



Digital

EBRD launches new Digital Approach on 10 November 2021

Bank forms hub on 1 January 2022 to coordinate rollout of approach throughout the Bank

New approach helps economies build the foundations for digital transformation, supports adaptation to the digital age and promotes digital innovation



Bank launches comprehensive response to digital divide in EBRD regions

As the digital revolution continues to transform economies and society around the globe, the uneven pace of digital delivery in the EBRD regions remains a key barrier to broader economic progress.

The Bank's most recent Transition Report, published in November 2021, was dedicated to fostering a better understanding of the implications of the digital divide, concluding that the gap between the EBRD regions and advanced economies was particularly pronounced when it came to more advanced digital technologies.

While the digital divide has narrowed recently in certain regions, such as eastern and south-eastern Europe, many economies with low digital adoption rates, especially in Central Asia and the southern and eastern Mediterranean, have seen only limited improvement and are falling further behind.

The EBRD responded to these challenges with the launch in 2021 of a comprehensive framework to leverage the digital transition as an enabler of economic transformation across all of its sectors of investment. The EBRD's approach to accelerating the digital transition (the Digital Approach) outlines how the Bank will achieve one of the three cross-cutting themes of the Strategic and Capital Framework 2021-25 and step up digital progress, unleashing the power of technology to bring about change for the greater good.

The Digital Approach builds on the Bank's existing portfolio of activities in the digital realm and incentivises the full deployment of the Bank's range of instruments – investment, policy engagement and advisory services – to support the digital transition in the economies where it invests. It aims to mainstream the use of modern technology throughout the EBRD's activities.

The Digital Approach acknowledges the essential role of partnerships to harness the power of technology to shape a recovery from the pandemic that is sustainable and inclusive and to use advances in digitalisation to address the challenges of climate change and build a net-zero economy. Donor funding is particularly essential to pilot and scale some of the planned digital activities, as are initiatives together with other international financial institutions and select private-sector partners.

Donors are very keen to explore digital solutions to the Bank's mandate and challenges in the economies where the Bank operates. Donor funds are, therefore, supporting an increasing number of projects with a digital component, contributing to better governance, increased transparency, inclusion and many others.

Under the EBRD's new digital approach, the Bank has established a Digital Hub that will oversee the organisation's mission to:

- build the foundations for digital transformation, including support for the development of legal, regulatory and institutional frameworks, as well as the delivery of implementation capacity
- enable the adaptation of enterprises and governments to the demands of the digital era
- foster innovation by supporting investments that enable technological development and knowledge transfer.



Digital case studies



Supporting access to Romanian online marketplace



A financing package for Romania's leading e-retailer, eMAG, supported the development of a logistics centre near Bucharest. The project should give an additional 2,000 SMEs access to eMAG's online marketplace by March 2024. SMEs will be able to process orders without a website or online payment channels. eMAG committed to following BREEAM green building certification requirements to optimise energy consumption and limit emissions.



Revolutionising card payment systems across Europe



The EBRD helped harness the power of digital technology by investing in pan-European online bank Viva Wallet. It helped Viva Wallet step up its payment systems innovation, accelerating the European rollout of its "tap on phone" solution for in-store payments. "Tap on phone" turns any Android device into a card terminal, allowing businesses to accept both contactless and PIN payments without separate hardware.



Increasing digital access and digital literacy in Serbia's rural regions



Rural areas in Serbia are gaining better access to fast broadband thanks to an EBRD-supported digitalisation programme. EBRD financing will enable Serbia to design and construct broadband infrastructure in rural regions, with private telecom operators rolling out the network to households. This will create economic opportunities by strengthening digital literacy and help to implement regulation for the provision of services to less developed regions. The financing is expected to bring fixed broadband to an additional 225,000 households by December 2025.



Bringing digital firepower to financial innovation in Greece



With EBRD support, Greek companies can test innovative financial products and services using the Bank of Greece's regulatory sandbox. The EBRD participated in the implementation of the EU-funded project, with consultant support from EY Greece. The Bank of Greece established the sandbox to foster financial technology in Greece, providing a protected environment in which firms can test whether innovative solutions meet regulatory requirements.





Reaching a digital milestone in Armenia's power sector



An EBRD loan supported the modernisation of Armenia's power supply network, promoting digital transition through the large-scale implementation of automatic control and smart metering, primarily in the cities of Yerevan and Gyumri. The project was a milestone on the path to a stable and reliable power system, helping Armenia to scale up renewable energy use and cut emissions, in line with the Paris Agreement.



Creating a "Digital village" in Montenegro



EBRD support for an agribusiness entrepreneur in Montenegro helped promote digital innovation, with the launch of a website that shares knowledge among producers on topics from food safety to beekeeping. Marko Maras created Montenegro's first "digital village" to trade produce, including cattle, with no intermediaries. Digital innovation was key. The website's first customer paid for a cow in Bitcoin.



Advancing the digital transformation of Serbia's electricity distribution sector



The EBRD is promoting the modernisation of Serbia's energy sector with an investment in advanced metering technology to improve the security and reliability of supply and cut technical and commercial losses. The loan to electricity distribution system operator Elektrodistribucija Srbije will see the installation of up to 200,000 smart meters in the cities of Kraljevo, Čačak and Niš.



Backing a digital revolution for small Georgian firms



Georgian companies have become significant beneficiaries of an EU-funded digitalisation initiative. Backed by €1.8 million from the EU, the EBRD's Digital RE4M programme has provided firms with advice on improving the digitalisation of their operations to develop sustainable and green practices. To date, the EBRD has delivered a total of 50 advisory projects under the two-year Digital RE4M programme launched in July 2020.

