



Executive  
summary

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# Executive summary

## The green economy transition imperative for the EBRD regions

The European Bank for Reconstruction and Development's (EBRD) goal is to foster the transition of its countries of operation to sustainable market economies that are competitive, well governed, green, inclusive, resilient and integrated. The Strategic and Capital Framework (SCF) 2026-30 approved by the Board of Governors in May 2025 sets out how the Bank intends to deliver on that transition mandate in the medium term, including the provision of exceptional support to Ukraine. To advance transition, the SCF identified three strategic themes – green transition, stronger economic governance, and strengthened human capital and equality of opportunity for all – alongside two enablers – deploying digital technology and boosting private-sector mobilisation.

This Green Economy Transition Strategy details the Bank's objectives to support the green transition in the EBRD regions from 2026 to 2030. Grounded in its response to the needs and requirements of its countries of operation and clients, the Bank will support a market transition that takes into account environmental sustainability while simultaneously fostering competitiveness and resilience – a green economy transition.

The strategy is rooted in the Agreement Establishing the EBRD, which states that the Bank should promote in the full range of its activities environmentally sound and sustainable development. It builds on the EBRD's 35 years of experience in implementing this mandate and refining it into what is now a mature business model, particularly over the last five years, when green transition considerations have been fully mainstreamed into all activities. This has made the EBRD the leading green finance provider in its regions, underpinned by its intimate knowledge of their investment needs, and policy and market environments.

Advancing the green transition is an imperative for the Bank's countries of operation – their firms, their communities and their people. The EBRD regions remain more emissions intensive than the global average, with many of its countries of operation experiencing climate change, air and water pollution, and degradation of nature at increasing rates. Many also rely on energy and food imports that are exposed to market volatility and supply-chain disruptions. These characteristics and vulnerabilities, which underscore the cost of inaction on the green transition, contribute to energy and food insecurity, less competitive firms that are more exposed to economic shocks, and the potential for macroeconomic and financial-market instability.

Realising opportunities from the green transition requires substantial investment. The EBRD regions' green-related financial needs are projected to rise to more than €500 billion in 2030, five times the current level. Reaching this level of investment can only be achieved by creating policy frameworks that take a long-term view, integrating perspectives on climate mitigation, climate adaptation and nature. Such frameworks will be further reinforced by fostering innovation, greater country-level collaboration and improved coordination between development partners. There is already a degree of momentum that provides impetus for action. For example, renewable energy technologies are price competitive with incumbent technologies, there is a strong commercial case for energy and water efficiency, and the EBRD regions are abundant in certain strategic natural resources.

## The high-level objective for 2030

The Bank has the high-level objective of supporting open, market-orientated and private sector-led economies that deliver a green transition (by reducing greenhouse gas emissions underpinned by energy efficiency, improving their ability to deal with the impacts of climate change, and protecting and restoring nature), build competitive markets (by strengthening private-sector competition, the role of small and medium-sized enterprises, and innovation) and enhance economic resilience (by preparing for future shocks, improving crisis response and enhancing energy and food security).

The Bank will achieve this high-level objective by taking a significant step up in its ambition in two mutually reinforcing areas aimed at facilitating systemic change. These areas seek to address fundamental and pervasive market failures (distortive energy subsidies, a lack of information and capacity to implement cost-effective solutions, network effects and a lack of innovation incentives) that distort markets and hold back market transition in the EBRD regions.

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## Area 1. Scale market-enabling activities in six core economic systems critical to the green transition: energy, industrial, agrifood, transport, urban and finance

- **Energy system.** The Bank will target a tripling of the renewable energy capacity it finances or facilitates in 2023-30 relative to cumulative Bank delivery in the 2010-22 period. This would add an additional 35 GW of renewable capacity in 2023-30, accounting for an estimated 10 per cent of the new renewable energy capacity to be installed across the EBRD regions during that period.

As countries consider their options and priorities for generating new capacity to meet rising energy demand, the Bank will assist countries in evaluating the full suite of technological solutions, including nuclear power, which can be cost-effectively deployed to realise a green transition and provide reliable and affordable energy. The Bank's work will address the regulatory and market hurdles holding back the energy transition. It will also focus on building enabling infrastructure (namely, networks and storage); promoting the demand-side elements of energy efficiency and electrification; tackling short-lived climate pollutants by reducing methane emissions in all sectors in light of their links to health outcomes and economic growth; and exploring the role of nuclear energy in the green transition.

- **Industrial system.** The Bank will target a doubling of its policy activities relative to 2021-25 and create more than 20 national or sectoral low-carbon and climate-resilient pathways. These pathways will seek to cover an additional 40 million tonnes of annual greenhouse gas emissions and identify investment and policy reform needs to transform industrial systems.

The Bank will support hard-to-abate industries in integrating new technologies and circular economy principles that deliver efficiencies and address high-production costs, helping them to remain competitive in global markets. The Bank will also engage with emerging innovative sectors and producers of critical raw materials where the green transition will bring commercial opportunities by entering new markets.

- **Agrifood system.** The Bank will scale up its efforts to deliver 30 national and value chain-focused green transition plans and strategies. These plans will seek to cover an additional 10 million tonnes of greenhouse gas emissions.

The Bank will take a holistic, sector-level approach, with a focus on critical food value chains, identifying actions that are "climate smart" and protect nature, while also improving operational efficiency (particularly for processing and logistics) and reducing food loss (to safeguard food security).

- **Transport system.** The Bank will target a doubling of its activities relative to 2021-25 to create 20 green transition strategies and plans for transport operators. These will seek to cover an additional 8 million people and 80 million tonnes of freight, to reduce their environmental impact while creating jobs and promoting regional integration and new market opportunities.

Focused on the road, rail, air and water transport networks, the Bank will identify the investment and policy reforms required to support a green transition while also enhancing the integration and efficiency of the network to move goods and people and supporting the greening of transport systems by electrifying vehicles.

- **Urban system.** The Bank will target 40 urban-related green transition strategies and plans, increasing delivery by 25 per cent relative to 2016-25 (a period of substantial activity primarily through the Bank's flagship Green Cities programme). These activities will seek to increase the urban population covered by 20 million people, resulting in a total of 100 million people being covered by Bank-supported plans and strategies.

Anchored in the political and economic realities of each city, these strategies and plans identify, benchmark and prioritise investment and policy reform actions in areas such as energy, urban transport, buildings, industry, water, solid waste and land use. While recognising that urbanisation patterns, economic structures and policy contexts differ significantly across the EBRD regions, some commonalities will be tackled, including the need for integrated urban planning and improved economic governance. Where relevant, these strategies will take into account the functional linkages between cities, secondary towns and rural areas, recognising their role in transition.

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- **Financial system.** The Bank will work to facilitate the adoption of transition plans by the banks it finances, aiming to triple coverage by 2030. This would mean more than 60 per cent of client banks having and disclosing the core elements of a transition plan, up from around 20 per cent in 2025. This would leverage the full financing ability of the EBRD's client banks, representing capital assets of around €2 trillion in today's value. EBRD support will be based on client demand, in line with market trends, regulatory requirements and investor expectations.

Using transition plans as a tool to integrate green transition considerations into business practices, and through the transition-planning support activities the Bank will develop to improve risk management and identify investment opportunities for its partners, the EBRD will focus on building green financing capacity, including by deepening and expanding capital markets and blended financing, to provide the green finance needed in the other five systems.

## **Area 2. Deliver cumulative green financing of at least €150 billion in 2026-30**

The EBRD's financing goal – a floor it will seek to exceed – comprises the Bank's own account and the funds it mobilises both directly and indirectly from the private sector. Where its own account is concerned, the Bank will direct its resources by way of two targets. It will continue to invest at least 50 per cent of its own financing for green purposes. In relation to such investments, by proactively identifying business opportunities to build climate resilience and address fragility, the Bank will increase the number of projects with an adaptation finance component by at least 50 per cent relative to what it delivered in 2021-25, with a view to increasing the climate adaptation finance the Bank delivers.

This cumulative financing target corresponds to growth of around one-third over five years relative to delivery in 2021-25 and amounts to around 6 per cent of the green financing needs of the EBRD regions in 2030.

## **How the EBRD will deliver**

The Bank will deliver on its goals through a combination of investment, advisory activity and policy engagement. Products will be deployed to deepen impact and focus on agility and aggregation, standardisation and scalability, and building long-term capability beyond the Bank's engagement.

The suite of products the Bank will deploy will include country platforms (country-led and demand-driven approaches that coordinate actions by development partners, based on a shared strategic vision) and an enhanced approach to nature conservation and recovery (where the Bank will revise its current operational framework to scale up delivery guided by the objectives of the Kunming-Montreal Global Biodiversity Framework).

In maximising its effectiveness by focusing on its comparative advantage, the Bank will deepen operational partnerships to address complex delivery challenges, particularly with the other multilateral development banks (MDBs) – working as a system through the harmonisation of approaches and deep collaboration – and the European Commission and civil society.

The implementation enablers of this strategy are internal to the EBRD and predicated on both internal and external factors. Work is needed to further simplify internal processes, take a “risk-based approach” to due diligence and to enhance clients' experience of engaging with the Bank. Externally, the economic conditions that support cost-effective market development and access are important. Policies that restrict trade in green technologies, technology transfer and access to critical raw materials could hamper the Bank's ability to deliver the green transition at scale.

To measure performance, the EBRD has established a new green transition monitoring framework. It builds on ongoing work to harmonise the results measurement approaches of multilateral development banks and track both expected and delivered results. The Bank will report against this monitoring framework annually in its *Impact Report*.

# Green Economy Transition Strategy 2026-30

GET 2030 | March 2026



European Bank  
for Reconstruction and Development

to deliver competitiveness and resilience

## WHY

Leveraging the deep connection between a green transition and economic development will lead to:



### Greener countries and clients

- a reduction in greenhouse gas emissions, underpinned by energy efficiency
- improved climate resilience
- restored nature



### More competitive markets

- strengthened private-sector competition
- increased role of small and medium-sized enterprises
- supported innovation



### Greater economic resilience

- increased resilience to economic shocks
- improved crisis response
- strengthened energy and food security

## FINANCE

Targeting total cumulative green financing:

at least

€150 billion



- at least 50 per cent of the EBRD's own financing will be green
- Paris Agreement alignment of all new projects
- increase in the number of projects with a climate resilience component by 50 per cent
- integrating nature considerations in all the Bank's activities

## WHAT

Scale market-enabling activities in six core economic systems

### Energy

- Scale up renewables
- Increase energy efficiency, electrification and clean energy
- Building network and storage

### Our target

**Triple** the cumulative renewable energy capacity delivered (additional 35 gigawatt)

### Market effect

**At least 10 per cent** of total installed capacity is renewable

### Industrial

- Tackling hard-to-abate sectors
- Focus on circular economy
- New green industries
- Critical raw materials

### Our target

**Double** the number of **national/sectoral** low-carbon and climate-resilient pathways (22)

### Market effect

To cover an additional **40 MtCO<sub>2</sub>e**

### Agrifood

- Climate-smart supply chains
- Resilient processing and logistics
- Reduced food loss

### Our target

**Scale up the delivery** of national and value chain-level green transition strategies and plans (30)

### Market effect

To cover **10 MtCO<sub>2</sub>e**

### Transport

- Electrification of vehicles
- Modal shifts
- Integration and efficiency to move goods and people

### Our target

**Double** the number of green transition strategies and plans for transport operators relative to 2021-25 (20)

### Market effect

To support an additional **8 million people** and to facilitate the handling of **80 million tonnes** of freight by lower-carbon means

### Urban

- Greening existing infrastructure (such as, buildings, water, waste)
- Quality urban planning

### Our target

**Increase by 25 per cent** the delivery of urban-related green transition strategies and plans (40)

### Market effect

To benefit **100 million people** in the cities of the EBRD regions

### Financial

- Expanding green capital markets
- Blending public and private finance
- Improving access to green finance

### Our target

**Triple the coverage** of EBRD bank clients with a transition plan (to more than 60 per cent)

### Market effect

Around **€2 trillion**