



Green

Total investment in the Green Economy Transition in 2021:

€5.4 billion

GET activities as a percentage of 2021 ABI:

51%

Finance in 2021 for climate change mitigation activities:

€4.9 billion

Finance in 2021 for adaptation to the effects of climate change:

€256 million
in 37 projects

Finance for other environmental activities during the year:

€1.4 billion

Megawatts of renewable energy capacity that the EBRD committed to financing in 2021:

1,979

Expected annual reduction in CO₂ emissions as a result of EBRD investments in 2021:

7 million tonnes

Expected annual water savings due to EBRD projects signed in 2021:

20 million m³

Expected annual reduction in wastewater volume:

7.7 million m³

Projected annual reduction in the use of materials:

66,269 tonnes



Green financing accounts for majority of 2021 investments

EBRD financing of the green economy rose sharply in 2021, accounting for more than half of total investments for the year.

Green finance increased to €5.4 billion – a 51 per cent share of total financing in 2021 – from €3.2 billion a year earlier.

The EBRD has set a target of becoming a majority green bank by 2025.

In addition to the sharp increase in EBRD green financing, the Bank pledged that by the end of 2022 it would align all of its activities with the 2015 Paris Agreement.

It developed methodologies to assess both direct and indirect investments in its regions to ensure their compliance with the Paris climate accord.

The Bank also scaled up its work on climate strategies at national, city and sector level, including support for the rollout of Nationally Determined Contributions (NDCs) – the plans countries make to achieve their Paris goals.

The EBRD helped the Ukrainian government update its NDC in time for submission to the COP26 UN climate conference in Glasgow in November 2021.

At the Glasgow conference, the Bank announced plans to double its mobilisation of private-sector climate financing by 2025 to support the economies in which it operates in their transition to a low-carbon economy.

The EBRD also joined world political leaders at the COP26 meeting as a signatory to the Global Methane Pledge, which aims by 2030 to reduce global anthropogenic methane emissions by at least 30 per cent relative to 2020 levels.

Donor financing played a key role in the EBRD's green investments in 2021.

Bilateral donors contributed €123 million to the High-Impact Partnership on Climate Action (HIPCA), the EBRD's first green-focused multi-donor facility, launched at COP26. It is already actively deploying some of this financing, for example, in the form of support for Green Cities projects in Cairo and Alexandria.

The Bank worked actively with all of the global climate funds in 2021 and secured crucial support to continue working on the global climate agenda and on Paris alignment.

The EBRD made significant progress on its Green Cities programme in 2021, with the Romanian city of Medias signing up as the 50th member of the fast-expanding urban regeneration initiative. By the end of 2021, a total of 53 cities across the EBRD regions had joined Green Cities.

The EBRD significantly expanded its Green Cities financing, with a new allocation of €2 billion to invest in green urban infrastructure doubling the existing €1.9 billion in available funding.

It was, however, the Bank's broad range of operational innovations that reinforced its position as a leading provider of green finance.

Its long series of green-finance-agenda firsts and pioneering investments included support for:

- the first sustainability-linked bond – a financing instrument that requires the borrower to meet sustainability targets – in the EBRD regions
- the first public-private partnership (PPP) in Egypt's dry port sector
- the first private tender for solar energy in Egypt
- the first private-sector renewable energy project in Uzbekistan
- the first competitive procurement process for wind power in Uzbekistan
- the first tender for wind power in Albania
- the first e-car battery recycling plant of its kind in the EU.

Investments such as these underscore the EBRD's strong commitment to combining its support for policy reform with financial investment. Its provision of guidance and advice further create the regulatory backdrop necessary for many of these innovative projects to proceed.

See more in our *Sustainability Report 2021* at sr-ebrd.com.



Green case studies



First ever sustainability-linked bond in the EBRD regions



The EBRD invested in the first sustainability-linked bond issue in its regions in March 2021. The bond imposed green economy targets on Greek power-producing issuer Public Power Corporation (PPC). PPC committed to cut CO2 emissions by 40 per cent by end 2022. A second issue by PPC in June, also backed by the EBRD, set even more ambitious green targets.



Advancing solar power in Albania



The EBRD provided financing for the first medium-sized, floating solar photovoltaic plant in Albania and the Western Balkans. The funding promoted Albania's green agenda and enabled KESH, Albania's largest energy producer, to become more resilient to climate risks. It underscores the EBRD's support for Albania's aim to develop its solar capacity and hold auctions that lead to competitive pricing.



Backing Albanian windpower generation



The EBRD is supporting Albania's first tender for utility-scale onshore wind power, aimed at promoting the diversification, resilience and sustainable development of the energy sector. The assistance aims to replicate the previous success of competitive procurement processes for solar power in Albania and to achieve similarly competitive prices for wind power in the country. The Swiss State Secretariat for Economic Affairs is providing grant funding for the tender and the regulatory work in introducing renewable energy auctions.



Power company issues Ukraine's first sustainability-linked bond



Ukraine issued its first sustainability-linked bond, worth US\$ 825 million, to support the financial stability of the country's renewables producers. The EBRD's contribution to the bond issued by Ukrenergo, the national power company, helped ensure broad participation by other institutional investors. The transaction aimed to restore the credibility of Ukraine's renewable sector and boost the confidence of private investors.



Externally certified green bond in Turkey receives EBRD backing



Energy group Aydem Renewable Energy's certified green bond set a benchmark for green bonds in Turkey's renewables sector. The EBRD bought a share in the debut issue, which was independently certified as complying with the International Capital Market Association's Green Bond Principles. Aydem also pledged to open up career opportunities for women, improve conditions for female employees and act against GBVH.



Bringing the private sector to Uzbek renewables



The EBRD co-financed one of the first private-sector renewable energy projects in Uzbekistan, to deliver a photovoltaic solar power plant near Samarkand. The initiative will help diversify Uzbekistan's energy mix, cut emissions and generate more electricity for thousands of inhabitants. The project is integral to Uzbekistan's EBRD-backed strategy to achieve the carbon neutrality of the power sector by 2050.





Competition in Uzbek windpower market cuts prices



The EBRD supported the first competitive procurement process for wind power in Uzbekistan. ACWA Power was the lowest bidder for a new plant that will diversify energy supply, increase energy security and provide affordable climate-neutral electricity. The EBRD provided technical assistance on the tender, funded by Japan and the EBRD Shareholder Special Fund, leading to the first renewable project under a new PPP law.



Helping Kazakhstan to become a regional leader in renewable energy



The EBRD and Kazakhstan developed a strategy to make the country's power sector carbon neutral by 2060. Under the USAID-backed strategy, which will cement Kazakhstan's status as a regional renewable energy leader, the EBRD and Kazakhstan will work to develop renewable energy and the carbon market, to enhance the electrical grid and decommission old thermal capacity.



Building on Benban to progress Egypt's solar industry



After playing a key role in realising Africa's largest solar plant in Benban, Egypt, the EBRD has helped to further modernise the country's energy system. Construction of the Kom Ombo solar plant will follow Egypt's first private solar power tender, an EBRD-backed process that saw a dramatic lowering of solar prices. The project promoted solar as an affordable alternative to conventional energy.



Boosting the ESG transparency of companies in central and eastern Europe



The EBRD and the Warsaw Stock Exchange supported Polish and other central and eastern European listed companies in their environmental, social and governance (ESG) reporting. The aim was to facilitate engagement with policymakers and regulators to boost transparency and create a framework that enabled firms to comply with EU ESG disclosure requirements and allowed investors to compare corporate compliance.



Reaching a major landmark for EBRD Green Cities



The EBRD's Green Cities Programme passed a significant landmark when Medias, Romania became the 50th member of the fast-growing EBRD urban regeneration initiative. Launched in 2016 with capitalisation of just €250 million and expected to last just five years, the programme proved so popular that funding was quickly increased. Green Cities is backed by the Green Climate Fund and has attracted significant co-finance.





Green case studies (continued)



Serbian city cuts links to coal-fired heating



With EBRD financing, Kragujevac, Serbia's fourth-largest city, moved to eliminate its dependence on coal with a view to decarbonising its district heating. A key element in the EBRD's investment is that, together with the EU, the Bank will help Serbia prepare a national energy and climate plan, setting goals for reduced emissions, increased energy efficiency and a higher share of renewables by 2030.



New financing techniques promote sustainable building in Lithuania



A €67.5 million investment in the Lithuanian Public Investment Development Agency VIPA scaled up the renovation of residential multi-apartment buildings. The innovative approach combined long-term asset-backed debt, capital grants and incentives, technical assistance and low-income household support. The format aims to encourage VIPA's use of other instruments, such as asset-backed securities and green bonds, and could be replicated in other countries.



First dry-port PPP in Egypt delivers environmental boost



A milestone EBRD investment in a dry port in 6th of October City was the first PPP in the sector for Egypt and sparked the city's membership of the EBRD Green Cities initiative. The financing provided a fillip to Egypt's infrastructure and logistics services and promoted the green agenda by helping shift freight transport from trucks to railways.



Green trams tackle congestion in Turkey's third-largest city



With EBRD support, the Turkish city of Izmir is building a new metro line to help cut pollution and congestion in one of the town's busiest districts. Some 500,000 residents in the Buca district are set to have access to safer, more reliable and greener transport. The new line's links to other network should prompt commuters to shift away from private cars and minibuses.



Bolstering green energy in Turkey amid the continuing refugee crisis



Financing for solar power in Gaziantep helped boost electricity supply in the Turkish city, which is feeling the infrastructural strains of the Syrian refugee crisis. The EBRD is financing the development of photovoltaic plants to help reduce the city's energy bills and carbon footprint and support its aim of becoming the first Turkish metropolitan municipality to generate all of its electricity from renewables. The Bank will also provide technical support for an internship programme to improve the gender balance in green jobs.





Reforming Turkey's railways



Reform of the Turkish railways sector is a key element in a loan to finance a section of a high-speed railway line from Istanbul to Bulgaria. The EBRD investment will promote safe, sustainable and low-carbon rail transport between Turkey and the EU, generating cross-border trade benefits. The financing followed EBRD support for reforms to encourage the commercialisation of the sector and greater private-sector participation.



Alexandria metro loan supports Egypt's decarbonisation drive



EBRD funding for a metro system in Alexandria will make an important contribution to the decarbonisation of Egyptian transport. A loan to support the modernisation and electrification of a line linking Misr station in Alexandria's historical centre with the north-eastern town of Abou Qir will promote a shift from private cars to more sustainable transport, reducing emissions and cutting pollution.



Strengthening urban regeneration initiative with new pledges



The Bank launched an EBRD Green Cities compact in response to UN Sustainable Development Goal (SDG) 7, which aims to provide clean and affordable energy for all. Under the compact, the EBRD pledged to double its Green Cities investments to around €1.9 billion by end 2023 and to complete 50 Green City Action Plans, which identify a city's environmental priorities.



Saving energy at a Kazakh gym



The EBRD helped a Kazakh gym overcome heating and hot water problems with an energy efficiency strategy. A government-backed advisory project resulted in an energy efficient system for fitness club Platinum Deluxe that could cope with simultaneous hot and cold water supply, as well as air conditioning and heating. New heat pumps and other energy management measures helped the company reduce energy costs.



Tackling water scarcity in Jordan and Egypt



EBRD financing is addressing water challenges in Jordan and Egypt, two of the world's most water-scarce countries, while also tackling gender inequality. A US\$ 1.7 million loan to Engicon O+M, the Amman-based engineering firm, will be used to construct new wastewater treatment plants in Egypt. The project also aims to support Engicon's implementation of a programme to address gender-based harassment.





Green case studies (continued)



EBRD client Ford Otosan becomes a leader in e-vehicles



The EBRD mobilised nearly €0.5 billion in private funding to support the rollout of a new generation of climate-friendly electric commercial vehicles by Turkish automotive company Ford Otosan. The funding will support plans to turn the company into Ford's global hub for commercial electric vehicle output and contribute significantly to the digitalisation and integration of Turkey's supplier base.



Landmark EBRD loan for Turkey's Arcelik promotes green manufacturing



White goods maker Arcelik was the recipient of the first externally verified green loan to the Turkish manufacturing sector. The EBRD provided a €150 million loan to support an environmentally sustainable investment programme with Paris-aligned targets. One tranche was structured according to Loan Market Association Green Loan Principles to finance the transformation of processes and plants and fund the research and development of greener products.



Innovative e-car battery recycling plant built in Poland



With EBRD financing, Poland built the first recycling plant for electric car batteries and other waste-containing metals in the European Union. Backed by technical cooperation support from the TaiwanBusiness-EBRD Technical Cooperation Fund and Spain, the project significantly reduces GHG emissions and supports the circular economy in the e-mobility sector. The loan underscores the EBRD's support for Poland's ambitious agenda to become a low-carbon economy.



Backing gold-standard residential modernisation in Greece



A €50 million EBRD investment will support the sustainable, climate-resilient and resource-efficient urban regeneration work of Cante, a joint venture between the EBRD and Dimand, the Greek real-estate developer. Cante's developments are expected to achieve gold-standard (or equivalent) certification using modern energy-efficiency techniques. The project also introduces globally recognised real-estate reporting standards.





Environmental benefits and new skills for Kazakh city after oil refinery clean-up



The modernisation of wastewater treatment at an oil refinery in Atyrau is bringing environmental benefits to the city. An EBRD loan will increase water reuse, reduce the withdrawal of fresh water from the Ural River and tackle air and soil pollution, with facilities meeting the highest international standards. The project will also support specialised training programmes for hundreds of young people.



EBRD promotes environmental mining standards in Bosnia's largest FDI project in decades



Mining company Adriatic Metals launched the largest foreign direct investment (FDI) in Bosnia and Herzegovina in decades, backed by EBRD finance and support for the development of internationally accepted standards. An international financial package was raised for Adriatic's Vareš project, a mine containing silver, a key component of photovoltaic solar panels. With EBRD support, Adriatic, a UK-headquartered company, submitted an environmental and social impact assessment in line with best international practice.

