	Energy	25.4	25.4	25.4	Energy
Borusan EnBW Enerji Loan	Energy	35.3	35.3	35.3	Energy
Enefit Green (f. Project Spring)	Energy	9.5	11.8	9.5	Energy
Electrica Investment Programme financing	Energy	40.0	40.0	40.0	Energy
Banie Phase 3 and Sepopol Wind Farm	Energy	59.9	59.9	59.9	Energy
Akuo Svoghe Hydro Project	Energy	8.0	16.0	8.0	Energy
Kom Ombo EBL	Energy	12.4	12.4	12.4	Energy
OEDAS Electricity Distribution	Energy	38.4	44.2	38.4	Energy
Project Primavera	Energy	75.5	75.5	75.5	Energy
Project Grace	Energy	38.1	38.1	38.1	Energy
Project Novus	Energy	14.2	14.2	14.2	Energy
GrCF2 W2 - ENA Investment Program	Energy	49.8	53.0	49.8	Energy
Eurohold - CEZ Acquisition and Moder-nisation	Energy	14.0	60.0	14.0	Energy
DFF - Photon Energy Green Bond (f. Project Protoss)	Energy	10.0	10.0	10.0	Energy
Enerjisa Green Loan	Energy	80.7	97.2	80.7	Energy
Aydem Renewables Green Bond (f. Project Vega)	Energy	66.3	66.3	66.3	Energy
Project Sapphire	Energy	66.3	66.3	66.3	Energy
Public Power Corporation - Equity (f. Project Bolt)	Energy	60.1	75.2	60.1	Energy

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
DFF - AEI green bond (F. DFF - Project Kilimanjaro)	Energy	5.0	5.0	5.0	Energy
Moldova Buildings Energy Efficiency	Municipal & Env Inf	20.0	20.0	20.0	Buildings, public installations and end-use energy efficiency
VGP Parks	Property and Tourism	67.0	67.0	40.2	Buildings, public installations and end-use energy efficiency
DFF - Project Dragon	Property and Tourism	6.6	11.0	4.0	Buildings, public installations and end-use energy efficiency
Project A3F	Transport	69.2	132.5	41.5	Buildings, public installations and end-use energy efficiency
WDP	Property and Tourism	42.5	50.0	42.5	Buildings, public installations and end-use energy efficiency
GrCF2 W2 - Belgrade Public Buildings	Municipal & Env Inf	5.0	5.0	5.0	Buildings, public installations and end-use energy efficiency
DFF - Winner Group	Manufacturing & Services	8.0	12.0	8.0	Buildings, public installations and end-use energy efficiency
RS Energy Efficiency Fund	Municipal & Env Inf	4.5	4.5	4.5	Buildings, public installations and end-use energy efficiency
Novus Retail and Logistics	Agribusiness	26.5	26.5	26.5	Buildings, public installations and end-use energy efficiency
GrCF2 W2 - Iasi Green Buildings	Municipal & Env Inf	20.4	20.4	20.4	Buildings, public installations and end-use energy efficiency
Migros Sustainable Loan	Agribusiness	13.5	60.0	13.5	Buildings, public installations and end-use energy efficiency
VIPA Energy Efficiency Loan II	Municipal & Env Inf	57.5	57.5	57.5	Buildings, public installations and end-use energy efficiency
eMAG - Loan 1	Telecommunications, Media and Technology	16.0	16.0	16.0	Buildings, public installations and end-use energy efficiency
Pelion E-commerce Expansion	Manufacturing & Services	31.8	60.0	31.8	Buildings, public installations and end-use energy efficiency
Project GreenBox	Property and Tourism	103.5	103.5	103.5	Buildings, public installations and end-use energy efficiency
Project Sophia	Transport	11.6	74.2	10.9	Buildings, public installations and end-use energy efficiency
DFF - MAS Green Bond (f. DFF/ RETELL)	Property and Tourism	25.0	25.0	25.0	Buildings, public installations and end-use energy efficiency
DFF - Project Neris	Property and Tourism	20.0	20.0	20.0	Buildings, public installations and end-use energy efficiency
Project Nisyros	Property and Tourism	12.0	12.0	8.5	Buildings, public installations and end-use energy efficiency
RSF - BCC Zeta KPK Furniture	Manufacturing & Services	0.3	0.6	0.3	Buildings, public installations and end-use energy efficiency
SLOVSEFF III - VUB	Financial Institutions	1.6	1.6	1.6	Manufacturing
AASF - OTP Bank Albania Risk Sharing Facility (f Soc Gen)	Financial Institutions	0.7	3.6	0.7	Manufacturing
KyrSEFF II - KICB loan II	Financial Institutions	1.1	1.1	1.1	Buildings, public installations and end-use energy efficiency
GEFF - Western Balkans - NLB Bank Skopje	Financial Institutions	2.0	2.0	2.0	Buildings, public installations and end-use energy efficiency

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
GEFF - Western Balkans - Union Bank Albania	Financial Institutions	1.0	1.0	1.0	Buildings, public installations and end-use energy efficiency
Project Reval (Senior & Bail-in Senior Preferred)	Financial Institutions	36.0	36.0	36.0	Buildings, public installations and end-use energy efficiency
GCF GEFF Regional - Morocco Value Chain - SGMB	Financial Institutions	14.3	14.3	14.3	Manufacturing
TBC Bank Uzbekistan	Financial Institutions	2.5	8.3	2.5	Buildings, public installations and end-use energy efficiency
GEFF - Western Balkans - Raiffeisen Bank Kosovo	Financial Institutions	1.3	1.3	1.3	Buildings, public installations and end-use energy efficiency
FIF - Regional SME CSP - Raiffeisen Bank Kosovo	Financial Institutions	0.8	1.3	0.8	Manufacturing
FIF - DCFTA - VictoriaBank SME Facility	Financial Institutions	1.5	2.5	1.5	Manufacturing
FIF - Regional SME CSP - Banca Intesa Serbia	Financial Institutions	6.0	10.0	6.0	Manufacturing
Ukreximbank Loan for RE/EE Financing	Financial Institutions	8.6	8.6	8.6	Energy
GCF GEFF Regional - Morocco Value Chain - BCP	Financial Institutions	21.9	21.9	21.9	Manufacturing
GEFF - Poland - SocGen Leasing	Financial Institutions	50.0	50.0	50.0	Manufacturing
BNP Paribas Poland - Green Residential SNP	Financial Institutions	98.0	98.0	98.0	Buildings, public installations and end-use energy efficiency
GEFF - Poland - Santander Leasing II	Financial Institutions	30.0	30.0	30.0	Manufacturing
G4G: RBI Ukraine	Financial Institutions	22.3	74.4	22.3	Agriculture, forestry, land use and fisheries
FIF - EaP SMEC - Credit Agricole Ukraine	Financial Institutions	10.5	15.0	10.5	Manufacturing
FIF - Regional SME CSP - NLB Bank Skopje	Financial Institutions	1.2	2.0	1.2	Manufacturing
FIF - Raiffeisen Leasing Croatia II	Financial Institutions	2.0	10.0	2.0	Manufacturing
Project Nephele (Bail-in Senior Preferred)	Financial Institutions	50.0	50.0	50.0	Buildings, public installations and end-use energy efficiency
FIF - Procredit Bank Serbia - SME	Financial Institutions	1.0	10.0	1.0	Energy
FIF - Addiko Bank Serbia SME II	Financial Institutions	1.0	10.0	1.0	Manufacturing
GCF GEFF Regional - Arvand	Financial Institutions	0.7	0.7	0.7	Buildings, public installations and end-use energy efficiency
TurSEFF III - Is Leasing	Financial Institutions	40.0	40.0	40.0	Energy
FIF - EaP SMEC - Ameriabank	Financial Institutions	3.1	4.4	3.1	Manufacturing
FIF - EaP SMEC - ACBA bank loan	Financial Institutions	3.1	4.4	3.1	Manufacturing
FIF - EaP SMEC - ArmSwissBank	Financial Institutions	2.5	3.5	2.5	Manufacturing
FIF - EaP SMEC - InecoBank	Financial Institutions	3.1	4.4	3.1	Manufacturing
FIF - EaP SMEC - TBC Bank	Financial Institutions	17.5	25.0	17.5	Manufacturing
FIF - EaP SMEC - Bank of Georgia	Financial Institutions	17.5	25.0	17.5	Manufacturing

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
FIF - EaP SMEC - ProCredit Georgia	Financial Institutions	7.0	10.0	7.0	Manufacturing
FIF - Regional SME CSP - Banka per Biznes II	Financial Institutions	3.0	5.0	3.0	Manufacturing
TurSEFF III & TurWIB/Denizbank DPR	Financial Institutions	44.2	88.3	44.2	Energy
GEFF - Western Balkans - ProCredit Kosovo	Financial Institutions	1.0	1.0	1.0	Buildings, public installations and end-use energy efficiency
GCF GEFF Regional - Egypt - NBK II	Financial Institutions	18.8	18.8	18.8	Manufacturing
GEFF Uzbekistan - UzPSB Senior Loan	Financial Institutions	8.8	8.8	8.8	Manufacturing
FIF - Regional SME CSP - UCBL II	Financial Institutions	1.5	2.5	1.5	Manufacturing
GEFF Kazakhstan - Bank CenterCredit	Financial Institutions	8.8	8.8	8.8	Buildings, public installations and end-use energy efficiency
GCF GEFF Egypt Commercial - AUB Egypt GVC	Financial Institutions	1.3	1.3	1.3	Manufacturing
FIF - Regional SME CSP - Serbia UCL	Financial Institutions	12.0	20.0	12.0	Manufacturing
FIF - Regional SME CSP - Intesa Sanpaolo Bank BiH II	Financial Institutions	3.0	5.0	3.0	Manufacturing
FIF - EaP SMEC - MAIB	Financial Institutions	7.0	10.0	7.0	Manufacturing
FIF - EaP SMEC - Mobiasbanca	Financial Institutions	7.0	10.0	7.0	Manufacturing
FIF - EaP SMEC - Armeconombank	Financial Institutions	3.5	5.0	3.5	Manufacturing
GCF GEFF Regional - GEFF Armenia II - Inecobank	Financial Institutions	2.7	2.7	2.7	Energy
GCF GEFF Regional - GEFF Armenia - Armswissbank II	Financial Institutions	2.7	2.7	2.7	Energy
GCF GEFF Regional - GEFF Armenia - ACBA Bank II	Financial Institutions	3.3	3.3	3.3	Energy
Project Andrija (Bail-in Senior Preferred)	Financial Institutions	7.2	9.0	7.2	Buildings, public installations and end-use energy efficiency
Project Eval (Bail-in Senior Preferred)	Financial Institutions	30.0	30.0	30.0	Buildings, public installations and end-use energy efficiency
Project Prater (Bail-in Senior Preferred)	Financial Institutions	10.7	10.7	10.7	Buildings, public installations and end-use energy efficiency
GCF GEFF FW - Bank of Africa (BMCE) - GEFF II	Financial Institutions	9.4	9.4	9.4	Manufacturing
FIF - Regional SME CSP - Komercijalna Banka Skopje II	Financial Institutions	1.5	2.5	1.5	Manufacturing
TurSEFF III - Garanti Leasing II	Financial Institutions	22.1	22.1	22.1	Manufacturing
Western Balkans GEFF II - Erste Bank Serbia	Financial Institutions	10.2	10.2	10.2	Manufacturing
FIF - Regional SME CSP - Erste Bank Serbia	Financial Institutions	3.0	5.0	3.0	Manufacturing
FIF - Lovcen banka - SME line	Financial Institutions	0.2	2.0	0.2	Energy
Project Aphrodite II (Bail-in Sub Debt)	Financial Institutions	35.0	35.0	35.0	Energy
FIF 2 -Regional SME CSP- Ohridska Banka (now Sparkasse)	Financial Institutions	2.4	4.0	2.4	Manufacturing

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
FI Green & Sustainability Bond Framework: Project Crystal	Financial Institutions	44.2	44.2	44.2	Buildings, public installations and end-use energy efficiency
FIF - EaP SMEC - ProCredit Bank Ukraine	Financial Institutions	17.5	25.0	17.5	Manufacturing
FIF - Regional SME CSP - Sparkasse Leasing Macedonia II	Financial Institutions	0.6	1.0	0.6	Manufacturing
Project Vah II (Bail-in Senior Preferred)	Financial Institutions	20.0	20.0	20.0	Buildings, public installations and end-use energy efficiency
FIF - EaP SMEC - Ukrgasbank SME Loan	Financial Institutions	3.5	5.0	3.5	Manufacturing
Western Balkans GEFF II - ProCredit Bank BiH	Financial Institutions	1.0	1.0	1.0	Buildings, public installations and end-use energy efficiency
GCF GEFF FW - Morocco II - CIH Bank	Financial Institutions	18.8	18.8	18.8	Manufacturing
TurSEFF III - Aklease II	Financial Institutions	25.0	25.0	25.0	Energy
GEFF 4-Western Balkans - Ohridska Banka (now Sparkasse)	Financial Institutions	2.0	2.0	2.0	Buildings, public installations and end-use energy efficiency
Western Balkans GEFF II - Ohridska Banka (now Sparkasse)	Financial Institutions	2.0	2.0	2.0	Buildings, public installations and end-use energy efficiency
Western Balkans GEFF II - Sparkasse Bank Macedonia	Financial Institutions	3.0	3.0	3.0	Manufacturing
Western Balkans GEFF II - Procredit Bank Macedonia	Financial Institutions	2.0	2.0	2.0	Buildings, public installations and end-use energy efficiency
Project Andrija II (Bail-in Senior Preferred)	Financial Institutions	64.0	80.0	64.0	Buildings, public installations and end-use energy efficiency
GCF GEFF FW - Morocco II - BMCI - GEFF II	Financial Institutions	23.8	23.8	23.8	Energy
KyrSEFF II - DKIB loan III	Financial Institutions	1.4	1.4	1.4	Buildings, public installations and end-use energy efficiency
Project Drava (Bail-in Senior Non-Preferred)	Financial Institutions	37.5	37.5	37.5	Buildings, public installations and end-use energy efficiency
GCF GEFF Regional - Egypt II - QNB AlAhli	Financial Institutions	3.8	3.8	3.8	Manufacturing
GEFF Kazakhstan - Shinhan Bank EE Loan	Financial Institutions	4.4	4.4	4.4	Buildings, public installations and end-use energy efficiency
BCR II (Bail-in Senior Non-Preferred)	Financial Institutions	48.5	60.6	48.5	Buildings, public installations and end-use energy efficiency
BCR III (Bail-in Senior Preferred)	Financial Institutions	15.2	15.2	15.2	Buildings, public installations and end-use energy efficiency
NBE- Green SME Loan II	Financial Institutions	88.3	88.3	88.3	Manufacturing
GEFF Uzbekistan - Hamkorbank	Financial Institutions	8.8	8.8	8.8	Manufacturing
FIF - Regional SME CSP - Sparkasse Bank	Financial Institutions	3.0	5.0	3.0	Manufacturing
Western Balkans GEFF II - ProCredit Bank Serbia	Financial Institutions	5.0	5.0	5.0	Buildings, public installations and end-use energy efficiency
Project Yellow I (Bail-in Senior Preferred)	Financial Institutions	39.0	39.0	39.0	Buildings, public installations and end-use energy efficiency
Project Oak (Bail-in Senior Preferred)	Financial Institutions	16.0	16.0	16.0	Energy

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
GEFF - Western Balkans - AFK II	Financial Institutions	1.0	1.0	1.0	Buildings, public installations and end-use energy efficiency
Western Balkans GEFF II - KRK	Financial Institutions	1.5	1.5	1.5	Buildings, public installations and end-use energy efficiency
Project Prater II (Bail-in Senior Non-Preferred)	Financial Institutions	51.6	51.6	51.6	Buildings, public installations and end-use energy efficiency
GCF GEFF Regional - Tajikistan - Imon	Financial Institutions	2.0	2.0	2.0	Buildings, public installations and end-use energy efficiency
FIF - Bank Lviv SME loan 2021	Financial Institutions	2.5	5.0	2.5	Agriculture, forestry, land use and fisheries
FIF - Garanti Leasing Romania Loan IV	Financial Institutions	1.5	5.0	1.5	Manufacturing
Western Balkans GEFF II - Intesa San-paolo BiH	Financial Institutions	1.0	1.0	1.0	Buildings, public installations and end-use energy efficiency
FIF - Regional SME CSP - NLB Banka Skopje II	Financial Institutions	1.8	3.0	1.8	Manufacturing
Western Balkans GEFF II - Partner	Financial Institutions	2.0	2.0	2.0	Buildings, public installations and end-use energy efficiency
Project Aphrodite III (Bail-in Senior Preferred)	Financial Institutions	35.0	35.0	35.0	Energy
Project Nephele II (Bail-in Senior Preferred)	Financial Institutions	27.0	27.0	27.0	Buildings, public installations and end-use energy efficiency
Project Aurora II	Financial Institutions	10.0	10.0	10.0	Buildings, public installations and end-use energy efficiency
FIF - Regional SME CSP/Raiffeisen Bank BiH	Financial Institutions	3.0	5.0	3.0	Manufacturing
FIF - EaP SMEC - Victoriabank	Financial Institutions	1.8	2.5	1.8	Manufacturing
FIF - Raiffeisen Leasing SME line	Financial Institutions	1.6	8.0	1.6	Manufacturing
FIF - EaP SMEC - MAIB II	Financial Institutions	3.5	5.0	3.5	Manufacturing
Project Zelen (Bail-in Senior Preferred)	Financial Institutions	40.0	40.0	40.0	Buildings, public installations and end-use energy efficiency
BCR IV (Bail-in Senior Non-Preferred)	Financial Institutions	9.1	11.3	9.1	Buildings, public installations and end-use energy efficiency
Western Balkans GEFF II - KEP	Financial Institutions	1.0	1.0	1.0	Buildings, public installations and end-use energy efficiency
DFF - Lamatem	Manufacturing & Services	0.3	6.0	0.2	Energy
DFF - Elemental Battery Recycling	Manufacturing & Services	21.0	24.9	21.0	Solid waste management
DFF - Umka Cardboard	Manufacturing & Services	10.0	10.0	10.0	Solid waste management
Polpharma R&D	Manufacturing & Services	5.1	43.5	5.1	Manufacturing
Ford Otosan EV Syndicated Loan	Manufacturing & Services	113.4	175.0	113.4	Manufacturing
Mytilineos Green Eurobond (f. Project Cybele)	Manufacturing & Services	60.0	60.0	60.0	Solid waste management

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
Draexlmaier E-mobility	Manufacturing & Services	25.0	25.0	25.0	Transport
DFF - Dolidol Morocco II	Manufacturing & Services	10.0	10.0	1.0	Energy
DFF - Project Nimbus	Manufacturing & Services	10.0	10.0	10.0	Transport
Sofia Med Sustainable Expansion	Manufacturing & Services	15.2	20.0	15.2	Mining and metal production for climate action
Main Roads Reconstruction Project	Transport	3.0	15.0	3.0	Energy, transport and other built environment and infrastructure
Ispartakule - Cerkezkoy Railway Line	Transport	150.0	150.0	150.0	Transport
GrCF2 W2 - Project Goose	Transport	26.2	26.2	26.2	Transport
Kyzylorda-Zhezkazgan Road Project	Transport	31.5	152.1	31.5	Energy, transport and other built environment and infrastructure
DFF - Nova Poshta II	Transport	5.5	13.0	5.5	Cross-sectoral activities
MR3: Mersin CNG Bus Project	Municipal & Env Inf	15.0	15.0	15.0	Transport
Project Kolkheti	Transport	44.2	44.2	44.2	Transport
DFF - Altintel Port Expansion	Transport	1.3	7.5	1.3	Manufacturing
RSF - Hamkorbank Khorezm Cheese	Agribusiness	0.2	0.3	0.2	Industry, manufacturing and trade
DFF - Grain Alliance	Agribusiness	4.0	4.0	4.0	Agriculture, forestry, land use and fisheries
Indorama Agro Capex Loan	Agribusiness	18.2	53.0	18.2	Agriculture, forestry, land use and fisheries
DFF - Aurora	Agribusiness	7.5	12.5	7.5	Agriculture, forestry, land use and fisheries
Project Sinevir	Agribusiness	3.3	50.4	3.3	Manufacturing
DFF - Nibulon Trade WC Finance	Agribusiness	25.6	25.6	25.6	Transport
RSF - XAC Suu Milk Extension	Agribusiness	1.2	2.8	1.2	Manufacturing
Regional TFP: TBC Bank (guarantee & pre-export)	Financial Institutions	4.5	17.7	4.5	Manufacturing
Regional TFP: Raiffeisen Bank d.d.BiH (former Market)	Financial Institutions	0.1	0.1	0.1	Manufacturing
Regional TFP: Aval bank (Gtees & cash disb)	Financial Institutions	9.2	12.4	9.2	Manufacturing
Regional TFP: JSCB OTP Bank, Ukraine	Financial Institutions	14.3	42.0	14.3	Manufacturing
Regional TFP: Export Import Bank of Ukraine (UkrExIm)	Financial Institutions	0.7	47.6	0.7	Manufacturing
Regional TFP: Eskhata Bank	Financial Institutions	0.1	1.8	0.1	Manufacturing
Regional TFP: Khan Bank	Financial Institutions	0.2	5.2	0.2	Manufacturing
Regional TFP: Converse Bank	Financial Institutions	4.7	6.8	4.7	Manufacturing
Regional TFP: Armswissbank	Financial Institutions	6.4	16.2	6.4	Manufacturing
Regional TFP: Ameria Bank CJSC	Financial Institutions	1.7	16.9	1.7	Manufacturing

Operation name	Industry sector current	GET finance (€m)	ABI (€m)	Climate finance (€m)	Climate activity
Regional TFP: Eurobank EFG a.d. Belgrade	Financial Institutions	2.3	99.3	2.3	Manufacturing
Regional TFP: Vakifar Bankasi TAO	Financial Institutions	49.2	72.8	49.2	Manufacturing
Regional TFP: Belarusk Narodny Bank	Financial Institutions	0.0	2.6	0.0	Manufacturing
Regional TFP: Amen Bank	Financial Institutions	0.1	2.6	0.1	Manufacturing
Regional TFP: BMCE Banque Marocaine pour le Commerce Extérieur	Financial Institutions	0.5	77.6	0.5	Manufacturing
Regional TFP: National Bank Of Egypt	Financial Institutions	27.2	264.2	27.2	Manufacturing
Regional TFP: Attijariwafa Bank Egypt (f.Barclays Bank)	Financial Institutions	0.9	0.9	0.9	Manufacturing
Regional TFP: Erste Bank, Croatia	Financial Institutions	1.0	4.8	1.0	Manufacturing
Regional TFP: Alternatifbank	Financial Institutions	4.2	100.4	4.2	Manufacturing
Regional TFP: National Bank of Greece	Financial Institutions	24.4	48.4	24.4	Manufacturing
Regional TFP: Burgan Bank AS	Financial Institutions	25.8	83.5	25.8	Manufacturing
Regional TFP: Belinvestbank	Financial Institutions	4.0	4.5	4.0	Manufacturing
Regional TFP: Eurobank Ergasias S.A.	Financial Institutions	1.9	40.0	1.9	Manufacturing
Regional TFP: Piraeus Bank S.A.	Financial Institutions	13.3	63.0	13.3	Manufacturing
Regional TFP: Alpha Bank	Financial Institutions	0.0	18.5	0.0	Manufacturing
Regional TFP: Banque Misr	Financial Institutions	14.8	132.5	14.8	Manufacturing
Regional TFP: Addiko Bank Serbia	Financial Institutions	1.0	19.6	1.0	Manufacturing
Regional TFP: National Bank of Uzbek-istan (NBU)	Financial Institutions	1.6	4.7	1.6	Manufacturing
Regional TFP: Hamkorbank	Financial Institutions	0.1	6.6	0.1	Manufacturing
Regional TFP: Ipoteka Bank	Financial Institutions	5.7	8.4	5.7	Manufacturing
Regional TFP: UzPSB	Financial Institutions	8.4	63.8	8.4	Manufacturing
Regional TFP: Ukgasbank	Financial Institutions	4.4	117.8	4.4	Manufacturing
Regional TFP (Solidarity Package): QNB Finansbank	Financial Institutions	14.7	77.0	14.7	Manufacturing
Regional TFP (Solidarity Package): Denizbank	Financial Institutions	29.5	63.2	29.5	Manufacturing
Regional TFP (Solidarity Package): TEB	Financial Institutions	10.8	21.3	10.8	Manufacturing

## Annex 2: Project derogations

Some projects cannot comply fully with all the requirements of the ESP and these are normally reported here. In 2021, there were no signed projects that required an environmental or social derogation.

## Annex 3: Category A disclosures

A total of 12 new Category A projects requiring an Environmental and Social Impact Assessment (ESIA) were in an active disclosure period in 2021. Of the projects proceeding to the Board of Directors, all met the disclosure requirement of 60 days minimum for private-sector projects or 120 days minimum for public-sector projects prior to Board review. Full ESIA's for all projects were available in local languages and were disclosed electronically. Links were provided to each project's ESIA page on the EBRD's website.

Location	Project name	Public/ private	Disclosure date	Target Board date	Days public before Board	Language
Bosnia and Herzegovina	<a href="#">DFF Adriatic Metals</a>	Private	27-Oct-21	06-Oct-20		English/Bosnian
Morocco	<a href="#">Koudia Al Baida 100 MW Wind Repowering</a>	Private	23-Dec-21	23-Feb-22	63	French/English/Arabic
Ukraine	<a href="#">Mariupol Solid Waste Project</a>	Public	08-Nov-21	23-Mar-22	135	English/Ukrainian
Greece	<a href="#">Mytilineos CCGT</a>	Private	06-Sep-21	10-Nov-21	66	Greek/English
Romania	<a href="#">Cernavoda - Tritium Removal Facility</a>	Public	12-Aug-21	12-Jan-22		English/Romanian
Serbia	<a href="#">Serbian Solid Waste Programme (Kalenic sub-project)</a>	Public	06-Aug-21	08-Dec-21	154	English/Serbian
Kazakhstan	<a href="#">Tranche 2 Construction of bypass road around the city of Kyzylorda of Kyzylorda-Zhezkazgan Road Project</a>	Public	05-Aug-21	21-Jul-21		English/Russian
Egypt	<a href="#">GrCF2W2 -Alexandria Metro</a>	Public	12-Jul-21	10-Nov-21	122	English/Arabic
Mongolia	<a href="#">Choir - Sainshand transmission line</a>	Public	29-Jun-21	n/a		English/Mongolian
Bosnia and Herzegovina	<a href="#">Mostar North to Mostar South Motorway</a>	Public	09-Jun-21	24-Nov-21	169	English/Bosnian
Turkey	<a href="#">Ispartakule - Çerkezköy Railway Project</a>	Public	01-Jun-21	27-Oct-21	149	English/Turkish
Poland	<a href="#">Energix Banie Phase 3 Wind</a>	Private	05-Feb-21	13-May-21	98	English/Polish

## Annex 4: Glossary

AMR	antimicrobial resistance	GTPP	Green Transition Project Portfolio
CCG	corporate climate governance	HPP	Health Project Portfolio
CIF	Climate Investment Funds	ICMA	International Capital Markets Association
CLO	community liaison officer	IPAM	Independent Project Accountability Mechanism
CRPP	Climate Resilience Project Portfolio	LTS	long-term strategy
CSO	civil society organisation	MDB	multilateral development bank
E&S	Environmental and Social	MFP	Micro Finance Portfolio
E5P	Eastern Europe Energy Efficiency and Environment Partnership	NDC	nationally determined contribution
EBRD	European Bank for Reconstruction and Development	NECP	National Energy and Climate Plan
EnviTECC	Environmental Technology Transfer programme	NGO	non-governmental organisation
ESAP	Environmental and Social Action Plan	POP	persistent organic pollutant
ESD	Environmental and Sustainability Department	PPP	public-private partnership
ESG	environmental, social and governance	QALY	quality-adjusted life year
ESP	environmental and social policy	REEP	Regional Energy Efficiency Programme
EU	European Union	SBI	Small Business Initiative
FINTECC	Finance and Technology Transfer Centre for Climate Change	SBP	Social Bond Principles
GBP	Green Bond Principles	SDGs	Sustainable Development Goals
GBVH	gender-based violence and harassment	SEMED	southern and eastern Mediterranean region
GCAP	Green City Action Plan	SLB	sustainability-linked bond
GCF	Green Climate Fund	SMEs	small and medium-sized enterprises
GDP	gross domestic product	SRI	socially responsible investment
GEF	Global Environment Facility	TCFD	Task Force on Climate-related Financial Disclosures
GEFF	Green Economy Financing Facility	TFP	Trade Facilitation Programme
GET	Green Economy Transition	TNFD	Taskforce on Nature-related Financial Disclosures
GHG	greenhouse gas	UN	United Nations
GPP	Green Project Portfolio	UNFCCC	United Nations Framework Convention on Climate Change
GRI	Global Reporting Initiative		



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