

THEMATIC EVALUATION

# Powering resilience amid shocks: how ready is the EBRD?

Evaluation of the EBRD's supply-side energy security support – 2017-2024

IEvD ID: SS24-214



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## Evaluation in a snapshot



**Objective of this evaluation** is to provide evaluative evidence regarding the impact of the EBRD's energy supply activities on strengthening energy security and, more broadly, resilience within its region, while highlighting what works well and offering recommendations for further improvement.



**Scope of this evaluation covers** the “supply-side” of energy activities, including projects and policy engagement and technical cooperation over the period 2017–2024.

The “supply-side” of energy activities is defined as the endeavour to ensure a stable, reliable, and sufficient supply of energy through diversified sources, resilient infrastructure, and integrated markets; this encompasses the generation, transmission, and storage of energy, as well as the mitigation of vulnerabilities to exogenous shocks and reliance on energy imports.



**Portfolio – Investments and relevant policy engagement: 305 energy security supply-side projects signed between 2017–2024.**

- C.a. 16.7 per cent of total ABI over 2017-2024, equivalent to €15.6 billion
- 41 per cent of energy security supply side projects allocated to renewable energy generation, and 35.5 per cent to power transmission and distribution.
- 43 technical cooperations (TCs) in Albania, Egypt, Kazakhstan, Moldova, Romania, Ukraine totalling €20.9 million.



**The overarching evaluation question is:** To what extent have the EBRD's supply-side energy interventions contributed to strengthening energy security and enhancing overall resilience within the Bank's region?

This principal question is further explored through three sub-questions:

1. How well did the EBRD's energy security activities address the needs of the economies where it invests, and to what extent were they coherent with the Bank's strategic objectives and coordinated with other international and local energy security initiatives?
2. To what extent did the EBRD's energy security activities achieve their intended objectives, and did they contribute to fostering energy security and resilience in the economy where the Bank invests?
3. To what extent were the EBRD's energy security activities designed and implemented efficiently, ensuring adequate monitoring and reporting?

## 1 – EBRD delivered prompt and adaptable energy supply support, though placed less emphasis on fostering long-term crisis preparedness

The Bank's energy supply support was timely, flexible, and responsive during crises, providing tailored solutions that helped stabilise stressed energy systems. However, its strong crisis response was not matched by a consistent focus on long-term preparedness or structured crisis management, particularly outside crisis situations.

Most countries needed grid and network upgrades, yet the EBRD's portfolio prioritised power generation, reflecting its private-sector and bottom-up approach. Although energy security efforts aligned with corporate priorities, significant gaps remain in the Bank's overall energy security framework and in the definition and measurement of resilience.

EBRD complemented other development partners, but its interventions were often less integrated and innovative than those of peer IFIs. Outside crisis periods, competition among IFIs hindered deeper collaboration, limiting collective impact.

## 2 – The Bank supported energy security in times of crisis, but more attention needs to be paid to long-term effects and lasting systemic change

EBRD's interventions improved energy security and resilience, supported by policy dialogue in both crisis and stable periods. However, rapid liquidity support sometimes risked dependency. The Bank mobilised private capital where regulatory frameworks were strong but relied more on public sector efforts in fragile contexts. In crises, EBRD stabilised energy systems and cushioned shocks, though liquidity support, in the absence of an exit strategy, reduced the incentives for financial self-sufficiency and long-term sustainability.

Addressing shortages, the Bank prioritised supply over decarbonisation, highlighting the need to balance sustainability during emergencies. In stable settings, continued investment in renewables and cleaner solutions diversified and improved energy supply, strengthening long-term security.

## 3 – Decentralised actions propel support, but systemic inefficiencies hinder energy security gains

EBRD's "hub-and-spoke" model, centralised strategy with decentralised operations, enabled swift and effective action, especially in crises. However, the Bank has faced challenges in accurately capturing the transition impact of its energy security interventions and in presenting a compelling narrative, as well as in facilitating institutional learning. The revised Transition Objectives Management System (TOMS 2.0) aims to address these limitations.



## Recommendations: How the EBRD can improve its energy security supply interventions

**Recommendation 1** -> To promote efficient, resilient, and diversified energy systems across its region, the EBRD should adopt a coherent, organisation-wide approach to implementing energy security on the supply side that is tailored to each country's specific needs -and fully integrated into future Country Strategies and the Transition Impact framework- ensuring that country-level perspectives on energy security are presented to the Board with clearly defined lending and governance priorities for each context.

This does NOT imply the preparation of a new strategy or strategic approach; but the EBRD should rather consider the following actions:

- Review and present to the Board country-level perspectives on energy security, differentiating lending and governance priorities across countries.
- Design and implement practical standardized guidelines and tools to integrate more systematically energy security supply side considerations in the project cycle.
- Establish adequate TOC/impact pathways and narrative within its Impact approach to capture and report EBRD's impact story related to energy security supply side activities.

**Recommendation 2** -> To achieve greater transition impact in the energy security sector, the EBRD should systematically and consistently identify opportunities for leveraging structured policy engagement and technical assistance to its investments—especially with public operators and emergency liquidity support—to drive and sustain transformative reforms and institutional improvements across its countries of operation.

In doing so, the Bank should consider the following actions:

- Develop clear guidelines and criteria for when it is necessary to require the linkage of liquidity support with policy engagement, ensuring consistency and transparency in decision-making while allowing for flexibility in exceptional cases.
- Support country teams in systematically identifying when and how to leverage liquidity support for policy engagement, while accommodating operational constraints and country-specific needs.
- Strengthen institutional readiness by investing in cross-team capacity-building.
- Establish mechanism to capture and share lessons learned from integrating policy engagement and liquidity support.

**Recommendation 3** -> To unlock the full potential of energy security through renewables, the EBRD should prioritise and accelerate private sector investments and innovation in modernising and expanding grid infrastructure in the economies where it invests, in collaboration with other IFIs.

In doing so the Bank should consider the following actions:

- Systematically diagnose grid assets to identify modernisation opportunities and support rapid clean energy growth.
- Expand private sector participation and system flexibility through innovative business models such as microgrids, private-to-private schemes, and storage solutions.
- Launch a dedicated innovation programme to pilot advanced technologies, foster cross-sector collaboration, and accelerate decentralised energy transitions.
- Strengthen collaboration with IFIs and stakeholders to maximise financing, share expertise, and overcome barriers to grid investment and policy engagement.

# 1. Introduction: Framing the evaluation

## 1.1 Understanding EBRD's approach to Energy Security: objective and scope of this Evaluation

1. **Energy security has become an increasingly important issue in recent years. The Covid-19 pandemic and war in Ukraine have affected global energy markets, and the ongoing climate crisis is prompting a transition toward more sustainable systems.** Against this backdrop, the EBRD's role in safeguarding energy security has become increasingly important. The Bank operates in regions at the frontline of these disruptions, highly dependent on energy imports, exposed to geopolitical shocks, and facing the dual challenge of crisis response and long-term transition.

2. **With its private-sector mandate and potential to mobilise capital at scale, the EBRD has stepped into gaps often left by other actors: financing critical infrastructure, sustaining liquidity for utilities during market turmoil, and in some instances advancing policy reforms.** This combination of investment, crisis response, and reform leverage has positioned EBRD as a central player in helping its economies withstand shocks while progressing toward more resilient and sustainable energy systems.

3. **Assessing the EBRD's initiatives within the energy security area involves significant complexity.** Firstly, there exists no universally accepted definition of energy security (i.e. the International Energy Agency (IEA) commonly defines it as “the uninterrupted availability of energy sources at an affordable price”); secondly, the EBRD's energy security interventions span a broad spectrum, ranging from long-term infrastructure investments to urgent energy procurements necessitated by crises.

4. **For analytical clarity, those activities can be broadly categorised into two principal dimensions of energy security: (1) the demand side, focusing on energy efficiency measures, and (2) the supply side, concerned with ensuring the adequacy and reliability of energy provision.** While demand-side interventions—such as the enhancement of efficiency within industry, agriculture, infrastructure, and finance—have been recently covered by evaluation reports, the present assessment is dedicated to the supply side of energy security.

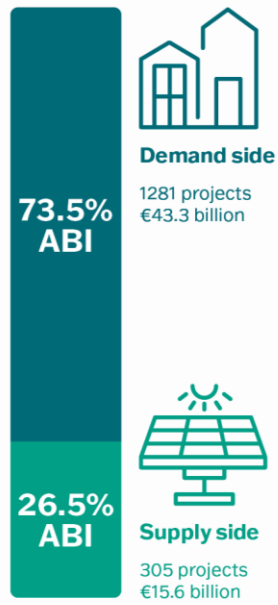
5. **The objective of this evaluation is to provide robust evidence regarding the extent to which the EBRD's interventions in energy security have bolstered the resilience of its clients across the Bank's regions.** For the purposes of this evaluation, supply-side energy security is defined as the endeavour to assure a stable, reliable, and sufficient supply of energy through diversified sources, resilient infrastructure, and integrated markets. This includes the generation, transmission, and storage of energy, as well as the mitigation of vulnerabilities to exogenous shocks and reliance on energy imports.

6. **The scope of this evaluation encompasses both investment and policy dialogue initiatives undertaken by the EBRD from 2017 to 2024,** a period characterised by the implementation of two EBRD Energy Strategies, including the most recent iteration approved in 2023.

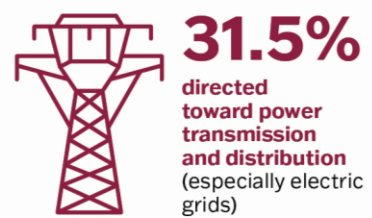
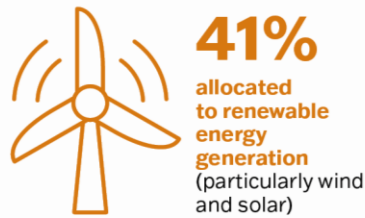
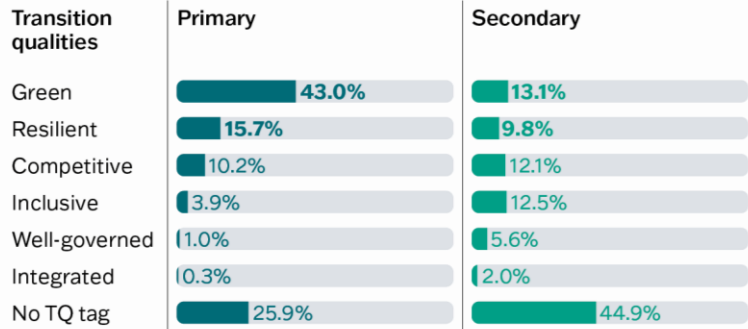
7. **EBRD's operations on the supply-side energy security are comprehensive, including the extraction of energy minerals, the generation of renewable and thermal energy, and the development of infrastructure critical for cross-border energy flows—such as gas pipelines, high-voltage interconnections, energy storage facilities, and the procurement of emergency supplies during crises.** During the evaluation period from 2017 to 2024, the Bank invested approximately €15.6 billion in ABI's energy supply through 305 investments, as well as conducting policy dialogue activities.

## Evaluation Focus

2017-2024, EBRD approved 1586 projects contributing to energy security:



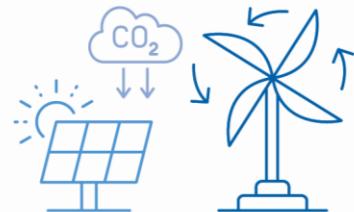
Energy supply side (approximately 15% of the overall energy security portfolio):



The evaluation places a particular focus on energy supply with the **Green**, **Resilience**, and **Integrated** transition qualities.

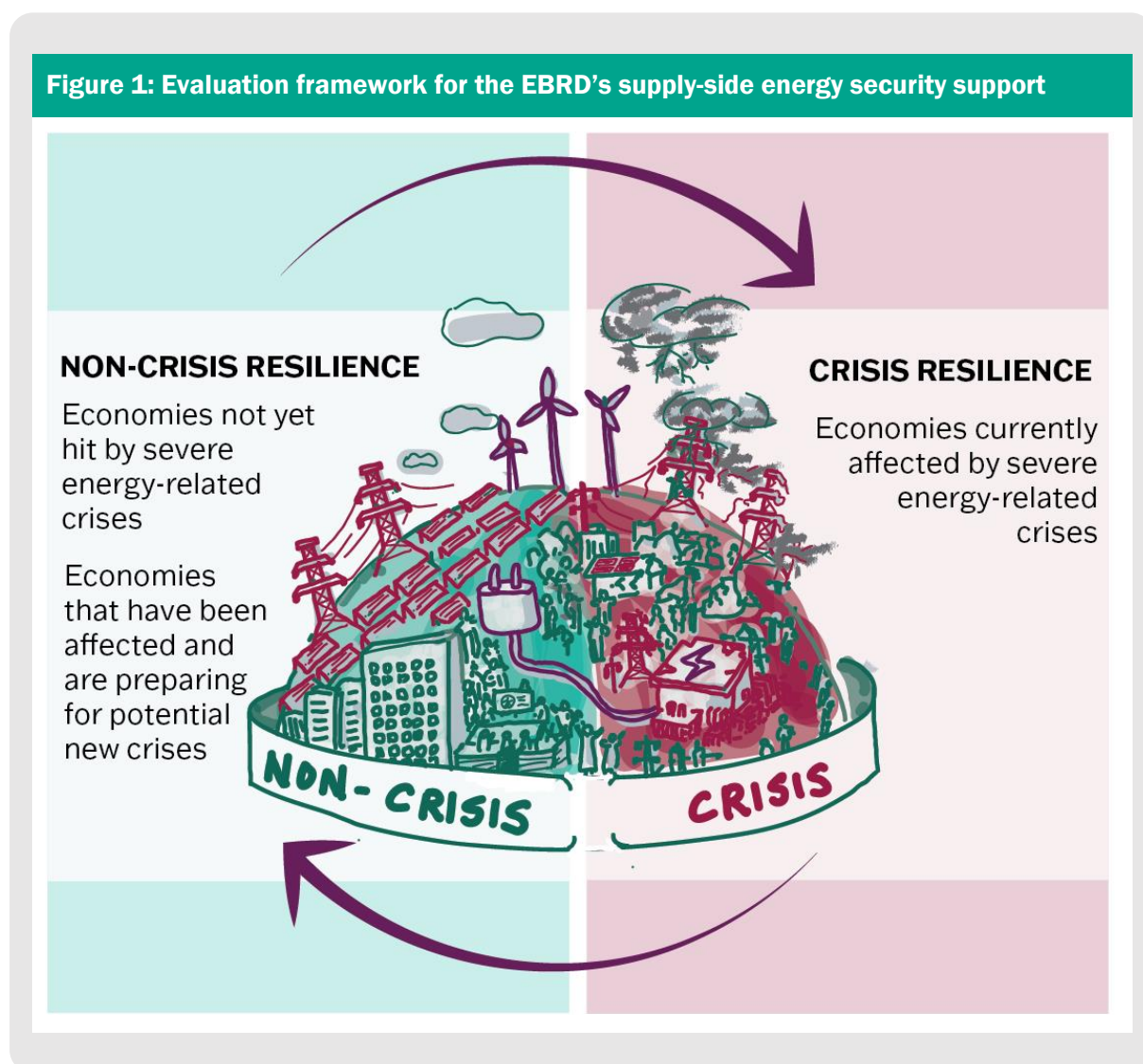


The **largest share of financing** was directed to **Ukraine**



## 1.2 Innovative evaluation approach (and some limitations)

8. **This evaluation is innovative in several ways.** First, it applies an advanced analytical framework to assess supply-side energy security activities across crisis and non-crisis contexts (figure 1). Second, the framework integrates the ongoing work by EBRD management to enhance its transition objective monitoring system (TOMS 2.0), thereby linking country-level resilience with institutional efforts to strengthen impact measurement.



9. **The evaluation is theory based and employed a mixed-methods approach, combining desk review work, portfolio analysis and case studies.** The portfolio analysis and desk review were complemented with key findings from six country case studies: Albania, Egypt, Moldova, Kazakhstan, Romania and Ukraine. The projects analysed in each case study and associated technical cooperation were selected based on their potential to contribute to country resilience.

**10. Moreover, the evaluation used Geographic Information Systems (GIS) to provide dynamic visualisations of regional patterns and relationships.** This approach enhances the understanding of EBRD's energy security investments by overlaying spatial data with financial, technical and environmental indicators, which allows for a more intuitive understanding of the strategic alignment and effectiveness of the Bank's interventions. Such maps reveal geographic clusters, gaps and trends, thus offering insights that traditional tabular analysis might miss.<sup>11</sup>

**11. This evaluation presents two main limitations, which need to be acknowledged to ensure contextual understanding of its findings.** First, a scope focusing on the supply side: this assessment is focused exclusively on the theme of energy resilience, with particular attention to supply-side dynamics. This consisted in approximately 15% of the Bank's investment portfolio, by number of projects contributing fully or partially to energy security, in addition to technical cooperation initiatives with 43 implemented across the country case studies. This means that demand-side aspects, efficiency measures, consumer behaviour, and end-use resilience, fall outside the present scope. Second, data collection relying on internal datasets: the breadth and complexity of EBRD's energy-related activities, spanning diverse geographies and project types, makes comprehensive data collation inherently difficult. Due to the practical constraints and the ambitious timeline of this review, extensive primary data collection was not feasible. The evaluation therefore relied predominantly on existing internal datasets at the portfolio level.

**12. To address these challenges and mitigate the impact of data deficiencies, the evaluation employed a triangulated approach;** first, the mapping of the energy supply portfolio was informed by several complementary databases (such as Monarch, GET etc.), each offering unique perspectives and strengths; second, quantitative analysis was enriched by qualitative evidence drawn from the country case studies; and third, findings were cross-checked and corroborated with secondary information, ensuring that the insights presented were both robust and contextually grounded.

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<sup>11</sup> The theory of change of the evaluation and details on the methodological approach can be found in the approach paper of this evaluation.

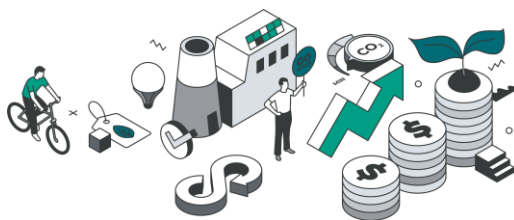
## 2. What we have learned: Three key messages



## Key Message 1: EBRD delivered prompt, adaptable support, though placed less emphasis on fostering long-term crisis preparedness

### > How well EBRD addressed the needs of the Bank's clients

- i. Evidence shows that the EBRD's energy supply activities delivered timely, flexible and context-sensitive crisis response.
- ii. However, the Bank's approach paid less attention to building future crisis readiness and establishing mechanisms for crisis management especially in non-crisis context.
- iii. Although the majority of the Bank's countries of operations require substantial investment in grid infrastructure, over the years the EBRD primarily prioritised power generation, also reflecting its demand-driven approach.
- iv. Energy security supply activities are broadly aligned with the Bank's strategic priorities. However, this alignment is weakened by the absence of a coordinated approach to guide supply side interventions and gaps in resilience metrics.
- v. The EBRD's energy security initiatives were generally aligned with other stakeholders. However, the Bank has taken a more mainstreamed approach to innovation for energy security compared to its peers.
- vi. Evidence suggests that competitive dynamics among MDBs and IFIs have hindered collaboration and reduced overall impact, particularly during non-crisis periods.



## **i) Evidence shows that EBRD's energy supply activities delivered timely, flexible and context-sensitive crisis response.**

14. **As highlighted by the interviews with clients, the EBRD had a comprehensive, value-chain-wide approach to address country-specific needs and enhance country resilience during crisis.** The Bank provided support for gas purchases to facilitate Ukraine and Moldova pivoting to EU markets with EBRD's support through liquidity and technical knowhow to the energy companies in these countries. Bank's support included funding for electricity system equipment, rebuilding destroyed infrastructure, as well as hardening assets against future attacks. It also supported decentralised power production making the energy system more resilient and less dependent on large assets that can be damaged or destroyed.<sup>2</sup>

15. **EBRD's crisis responses were tailored to the context, as demonstrated in Moldova where gas supply disruptions impacted the gas and electricity sectors differently.** This reflects the Bank's flexibility to adapt its investment strategy. For instance, both Ukraine and Moldova faced gas supply disruptions, but Ukraine experienced physical destruction due to war, while Moldova faced energy insecurity due to supply weaponisation, resulting in reduced deliveries and price volatility. In the electricity sector, Moldova's dependence on imports from the Moldovan region of Transnistria linked to Russian gas, posed strategic vulnerabilities. EBRD responded by supporting full synchronisation with the EU power grid through its modification of an existing loan.<sup>3</sup>

16. **EBRD's support extended to targeted subnational interventions when shocks affected specific regions rather than the entire country.** Through the KEGOC Integration project, the EBRD financed critical transmission grid enhancements to integrate this isolated region into Kazakhstan's national network.

17. **Despite its private sector focus, EBRD stepped up investments in public entities in Ukraine, Moldova and Romania<sup>4</sup>, aiming to support the stability of energy supplies amid crises.** Since the Russian invasion of Ukraine, in addition to emergency gas supply packages, crisis liquidity was extended to state or state-owned power utilities to restore critical infrastructure, primarily transmission networks and, to a lesser extent, renewable energy generation.

18. **EBRD demonstrated flexibility in its financing approaches, unlocking faster access to critical inputs.** Its willingness to cover a wide range of expenditures, including emergency fuel purchases, grid equipment repairs, and working capital, enabled Ukrainian energy companies to mobilise internal resources quickly and sustain operations. This adaptability proved vital in the early months of the war, when urgent liquidity was essential to avoid systemic collapse.

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<sup>2</sup> This support was provided jointly with other international partners such as EIB through its EU for Ukraine (EU4U) Initiative and the WBG. The EIB has stepped up its financial support for the country's resilience and modernisation since Russia's full-scale invasion of Ukraine in 2022. Since then, the EIB has provided €3.6 billion in financing, with almost two-thirds already disbursed. Through its EU for Ukraine (EU4U) Initiative, coupled with its key role in implementing a dedicated window under Pillar 2 of the Ukraine Facility, the EIB is strongly committed to stepping up and accelerating its activities in close cooperation with the European Commission, the European Parliament, Member States and international partners.

<sup>3</sup> Moldova Romania Power Interconnection phase II signed in 2024, following phase I that was signed in 2017

<sup>4</sup> Similar crisis-related support was also provided to a private electricity distribution company in Romania in response to the combined shocks of the Covid-19 pandemic and the energy crisis.

## ii) The Bank's approach paid less attention to building future crisis readiness or establishing mechanisms for crisis management.

19. In stable situations<sup>5</sup>, the Bank's approach focused on enhancing the policy landscape to attract private investment, supporting measures such as market liberalisation and competitive auctions. These initiatives, as demonstrated in the cases of Egypt and Albania, were aimed at building investor confidence and catalysing long-term sectoral transformation alongside broader resilience goals.

20. In Egypt, EBRD supported the Government in its energy sector reform agenda and invested over 1.4 billion USD in energy supply of which 1.1 billion USD in renewable energy generation, Interviews with clients revealed that EBRD's participation as an anchor lender made projects more attractive to investors and fuelled their confidence in investing in the country.

21. Pre and post -crisis support in some cases enhanced countries' resilience to future shocks. In Moldova, for instance, EBRD investments in gas interconnectors with Romania enabled a rapid pivot away from Russian supplies during disruptions in 2021. In Romania, assistance to Electrica and Retele fortified corporate resilience amid price volatility. Albania's OSHEE COVID-19 Response included technical assistance and scenario planning, which bolstered institutional readiness and financial stability during the pandemic. EBRD also provided financial recovery support to a regional distribution company in Kazakhstan, to mitigate post-Covid-19 losses.

22. Yet, while these interventions bolstered resilience, they tended to be ad hoc, largely reactive and lacked structured scenario planning, stress testing, and preparedness protocols. The absence of an anticipatory framework, developed in collaboration with other partners, has hindered the Bank's ability to embed resilience into project design and pre-emptively strengthen energy systems. For example, in Ukraine, EBRD rapidly shifted from long-term development to emergency liquidity and infrastructure support post-invasion. However, pre-war investments were not designed with resilience in mind, even though they later proved critical. In Moldova, EBRD's support during the Ukraine war included emergency liquidity and infrastructure reinforcement but lacked pre-crisis scenario planning or stress testing, which could complement Government's actions on the energy efficiency side and have a more immediate effect during acute crises. Most capacity-building relied on the Bank's own resources or donor support, with limited evidence of a portfolio-wide, anticipatory approach to energy shocks.<sup>6</sup>

23. In summary, the EBRD has demonstrated flexibility, pragmatism, and a strong responsiveness to client needs. To maximise its impact, however, the Bank may yet need to adopt a more systemic and proactive posture, while maintaining its adaptability, by embedding long-term crisis preparedness at the heart of its energy security agenda.

<sup>5</sup> As mentioned (Ch.1.2) in the evaluation, references to "more stable contexts" denote countries that are only partially affected by crises; this includes those in a pre-crisis or post-crisis phase, as well as nations experiencing indirect impacts from regional upheavals rather than facing acute crisis conditions themselves. Such environments, while not entirely insulated from external shocks, retain a greater degree of stability compared to those at the epicentre of an ongoing crisis.

<sup>6</sup> Although outside its scope, this evaluation recognizes the importance of energy efficiency as a non-trivial component of energy resilience, and its importance in the Moldova's Energy Strategy which highlights the expansion of energy efficiency as one of the top priorities.

### **iii) Although the majority of EBRD countries required investment in grid infrastructure, the EBRD primarily prioritised power generation—particularly renewables and cleaner solutions—reflecting its emphasis on the private sector and bottom-up approach.**

24. **Recent analyses and sectoral reports have repeatedly underscored that a majority of EBRD's countries of operation are in urgent need of interventions targeting network grid infrastructure, rather than additional investments in power generation capacity.** The ageing, often under-maintained electricity transmission and distribution grids present a critical bottleneck to integrating new generation, especially from renewable sources, into national energy systems and ensuring reliable power delivery to end users.

25. For example, the International Energy Agency (IEA) notes in its 2023 Electricity Grids report that inadequate grid infrastructure is the single greatest threat to renewable integration and energy security across Eastern Europe.<sup>7</sup> Similarly, a recent World Bank overview highlights that in the Western Balkans and Eastern Neighbourhood, grid investments lag far behind the pace of new generation, with network congestion and transmission losses posing persistent challenges [World Bank, 2022].

26. **There are some notable cases across its region of operation where EBRD invested in national grids, addressing bottlenecks and energy security.** In Egypt, while early renewable expansion outpaced grid capacity, EBRD's late-stage NWFE Grid investments signed in December 2025 to address transmission constraints and enable greater renewable integration and resilience. Similarly, in Kazakhstan, the KEGOC Integration project (2024) stands out as one of the few grid-focused interventions, highlighting a reactive rather than strategic approach to grid resilience, yet crucially connecting previously isolated regions to the national network.

27. **Beyond national borders, EBRD has played a catalytic role in regional energy integration.** The Bank's financing of the Romania-Moldova interconnection and support for Moldova's synchronisation with the European Network for Transmission System Operators for Electricity (ENTSO-E) have strengthened Moldova's ability to shift between suppliers, improving reliability and independence during geopolitical shocks. These investments not only enhance domestic energy security but also foster cross-border cooperation and market integration across the region.

28. **During crisis, EBRD responded effectively to conflict and climate shocks with capex investments in grid.** In Ukraine, EBRD emphasized the support on transmission operators and transmission infrastructure prior and after 2022. These projects included capex financing to upgrade or restore transmission infrastructure, but also some short-term finance to alleviate the financial constraints of transmission operators.

29. For example, the Ukrenergo Sustainability-Linked Eurobond project supported a Sustainability-Linked Bond and contributed to clear arrears and strengthen sector finances.

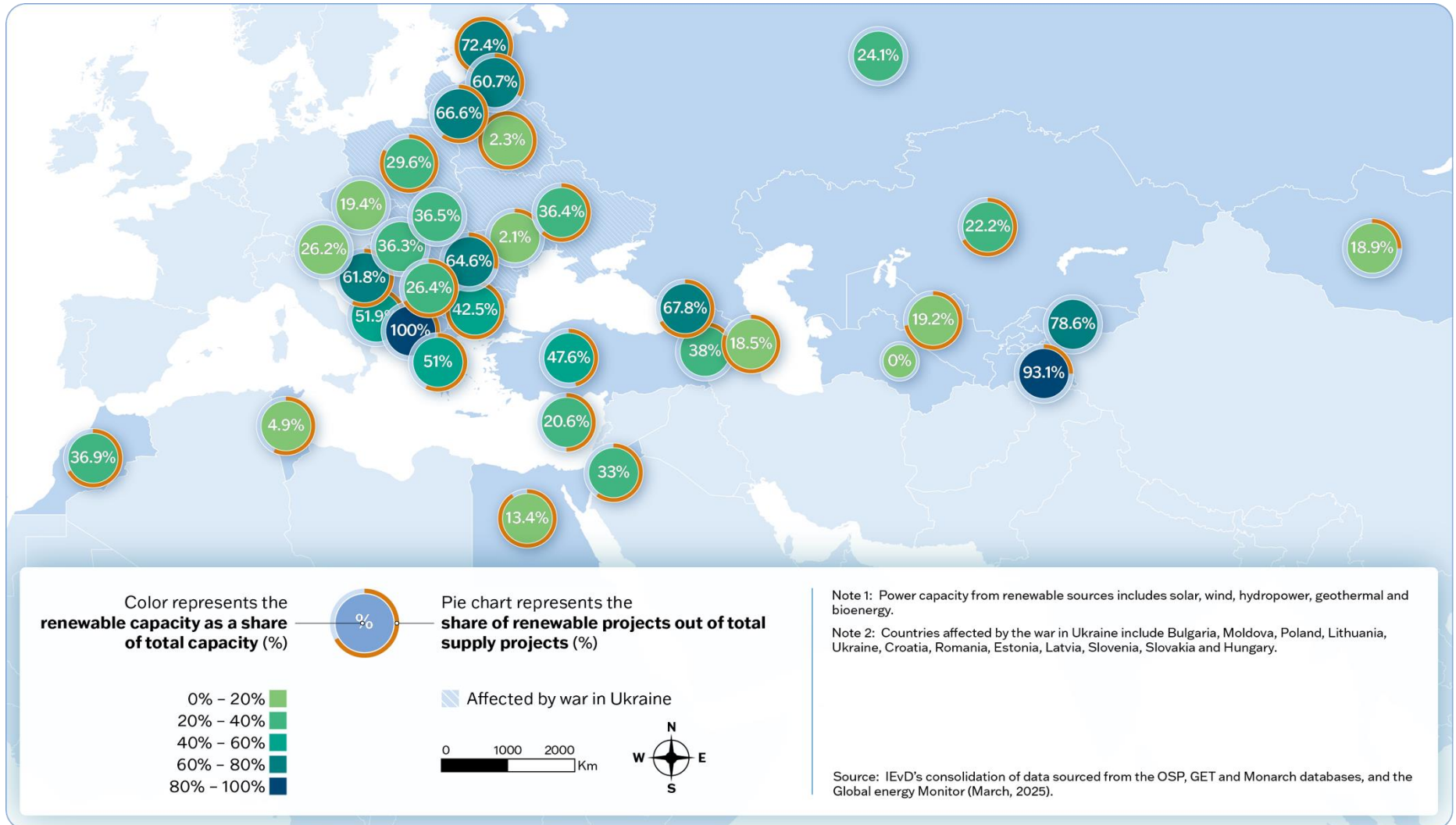
30. **However, portfolio-wide, despite this urgent need, EBRD has focused disproportionately on power generation, particularly renewable energy projects, rather than on the grid and transmission infrastructure so vital for resilient energy systems.** Over the period 2017-2024, 48 per cent of the supply portfolio focused on power generation and 42 per cent on power generation from renewable energy sources. Domestic power generation accounted for €7.5 billion ABI, while ABI of €3.5 billion consisted in investments in transmission. In Egypt, the EBRD contributed to regulatory reforms and technical

<sup>7</sup> <https://www.iea.org/reports/electricity-grids-and-secure-energy-transitions>

cooperation to attract private capital and capacity-building which have helped integrate renewables and strengthen system efficiency, yet most investment has focused on power generation. Grid reinforcement only began to scale up under the NWFE initiative launched in 2023, with €165 million allocated by EBRD for strategic investments in end 2025. Investments remain modest prompting stakeholders to call for more systematic engagement.

**31. The evaluation performed an analysis using GIS data showing that the focus of EBRD financing in renewable energy generation was particularly visible in non-crisis case countries, especially where renewable capacity remained relatively modest (Map 1).** For example, the installed renewable capacity in Egypt represents approximately 30% of its total national capacity, yet 91% of supply projects financed by the Bank are renewables. This positioned investments ahead of national system transformations and contributed to national energy mix diversification.

Map 1: Share of EBRD Supply Projects supporting renewable energy



32. **This orientation can be attributed in large part to the nature of the sectors themselves.** Transmission and distribution networks are typically public-sector assets, requiring complex regulatory reforms and sovereign or public financing. In contrast, power generation, especially in renewables, has been more open to private sector participation. As a result, EBRD has found more opportunities in supporting private-led generation projects, while grid and transmission investments have remained the domain of state-owned entities, necessitating deeper engagement with public authorities and longer development timelines.

33. In summary, while power generation projects have flourished under EBRD's private-sector oriented strategy, the persistent and growing gap in network grid development across most economies where EBRD invests, highlights the urgent need for a recalibration of investment focus, as echoed by leading energy sector institutions and recent international studies.

#### **iv) Energy security supply activities are broadly aligned with the Bank's strategic priorities. However, this alignment is weakened by the absence of a coordinated approach to guide supply side interventions and gaps in resilience metrics.**

34. **EBRD's interventions on energy security supply during the evaluation period were overall aligned to institutional priorities.** Ukraine was the biggest recipient of EBRD's energy security supply investment over the evaluation period and even more since 2022 (with 13.3% and 25.5% ABI, respectively) to address its wartime immediate energy security needs.

35. **EBRD's "supply-side" interventions focused on increased energy supply, facilitating private sector participation and energy mix diversification.** EBRD recorded an estimated Private Indirect Mobilisation of 7.7 billion over 2022-2024 across 76 investments, in both non-crisis contexts (mainly in Egypt) and countries affected by the war in Ukraine (Poland and Romania).

36. **Despite this broad convergence with corporate priorities, EBRD lacks a clear and unified operational definition of "energy security" to consistently guide interventions across both crisis and non-crisis contexts.** This has hindered effective operationalization of EBRD energy security efforts leading to inconsistencies in its strategic approach on energy security.

37. **This gap is reflected in the Bank's strategies,** where energy security is sometimes framed mainly through decarbonisation and diversification, sometimes through more flexible approaches that prioritise grid stability and transitional fuels in crisis contexts.<sup>8</sup>

38. **In practice, without a unifying framework, interventions were often context-driven but not integrated into a broader coordinated approach.** This fragmented delivery meant that the Bank's systemic contributions, such as reforms, market integration, and policy support, were treated as isolated achievements and undervalued in reporting, limiting recognition of their systemic impact and weakening the Bank's ability to demonstrate strengthened resilience and preparedness. Over the long term, this variability also constrains the Bank's ability to manage trade-offs between immediate energy needs and sustainable investments, slowing progress towards a coherent energy transition and Paris alignment.

<sup>8</sup> For example, the 2024–2028 Energy Sector Strategy and GET 2.1 link energy security mainly with diversification and decarbonisation but provide little operational guidance on transitional pathways such as natural gas. By contrast, the Resilience and Livelihoods Framework (2022) and the 2024 Partial Derogation for Ukraine allowed more flexibility, prioritising grid stability and natural gas procurement alongside decarbonisation in emergency contexts.

**39. These strategic inconsistencies are compounded by weaknesses in the Bank's results framework and measurement system, which further limit recognition of its contribution to energy security and broader resilience.** The Impact framework positioned energy resilience as a core pillar of the Resilient TQ alongside financial stability, envisioning economies able to withstand shocks through diversification, energy security, and institutional strength. In practice, however, the Bank emphasized decarbonisation as the main pathway to energy security notably in non-crisis contexts. Yet, the Transition Impact approach is not particularly vocal on the link between the energy dimension of Resilient TQ and Integrated TQ and does not address the connection between financial and energy resilience—despite evidence of the critical role of market integration and short-term liquidity instruments in crises. As a result, EBRD's contribution to resilience is often under-recognised in project tagging, limiting reporting and learning.

**40. The current indicator set overlooks key systemic impacts, such as policy demonstration and institutional strengthening, leaving a gap in assessing EBRD's broader effects.** While the Transition Impact framework identifies energy sector resilience and improved regulatory standards as key to energy security, it does not systematically capture or report the impact of policy engagements on energy security within its results architecture. This results in weak implementation and tracking of these goals. It also fails to clarify the relationship between Resilient and Integrated TQs or address energy connectivity and trade infrastructure. Consequently, cross-border and market integration projects crucial for energy diversification in crises are insufficiently represented in the Bank's impact assessments.

**41. Investment patterns point to inconsistent recognition of resilience.** The Bank's investments tagged with the Resilience TQ has shown sensitivity to crisis settings, particularly in 2020 and 2022 when EBRD's investment in energy security intensified.

**42. On the other end, in more stable contexts, evidence shows that EBRD's contribution to resilience is often under-recognised. This results in lost opportunities for reporting results, learning and designing projects through a resilience lens.** Successful energy supply projects that enhanced resilience – such as hydropower development in Albania, the energy system in Egypt, renewable generation in Romania and Kazakhstan – were not tagged with the Resilient TQ. This is due to the TQ not being systematically aligned with the use of proceeds, meaning that many projects lacked thorough transition impact assessment and resilience monitoring at the design stage. As a result, key elements like crisis planning were often missing, and valuable lessons on enhancing resilience through energy security may not have been fully captured for institutional learning.

## **v) EBRD's energy security efforts were generally complemented and aligned with other players but were less innovative and integrated as compared to other IFIs.**

**43. The EBRD's strategic priorities on energy security are, overall, in alignment with those of peer institutions, reflecting a harmonised approach to tackling energy security challenges notably in non-crisis contexts.** The EBRD demonstrated consistency compared to its peers on emphasising enhanced and diversified energy access, transitioning to sustainable energy sources and supporting renewable energy generation, engaging with the private sector to unlock financing for the sector. These efforts positioned the EBRD as a key player in collective actions aimed at addressing the multifaceted challenges of energy security.

**44. EBRD's evolving strategic focus on enhancing energy security in crisis contexts and reducing reliance on single energy sources is increasingly aligned with its peers, with a stronger emphasis on energy**

**connectivity.** For instance, the European Investment Bank (EIB) places greater emphasis in its Energy Lending Policy on upgrading power grids and promoting regional energy cooperation and integration to ensure a robust and interconnected energy network with a diversification of energy supply sources. Similarly, the African Development Bank (AfDB) highlights in its Ten-Year Strategy (2024–2033) the priority to support cross-border electricity interconnections and regional power pools to establish a more resilient and interconnected energy network throughout Africa.

**45. EBRD leveraged opportunities of synergies and partnerships with peer organizations to enhance its contribution to energy security, particularly in crisis contexts.** The EBRD signed several agreements and deepened collaboration and partnership on the ground with key international partners to enhance its value proposition on energy security, notably in Ukraine.

**46. However, the EBRD has taken a more mainstreamed approach to innovation for energy security compared to its peers.** The EBRD strategically and operationally supported innovation that strengthened energy security, mainstreamed across its core strategies and frameworks (such as through the GET, GEFFs, Green Cities, Digital Transition Approach).

**47. The Bank does not have a dedicated innovation programme with energy security as its explicit and primary objective.** In contrast, the International Finance Corporation has a dedicated programme on innovation in energy to support large scale roll-outs of more efficient and cost-effective renewable technologies (such as the scale-up of floating solar, green hydrogen solutions, distributed off-grid business models). EIB, in its Energy Lending Policy, commits to support energy efficiency across sectors, as part of the EU's decarbonization efforts but also to reduce reliance on external energy sources to enhance energy security. In the same vein, the AfDB through its strategic objective "Light Up and Power Africa", also promotes the use of energy-efficient technologies to reduce energy waste and increase the sustainability of energy systems.

## **vi) Competitive practices among IFIs outside crisis periods limited collaboration and impact.**

**48. There were some competitive practices in non-crisis situations that constrained opportunities for cooperation between EBRD and peer IFIs.** For instance, in non-crisis settings, efforts to make feed-in tariffs more affordable to off-takers through concessional finance have led to EBRD's heavy reliance on concessional financing for some renewable energy generation projects. This fuelled an uneven playing field, unintentionally entrenching market distortions where independent power developers in the private sector increasingly bypass partners that can't offer subsidies while peer IFIs operate under varying levels of internal scrutiny to offer concessional terms.

**49. The lack of strategic alignment and clear rules for engagement and duration of concessionality deters synergies between EBRD and other IFIs, undermining long-term sector sustainability.**

## Key Message 2: EBRD supported energy security in times of crisis, but more attention needs to be paid to long-term effects and lasting systemic change

### > What results the EBRD achieved in enhancing energy security and resilience

- vii. **EBRD's energy supply activities contributed to important outcomes**, with policy dialogue playing a significant role in both crisis situations and more stable contexts.
- viii. **The Bank's success in mobilising private capital for energy security hinges on context**: it is most pronounced in stable, reform-oriented environments, while fragile settings present a more nuanced narrative.
- ix. **In crisis contexts, EBRD became a lifeline for energy security, though its swift interventions, while easing immediate shocks sometimes risked fostering dependency**, highlighting the tension between urgent aid and lasting resilience.
- x. **In addition, during crises, the Bank made trade-offs with its decarbonisation agenda to meet urgent energy needs**, a pragmatic approach, yet one that invites reflection on whether greater emphasis could be placed on sustainable energy even amid urgent needs.
- xi. **Evidence demonstrates that, in stable environments, the EBRD's energy supply activities, particularly its investments in solar and wind sources, have successfully expanded power generation and diversified the energy mix**, thereby improving both the energy availability and reliability.



## **vii) EBRD's energy supply activities contributed to important outcomes, with policy dialogue playing a significant role in both crisis situations and more stable contexts.**

**50. Evaluation evidence attests to the EBRD's remarkable effectiveness in fortifying energy security supply across its regions of operation.** In times of both crisis and calm, the Bank's interventions have not merely filled gaps, they have elevated the resilience and reliability of energy systems, turning adversity into opportunity and uncertainty into progress.

**51. The Bank's policy dialogue—paired with its commitment to privatisation, commercialisation, and the restructuring of leading energy companies<sup>9</sup>—has catalysed sweeping reforms throughout the sector in times of stability.** Through these combined efforts, the EBRD has unlocked greater competition and innovation, paving the way to private sector mobilization in renewables and setting the stage for enduring progress and energy security.

**52. In Egypt for example, EBRD's strategic policy engagement with energy stakeholders strengthened the effectiveness of its support by providing value beyond financing.** EBRD supported the standardization of the templates for Power Purchase Agreements and the design of wheeling fee structures and operational arrangements, which would allow private to private projects without government participation as the off-taker. While the Bank delivered targeted assistance—such as workshops, gap analyses on PV battery systems, stakeholders indicated during the interviews a need for a more systematic and sustained engagement in particular in battery storage.

**53. During crises, the EBRD has emerged as a steadfast guardian, most notably in Ukraine following the events of 2022.** Working in concert with international partners, the Bank's swift and strategic actions proved indispensable in helping the country withstand the shock of the war and mitigate disruptions and the pressure on the financial standing of its energy institutions.<sup>10</sup>

**54. The support to SOEs envisioned at design was not only strategic but vital in situations marked by conflict where the private sector is unwilling to engage.** By targeting public sector actors for both financial backing and technical cooperation, the Bank has contributed significantly to stabilising entire energy systems and safeguarding the basic needs of populations. For example, in Ukraine and Moldova, EBRD's engagement with SOEs helped these countries address immediate power supply challenges while also preserving the operational integrity of critical infrastructure.

<sup>9</sup> In stable contexts, EBRD worked closely with SOEs to drive governance reforms and build lasting institutional resilience. In Albania KESH, the state-owned electricity producer, benefitted from the Bank's support to enhance operational efficiency and climate resilience, including through a major restructuring in 2016. In Egypt, EBRD directed support to public institutions like the Egyptian Electricity Transmission Company (EETC) [NWFE Grid], providing €165 million for strategic grid investments. In Kazakhstan, EBRD provided financial recovery support to MREK, a regional distribution company, to mitigate post-Covid-19 losses.

<sup>10</sup> EBRD's interventions, done jointly with others, played a critical role in the immediate response to the crisis in Ukraine and countries affected by this war, across the entire energy and electricity value chain, enhancing energy resilience by helping Ukraine restoring critical transmission infrastructure in the sector and coping with supply disruptions. Interviews with key stakeholders underlined that EBRD's longstanding engagement with Ukrnafta ensured that combined heat and power plants could continue supplying electricity and heating to households, helping sustain livelihoods amid the crisis. EBRD supported the replacement of damaged generation assets, particularly vulnerable hydropower facilities IN 2024 [RLF Hydro Power Plants Emergency Restoration], as well as transmission assets such as with substation upgrade in 2022 (Ukrenergo Transmission Network Emergency Restoration). EBRD's flexible approach to infrastructure restoration extended to project implementation, restructuring technical consultancy contracts under its loan to Hydro to analyse the impact of Russian attacks and develop mitigation and reinforcement strategies.

55. Finally, evidence shows that policy dialogue and technical cooperation efforts strengthened institutional resilience, particularly in Ukraine, by deepening integration with the EU energy grid, developing human capital even amid wartime conditions, and investing in the hardening and modernisation of energy systems.

### **viii) EBRD's success in mobilising private capital for energy security hinges on context: it is most pronounced in stable environments, while fragile settings present a more nuanced narrative.**

56. The underlying factors that have determined EBRD's mobilisation success in more stable contexts are **multi-faceted**. Political stability, regulatory clarity, market liberalisation, robust institutional capacity, and sovereign commitment to reform, primarily to help advance the green transition and renewables, are decisive in attracting private capital.

#### **Box 1: Private sector mobilization in the energy sector in Egypt and Albania**

- **In Egypt, following the 2015 launch of the Benban Solar Park, a project that grew to be one of the world's largest photovoltaic facilities, the EBRD was pivotal in assembling a broad coalition of global private investors.** Its early and substantial financial commitment, combined with technical assistance to Egyptian authorities in the development of transparent, bankable Power Purchase Agreements (PPAs), signalled confidence to the market and helped de-risk the investment environment.
- **This was particularly evident in the solar sector, as shown by Egypt's second solar feed-in tariff round in 2017 that offered improved financial mechanisms for solar power producers resulting in stronger participation from international investors.** The result was the successful mobilisation of over \$2 billion in private capital for Benban and the broader renewables sector. This momentum was further evidenced in 2022, when the EBRD enabled the issuance of Egypt's first green project bond, unlocking \$334.5 million in new institutional investment and cementing Egypt's place as a regional renewable's leader.
- **More recently, EBRD has played a pivotal role in Nexus of Water, Food, and Energy (NWFE)'s Energy Pillar as lead architect and financier.** The NWFE is Egypt's flagship initiative to accelerate the green transition by integrating large-scale renewable energy, water, and food security investments. The EBRD contributed by designing the programme, mobilising over €285 million in donor and concessional funds, and spearheading critical grid reinforcement projects that enable the integration of 10 GW of new renewables. Through technical assistance, policy dialogue, and innovative financing, EBRD has catalysed private sector participation.
- **In Albania, the EBRD helped unlock private sector investment in renewable energy (solar and wind) through the Renewable Energy Market Accelerator (REMA) initiative<sup>1</sup> and the partnership with the Swiss State Secretariat for Economic Affairs (SECO).** In 2020, EBRD through REMA supported Albania's first renewable energy auction (solar photovoltaic), marking a key milestone in the country's renewable energy market development. These efforts were underpinned by comprehensive reforms that enhanced the investment climate (e.g., improvements to land cadastre linked to the Trans Adriatic Pipeline - TAP).

57. **In these contexts, EBRD has excelled in crowding in private investments for energy security by fostering renewable market transparency and competition.** Egypt and Albania stand as striking examples of this dynamic (box 1). In both cases, EBRD's offered not only capital but also technical expertise, policy dialogue, and risk-sharing mechanisms that collectively built investor confidence in the sector.

58. **In contrast, in high-risk contexts, the absence of these enabling conditions precludes the mobilisation of private capital at scale.** EBRD interventions in these contexts, while vital in securing supply chains and preventing systemic collapse, were almost exclusively public sector-driven, emphasising liquidity support, emergency finance, and the restoration of critical infrastructure over the fostering of a robust private investment environment. This pattern is corroborated by global trends, where international development finance institutions have found that less than 20% of energy investments in fragile states are privately sourced, compared to 50% or more in stable, reform-oriented markets.

59. **In this context, EBRD could only mobilise private indirect financing in energy supply investments for renewables.** While renewables continued to attract the largest share of EBRD investments even in countries affected by the war in Ukraine (39%), the second-largest portion in those countries (22%) was channelled into securing gas trade and shoring up electrical transmission, particularly through a handful of major undertakings for Ukraine and Moldova. These efforts, vital as they are, naturally reflect the imperative to safeguard energy security under duress.

60. **Looking ahead, interviews highlighted that bridging this divide will require continued innovation in risk mitigation, further development of blended finance instruments, and a deepened engagement with host governments to accelerate structural reforms.** The Bank's experience demonstrates that when the right conditions coalesce, EBRD can effectively mobilise private capital to advance energy security. Yet, it also underscores the enduring necessity for public sector leadership and international support in contexts marked by fragility and acute crisis, where the imperative of safeguarding essential services must take precedence over market development.

61. In sum, the EBRD's record on private mobilisation is somehow context-sensitive success: transformative in more stable and reforming environments that enable the green transition, but necessarily more constrained in regions beset by conflict where investment priorities have cantered on mitigating energy system disruptions and volatility with efforts predominantly led by the public sector. The lessons drawn from these contrasting experiences will continue to inform the Bank's evolving strategies, ensuring that it remains both a catalyst for private investment where possible and a lifeline of public support where necessary.

**ix) In crisis contexts, EBRD became a lifeline for energy security—though its swift interventions, while easing immediate shocks, sometimes risked fostering dependency, highlighting the tension between urgent aid and lasting resilience.**

62. **The evaluation acknowledges that crises are deeply interconnected and unleashed ripple effects on the energy sector across neighbouring countries (and beyond), which drove reliance on liquidity support.** EBRD's investments in crisis contexts shifted toward liquidity, working capital and emergency facilities to support gas purchases during Russian gas disruptions, as well as to ease cash flow constraints amid the Covid-19 crisis and the war in Ukraine.

63. The Resilience and Livelihood Framework, for instance, provided fast support to Ukraine and countries affected by the war, through financial instruments that include liquidity to state-owned enterprises and the private sector, in specific areas notably energy security whose immediate priorities include “gas purchase, electricity grid operations and when concrete cases arise, other fuel supplies”.<sup>11</sup> In a few instances, liquidity support in Ukraine and war-affected countries to SOEs were accompanied by corporate reforms.<sup>12</sup>

64. **EBRD provided short-term facilities to other countries affected by the war in Ukraine** including through the RLF. For instance, Romania faced a cascading liquidity crunch when EU-wide electricity price surged following the Ukraine invasion outpaced government compensation mechanisms. EBRD provided working capital<sup>13</sup> and liquidity lines to electricity distributors<sup>14</sup>, allowing them to continue procuring electricity and maintain supply despite delayed reimbursements from the state. This swift injection prevented systemic breakdowns in distribution services.

65. **Finally, EBRD made energy security supply investments through the 2020 Resilience Solidarity package in response to the COVID-19 pandemic, all consisting in short-term financing.**<sup>15</sup> These initiatives aimed to stabilize major public energy entities during a time of acute financial strain, preserving service continuity and mitigating the broader financial fallout of COVID-19.

66. **However, this short-term liquidity support, while effective in addressing immediate pressures, did not always offer clear pathways to corporate reform and operational sustainability.** As a result, their non-trivial use raises concerns about over-reliance and entrenched financial vulnerabilities of the clients. Evidence from other IFIs' crisis-response evaluations, supported by insights from interviews conducted for this assessment, indicates that this is not an isolated experience. Other institutions have faced similar risks of client over-reliance, underscoring the need to pair short-term liquidity instruments with defined exit strategies and reforms aimed at long-term operational and financial resilience.

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<sup>11</sup> Hydro Power Plants Emergency Restoration and Ukrnafta Emergency Distributed Generation Support in Ukraine, Gas Security Supply in Moldova; and to the private sector such as Galnaftogaz Biofuel .

<sup>12</sup> Ukrenergo Special Capital Structure Support.

<sup>13</sup> Premier Energy.

<sup>14</sup> Electrica Distribution, Retele,

<sup>15</sup> These included the emergency liquidity to Georgia's Oil and Gas Corporation (GOGC) to sustain critical infrastructure services during the pandemic ; the Project Red II in Slovenia which provided liquidity to the private sector through the Resilience Framework to maintain essential operations amid the crisis ; and the OSHEE COVID-19 Response in Albania which offered working capital through the Vital Infrastructure Support Programme (VISP) to Albania 's state-owned power distribution company (OSHEE), helping it manage pandemic induced financial stress in 2021 .

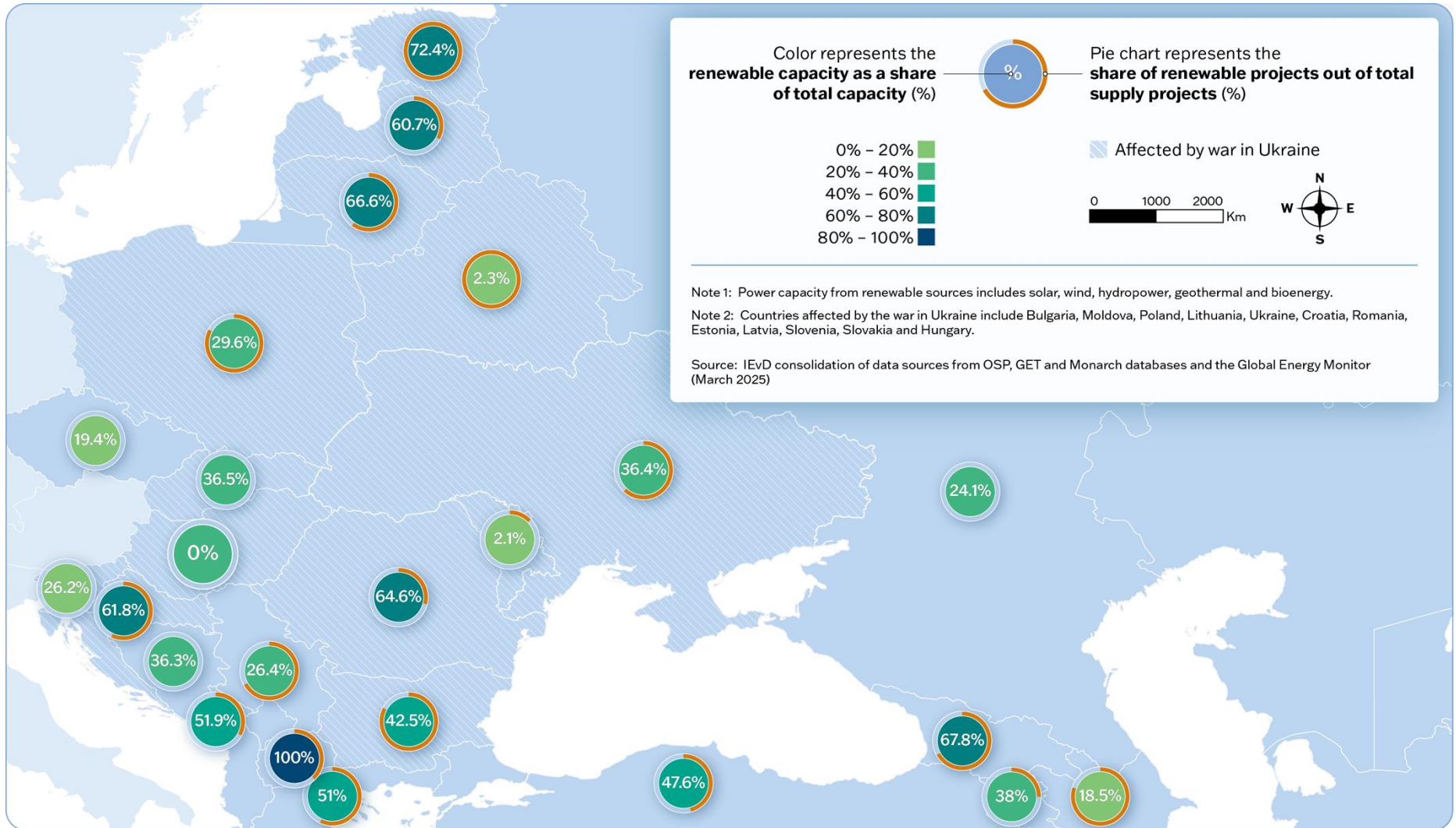
**x) During crises, the EBRD made trade-offs with its decarbonisation agenda to meet urgent energy needs. A pragmatic approach, yet one that invites reflection on whether greater emphasis could be placed on sustainable energy even amid urgent needs.**

67. It is unsurprising that, in the throes of crisis, the momentum behind renewable energy investment slows: urgency demands expedience, and the immediate lifelines are often cast toward gas supply and emergency infrastructure rather than green innovation EBRD's. While renewables continued to attract the largest share of EBRD investments even in countries affected by the war in Ukraine (39%), the second-largest portion in those countries (22%) was channelled into securing gas trade and shoring up electrical transmission, particularly through a handful of major undertakings for Ukraine and Moldova.

68. In Ukraine, EBRD halted investments in renewables in the wake of the 2022 Russian invasion until 2024, interventions mainly included gas procurement and the rebuilding of damaged transmission networks and the appetite and capacity for private investment fundamentally diminished. As shown in map 2, about 62% of the investments in energy security supply in Ukraine were renewables, in number of projects, thereby contributing to the diversification of the energy mix with currently 36% of its national installed capacity from renewables.

69. However, these investments in renewable energy generation in Ukraine were smaller in size, as they accounted for 25% of the investments in energy security supply in the country compared to 43% for countries not affected by the war in Ukraine. Romania shows moderate shares of renewable projects (29%) and has a relatively higher share of renewable installed capacity (64%). This indicates that while national energy systems are becoming greener, EBRD's financing may still be directed toward a mix of renewable and conventional generation technologies.

Map 2: Share of EBRD Supply Projects supporting renewable energy and share of renewable capacity of total capacity in countries affected by the war in Ukraine



70. **In crisis context, the Bank made pragmatic adjustments to its decarbonisation agenda, prioritising interventions in fossil fuels to address immediate energy security needs. EBRD supported its economies affected by the war in Ukraine by increasing investments in energy imports and the development of cross-border gas pipelines,** leveraging the benefits of regional integration and strengthened collaboration with EU energy and electricity markets. The Bulgaria-Romania-Hungary-Austria (BRUA) pipeline and Romania's grid interconnections enabled both imports and exports, enhancing regional stability after the invasion of Ukraine. The Kazakhstan Electricity Grid Operating Company (KEGOC) Integration project, by linking isolated regions to national grids, improved reliability and protected local economies from supply disruptions.

71. However, most of these investments are directed toward countries with already vulnerable trade balances, potentially placing additional strain on their trade dynamics. Furthermore, the emphasis on greater regional integration of energy and electricity markets represents a trade-off with the long-term sustainability of expanding domestic energy generation, increasing the countries' reliance on other external energy sources especially in non-EU countries that tend to rely more on single sources of energy supply.

72. **This pragmatic response leaves an open question: should the Bank, even in times of acute crisis, stretch further to champion renewable investment, not merely for resilience today, but for the promise of a more sustainable, sovereign energy future?** The balance between reactive necessity and proactive transformation remains a delicate one, inviting reflection on how much more might be possible.

### **xi) In more stable settings, investments in renewables effectively increased power supply and diversified the energy mix, enhancing the availability and reliability of electricity.**

73. The evaluation noted that all EBRD's energy security-related investment projects signed over the period 2017-2024 that went through an impact assessment at appraisal (i.e. 251 out of 305), had at least a "satisfactory" Expected Transition Impact (ETI) rating. The majority received a "good" (56%), followed by "excellent" and "strong" ETI (23% and 20%, respectively).

74. **In line with their strong ETI, in more stable contexts, EBRD strengthened energy security by expanding energy supply through investments in renewables.** For example, the EBRD supported country resilience in Egypt by increasing electricity generation capacity and diversifying the energy mix of the country away from non-renewables, mainly in solar and, more recently, wind sources. EBRD funded numerous 50 MW solar PV plants, mainly in the Benban Complex and Zafarana, and more recently a 250 MW wind farm, and larger solar plant in Kom Ombo, completed in 2024 and currently operating at 180 MW with an expected full capacity of 200 MW.

75. **EBRD promoted the use of innovative financial instruments, such as green bonds and blended finance facilities, further facilitating private sector entry by mitigating risks and improving project bankability.** In addition to debt, the Bank also provided some equity and bond financing to support large-scale clean energy development. For instance, Scatec Green Bond, Egypt signed in 2022 entailed EBRD's USD 135m subscription in a USD 400m Green Bond by Scatec Solar ASA, resulting in EBRD's contributing to the

introduction of a new financial instrument in Egypt with the green bond issued in compliance with ICMA Green Bond Principles.<sup>16</sup>

**76. EBRD also funded renewable energy generation in fragile countries to prepare for longer-term sustainability through the diversification of energy sources.** In Ukraine, over the period 2017-2019, the Bank funded the development, construction and operation of several solar power plants with different capacities, including multiple solar PV plants totalling hundreds of megawatts across various regions which contributed to the diversification of energy sources.

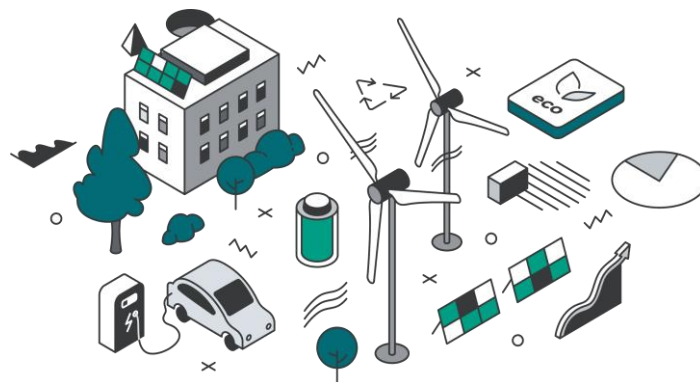
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<sup>16</sup> EBRD's Transition Impact Monitoring Review, 2024.

## Key Message 3: Decentralised actions propel support, but systemic inefficiencies hinder energy security gains

### > How efficient the EBRD's energy security approach was so far

- xii. EBRD's "hub-and-spoke" structure (i.e. centralizing strategy while decentralizing operations) allowed swiftly implementation and enhanced the Bank's overall efficiency.
- xiii. Finally, EBRD has faced challenges in accurately capturing the transition impact of its energy security interventions and in presenting a compelling narrative, as well as in facilitating institutional learning; the revised Transition Objectives Management System (TOMS 2.0) aims to address these limitations.



## **xii) EBRD's "hub-and-spoke" structure, centralizing strategy while decentralizing operations, allowed swiftly implementation and enhanced the Bank's overall efficiency.**

77. **EBRD operates with a hybrid institutional structure that combines a centralized strategic and policy-making core with decentralized operational functions.** While its headquarters are in London, the Bank has increasingly shifted key functions and decision-making capabilities closer to the countries where it invests.

78. **EBRD's structure reflects a "hub-and-spoke" model**, where strategic oversight and governance remain centralized, but investment operations and client engagement are decentralized.

79. **This model supports the Bank's mandate to work effectively in diverse, fast-changing transition economies by being close to the ground, responsive, and context-aware.** Resident offices engage in close coordination with local governments, regulators, and private actors to deliver policy reform and capacity building in both crisis and non-crisis contexts. Decentralized teams were flexible and responsive, maintained ongoing engagement, and worked closely with local government and private sector partners, despite travel and access constraints.

80. The implementation of the package of support to crisis affected countries such as Moldova, Romania and Ukraine, with their liquidity and emergency facilities and helped speed up project implementation (to start large-scale purchases of gas in the cases of Ukraine and Moldova, and liquidity to meet cost of spiking EU gas prices in the case of Romania).

81. Evidence from the interviews with a broad range of internal and external stakeholders showed, for example, that Moldova Emergency Gas Purchase Facility from 2019 was implemented quickly, with disbursement taking place within five days after signing. This demonstrated the ability of the decentralized teams to respond rapidly in crisis situations, in this case in 2019 when Moldova faced a potential gas supply disruption from Russia.

82. In Ukraine, EBRD's Regional Office, relocated to Warsaw (Poland), played a critical coordination role, streamlining project implementation and activating financial flows. The implementation of the Resilience Livelihood Framework benefitted from expedited processes, such as skipping the concept review stage, and built on the implementation of the Solidarity Package in response to the COVID-19 pandemic.

83. In Romania, the Resident office was central in delivering technical cooperation during crises. It supported wind and solar projects unlocking opportunities by proposing innovative storage solutions (like pumped hydro, batteries, and hydrogen) and leading a biomethane study on storage use. In Moldova, the Resident Office facilitated technical alignment with EU energy markets and strengthened in-country project preparation and execution.

84. **In more stable contexts like Egypt, EBRD's continuous in-country presence enabled sustained influence** and allowed it to function effectively as a go-between for the government and the private sector.

### **xiii) Lacking a comprehensive tracking system hampers institutional learning and accurate measurement of results, a vulnerability that the enhanced TI methodology (TOMS-TIMS 2.0) aims to address.**

85. **Over the past 18 months, EBRD Management has introduced a pivotal upgrade of its impact assessment methodology through the roll out of TOMS 2.0.** This updated methodology strengthens several core dimensions including the ETI scoring system and related incentive structure, Theory of Change, the measurement of indirect and systemic change, the revision of the ATQs, as well as the ongoing work on revising the Resilient TQ.

86. **However, the assessment of EBRD's energy security investments is hampered by fragmented data scattered across multiple systems and databases, limiting a holistic view of operations.** This fragmentation makes it arduous for evaluators to compile comprehensive datasets that faithfully reflect the Bank's effectiveness and efficiency in promoting energy security. As a result, institutional learning is stifled, strategic planning becomes more cumbersome, and steering the investment portfolio toward priority outcomes is complicated.

87. **A further impediment is the absence of a robust Theory of Change (ToC) and relevant indicators for the Resilient Transition Quality (TQ).** Without a coherent framework linking inputs to meaningful, system-wide outcomes, the measurement of results in the energy sector is weakened. The Compendium of Indicators, though helpful, perpetuates this fragmented approach, offering metrics that fail to capture systemic resilience, particularly in times of crisis.

88. **Moreover, the current indicators for Resilient TQ are not clearly aligned with country-level transition gaps, thereby severing the logical chain between diagnostic insights and measurable results.** This disconnect prevents the Bank from credibly demonstrating how its interventions, particularly in energy supply, fortify energy security and resilience on a broad scale.

89. **EBRD's ability to assess the transition impact of its energy security investments is constrained by gaps in monitoring and reporting.** Although these investments are assigned Portfolio Transition Impact (PTI) ratings to reflect progress against specific indicators, the indicators are not systematically tracked or reported. Several large standalone energy security supply investments with ETI, lacked a required, documented PTI rating, such as the ERU trading project and NAK Emergency Gas Finance in Ukraine, as well as the Kom Ombo EBL in Egypt. Further, while most investments were assigned monitoring indicators at Board approval at output, short-term, and/or long-term levels, the OSP seldom recorded actual results, limiting oversight and precluding a rigorous evaluation of resilience contributions.<sup>17</sup>

90. **These deficiencies in measurement and reporting erode the Bank's capacity to credibly articulate its role in advancing energy security**—an imperative made even more urgent by the prevalence of geopolitical and climate-related disruptions. Operationally, such gaps hamper the Bank's ability to manage its portfolio with agility, stalling efforts to prioritise, coordinate, and design future interventions that can respond to the dynamic demands of energy security.

<sup>17</sup> As per EBRD internal Portfolio Transaction Impact Report

## 3. How to further power energy resilience in the EBRD's region: Insights and recommendations

### 3.1 Evaluation lessons & insights

91. The rapidly shifting landscape of global energy security, shaped by geopolitical turbulence, market volatility, and climate disruptions, compels organisations like the EBRD to systematically learn from their actions to perform better.

92. This evaluation was conceived to distil insights from the Bank's diverse engagements; by reflecting on what has worked, where challenges remain, and how innovative approaches have evolved, the EBRD can strengthen its capacity to safeguard energy security across its regions of operation.

#### Insight 1: A clear and operational definition of energy security is the starting point of effective implementation

- The absence of a unified, operational definition of energy security at institutional and country levels leads to fragmented and inconsistent interventions. A shared understanding is essential for aligning diverse stakeholders and ensuring strategic focus in rapidly evolving scenarios.
- Without agreed-upon parameters, project design and monitoring lack coherence, with shifting emphases between affordability, diversification, and clean energy transitions.
- The inability to consistently tag and evaluate projects through an energy security lens restricts the opportunity to draw practical lessons across contexts.
- Clear definitions enable the systematic embedding of resilience and facilitate learning and replication of successful approaches.

#### Insight 2: Proactive crisis preparedness builds systemic resilience

- Embedding forward-looking risk management and contingency planning within project design is fundamental for building robust energy systems capable of withstanding shocks.
- Albania's OSHEE COVID-19 Response included technical assistance and scenario planning, which bolstered institutional readiness and financial stability during the pandemic.
- Projects lacking systemic preparedness, rather than ad hoc crisis reactions, missed opportunities to enhance resilience and long-term stability.
- Resilience is maximised when crisis response mechanisms are embedded at both operational and policy engagement levels from project inception.

### Insight 3: strategic diversification and regional integration fortify energy security

- Diversification of supply and strong regional integration reduce dependency on single suppliers and buffer against external shocks.
- Egypt's accelerated expansion of renewables, backed by EBRD anchor investments, lessened reliance on imported fossil fuels and secured a resilient energy foundation.
- The BRUA pipeline and Romania's grid interconnections have enabled both imports and exports, enhancing regional stability after the Ukraine conflict.
- Kazakhstan's KEGOC Integration project, by linking isolated regions to national grids, improved reliability and protected local economies from supply disruptions.
- Cross-border projects demonstrate the stabilising effects of interconnected energy systems in times of geopolitical volatility.

### Insight 4: balancing generation expansion with grid modernization is essential

- Focusing exclusively on renewable generation, without commensurate investments in modernising transmission and distribution, undermines long-term energy security.
- Ukraine's grid restoration efforts enabled recovery of electricity services during conflict, illustrating the crucial role of robust infrastructure in crisis resilience.
- Egypt's NWFE Grid programme highlights the necessity of updating transmission networks to integrate variable renewables efficiently and avoid bottlenecks.
- Failure to balance generation and grid modernisation in stable contexts resulted in operational constraints and limited the reliability of renewable capacity.
- System-wide flexibility—through enhanced grids, cross-border interconnections, and storage capacity—is indispensable for sustaining energy flows under stress.

### Insight 5: Private sector mobilization catalyzes innovation and scale

- Engaging private capital and expertise is crucial for leveraging investments, fostering innovation and driving systemic change in energy security.
- The Benban Solar Park in Egypt, structured by the EBRD, attracted global private investment and set replicable standards for future renewables projects in the region.
- Albania's renewable energy auction system, with EBRD support, brought in independent power producers and diversified the energy mix.
- In Moldova and Ukraine, reliance on public financing during crises exposed the need for robust risk-sharing mechanisms and enabling frameworks to attract private mobilisation, even under adverse conditions.
- Private sector involvement not only broadens the investment base but also accelerates the adoption of novel solutions and spreads best practices.

## 3.2 Evaluation Recommendations

93. The following three recommendations (one strategic and two at operational level) represent a calibrated blueprint for strengthening the EBRD's capacity to deliver resilient, secure, and sustainable energy supply projects.

94. Recognising the multifaceted challenges facing energy security today, these recommendations are crafted to operate at both strategic and operational levels. By leveraging these recommendations, the Bank will be able to boost performance of its energy security supply activities and provide clear evidence for resource allocation while maximizing its transition impact.

### Strategic-level recommendation

#### Recommendation 1 > Country-focused approach to energy security supply side activities

Key issue	Recommendation 1
<ul style="list-style-type: none"> <li>• Energy security challenges vary by country, so country strategies should include tailored measures; however, recent strategies often do not reflect this.</li> <li>• While EBRD's strategic documents highlight energy security and resilience, they lack clear, actionable steps for implementation in both crisis and non-crisis settings.</li> <li>• The absence of a unified definition has resulted in fragmented approaches. For example, in Kazakhstan, only two of ten supply-side projects targeted resilience, despite clear systemic vulnerabilities.</li> <li>• Conflicting priorities also arise, with some documents focusing on crisis-driven market integration and liquidity, while others stress long-term investments.</li> <li>• EBRD's results system does not consistently measure the impact of policy engagement on energy security, leading to underreported sector improvements. The lack of a robust Theory of Change and anticipatory framework further limits the Bank's ability to embed resilience and plan for future crises, as seen</li> </ul>	<p><b>To promote efficient, resilient, and diversified energy systems across its region, the EBRD should adopt a coherent, organisation-wide approach to implementing energy security on the supply side that is tailored to each country's specific needs -and fully integrated into future Country Strategies and the Transition Impact framework- ensuring that country-level perspectives on energy security are presented to the Board with clearly defined lending and governance priorities for each context</b></p> <p><i>This does NOT imply the preparation of a new strategy or strategic approach; but the EBRD should rather consider the following actions:</i></p> <ul style="list-style-type: none"> <li>• Review and present to the Board country-level perspectives on energy security, differentiating lending and governance priorities across countries; for example countries with net importer/exporter characteristics, less advanced countries' addressable market demand for a stable supply, and countries with a fragile, volatile energy supply</li> <li>• Design and implement practical standardized guidelines and tools to integrate more systematically energy security supply side considerations into project selection, design and implementation, including in crisis preparedness</li> </ul>

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<p>in Moldova, where emergency support lacked pre-crisis planning or stress testing.</p>	<p>and resilience, while allowing for necessary country-specific adaptations.</p> <ul style="list-style-type: none"> <li>• Establish adequate TOC/impact pathways and narrative within its Impact approach to capture and report EBRD's impact story related to energy security supply side activities. In doing so, the EBRD may consider developing and adopting a concise organization-wide definition of energy security that would enable a solid theory of change with associated impact pathways that is comprehensive of the Bank's strategic objectives and priorities, as well as operational experience gained over the past decade.</li> </ul>
<p><b>Potential Risk for the EBRD: If no action is taken, energy security interventions will continue to be designed and delivered in silos, resulting in missed opportunities for systemic impact. Projects not systematically equipped to anticipate or absorb shocks may falter, resulting in delayed or inadequate responses and increased costs for recovery and remediation.</b></p>	

95. In connection to Recommendation 1, the Bank should consider improving monitoring, evaluation, and reporting on energy security results, covering both stand-alone projects and frameworks (“transactional”), in line with the ongoing reform of the transition results architecture (TOMS-TIMS 2.0).

96. This should build on existing recommendation and action underway (e.g. recommendation to develop impact reporting tools focused on systemic change, and introduce standardised tagging for crisis-related activities, and action to implement activity line tagging in EBX and Monarch to classify all project components against strategic priorities).

97. Finally, as highlighted in several evaluation work streams, the EBRD should make systematic data collection a priority, including ex-post tracking of results and requirements for self-evaluations to capture lessons learned upon project completion.

## Operational-level recommendations

### Recommendation 2 > Better integration between emergency liquidity support and policy dialogue.

Key issue	Recommendation 2
<ul style="list-style-type: none"> <li>• Evidence shows that the Bank's energy security police dialogue was effective but fragmented.</li> <li>• EBRD's liquidity support has been critical in stabilizing energy systems during crises (e.g., Ukraine, Moldova, Romania) but often lacked defined pathways to corporate reform or long-term sustainability. For example, the lack of structured, multi-stakeholder platforms resulted in missed opportunities of systemic reform.</li> <li>• In many cases, policy dialogue was not clearly linked to investment operations, weakening the feedback loop between reform and finance. For instance, in Egypt, EBRD's policy support (e.g., PPA templates, wheeling fees) was impactful but not consistently linked to investment operations.</li> <li>• Some project examples demonstrate how policy engagement can drive significant reforms—such as the ESM case in Serbia and COVID-19 responses in Jordan and Uzbekistan, where liquidity support was successfully leveraged—, highlighting the potential for using crisis situations to achieve broader sectoral change.</li> <li>• Energy security support lacks soft components such as a systematic framework for capacity building. Expertise in crisis management and resilience planning is limited at both headquarters and country levels.</li> </ul>	<p><b>To achieve greater transition impact in the energy security sector, the EBRD should systematically identify and link opportunities for structured policy engagement and technical assistance to its investments—especially with public operators and emergency liquidity support—to drive and sustain transformative reforms and institutional improvements across its countries of operation.</b></p> <p>In doing so, the Bank should consider the following actions:</p> <ul style="list-style-type: none"> <li>• Develop clear guidelines and criteria for when it is necessary to require the linkage of liquidity support with policy engagement, ensuring consistency and transparency in decision-making while allowing for flexibility in exceptional cases.</li> <li>• Support country teams in systematically identifying when and how to leverage liquidity support for policy engagement, while accommodating operational constraints and country-specific needs.</li> <li>• Strengthen institutional readiness by investing in cross-team capacity-building and recruiting relevant experts for crisis scenarios, ensuring that both liquidity operations and policy engagement teams can respond quickly and coherently in high-pressure settings.</li> <li>• Establish mechanism to capture and share lessons learned from integrating policy engagement and liquidity support, providing practical guidance and real-world examples (e.g., the ESM case in Serbia, COVID-19 responses in Jordan and Uzbekistan) to inform future interventions and foster continuous improvement.</li> </ul>

**Potential Risk for the EBRD:** *If no action taken to better leverage liquidity support for policy engagement that is conducive to systemic change, the Bank may risk missing the chance to build lasting resilience and to drive meaningful reforms and create a strong foundation for long-term impact in the energy sector across its region.*

### Recommendation 3 > Greater emphasis on modernisation and flexibility of grid infrastructure.

Key issue	Recommendation 3
<ul style="list-style-type: none"> <li>• EBRD's support to grid investment has been notable but isolated, with key examples including NWFE in Egypt, the Romania-Moldova interconnection, and ENTSO-E integration in Moldova.</li> <li>• For instance, in Egypt, grid bottlenecks were addressed late through NWFE Grid investments signed in December 2025, despite early renewable expansion. EBRD's support for synchronisation with ENTSO-E has improved the country's ability to shift between suppliers and withstand geopolitical shocks. In Kazakhstan, the KEGOC Integration project (2024) was one of the few grid-focused interventions, highlighting a reactive rather than strategic approach to grid resilience.</li> <li>• Despite recognizing the importance of grid infrastructure, EBRD's investments remain heavily skewed toward power generation—especially renewables—with €7.5 billion allocated to generation versus €3.5 billion to transmission (2017–2024).</li> <li>• Structural challenges, such as state ownership and regulatory complexity, further constrain grid investment, while project frameworks often lack embedded regulatory roadmaps.</li> <li>• EBRD's innovation work in the energy sector has included supporting PV-battery storage solutions (such as gap analyses and pilot projects in Egypt), the introduction of green bonds for renewable energy (e.g., Egypt's first</li> </ul>	<p><b>To unlock the full potential of energy security through renewables, the EBRD should prioritise and accelerate private sector investments and innovation in modernising and expanding grid infrastructure in the economies where it invests, in collaboration with other IFIs.</b></p> <p>In doing so the EBRD should consider the following actions:</p> <ul style="list-style-type: none"> <li>• Conduct systematic resilience diagnostics of grid assets and allocate dedicated resources for grid modernisation and performance tracking, ensuring operational reliability and supporting rapid clean energy scale-up.</li> <li>• Link investments in energy generation directly to ongoing or new policy dialogue and technical assistance with transmission companies to reinforce grid infrastructure support.</li> <li>• Prioritise investment in grid and cross-border interconnection assets to meet urgent market needs and position the EBRD as a driver of sustainable, flexible, and resilient energy systems.</li> <li>• Promote innovative business models—such as microgrids, private-to-private schemes, and storage solutions—to expand private sector participation, increase system flexibility, and reduce pressure on transmission grids.</li> <li>• Establish a dedicated innovation programme to pilot and scale advanced energy technologies and business models, encourage cross-sector collaboration, and accelerate the transition to efficient, decentralised energy systems.</li> </ul>

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<p>green project bond), and the development of competitive renewable energy auctions and private-to-private wheeling arrangements.</p> <ul style="list-style-type: none"> <li>• However, these innovations have been limited in scale and are not part of a dedicated, systematic innovation programme. In contrast, the International Finance Corporation (IFC) operates a dedicated innovation energy programme that enables the large-scale deployment of advanced technologies—such as floating solar, green hydrogen, and distributed off-grid business models—helping to systematically scale up innovative solutions in the sector.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen collaboration with other IFIs and stakeholders to maximise financing opportunities, share expertise, and address external barriers to grid investment and policy engagement.</li> </ul>
<p><b>Potential Risk for the EBRD:</b> <i>If the EBRD does not take action, existing bottlenecks are likely to intensify as additional clean energy capacity becomes available. More importantly, as the Bank positions itself as a champion of green finance and energy transition, a persistent gap between its stated ambitions and on-the-ground outcomes could undermine its credibility with stakeholders, economies where the Bank invests, and the broader international community.</i></p>	

98. In conclusion of this evaluation, the Independent Evaluation Department expresses its appreciation for the valuable cooperation provided by Management and the constructive engagement with the Board during this process. Looking ahead, IEvD remains committed to supporting ongoing enhancements to EBRD's recognised approach to supply-side energy security.

## Abbreviations

<b>ABI</b>	Annual Bank Investment	<b>SCF</b>	Strategic and Capital Framework
<b>AMI</b>	Annual Mobilised Investment	<b>SOE</b>	State-owned entity
<b>BRUA</b>	Bulgaria-Romania-Hungary-Austria	<b>TAP</b>	Trans-Adriatic Pipeline
<b>CfD</b>	Contract for Differences	<b>TC</b>	Technical Cooperation
<b>DFI</b>	Development finance institutions	<b>TI</b>	Transition Impact
<b>EETC</b>	Egyptian Electricity Transmission Company	<b>TJ</b>	Terajoule
<b>EIB</b>	European Investment Bank	<b>ToC</b>	Theory of Change
<b>EU</b>	European Union	<b>TOMS</b>	Transition Objectives Measurement System
<b>FIT</b>	Feed-In Tariff	<b>TQ</b>	Transition Quality
<b>GCF</b>	Green Climate Fund		
<b>GET</b>	Green Economy Transition		
<b>GDP</b>	Gross Domestic Product		
<b>GIS</b>	Geographic Information Systems		
<b>GWh</b>	Gigawatt hours		
<b>IFC</b>	International Finance Corporation		
<b>IFIs</b>	International financial institutions		
<b>LNG</b>	Liquefied natural gas		
<b>MW</b>	Megawatt		
<b>MoERE</b>	Ministry of Electricity and Renewable Energy		
<b>MDBs</b>	Multilateral development banks		
<b>NWFE</b>	Nexus Water-Food-Energy		
<b>OSP</b>	Operational Strategy and Planning		
<b>OSHEE</b>	Operatori I Shperndarjes se Energies Elektrike		
<b>PPA</b>	Power purchase agreement		
<b>PPP</b>	Public-private partnership		
<b>PTI</b>	Portfolio Transition Impact		
<b>RO</b>	Resident office		
<b>RLF</b>	Resilience and Livelihood Framework		
<b>RSF</b>	Risk sharing facility		