Green

- Total investment in the Green Economy Transition in 2022: €6.4 billion[13]
- GET activities as a percentage of 2022 ABI: 50%
- Finance in 2022 for climate mitigation: €5.9 billion
- Finance in 2022 for climate adaptation: €246 million
- Finance for other environmental activities during the year: €1.35 billion
- In 2022, renewable energy capacity that the EBRD committed to financing: 4,652 MW
- Expected annual reduction in CO_2 emissions as a result of EBRD investments in 2022: 11.1 million tonnes

The EBRD maintained the pace of its green investment in 2022, even as its focus was drawn to providing emergency energy financing for Ukraine in the face of Russia's invasion.

With green financing worth €6.36 billion in 2022 – accounting for 50 per cent of total investment – the EBRD met its 2025 goal of ensuring that at least half of its investments were green, as it had in 2021.

Russia's war on Ukraine and its weaponisation of energy underscored the importance of long-term energy security in the Bank's regions and added urgency to climate goals. Renewable energy is not only a vital lever for decarbonisation, but also key to reducing dependence on hydrocarbon imports.

13 The numbers for mitigation, adaptation and other environmental activities add up to more than €6.4 billion as some projects have multiple benefits.

Fully Paris aligned and delivering on 2025 green objective

The Bank had pledged to align all of its activities with the goals of the Paris Agreement from 1 January 2023 and it achieved this target on time following a major overhaul of procedures.

Developed in cooperation with the other multilateral development banks, the EBRD's Paris alignment approach covers the Bank's investment and lending activities, policy and strategy support and internal activities (for example, treasury, mobility and facilities). The EBRD will also monitor and report on its Paris-aligned activities.

Moreover, the Bank's enabling framework will have a catalytic effect on its partners and their clients and encourage them to map their own journeys towards net zero.

In December 2022, Jordan's Bank al-Etihad became the first EBRD partner bank to sign up to making a transition plan, incorporating the EBRD's Paris alignment methodology alongside a US$ 35 million (€32.8 million) loan.

The EBRD maintained the momentum of its investments in energy efficiency and the accelerated development of renewable energy sources to support its investee economies as they progressed on the path to decarbonisation.

Green Cities

The Bank continued its rapid rollout of the Green Cities programme in 2022, with 16 projects signed, worth a total of €762.7 million, for an annual reduction in CO_2 emissions of 3,174 tonnes, equivalent to taking 689,982 cars off the road each year. More than 50 cities are now signed up to the programme.

One highlight of the urban regeneration programme was the completion of the Green Cities action plan for the western Ukrainian city of Khmelnytskyi, despite the war with Russia.

Resuming the programme to improve living conditions in the city, on hold since the February 2022 invasion, had become all the more urgent as a result of the strain on services following a large inflow of internally displaced people fleeing the conflict.

The Bank finished the year with the rollout in December of its largest renewable project ever, arranging finance worth US$ 520 million (€487 million) to deliver two wind power plants with total installed capacity of 1 GW in Uzbekistan's Bukhara region.

Its provision of EBRD green finance through the banking system, including via Green Economy Financing Facilities (GEFFs), totalled €2.2 billion for the year.

In 2022, the EBRD took a major step forward in its promotion of green hydrogen as a low-carbon component of the energy mix.

The Bank invested US$ 80 million (€75 million) in Egypt's first green hydrogen facility, a 100 MW electrolyser plant powered by renewable energy that will deliver up to 15,000 tonnes of green hydrogen annually to be used in the production of low-carbon ammonia for the domestic and foreign markets.

Egypt, host of the 2022 COP27 international climate talks, underscored its strong ties with the EBRD by selecting the Bank as its lead development partner for the energy pillar of the country's Nexus on Water, Food and Energy (NWFE).

As part of this ground-breaking plan, Egypt aims to retire 5 GW of inefficient oil- and gas-fuelled power capacity, reducing CO_2 emissions, and develop 10 GW of solar and wind power by 2028, including for green hydrogen production.

The EBRD will support Egypt in addressing the key barriers to the country's decarbonisation agenda, including the need to strengthen the energy grid to absorb more renewable capacity and to provide a "just transition" for workers and regions affected by the switch to more environmentally sustainable energy resources.

At COP27, the EBRD also launched its Corporate Climate Governance Facility, a bespoke advisory service that helps clients plan their green transition. With €30 million of funding for its advisory services, the facility is aiming to work with more than 100 clients by 2024.

It will provide financial institutions, corporate and municipal clients, as well as policymakers with access to tailored advisory services to help them upgrade their corporate climate governance and plan a green transition to bring them in line with international best practice.

Climate adaptation focus

Against a backdrop of extreme weather conditions in 2022 – heatwaves in Central Asia, flooding across the Balkans, wildfires in the eastern Mediterranean and droughts in North Africa – the EBRD stepped up its work on climate adaption, building resilience to climate change.

The Bank developed an ambitious Climate Adaptation Action Plan to catalyse its transformation, investment and policy activity over the next three years in the economies where it operates.

The plan involves accelerating the mainstreaming and policy integration of climate adaptation activities across the Bank, developing partnerships and capacity building for enhanced impact, and establishing proactive business development and private-sector mobilisation.

Supporting the first green hydrogen facility in Egypt

The EBRD made an important contribution to the decarbonisation of the fertiliser sector in Egypt and beyond with a US$ 80 million loan (€75 million) to build Egypt's first green hydrogen facility. The project consists of a 100 MW electrolyser, powered by a 55 MW solar photovoltaic (PV) plant and a 200 MW windfarm. The plant will produce green hydrogen for the production of green ammonia for the domestic and foreign markets.

Delivering the EBRD's largest renewable project to date

The EBRD arranged financing worth US$ 520 million (€487 million) for two windpower plants with a total installed capacity of 1 GW in Uzbekistan's Bukhara region – the EBRD's largest renewable energy project to date. The new wind power plant will generate more than 1,650 GWh of electricity annually and help reduce CO_2 emissions by 930,000 tonnes a year.

Launching the Bank's first Croatian windfarm investment

A €43 million loan for two windfarms in Croatia helped increase the country's share of renewable energy generation. The project's alternative electricity offtake arrangements strengthened the role of the private sector by galvanising market forces and removing the need for state subsidies.

Investing in green bonds to mobilise finance for Egyptian renewables

The EBRD invested in a bond issued by renewable power producer Scatec ASA to support a portfolio of six solar plants in Benban, Egypt. It was the first private green project bond issuance in Egypt and the wider SEMED region and will have the effect of mobilising new private and institutional capital for the renewables sector.

Supporting Almaty power plant in switch from coal

The Bank provided €260 million in financing to support the deep modernisation of the largest heat provider in Almaty, Kazakhstan – Almaty CHP-2 – by replacing coal with natural gas as the primary fuel. The project will have an immediate impact on the local pollution and the city's air quality, with the complete elimination of dust and reductions in NOx and CO_2 emissions of 86 per cent and 55 per cent per year, respectively.

Istanbul metro loan promotes green, gender and inclusion agendas

The EBRD's first Green Cities investment in Istanbul was a loan for the construction of the Goztepe-Atasehir-Umraniye metro line. The loan was an extension of a 2019 financing arrangement. The project will promote sustainable urban mobility by cutting pollution and congestion and boosting gender and inclusion through a youth learning programme and an equal opportunities plan.

Boosting integration and supporting the green agenda in Gdansk port

The EBRD joined other international lenders to finance the expansion of Poland's pivotal Baltic port of Gdansk. The project will boost economic integration and security with an investment in a third deep-water container terminal developed by DCT Gdansk. It will bring significant environmental improvements through advanced energy-efficient technology, while addressing supply-chain disruptions caused by the war on Ukraine.

Pioneering loan promotes energy diversification in Azerbaijan

EBRD finance for the country's first utility-scale solar project enabled Azerbaijan to take an important step towards diversifying away from fossil fuels. The project sets a precedent for further private-sector participation in Azerbaijan's renewable energy market, actively supported by the EBRD at the policy and investment level.

EBRD invests in Morocco's first green infrastructure bond

The EBRD set a significant investment milestone in Morocco with its participation in the country's first green bond in the infrastructure sector. The proceeds of this local-currency issue are being used to refinance debt taken on by national rail operator ONCF for the construction of the electrified high-speed rail line linking Tangiers to Casablanca.

Financing repowers Africa's oldest wind farm

The EBRD supported the first wind-repowering project in Africa to double the capacity of the continent's oldest utility-scale wind farm, the Koudia Al Baida facility in Morocco. The €49 million financing package from the EBRD, backed by a €4.5 million facility from the Climate Technology Fund, will increase the capacity of the wind farm to 100 MW.

Donor-backed green London-style taxi fleet fosters e-mobility in Egypt

A loan to Egyptian transport company Abou Ghaly Motors financed the purchase of 250 London-style electric taxis, cutting harmful emission by encouraging greater use of e-mobility, while also promoting skills in the e-mobility sector and supporting the delivery of safe and more accessible transport for women and people with disabilities.

Green case studies (continued)

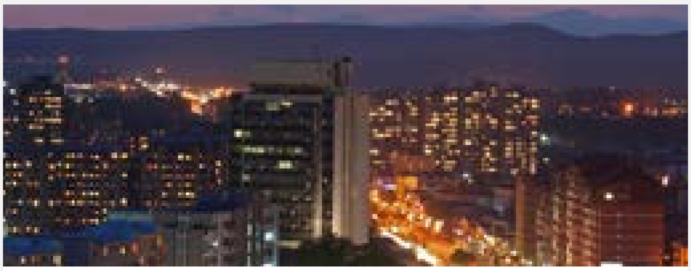
Supporting North Macedonia's "just transition" to solar power

The EBRD, backed by an EU grant, is supporting North Macedonia's decarbonisation agenda by financing two large-scale solar plants with a capacity of 30 MW, including a 10 MW project on an exhausted coalmine. The project supports a "just transition" by addressing the social issues of the green transition and providing redeployment and reskilling opportunities.

Cutting congestion and reducing pollution in Sarajevo

The EBRD is delivering environmental benefits to Sarajevo with a €17 million Green Cities loan to help alleviate the city's traffic congestion and improve air quality. A new traffic management system will cut commuting times and add five new trams to the municipal fleet.

Financing solar energy for district heating in Kosovo



Kosovo became the first economy in the Western Balkans region to use solar power to heat homes after the EBRD, Germany's KfW and the EU financed the construction of a solar plant to power central heating in Pristina. The ground-breaking €80 million project enables the collection of energy during the summer, along with its storage and use for winter heating.

Backing Morocco's first municipal bond as Agadir signs up to Green Cities

The EBRD invested MAD 400 million (€37 million equivalent) in Morocco's first municipal MAD 1 billion bond, providing finance for the city of Agadir to implement its Urban Development Programme, focusing on green and inclusive infrastructure projects. The project launched Agadir's participation in the EBRD's Green Cities scheme, the first municipality in Morocco to do so.

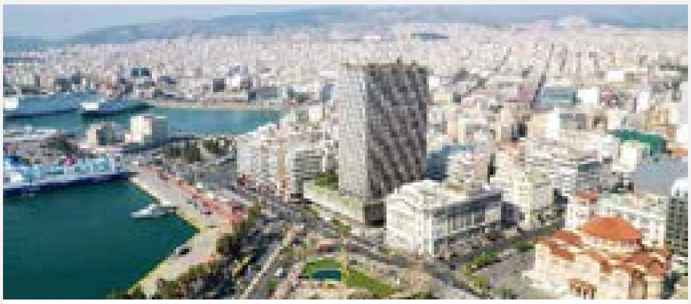
A further boost for renewables in Türkiye

A US$ 100 million (€93.7 million) loan to renewables group Adnan Polat Enerji Yatirim is set to produce an additional 200 MW in Turkish wind and solar capacity, prevent 154,000 tonnes of CO2 emissions annually and enhance access to market-relevant skills and employment opportunities for women and young people.

Boosting the use of renewables in Mongolia's electricity supply

Financing for a new transmission line in Mongolia will improve the flexibility and reliability of Mongolia's electricity grid and increase its ability to absorb renewable energy sources. The project, backed by an EU grant, will contribute to the decarbonisation of Mongolia, which is still highly dependent on fossil fuels.

Supporting Greece's largest urban regeneration project



The EBRD supported Greece's largest urban regeneration project by backing a green bond issued by Lamda Development to transform the former Athens International Airport into a sustainable commercial, residential and public hospitality area. The bond – a successful green placement in difficult conditions – funded green buildings and infrastructure, green energy and smart-city technologies.

First investment under new green financing facility in Türkiye

The EBRD launched its new €500 million GEFF in Türkiye with a €53.5 million loan to TSKB, co-financed by the Clean Technology Fund. This first green credit line under the new facility aims to help the country achieve its climate goals.

Promoting Bank of Georgia's green investments with innovative loans

The EBRD promoted investment in green projects by Bank of Georgia with a US$ 50 million (€46.8 million) package of loans that serve as Additional Tier 1 (AT1) capital, the bank's first ever AT1 capital loan. Bank of Georgia will deploy the equivalent of US$ 50 million on investments that meet the EBRD's GET criteria.

Fostering green investment, supporting women entrepreneurs in Uzbekistan

The EBRD provided loans to Ipak Yuli Bank in Uzbekistan to promote the green economy transition and support women entrepreneurs. A GEFF worth the equivalent of US$ 6 million (€5.6 million) will finance investments in climate change mitigation and adaptation technologies. A US$ 4 million equivalent (€3.7 million) loan will be used for lending to women-led MSMEs.