Delivering on our strategic priorities

Accelerating the digital transition

Number of projects in 2023 with a digital component:

47

Number of digital policy engagements:

47

Local advisory services to support the digital transformation of SMEs:

843

Delivering on digital transformation

The Bank stepped up delivery of projects to promote the digital agenda in 2023, building on its work since the launch of its publication, *Approach to accelerating the digital transition, 2021-25*.

A core pillar of the Bank's current five-year strategy, digital transformation is an increasingly important enabler of the EBRD's transition mandate.

To help meet this mandate the Bank deploys its full toolkit of investments, policy advice and advisory services to build and foster:

- the foundations of a sustainable and inclusive digital economy by promoting appropriate policies and regulation, access to connectivity through the creation of infrastructure, and a skilled workforce
- organisations' adaptation of digital services, assets, business processes and value chains
- innovation by promoting start-up-friendly ecosystems and meeting specific financing needs through debt financing and direct and indirect equity investments.

Accelerating the digital transition

In 2023, the second year of implementing the digital approach, the Bank signed 47 investments with a digital component (compared with 36 in 2022), pursued 47 policy engagements (50 in 2022) and conducted some 843 local advisory services (851 in 2022) to support the digital transformation of SMEs.

Key initiatives in 2023 included the introduction of the:

- Business Digital Agility (BDA) framework to build a resilient network of digital instruments for the public and private sectors in Ukraine. This will help businesses get licences online and help SMEs migrate content to the cloud.
- Cybersecurity Resilience Programme, which aims to assess cyber-risks in EBRD investments and suggest appropriate mitigation actions; to support clients in implementing such measures; and to invest in the cybersecurity sector as a long-term guarantee for economic and social cyber-resilience. A key initial focus was Ukraine and other countries affected by the Russian invasion.
- Cities Digitalisation Initiative methodology – a holistic approach to identifying opportunities for investments in digital projects and capabilities in urban environments. The pilot for this initiative was conducted in the Turkish city of Izmir, where a map was developed to outline opportunities for greater urban digitalisation.
- Digital Value Chain Assessment Tool, which addresses the digitalisation of EBRD corporate clients and their ecosystem of suppliers and distributors. This interactive tool helps corporate clients and large SMEs in the Bank's portfolio to assess and bridge the gap of digitalisation within their supply chain.

A number of standout pilot projects in the adaptation area have the potential to be scaled up. These include:

- The EU-backed Go Digital programme in Bosnia and Herzegovina, which delivered €40 million to SMEs investing in the digitalisation of business processes in 2022 and 2023. Total financing available under the programme was extended by an additional €10 million in the third quarter of 2023 thanks to extra donor funds from the EU Delegation in Bosnia and Herzegovina. In 2024, the pilot will be replicated at the regional level via the Go Digital in the Western Balkans programme. Funds of €27.6 million have already been secured from the WBIF for €150 million of lending.
- A new digitalisation component of the WiB programme, which incorporates specific credit lines that the EBRD extends to PFIs. It aims to provide a financial incentive for women-led SME sub-borrowers to make proactive investments in digital technologies for their businesses.
- A Digital Technology Selector, modelled on the EBRD's Green Technology Selector, to be released in the first quarter of 2024. The new selector will support the digitalisation component of the Central Asian and Morocco WiB programmes, by listing locally available, eligible digital technologies to help women entrepreneurs in the digital transformation of their businesses.

Looking ahead

In 2024 the EBRD will launch a Digital Champions network, consisting of client-facing staff and other departments who will promote the EBRD's internal digital agenda.

Case studies

Promoting digital transition in the Baltic states with a boost for e-commerce

A €15 million investment in pan-Baltic e-commerce platform operator PHH Group increased the company's logistical capacity, promoting the region's digital transition. The project supports the growth of e-commerce, a market that remains underdeveloped in the Baltic region, despite a shift to online retailing during the Covid-19 pandemic.

Rolling out science parks and advancing the digital agenda in Serbia

An €80 million loan to Serbia is supporting the rollout of science and technology parks in Niš, Kruševac, Čačak and Belgrade, providing growth opportunities for an increasing number of innovative Serbian start-ups and technology companies. The Bank's policy support also extends to an existing park in Novi Sad, which is helping small businesses, researchers and students study digital trends and develop products in a new digital laboratory.

One-stop digital shopping for investors in Tunisia

The EBRD teamed up with the Tunisian authorities to improve the country's investment environment by launching a digital national investment platform. The new platform will provide fully automated digital services aimed at improving the investor experience, attracting foreign direct investment and creating jobs.

Further support for digital investment in the Suez Canal Economic Zone

The EBRD continued its support for a programme to digitalise the Suez Canal Economic Zone. This second phase of digitalisation aims to streamline administrative formalities and fast-track the management of investor services, delivering a more efficient and competitive business environment that will attract more international investors and create local job opportunities.

Case studies

Rolling out the Go Digital programme in Bosnia and Herzegovina

After launching its EU-backed Go Digital programme in Bosnia and Herzegovina in 2022, the EBRD teamed up with local banks to provide finance to Bosnian SMEs investing in the digitalisation of business processes. Within a year, the EBRD had signed deals worth €40 million with ProCredit Bank, Raiffeisen Bank, UniCredit Bank Mostar, Intesa SanPaolo Bank and Sparkasse Bank.

Furthering the digital agenda by backing a dynamic Croatian IT firm

The EBRD backed dynamic Croatian company Infinum with advisory services and a loan to support the firm's expansion plans in the digital services market. In addition to receiving a €10.8 million loan, Infinum joined the EBRD's prestigious Blue Ribbon programme, which helps promising regional SMEs grow and develop into market leaders.

Investment in Polish tech company Vodeno underpins growth in innovative services

An investment in Polish technology provider Vodeno is supporting the growth of the company's subsidiaries in the EBRD regions, developing innovative products and services currently unavailable in some EBRD economies and broadening access to digital skills among its growing workforce.