# Sustainability Report 2020

European Bank
for Reconstruction and Development

The *Sustainability Report 2020* explores the many ways the European Bank for Reconstruction and Development (EBRD) has created impact this year, making a real difference to the daily lives of millions of people across three continents.


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# 1. Introduction

## President's message

**I am delighted to introduce the EBRD's *Sustainability Report 2020*, which comes at a particularly critical juncture.**

**In 2020, Covid-19 shaped and changed the world in ways no one foresaw, with lives lost and livelihoods shattered. As a result, progress towards the Sustainable Development Goals (SDGs) stalled and even reversed; for the first time in more than 20 years, the number of poor people in the world increased. The call to respond by "building back better" rings loud and clear across countries, the private and public sectors and civil society.**

Sustainable development has been at the core of the Bank's purpose since 1991. Born just before the Earth Summit enshrined the principles of sustainable development in the Rio Declaration, the EBRD supports the global aims of the SDGs by pursuing its unique transition mandate. The EBRD's goal is to assist the 38 economies in which it invests in Europe, Asia and Africa in transitioning to sustainable market economies that are competitive, well governed, green, inclusive, resilient and integrated.

Our report details the Bank's impressive operational support for sustainable development in 2020. It achieved this while responding quickly, flexibly and substantially with its Solidarity Package to support clients and economies deeply affected by the Covid-19 pandemic.

In addition, in 2020, the EBRD laid the foundations for enhancing this work even more. Our five-year strategy – the Strategic and Capital Framework 2021-2025 – was approved by all 71 shareholders at the Bank's Annual Meeting in October. It sets out how we will support the economies in which we invest to become sustainable market economies, both through the crisis and the subsequent recovery, as they seek to create a better future.

Three cross-cutting themes will underlie all of the Bank's work over the next five years: supporting progress to green, low-carbon economies, promoting equality of opportunity and accelerating the digital transition. These themes are complementary and mutually reinforcing. The wider use of smart solutions in urban planning and the greater use of infratech in construction, for example, are key to reducing carbon emissions.

The Bank has put in place the next phase of its Green Economy Transition approach, known as GET 2021-25. The previous phase saw the Bank's ratio of green investment rise from 25 per cent in 2015 to 46 per cent in 2019. In 2020, it became evident that its efforts must be relentless. While the Bank's regular pipeline of projects retained its strong green credentials, the more short-term, crisis-response element of the portfolio did not. The EBRD's objective is for green investments to account for more than 50 per cent of the Bank's business by 2025. In 2021, it will begin to assess investment proposals to determine whether they align with the objectives of the Paris Agreement's climate change goals.

The world has understandably focused on the health and economic fallout of the Covid-19 crisis. However, the continuing ecological challenges, be they species extinction, habitat degradation or climate change, demand continual action. As part of that effort, the EBRD has already embarked on important preparatory work for the United Nations Climate Change Conference (COP26) at the end of 2021. It is also increasingly clear that immediate priorities and long-term goals cannot be considered in isolation.

The EBRD has a proud 30-year track record on which to build and this report is an invitation to learn more. We will not rest, nor be complacent in our continued work for sustainability and prosperity for all.

**Odile Renaud-Basso**
President, European Bank for Reconstruction and Development
June 2021

## Key EBRD achievements in 2020

Agreed a new green economy approach for
2021-25

**Adopted a target of becoming a majority green bank by**
2025

€3.2 billion
invested in climate mitigation, climate adaptation and other environmental activities

**Signed up to the Sustainable Blue Economy Finance Principles**

As part of our Covid-19 response, provided
€802 million
of support under the Vital Infrastructure Support Programme

**Strengthened our approach to human rights and gender-based violence**

**€2.5 billion**
reached in total EBRD and donor commitments for green cities

**€589 million**
mobilised in donor support for projects and policy dialogue

**Launched online training for road safety and asbestos management**

Posted a **14.8 per cent**
year-on-year increase in the number of projects we support that promote gender inclusion

**Signed partnership agreements with Oxfam and Save the Children**

### The EBRD's approach to sustainability

The EBRD is committed to sustainability, as defined by the SDGs. These constitute a globally shared blueprint for ending poverty, improving health and education, spurring inclusive economic growth, tackling climate change and working to preserve our oceans and forests.

The EBRD responds to environmental and social challenges, engaging with investors and stakeholders, setting the highest standards of governance and delivering associated benefits for all. It aims to minimise its own footprint, and measure, monitor and report on the impact of the Bank's work to ensure transparency and accountability. In particular, the Bank seeks to make the economies where it invests competitive, well governed, green, inclusive, resilient and integrated. These are the EBRD's six transition qualities.

The case studies highlighted throughout the *Sustainability Report 2020* indicate, where appropriate, which SDGs they support.

Further details about the EBRD's approach to sustainability can be found in the Bank's Global Reporting Initiative (GRI) disclosure report for 2020. The report applies Global Reporting Initiative Standards and enables stakeholders to gain a comprehensive overview of the EBRD's approach to environmental, social and governance issues.

## Covid-19 response

The Covid-19 pandemic has dealt a severe blow to the economies in which the EBRD invests. Exports have shrunk, tourism has fallen sharply and remittances have been sliding, while many migrants have returned to their home countries. The health and social impacts have been wide-ranging, hitting the most vulnerable hardest.

Faced with these unprecedented challenges, the EBRD reacted quickly and decisively, investing at record levels in 2020. The Bank was the first international financial institution to approve a comprehensive series of response and recovery measures through its Solidarity Package, unveiled in March. It delivered emergency liquidity, keeping open vital infrastructure services and increasing trade finance to keep commerce flowing. The measures also helped ensure the resilience of the financial sector during the year.

After €10.1 billion of financing in 2019, the Bank invested €11 billion through 411 projects in 2020. The Bank has the potential to increase annual financing well above €10 billion in the five years to 2025 and remains committed to helping countries combat the pandemic's economic impact.

The crisis has diverted attention away from climate change mitigation. However, large-scale recovery spending offers an opportunity to "tilt to green", as highlighted by EBRD economists in a report published in 2020. Governments will need to take careful policy action and, in seeking to protect their citizens medically and economically in the short term, should also look to the long-term prospects for accelerating towards a low-carbon economy.

The pandemic has had a profound impact on the EBRD's scope, focus and methods of working. In 2020, travel, client meetings and on-site visits had to be cancelled and staff across the Bank's regions had to adapt to working remotely. The Bank had to develop new ways to communicate with clients, civil-society organisations and other stakeholders. Existing environmental and social due diligence processes were adjusted and new ways devised to respond to emerging risks in and restrictions on fieldwork.

During the crisis, the EBRD helped protect the economy and promote further transition not only through its investments, but also by providing governments and other state institutions with high-quality, straightforward and usable policy advice, through its dedicated Rapid Advisory Response framework.

The Bank prepared Covid-19 briefing notes and videos on health and safety, labour and stakeholder engagement and compiled guidance and resources from a range of sources to help clients.

The Bank launched a report on emerging good practice for companies on responding to gender-based violence, sometimes described as a shadow pandemic. The EBRD and the British Society for Antimicrobial Chemotherapy also held a webinar on Covid-19 and antimicrobial resistance, a situation exacerbated by the increased prescribing of antibiotics.

The EBRD's Annual Meeting in October focused on building back better to deliver a robust post-Covid-19 future for the 38 emerging economies where the Bank invests.

As the EBRD regions recover, the Bank will support an acceleration of the transition process, helping to build a greener, more resilient and more sustainable future. Transparency and reporting are building blocks of the Strategic and Capital Framework (SCF). The SCF provides for the delivery of green, low-carbon economic growth, the promotion of equality of opportunity and an acceleration of the digital transition. The framework aims to raise the EBRD's share of green financing to at least 50 per cent of its total financing by 2025. Over the next five years, the Bank will also increase efforts to promote equality of opportunity for women, young people and underserved communities and to unleash the power of technology to broaden the digital transition. The Bank is also pursuing a cumulative net greenhouse gas (GHG) emissions reduction of between 25 and 40 million tonnes over the five-year period, based on *ex ante* estimates.

More information about the EBRD's Covid-19 response is available here.

# 2. Investments in the green economy

## Covid-19 and EBRD investments

The Covid-19 pandemic impacted the economies in which the EBRD invests and the international policy environment more profoundly than any event since the Bank's foundation. The Bank worked rapidly to support clients with their immediate needs and priorities by providing liquidity and working capital.

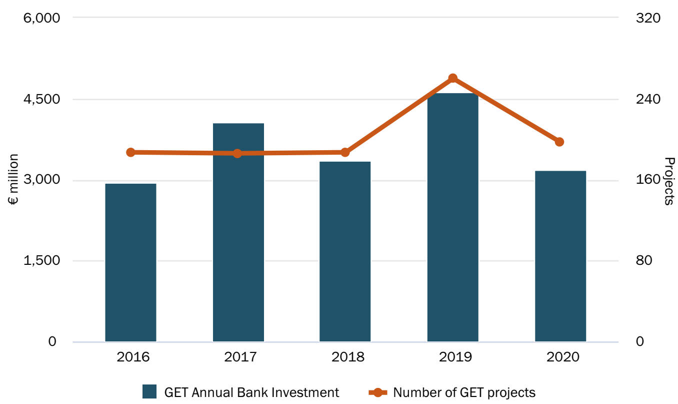
The unprecedented levels of financing channelled to clients through the EBRD's Covid-19 Solidarity Package affected the green share of the Bank's overall finance, which fell to 29 per cent in 2020 from 46 per cent in 2019. In 2020, the EBRD dedicated a large portion of its investment to directly helping clients and economies fight the impact of the pandemic through instruments, including short-term liquidity and working capital that, by nature, did not support new capital expenditure in the green economy. While the level of green investment remained high in other areas of our activity, the overall percentage of GET financing for 2020 reflects the limited opportunities for green investment under the Bank's crisis response. Total green finance of €3.2 billion in 2020 was a return to 2018 levels after a record year in 2019. It was spread across nearly 200 projects.

## Meeting Green Economy Transition targets

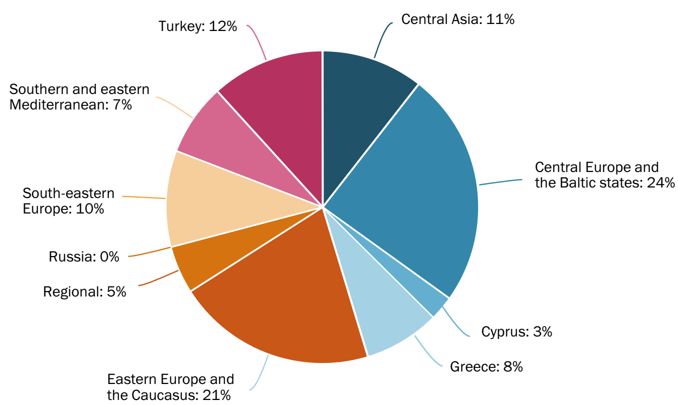
In 2015, the EBRD launched its Green Economy Transition (GET) approach, which covered the period from 2016 to 2020. This set the target of increasing the EBRD's volume of green financing from an average 25 per cent of its total annual investment in the preceding decade to 40 per cent by 2020. The Bank outperformed this target in 2019, reaching 46 per cent, before falling short in 2020 when funds were directed to the Covid-19 response. It did, however, exceed expectations for the volume of green investments over the period. Having projected a total of €18 billion for 2016-20, the Bank reached €18.1 billion in cumulative finance by the end of 2020.

This chart shows the EBRD's green investments over the first period of its GET approach.

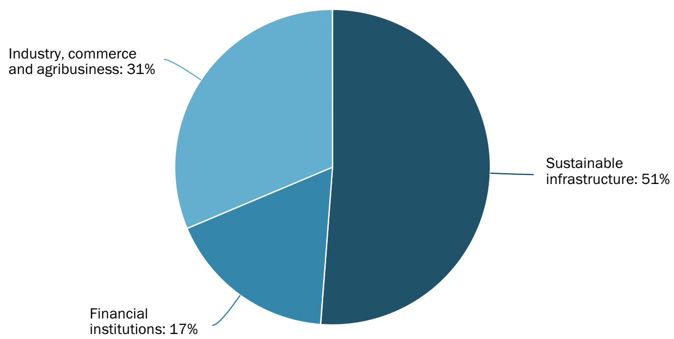
**Investments in the green economy**



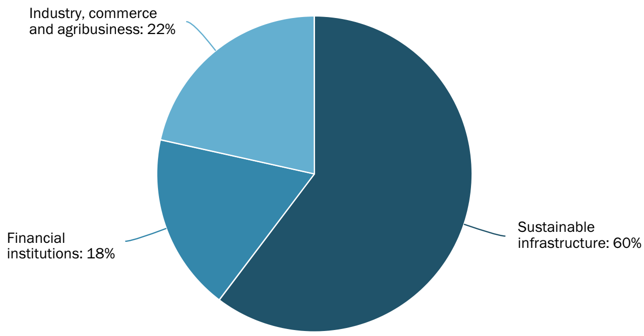

**Green investments by region, 2020 (€ million)**




**Green investments by sector, 2020 (€ million)**




**Green investments by sector, 2016-20 (€ million)**




### Green economy investments: physical impacts

| GET impacts* | 2020 | Total: 2016-20 | Equivalence for cumulative 2016-20 |
|---|---|---|---|
| Emission reductions (in ktonnes $CO_2e$/y) | 3,711 | 27,000 | Annual emissions of 4 million EU citizens |
| Primary energy savings (GJ/y) | 28,223,568 | 227,000,000 | Annual oil imports of Switzerland |
| Water savings ($m^3$/y) | 42,583,167 | 394,000,000 | A shower for every person on the planet |
| Renewable energy capacity installed (MW) | 1,484 | 6,900 | Greater than installed wind capacity of Denmark |

* These are ex ante estimates of the benefits of green economy projects signed in 2020 and cumulatively between 2016 and 2020.

## Becoming a majority green bank

This year, the EBRD launched its new Green Economy Transition (GET) approach. GET 2021-25 sets an ambitious target for the Bank to achieve a green finance ratio of more than 50 per cent of its annual investments by 2025. It also aims for the Bank to reach net annual GHG emission reductions of at least 25 million tonnes over the same five years. GET 2021-25 takes into account the context brought about by Covid-19, highlighting the needs and areas of opportunity to support a green recovery. It will involve:

- aligning with the Paris Agreement
- enhancing policy engagement to develop long-term, low-carbon and climate-resilient pathways
- innovating across thematic areas, including green financial systems, industrial decarbonisation, sustainable food systems, energy systems integration, cities and environmental infrastructure, sustainable connectivity, green buildings and natural capital
- energy efficiency and climate adaptation as cross-cutting themes with relevance for most thematic areas.

In implementing GET 2021-25, the EBRD will pay particular attention to:

- just transition and economic inclusion, in addition to circular economy opportunities and green digital solutions
- partnerships at the country and sectoral level, as well as with multilateral development banks (MDBs) and other institutional partners.

## Alignment with the Paris Agreement

The Paris Agreement is an international treaty with the goal of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels".[1] All but two of the economies in which the EBRD invests[2] have ratified the Agreement, which also has widespread support from the Bank's shareholders.

In its GET approach 2021-25, the EBRD committed to "aligning its activities with the principles of international climate agreements, including principally the Paris Agreement".[3] The EBRD's approach to "Paris alignment" is an integral part of the Bank's activities to support its investee economies on climate action.

The EBRD will move towards full Paris alignment over the course of the new GET approach, including by aligning its own financial flows. A resolution on this matter will be put before the Board of Governors at the 2021 Annual Meeting, with a proposal that, by the beginning of 2023, everything the EBRD does will be aligned with the Paris Agreement.

The EBRD's Paris alignment approach is grounded in a framework agreed jointly with the other MDBs. This high-level framework, presented at the 2018 United Nations Climate Change Conference (COP24), guides the MDBs in putting Paris alignment into practice, giving them the flexibility to make adjustments that suit their mandates and business models

It also recognises that Paris alignment for the MDBs means supporting the full scope of activities required to achieve the Paris Agreement – at the investment, policy and corporate level.

Therefore, as part of its approach to Paris alignment, the EBRD will:

- screen all investments for alignment with the Paris Agreement and national climate-related action plans, taking into consideration country and sectoral strategy priorities
- increase its capacity to support countries, regions and sectors in developing low-carbon and climate-resilient strategies, especially through Nationally Determined Contributions (NDCs) and long-term strategies; increasingly, these plans will be reflected in the EBRD's own country strategies
- scale up its efforts to mobilise climate finance through its resources and through co-financing, particularly from private-sector investors and financiers.

Recognising that Paris alignment is, above all, a national policy commitment and challenge, the Bank will in 2021 scale up its efforts to support the economies in which it invests and its clients in developing low-carbon and climate-resilient pathways and long-term strategies. As far as its own financing is concerned, the Bank expects that, by the end of 2022, all EBRD investments will be screened for their alignment with the Paris Agreement. To achieve this, over the course of 2021, the EBRD will:

- consult publicly on its proposed methodology to determine the Paris Agreement alignment of EBRD investments
- apply the methodology to the screening of all new direct finance projects, with notification on all projects going to the Board
- present at COP26 a joint MDB approach for the Paris alignment of indirect finance through intermediaries, which will then be implemented in 2022.

[1] See https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

[2] Kosovo is not an official party to the United Nations Framework Convention on Climate Change; Turkey has signed, but not ratified the Paris Agreement to date.

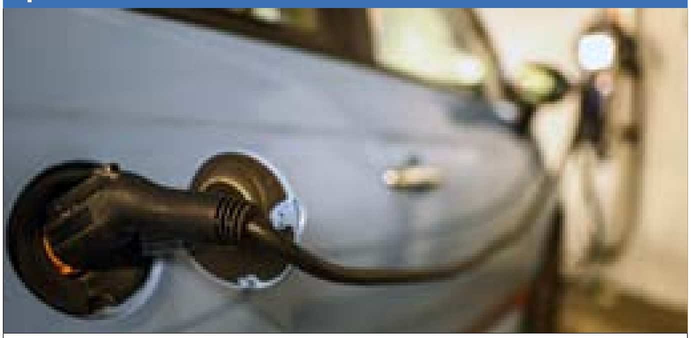
[3] See https://www.ebrd.com/what-we-do/get.html.

## Supporting the corporate transition to decarbonisation

Despite the Covid-19 pandemic, corporate clients from carbon-intensive sectors continued to invest. Green investments also continued to command a large share of the Bank's finance for corporate clients in 2020. These were driven by market opportunities emerging from climate action and changing regulations, as well as concerns about reputation and ongoing access to finance. Green investments accounted for 37 per cent of the Bank's total corporate financing in 2020 when including the Covid-19 Solidarity Package.

Corporate clients looked to capture value from the move to decarbonise by developing new products and business models, driving more efficient energy performance, enhancing waste management and recycling through circular economy projects, while improving the management of climate risks in supply chains showed how the world can build back greener after the pandemic.

### Next-generation technology improves EV battery performance



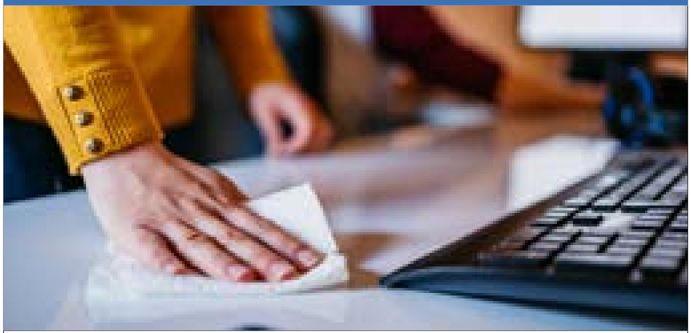
**Poland**

A new plant will become the world's first production site for Johnson Matthey's next-generation cathode materials. These high-energy-density materials are expected to improve the performance of lithium ion batteries for electric vehicles (EVs).

**Loan:** €90 million EBRD loan alongside a €45 million loan from KfW

**Impact:** Production capacity will meet demand for around 100,000 EVs annually by 2022, with the potential to increase capacity 10-fold through further investments.

### Eliminating plastics in single-use hygiene products



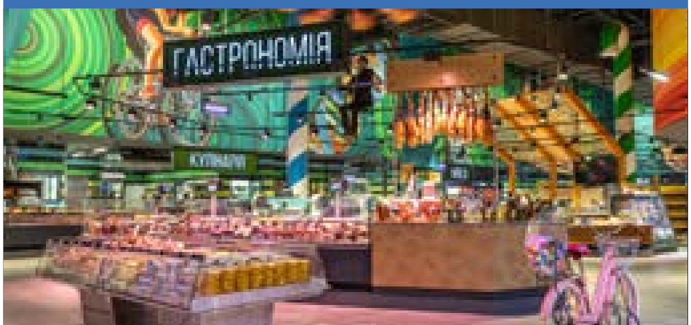
**Turkey**

An EBRD loan to Sapro Group will help the company meet surging consumer demand for wet wipes due to the coronavirus outbreak. This project replaces plastic-based raw materials with wood pulp to make a new, 100 per cent-certified biodegradable product, preventing the accumulation of microplastics on land and in marine environments.

**Loan:** €10.5 million EBRD loan was matched by a €10.5 million loan from TSKB

**Impact:** This circular-economy project will eliminate 2,807 tonnes of plastic waste per year.

### Fozzy Group builds green supermarket




**Ukraine**

An EBRD loan will support Fozzy Group in building the first Building Research Establishment Environmental Assessment Method (BREEAM)-certified green supermarket in Ukraine. It includes solar photovoltaic (PV) panels, wells for ground heat pumps, refrigeration units operating on $CO_2$ rather than Freon, heat recuperation from refrigeration units for hot water and light-emitting diode (LED) systems. It will also introduce biodegradable or reusable bags, shopping carts made from fishing nets and a charging station for EVs.

**Loan:** US$ 60 million long-term EBRD loan

**Donors:** The loan is supported by a grant of US$ 303,600 from the Global Environment Facility (GEF) and grant funds from the Japan-EBRD Technical Cooperation Fund and the EU Neighbourhood Investment Platform.

## Investing in green infrastructure

Infrastructure sectors in the EBRD's regions have been severely impacted by the Covid-19 pandemic. Providers have struggled to keep vital infrastructure afloat amid budget diversions that have compromised sustainability and threatened the transition to green at a critical juncture. This has highlighted the need for strong and sustainable investment and support.

The EBRD's response has included the Vital Infrastructure Support Programme (VISP). This provides short-term liquidity and capital investment to preserve the stable provision and green agenda of essential services: electricity, water, waste management and sanitation, and public transport.

The VISP has provided financing for a range of municipal and national utilities, totalling €802 million in 2020, linking short-term crisis support with longer-term green objectives. Financing for energy utilities in Greece and Kazakhstan, for example, links directly to decarbonisation efforts.

Other investments this year have included providing emergency liquidity to vital infrastructure providers in Kosovo and Morocco, financing solar energy in Poland, scaling up renewable energy auctions in Albania and Uzbekistan and sustainable connectivity for railways in Ukraine.

These investments have helped lay the foundations for what is to come. There is widespread consensus among decision-makers in both developed and emerging markets that infrastructure investments hold the key to the global economic recovery. By propelling these investments toward sustainable infrastructure and linking recovery financing to the looming climate crisis, the EBRD can help economies build back better by tilting to green.

### Investing in climate-resilient transport infrastructure

The EBRD provided €445 million of dedicated climate adaptation finance to the transport sector in 2016-20. Resilient transport infrastructure networks are a critical element in developing well-functioning societies and robust economies. When properly maintained, the lifespan of such assets can be more than 50 years. Such long timescales require infrastructure owners and operators to plan now for future climate change by integrating resilience into the design and operation of their networks. Indeed, the Paris Agreement calls for such planning to be integrated into countries' long-term strategies.

The EBRD is working with clients across the transport sector to support them in assessing and managing risks in their networks while also building capacity within their organisations. The Bank's investments support road and rail through landslide protection, flood defence and protection against extreme temperatures. They prepare ports to cope with physical climate risks, such as rising sea levels and increasing storm intensity. The EBRD's climate-resilient transport investments reduced costs associated with:

- **weather-related damage to transport infrastructure assets** by increasing the usable lifespans of assets, reducing the need for maintenance and reducing the impact of damaging extreme weather events
- **weather-related disruption**, thus ensuring critical infrastructure remains reliable, trade continues and people's access to resources and services is safeguarded.

## Ukrposhta logistics development

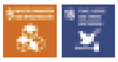
**Ukraine**

The EBRD is providing a loan of up to €63 million to Ukraine's national postal operator. This will support the reorganisation of Ukrposhta's branch network to ensure the sustainable provision of modern delivery, retail and other services to the country's rural population. This is particularly critical during the Covid-19 pandemic.

**Loan:** €63 million

**Donors:** Technical cooperation support for this operation is expected to be provided by the EBRD Shareholder Special Fund (Environmental and Social Impact Assessment, development of a retrenchment plan and occupational road-safety management system), EU Neighbourhood Investment Platform (energy efficiency improvements) and the EBRD Ukraine Stabilisation and Sustainable Growth Multi-Donor Account (corporate governance action plan and anti-corruption programme).

**Impact:** The investment will benefit around 10 million people.



## Zhanatas wind farm

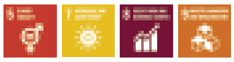
**Kazakhstan**

The EBRD is supporting the construction of the Zhanatas 100 MW wind farm, the first project-financed wind farm in the country. This is the Bank's 14th transaction under the Kazakhstan Renewables Framework II, supporting renewable energy and grid integration projects to advance the green agenda in the country's power sector.

**Loan:** US$ 24.8 million provided by the EBRD

**Donors:** Co-financed by the Asian Infrastructure Investment Bank, Industrial and Commercial Bank of China and the Green Climate Fund (CGF).

**Impact:** The project will reduce annual $CO_2$ emissions by approximately 262,000 tonnes.



## Water management

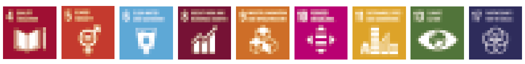
**Morocco**

The EBRD and the EU co-financed a water transfer system to preserve the Saiss aquifer and support the modernisation of the water distribution network of the Garet plain in the Orientale region. An EU-funded technical support package will encourage more efficient water management and sustainable agricultural practices by farmers.

**Loan:** €150 million EBRD loan, investment grant of €25.5 million from the EU

**Donors:** EU Neighbourhood Investment Platform

**Impact:** Improved irrigation services and water security for about 27,000 people including 5,300 local farmers. Promotion of women's economic inclusion in commercial agriculture through training of up to 100 female farmers, alongside a comprehensive policy dialogue programme.



### First utility-scale solar power plant in the Caucasus

**Armenia**

The 55 MW Masrik solar PV power plant in Gegharkunik province is the first utility-scale solar power plant in Armenia and the Caucasus. It is the first competitively tendered solar PV project in Armenia. Boosting renewable energy supplies will help the country reduce its reliance on the imported fuels that currently supply 70 per cent of its electricity.

**Loan:** Project developer Fotowatio Renewable Ventures (FRV) to receive two US$ 17.7 million long-term loans, one each from the International Finance Corporation (IFC) and the EBRD

**Impact:** The plant is expected to generate over 128 GWh/year, preventing the release of 50,000 tonnes of carbon emissions annually.

### Bringing new renewables investors to EBRD economies

**Regional**

The EBRD's equity investment in Taaleri SolarWind Fund II is its first purely renewable energy private equity fund investment in 10 years and diversifies funding sources for the economies in which the Bank invests. The fund targets investments in solar and wind energy, including in 11 EBRD investee economies: Bulgaria, Croatia, Estonia, Greece, Hungary, Latvia, Lithuania, Montenegro, Poland, Romania and Serbia.

**Loan:** EBRD equity investment of up to €40 million

**Impact:** The fund will deliver estimated emission reductions of 329,000 tonnes of $CO_2$ equivalent per year ($tCO_2e$/y) in EBRD economies, assuming equity investments of €105 million to support 298 MW of new renewable energy capacity.

## Working with the financial sector

### Financial intermediaries

The Covid-19 pandemic hampered the Bank's sustainability-focused work with its financial intermediary (FI) client base in 2020. Crucially, it also impacted the Bank's client work with FI partners and highlighted the need to build on the provision of green finance through them.

This year, the Bank refocused its efforts to respond to the most urgent needs of clients and the marketplaces in which they operate. Through the implementation of the EBRD's Resilience Framework, the Trade Facilitation Programme was expanded significantly, providing FI clients with the ability to support short-term trade finance needs to keep local marketplaces operating. Credit lines were also provided, allowing FI partners to provide working capital to their small and medium-sized enterprise (SME) client base, addressing short-term impacts to cash flows and supporting the sustainability of these markets.

The Bank, with the help of donors, also supported FI clients in their efforts to manage environmental, health and safety risks associated with their work. While on-site meetings with clients were not possible, existing tools were amended to address the Covid-19 situation, enabling the Bank and its clients to appraise and monitor risks. The robust risk management systems that clients have developed in partnership with the EBRD have proven capable of delivering the required results.

### Digitalising environmental, social and governance (ESG) risk screening

**Greece**

The EBRD developed a digital ESG risk screening and monitoring tool that has been endorsed by the Greek government as part of its privatisation process. It is being expanded and will be made available to all of the EBRD's FI clients. When analysing new or existing investments, ESG data can be submitted and the tool will generate an ESG assessment, due diligence report and action plan.

**Impact:** The app does not measure economic impact data, such as people impacted. Rather, it includes a large number of environmental and social (E&S) data points, including GHG emissions, so is more focused on E&S risks.

**SDGs:** The project itself is not related to a single SDG, but the app maps each investment analysed to the relevant SDGs and, over time, the SDG impact of the analysed portfolio is measured.

## Green Economy Financing Facilities

The EBRD's Green Economy Financing Facilities (GEFFs) support businesses and homeowners who want to invest in green technologies. Since the launch of this financing instrument, and with the support of donors, the Bank has distributed almost €5 billion via more than 150 participating financial institutions to support more than 200,000 green investments in 27 countries. Together with funding from the Bank's co-financing partners to date, the GEFFs avoid almost 9 million tonnes of $CO_2$ emissions per year.

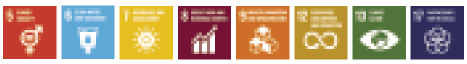
### Launching green value chain programmes

**Egypt and Morocco**

Green value chain (GVC) programmes will allow SMEs to invest in advanced technologies and climate mitigation and adaptation solutions. These will improve competitiveness and enhance the development of GVCs. Both programmes support activities that enhance equal opportunities for men and women to access finance for green technologies and solutions.

**Loan:** GVC Egypt programme worth up to €70 million, GVC Morocco programme worth €80 million

**Donors:** GVC Egypt donors are the EU and the Green Climate Fund (GCF). GVC Morocco donors are the EU, the GCF and South Korea.



### New GEFF launch

**Kazakhstan**

The EBRD has launched GEFF Kazakhstan to support gender-inclusive green finance for households and small private-sector companies investing in green technology solutions. Businesses and homeowners investing in green technologies will be eligible for a grant from the Global Environment Facility (GEF). GEFF Kazakhstan also supports gender activities that aim to enhance equal opportunities for women and men to access finance for green technologies.

**Loan:** US$ 30 million

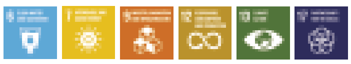
**Donors:** GEF and Austria

### Launching an app for climate-friendly technologies

A new mobile app, Technology Selector, will change how the Bank delivers climate finance to clients, who are increasingly using mobile devices for commerce, especially during the Covid-19 pandemic, and likely to continue doing so. Businesses and homeowners are now able to use their phones to access more than 30,000 green technologies that improve energy efficiency, provide renewable energy and reduce water use and soil erosion.

**Loan:** N/A (tool is supporting multiple green economy financing operations)

**Donors:** Austria



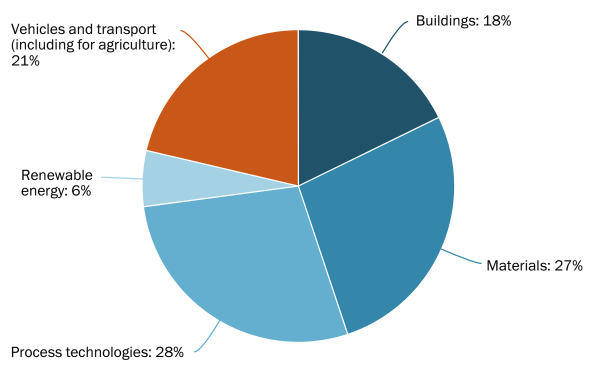
## Green trade

As a key player in trade finance, the EBRD is well placed to help promote trade in green technologies and materials. Since 2016, the Bank's Trade Facilitation Programme (TFP), with the support of donors, has been implementing the Green TFP to stimulate the supply of green technologies and materials to economies where the Bank invests, particularly to markets where demand is generated via GEFFs.

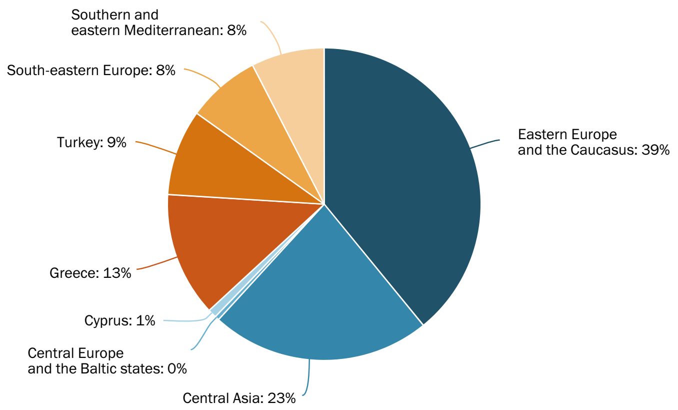
In 2020, the Green TFP:

- contributed more than €280 million to green finance, in line with the GET approach
- financed 225 transactions in 18 economies where the EBRD invests.

**Green TFP portfolio overview, by green technology type**




**Green TFP portfolio overview, by location**




Note: This chart includes one transaction in Croatia (in central Europe and the Baltic states).

In 2020 the EBRD won the *Global Trade Review* Leaders in Trade global award for its significant contribution, through the Green TFP, to sustainability in trade. Other shortlisted nominees in this category were ABN AMRO, Barclays and HSBC.

The EBRD also presented its second awards for green trade to local and foreign banks. Piraeus Bank (Greece) and Commerzbank received awards for being the most active issuing bank and the most active confirming bank in green trade, respectively. These two awards were presented jointly with *The Banker*, a *Financial Times* publication that covers the world's banking and financial sector.

BLOM Bank, Ukreximbank, Converse Bank and Commerzbank (jointly), and Commercial International Bank, QNB ALAHLI, Banque de Tunisie, UBCI and BCR (jointly) received awards for deals of the year in green trade in energy efficiency, renewable energy generation, water efficiency and sustainable sourcing of materials, respectively.

## Investing in green bonds

In 2020, we invested a record €172 million in green bonds issued by our clients, while also supporting them with funding and technical assistance for green issuance. This helps the Bank's clients improve their own green governance and strategies to reduce their climate risks and accelerate the transition from high- to low-carbon companies. Issuing green bonds can also attract investment from new sources, deepening and diversifying the pool of capital available to Bank clients. Green bonds this year included:

**Poland's first corporate green bond**

- The EBRD invested PLN 200 million in local currency in a green bond from Cyfrowy Polsat, the first such corporate issuance in Poland.
- The green bond as a whole raised PLN 1 billion for energy-efficiency measures.

**Investment in the first green bond issued by a Greek bank**

- The EBRD bought €50 million of National Bank of Greece's €500 million bond, the first ever green bond issued by a Greek bank.
- The proceeds of the bond will be used for investments in renewable energy generation.
- The green bond supported the client in building up and diversifying its investor and funding base and in introducing new capital-market instruments to the Greek market. It was the first senior preferred bond issued by a Greek bank.

**Financing the manufacture of EV components in Hungary and the Slovak Republic**

- The EBRD funded a €75 million tranche of Schaeffler's debut green Schuldschein in 2020. Proceeds are being used to develop and produce components essential to full EVs, such as e-motors and e-axle drives and systems, in Hungary and the Slovak Republic.
- The EBRD financing is aligned with Schaeffler's Green Finance Framework, which conforms to International Capital Market Association (ICMA) Green Bond Principles and Loan Market Association Green Loan Principles.

## Sustainability Awards

The Bank recognises the sustainable impact achieved by its clients who operate across a range of sectors. The winners of this year's EBRD Sustainability Awards **demonstrated their impact** in five categories:

- sustainable energy
- climate resilience
- environmental and social best practice
- environmental and social innovation
- gender and inclusion.

From 47 nominations, 35 clients were shortlisted by an internal EBRD committee and then assessed by an external judging panel. Certificates were awarded to 16 winning clients from 11 countries for their Gold, Silver and Bronze achievements.

### Gold Award winners

The joint Gold Award winners in 2020 for **sustainable energy** were:

- **LG Chem Poland**, which produces and supplies EV batteries for European manufacturers for up to 1 million EVs per year (equivalent to about 6 per cent of cars sold in Europe)
  **Impact:** Production of around 1 million batteries per year for EVs
- **Shams Al Etisalat Lil Taka,** a pioneering energy project in Jordan to design, build and operate three 36.8 MWp solar photovoltaic plants
  **Impact:** Avoidance of around 42,000 $tCO_2e$ of emissions per year.

In the climate resilience category, the Gold Award winner was:

The Ministry of Agriculture, Forestry and Water Management (MAFWM) of Serbia for its construction and rehabilitation of the primary irrigation infrastructure of the Negotin region and the rehabilitation of two small accumulation lakes in Vojvodina.
Impact: Irrigation of 5,400 hectares of farmland.

The City of Lviv in Ukraine received the Gold Award for **environmental and social best practice.** Lviv is notable for having developed eight municipal projects with the EBRD across every area of municipal service, including public transport, e-ticketing, solid-waste management, wastewater treatment and biogas production, district heating and road rehabilitation.
**Impact:** Improved public transport, waste management and wastewater treatment for a city of 800,000 people; emission savings of 360,000 $tCO_2e$ per year

The Gold Award for **environmental and social innovation** went to Polcom, a Polish provider of modular construction that caters to the hospitality industry worldwide and is notable for its cutting-edge technology and innovation.
**Impact:** Reduction of construction waste by up to 90 per cent and $CO_2$ emissions by up to 50 per cent versus traditional construction techniques

The winner of the Gold Award in the **gender and inclusion** category went to the JSC Medical Corporation EVEX in Georgia. EVEX, the largest provider of healthcare services in Georgia, will construct a new laboratory facility in Tbilisi with the support of an EBRD loan.
**Impact:** Improved levels of skill and training for nurses in Georgia

### Silver winners

**Sustainable energy:** Egyptian Electricity Transmission Company (Egypt)

**Climate resilience:** Government of North Macedonia and City of Skopje (North Macedonia)

**Environmental and social best practice:** Joint winners were Migros (Turkey) and Isik Organic (Turkey)

**Environmental and social innovation:** Duran Dogan (Turkey)

**Gender and inclusion:** KazMicroFinance (Kazakhstan)

### Bronze winners

**Sustainable energy:** Šabac District Heating Company (Serbia)

**Climate resilience:** Motorways of the Federation of Bosnia and Herzegovina (FBHM) and Motorways of Republika Srpska (RSM) (Bosnia and Herzegovina)

**Environmental and social best practice:** Arkas Holding (Turkey) and Duisport (Germany)

**Environmental and social innovation:** Apa Canal Pitesti (Romania)

**Gender and inclusion:** Egyptian National Railways (Egypt)

Read more about the winners of the 2020 Sustainability Awards here.

# 3. EBRD policy engagement and outreach

## Long-term policy engagement unlocks impact

From 2016 to 2020, with the support of donors, the EBRD engaged in 313 green policy activities supporting green investments across 33 EBRD economies. Highlights included:

- Some 128 green laws, regulations, strategic documents and policy guidelines were developed as a result of EBRD support.
- Most green policy activities supported energy efficiency and renewable energy investments.
- Emerging areas of policy support were green cities planning, climate resilience, climate policies and markets, circular economy, environment practices and standards.

The EBRD's new GET approach will see the Bank engaging more with partners in government and business to develop the long-term policy frameworks and investment planning needed to drive deep decarbonisation and accelerate green growth. This work includes expanding existing approaches, such as national long-term low-carbon pathways, sector roadmaps and the Bank's work with cities.

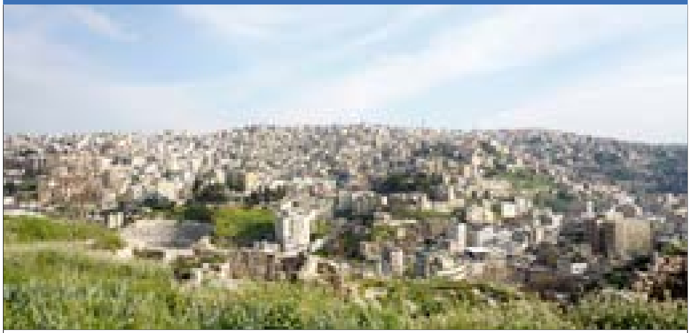
## EBRD Green Cities

EBRD Green Cities is the Bank's urban sustainability programme, which strives to build a better and more sustainable future for cities and their residents by identifying, prioritising and connecting cities' environmental challenges with sustainable infrastructure investments and policy measures. To date, EBRD Green Cities has mobilised over €2.5 billion in EBRD and donor commitments and leveraged co-investments.

Taking into account the effects of the pandemic and its likely after-effects, the EBRD broadened the scope of the Green City Action Plan (GCAP). With green remaining at the heart of its planning, the revised GCAP methodology offers a more comprehensive approach, with a greater focus on gender equality, smart technologies to enhance green impacts, and risk and vulnerability assessments against shocks and hazards.

- Seven new cities joined EBRD Green Cities: Split, Semey, Ust-Kamenogorsk, Ganja, Iasi, Warsaw and Ankara. This brings the total network to 44 cities.
- GCAPs have officially been adopted by the following six cities: Sofia, Chisinau, Banja Luka, Batumi, Skopje and Izmir.
- A further three cities completed their GCAPs: Skopje, Izmir and Amman.
- The Bank signed 16 projects through EBRD Green Cities, bringing its total investment in the programme to €759 million.
- The EBRD committed €950 million in new funding over the next three years to double the existing headroom for this flagship programme.

### Setting city-wide green investment priorities



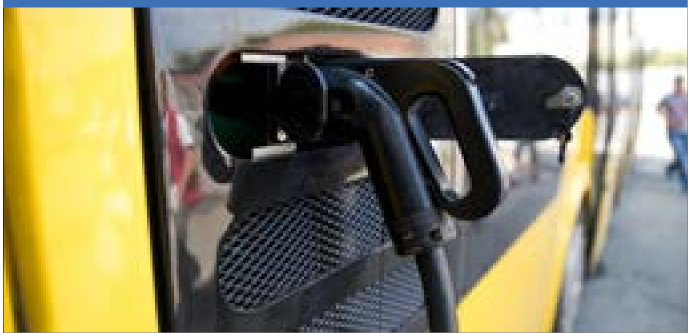
**Amman, Jordan**

Amman joined the EBRD Green Cities programme in 2018 and completed its GCAP in 2020. Its plan identified the following priority areas for investment: air quality, water cycle, solid waste, biodiversity and climate adaptation.
These areas can deliver a 165 $tCO_2e$ GHG reduction through the development of an integrated green infrastructure strategy, a 722 $tCO_2e$ GHG reduction through solid-waste management in 2020-23 and a 7 per cent reduction in GHGs emitted by public transport.

**Donors:** Government of Austria

**Partner:** C40 Cities, an international non-governmental organisation (NGO)

### Transitioning to low-carbon transport with electric buses



**Amman, Jordan**

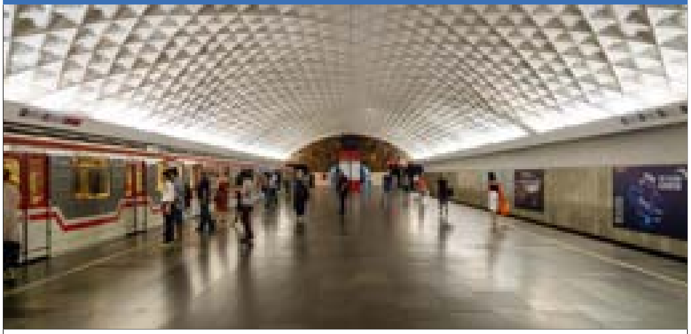
Amman is introducing the country's first electric bus fleet through EBRD Green Cities and the GCF's commitment to finance the purchase of 15 electric buses for the city.
The investment includes the installation of necessary charging infrastructure and training for the city to operate the new technology.

**Loan:** €2.8 million EBRD loan

**Donors:** The GCF provided an additional €2.8 million in concessional finance.

**Impact:** The project will reduce emissions by 290 $tCO_2e$/y compared with the use of existing cars and taxis.

## Metro system overhaul



**Tbilisi, Georgia**

Residents of Tbilisi will benefit from the modernisation of the city's metro network. The Tbilisi Transport Company will acquire 40 modern metro cars and see the modernisation of a depot and a tunnel. This is Tbilisi's third project with the EBRD following the development of its GCAP.

**Loan:** €65 million

**Donors:** This is the first EBRD Green Cities project co-financed with the GCF, which provided a €10 million concessional loan.

**Impact:** Annual ridership of 25.4 million is expected on the new metro cars the first year of operation. Moreover, by promoting gender equality, improving safety and addressing sexual harassment, ridership among women in expected to increase.

## Public buildings retrofit

**Sarajevo**

An €8 million municipal loan will cover the energy-efficient retrofit of 29 schools, six kindergartens, three student dormitories and two outpatient clinics. Supported by donors with €2 million in investment grants, the project falls under EBRD Green Cities.

**Loan:** €8 million

**Donors:** EU Regional Energy Efficiency Programme

**Impact:** Expected to cut energy use in half to around 13.7 GWh and save 4,774 tonnes of $CO_2$ annually.

## Improving the corporate governance of climate risk

The EBRD is in the process of aligning its metrics and disclosures relating to climate risks and opportunities with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This work helps the Bank better understand its own exposure to climate-related financial risks and disseminate good practices on climate risk management to the EBRD's clients and across the regions in which it invests. The Bank's work with clients in this regard is supported by donors.

### The EBRD's first TCFD report

The EBRD published its first standalone report on the steps it is taking to follow the recommendations of the TCFD in 2020. The report addresses each of the TCFD recommendations on disclosures covering climate governance, strategy, risk management, and metrics and targets. It describes the Bank's current procedures, state of preparedness and future plans to fully align with the TCFD recommendations. The EBRD became a TCFD supporter in 2018. For the last two years, it has been developing approaches to assess the risks that its investments face as a result of climate change. The Bank intends to begin systematically implementing these approaches from 2021.

## Louis Dreyfus Company trade finance expansion

**Regional**

Agricultural processor Louis Dreyfus will support small and medium-sized grain and cotton farmers in Bulgaria, Egypt, Kazakhstan, Poland, Romania, Tajikistan, Turkey and Ukraine in accessing its supply chains and improving the quality of their produce. Tools for climate-related risk management in Ukrainian and Turkish harvests will enhance Louis Dreyfus's climate corporate governance.

**Financing:** US$ 100 million revolving facility

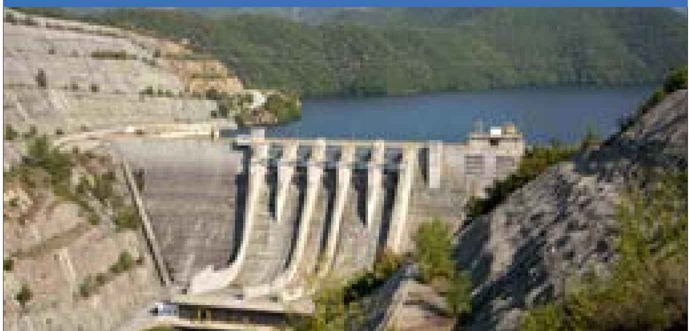
## Olam regional working capital financing

**Regional**

As well as financing the training of new suppliers in sustainable agricultural practices and E&S standards, Olam will integrate climate risk analysis into its business strategy by stress-testing priority value chains in Turkey and Egypt. Assessed and disclosed in line with TCFD recommendations, the insights gathered will benefit agricultural sectors in both countries.

**Loan:** US$ 200 million loan provides stable working capital for the company in five EBRD economies: Egypt, Georgia, Poland, Turkey and Ukraine

## VISP PPC liquidity response



**Greece**

PPC is Greece's largest power utility. Its financial health is crucial for the country to deliver on its commitment to phase out coal-fired generation and scale up renewable power supply within eight years. The EBRD is supporting PPC's analysis of climate-related governance, strategy and risks, and working closely with other MDBs to prepare a programme to support coal regions impacted by its transition to low-carbon power.

**Loan:** A €160 million EBRD loan provides working capital to ensure continued financial stability of the country's electricity sector and maintain PPC's momentum towards decarbonisation.

## Long-term low-carbon pathways

Areas of policy engagement for the GET 2021-25 approach will include additional support for the economies in which the EBRD invests, to strengthen and meet mid- and long-term climate and sustainability goals through enhanced NDCs and long-term strategies and related policy, regulation and implementation plans.

Engagement will also support the formulation of low-carbon pathways, consistent with long-term decarbonisation goals for different economic sectors. These align market players, define investment requirements based on expected technology developments and indicate the policies to enable these investments. Examples include:

**A low-carbon pathway for the energy sector in Uzbekistan.** In 2020, supported by a bilateral donor, the EBRD completed a roadmap for a carbon-neutral power sector in Uzbekistan by 2050. The EBRD and the Uzbek government presented the plan to the main stakeholders in the sector, and the government then endorsed it and committed to work with the Bank on its realisation. This will require the EBRD to provide continued support for the implementation of market reforms and project finance and help to improve clients' climate corporate governance.

**A decarbonisation pathway for the fertiliser industry.** The EBRD is working with the International Fertilizer Association and the International Energy Agency (IEA) to develop a low-carbon technology roadmap for the global nitrogen fertiliser industry. The plan will set out the technologies and pathway needed to decarbonise nitrogen fertiliser production by 2050, including in economies where the EBRD invests, such as Egypt, Poland and Ukraine, where nitrogen fertiliser plays a significant role in the economy.

**Capacity-building and policy support to promote the development of domestic and international carbon markets.** This includes developing international carbon-market instruments, in line with Article 6 of the Paris Agreement. In the next GET period, the Bank will cooperate with partners such as the joint MDB working group on Article 6, the World Bank-led Partnership on Market Implementation, the International Carbon Action Partnership, the IEA and the International Emissions Trading Association.

**Enhanced cooperation with other MDBs operating in EBRD investee economies.** The EBRD will focus on private-sector engagement through market instruments, carbon-market development and city-level green delivery models. Partners will include the World Bank Group, the African Development Bank, the Asian Development Bank, the European Investment Bank and the Asian Infrastructure Investment Bank through existing initiatives, such as the NDC Partnership.

**Exploring opportunities for Georgia's energy mix.** Georgia's hydropower-dominated generation mix results in seasonal excesses of electricity. The EBRD is providing Georgia with technical support to assess the investment requirements, as well as to upgrade existing assets and to transport blended hydrogen to end users. Green hydrogen generation is rapidly becoming economically attractive in many markets.

## Scaling up renewables through renewable energy auctions

Boosting renewable energy is an essential part of tackling climate change. In addition to investing in renewables, the EBRD facilitates renewable energy auctions across its regions by assisting stakeholders to ensure auctions will attract credible bidders who can deliver successfully. This work is supported by donors. In 2020, the EBRD's renewable energy auctions programme reached a number of milestones:

- In Uzbekistan, the EBRD helped launch the tender for a 100 MW wind auction, marking the first phase of the country's wind auction programme.
- In Lebanon, the Bank appointed a consortium of consultants to assist with the preparation and procurement of a combined total of 210-300 MW of solar PV and storage, as well as four wind farms, each with capacity of 50-100 MW.
- EBRD policy engagement and technical assistance supported a solar auction in Albania, resulting in the lowest cost of renewables to date in south-eastern Europe. The Karavasta solar plant will help Albania to diversify its energy sources and build resilience to climate change.

## Just Transition Initiative

In 2020, the EBRD launched its Just Transition initiative (JTI), which aims to ensure that the benefits of a green economy transition are shared, while preventing vulnerable countries, regions and people from falling behind. It identifies three core themes for the Bank's engagement on investment and policy activities:

(i) supporting green investments in high-carbon sub-national regions, focusing on the reconversion of fossil fuel assets and land remediation

(ii) supporting impacted workers and communities through reskilling and enhancing entrepreneurship

(iii) promoting regional economic diversification through support for SMEs and larger firms, as well as sustainable infrastructure investments.

In the EU, the Bank is working closely with the economies in which it invests as they look to implement just transition investments, linked to the EU's Just Transition Mechanism. For example, in Greece, the EBRD is supporting coal-dependent regions with a number of initiatives, such as Advice for Small Businesses and financing renewables. The year 2020 saw the EBRD's first just transition project – a €55 million equivalent bond investment – to support one of Poland's largest energy firms, Tauron Polska Energia, in its decarbonisation strategy. In line with the JTI, the company will develop a programme to address the potential social impact of closing its coal-powered plants in Silesia, one of Poland's most carbon-dependent regions. Outside the bloc, the EBRD is leading the "financing transition projects and programmes" pillar of the EU's Western Balkans and Ukraine Coal Regions in Transition Platform.

The EBRD is also leading the work of MDBs on just transition as part of the MDB Paris Alignment Working Group. It is coordinating work on developing common principles for MDB support for a just transition, advancing relevant MDB approaches, tools and instruments for different just transition contexts and establishing practical and strategic partnerships in support of a just transition. Progress will be presented at the United Nations Framework Convention on Climate Change Climate Summit, COP26, in late 2021.

The EBRD is also collaborating with the College of Europe, the Energy Community Secretariat, the European Commission, the government of Poland and the World Bank through the Platform Initiative in Support of Coal Regions in Transition for Western Balkans and Ukraine by coordinating the work on, and providing financing for, transition projects and programmes.

## Blue economy

With an annual economic value of an estimated US$ 2.5 trillion, the oceans and seas present vast opportunities for economic development and employment generation. However, unsustainable use of the marine environment is putting these prospects at risk – as well as the livelihoods and welfare of billions of people in coastal communities. Some 90 per cent of the world's fisheries are already fully exploited or overfished and more than 8 million tonnes of plastic end up in our oceans every year.

The EBRD has an established track record on delivering the Sustainable Blue Economy Finance Principles, including investments in sustainable shipping, ports and harbour operations, wastewater treatment and solid-waste management projects in coastal and catchment areas. One flagship blue economy programme is the Bank's Northern Dimension Environmental Partnership (NDEP) , which promotes environmental remediation in the Baltic and Barents Seas, with a particular focus on supporting wastewater treatment to improve the health of the marine environment and to reverse eutrophication. The NDEP has contributed to a drop of over 50 per cent in phosphorous discharges into the Gulf of Finland thanks to its wastewater treatment projects in St Petersburg and other coastal areas.

### Signing up to the Sustainable Blue Economy Finance Principles

**Global**

The EBRD has signed up to the Sustainable Blue Economy Finance Principles, the gold standard for investing in the sustainable ocean economy. This is another milestone in the Bank's promotion of a blue future for our marine natural capital and complements its partnership with the International Maritime Organization (IMO) to protect marine biodiversity and to promote the decarbonisation of the maritime sector.

## Antimicrobial resistance

The EBRD and the British Society for Antimicrobial Chemotherapy in November held a webinar about Covid-19 and antimicrobial resistance (AMR), attended by 201 people from 34 countries. Experts said AMR was a chronic pandemic, which had been exacerbated by Covid-19, due to increased antibiotic prescribing. Experts warned that AMR could cost the international community US$ 100 trillion from now to 2050 and that, by then, the number of expected deaths associated with AMR could be greater than the number of cancer deaths.

While the EBRD's activities and investments this year have focused on tackling the impacts of Covid-19, the Bank's work on mitigating the risks associated with AMR has continued. In 2020, the Bank put into operation project requirements, through the newly agreed AMR-Transition Impact (AMR-TI) objectives, in the sectors of healthcare and agribusiness. AMR-TI promotes projects and clients that contribute to cutbacks in antibiotic use, supporting the reduction of AMR occurrence and spread.

Applicable projects will receive TI scoring points depending on the degree to which they achieve AMT-TI objectives. These objectives incite banking teams and clients to pursue opportunities for antibiotics stewardship (ASW), infection control and prevention, and biosecurity and surveillance through the Bank's investment projects.

The EU's most stringent regulations on the use of antibiotics in animal farming come into force in 2022. The Bank is supporting stakeholders in response to regulatory changes and evolving consumer preferences.

### Boost for animal health, food safety and quality

**Ukraine**

The EBRD and the Food and Agriculture Organization of the United Nations (FAO) supported the development and adoption of a voluntary industry standard, with a labelling system for antibiotic-free chicken production in Ukraine. This national standard is an example of industry self-regulation, and a step towards increased consumer awareness and the promotion of market incentives for the prudent use of antibiotics and the mitigation of AMR risks.

**Donors:** EBRD Shareholder Special Fund

# 4. Climate action, donor support and partnerships

## Donors

The need for donor support in the EBRD regions during the Covid-19 pandemic underscores the importance of the Bank's longstanding partnership with the international donor community.

In 2020, donors provided €589 million to support the EBRD's operations and policy dialogue activities in the form of grants, loans and risk-mitigation instruments. During the year, in its role as fund manager, the Bank mobilised an additional €75 million to EBRD-managed funds open to other development entities and development finance institutions. Grounded in a shared vision for the future, the Bank hopes to bolster its partnerships with donors over the 2021-25 strategic period.

### Bilateral donors

Bilateral donors have enabled the Bank to deliver significant impact across a range of sectors. Outcomes have included significantly reduced carbon emissions and energy use, access to clean water for millions, vital connectivity infrastructure, such as roads, local capital markets and support for thousands of small enterprises, including businesses led by women, refugees and youths.

While the share of funding from bilateral donors has declined slightly over the past five years, the economies where the Bank invests have become important donors in their own right.

### Climate Investment Funds (CIF)

The CIF is a multilateral fund that aims to accelerate climate action through transformations in clean technology, energy access, climate resilience and sustainable forests. To date, the CIF has supported over 90 EBRD endeavours in areas such as renewable energy, energy efficiency, climate change adaptation, green cities and agribusiness in countries including Armenia, Jordan, Kazakhstan, the Kyrgyz Republic, Morocco, Tajikistan, Turkey and Ukraine.

In 2020, the EBRD secured CIF support for the following investment facilities:

- Turkey Climate Corporate Governance Financing Facility (Climate Stars), which will support the Turkish corporate and financial sectors in integrating climate change into their approach to corporate governance and to deliver over 11 million $tCO_2e$ in emission reductions over the lifetime of the underlying investments
- Turkey and Ukraine Green Cities Programme, which will avoid over 3 million $tCO_2e$ in GHG emissions over the lifetime of the underlying green cities investments.

### European Union (EU)

The EU is a key EBRD partner and has long been at the forefront of international efforts to address climate change. The EU Green Deal shares many strategic priorities with the EBRD's GET 2021-25 approach, for example, in driving progress on upgrading the energy efficiency of housing. In 2020, new contributions from the EU in support of EBRD green activities totalled €254 million, consisting of grants and risk-sharing mechanisms. One of these contributions was a second unfunded guarantee facility, which includes up to €75 million in risk coverage for loans to green projects in buildings, industry and infrastructure in the EU Neighbourhood countries.

The Regional Energy Efficiency Programme for the Western Balkans (REEP) is a key EU-funded programme and the main instrument used to support the implementation of the EU Renovation Wave in the region. It is also an example of strong donor cooperation, combining grant contributions from the EU and several other donors with EBRD and KfW financing to support targeted policy dialogue, technical assistance and sustainable energy investments across sectors. From 2013 to 2020, donor contributions to REEP totalled €104.7 million, helping leverage €377 million of EBRD and €135 million of KfW investment. REEP has also supported the drafting of 62 pieces of legislation, of which 34 regulations have been formally adopted so far. The eight transactions supported by REEP in 2020 included €11 million in credit facilities signed with partner banks in Albania, Montenegro and North Macedonia. These banks will on-lend to residential energy-efficiency projects that are expected to deliver energy savings of around 22,000 MWh per year and to avoid over 7,500 tonnes of $CO_2$ per year.

### Global Environment Facility (GEF)

The GEF is a multilateral fund addressing global environmental issues including climate change, international waters, chemicals and waste. The EBRD has been an implementing agency of the GEF for over a decade. In that time, the GEF has provided the EBRD with grant co-financing, grants for technical assistance and concessional finance to support the Bank's efforts in addressing climate change and environmental degradation.

### Green Climate Fund (GCF)

The EBRD developed a close partnership with the GCF from its inception. From Morocco to Mongolia, from Egypt to Tajikistan, GCF funds act as a catalyst for investments that drive climate change mitigation and adaptation.

In 2020, the GCF Board approved the EBRD's High Climate Impact Programme for the Corporate Sector. This is the GCF's first large-scale investment to promote the uptake of low-carbon technologies in the industrial sector. It is designed to support the transformation of energy-intensive industries, agribusinesses and the mining sector in Armenia, Jordan, Kazakhstan, Morocco, Serbia, Tunisia and Uzbekistan. It also seeks to stimulate change in corporate governance, including by making climate change considerations integral to all decisions. The programme is expected to avoid over 17 million $tCO_2e$ of emissions over the lifetime of the underlying investments.

## Special environmental programmes: the NDEP and the E5P

The EBRD has a global reputation for its work in challenging economies and complex environments, including areas where nuclear safety is of concern. This is why donors and other international financial institutions asked us to manage, on their behalf, two multilateral funds created to address environmental, nuclear safety and climate change challenges in eastern Europe. As fund managers of the Northern Dimension Environmental Partnership (NDEP) and the Eastern Europe Energy Efficiency and Environment Partnership (E5P) since their inception, the EBRD actively seeks new contributions and new project opportunities for both programmes, which also drive the reform agenda and policy engagement.

In 2020, both the NDEP and the E5P focused on bolstering resilient municipal infrastructure in the public sector, which will be key to eastern Europe's post-Covid-19 recovery. E5P, a €235 million fund, works alongside other investors to support environmental and energy efficiency projects in the EU Eastern Partnership region. The NDEP, a €348 million multi-donor fund, is a flagship initiative within the EU Northern Dimension concept. It helps finance nuclear safety improvements and environmental projects focusing on wastewater treatment, solid-waste management and energy efficiency projects in the north-west of Russia and Belarus to benefit the Baltic and Barents Seas region. The fund is also co-financing investment projects to reduce black carbon pollution in the Arctic region.

### The Northern Dimension Environmental Partnership

**The Lepse ship**

**Murmansk, Russia**

The sixth and final shipment of spent nuclear fuel assemblies was taken from the Lepse in July. The Lepse is a former Soviet service ship for the icebreaker fleet, taken out of service in 1988 and moored in Murmansk. It held 639 damaged and distorted spent nuclear fuel assemblies, which were a radiological hazard for the region. In September 2012, the vessel was moved to the Nerpa shipyard for dismantling and fuel removal using specialist facilities funded by the NDEP.

**Loan:** NDEP grant of €54 million

### The Eastern Europe Energy Efficiency and Environment Partnership

**Electric buses**

**Batumi, Georgia**

Georgia's first electric bus fleet arrived in Batumi in October. The eight buses, financed by the EBRD and the E5P, will provide cleaner, more reliable transport with easier access for the elderly, disabled and parents with pushchairs. The project is part of the EBRD Green Cities programme.

**Loan:** E5P grant of €1.5 million

## Knowledge-sharing partnerships

The EBRD works with partners to develop standards and methodologies to further green investments and make them widely available. Resources include:

- **policy guidelines developed to help countries design effective energy efficiency funding mechanisms.** In July 2020, the EBRD and the Energy Community Secretariat issued joint Policy Guidelines to help decision-makers design and establish effective financing mechanisms to boost energy efficiency investments.
- **launch of the EBRD's Green Finance Academy.** The EBRD Green Finance Academy is an online training programme offering interactive learning modules for commercial banks joining the GEFF programme. It covers a range of issues from green finance opportunities, sectoral green finance, gender-responsive finance and marketing from retail, corporate and SME banking perspectives.
- **digital tools enabling public-sector procurement officers to select greener, more energy-efficient goods.** Designed using the Ukrainian government's existing procurement system, ProZorro, and with interested municipalities and the country's central purchasing body, these tools are built on the latest environmental standards.
- **continued support for Climate Action in Financial Institutions.** The EBRD continued to engage with this network of public and private banks, working to integrate climate into the institutions' governance, strategy, risk assessments and financing activities. By 2020, the number of members had grown to 51, including around 30 commercial and public banks operating in economies where the EBRD invests.
- **climate risk handbook for supervisors, disseminating best practice.** The EBRD provided input to the Guide for Supervisors published by the Central Banks and Supervisors Network for Greening the Financial System (NGFS). The guide issues recommendations for NGFS members on the development of environment and climate risk management in the financial sector.

## Partnering with the EU

The EBRD works to support the EU in its development of landmark policies, green financing mechanisms and industrial strategies. In 2020, this included:

- contributing to the Technical Expert Group on Sustainable Finance (TEG), whose recommendations helped shape the green investment guidance of the EU's Sustainable Finance Taxonomy and Green Bond Standard
- supporting the EU in fostering international climate policy discussions, for example, through the International Platform on Sustainable Finance (ISPF)
- cooperating with the EU on industry initiatives for batteries, bio-based industries, clean hydrogen, energy efficiency financing, energy-intensive industries and raw materials
- collaborating with the Directorate-General (DG) Research and Innovation of the European Commission and the European Investment Bank to develop a common categorisation system for the circular economy
- joining platforms to assist businesses and people in coal regions to meet challenges arising from the transition to low-carbon economies.

# 5. Social impact

## Economic inclusion

The EBRD works with the private sector, governments and municipalities to address inequality in line with the Bank's Economic Inclusion Strategy. It supports the economic inclusion of all people – whatever their gender, place of birth, socio-economic background or age.

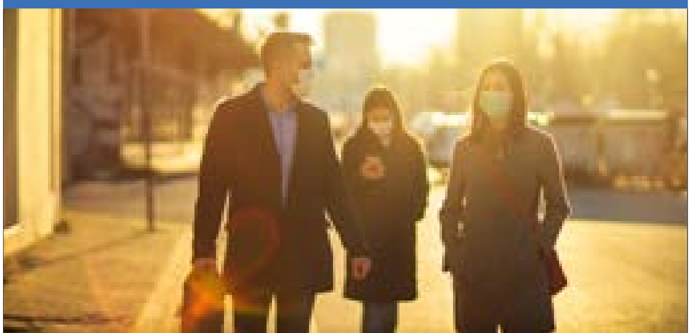
To this end, the Bank offers high-quality local training, improved access to finance, employment opportunities and the promotion of equitable access to fundamental services to help clients across all sectors. This unique approach – working together with the private sector to unleash the potential of all members of society – has made the EBRD a key partner for economic inclusion in many of the 38 economies in which it invests.

**Key highlights in figures**

| From 2019 to 2020: | Since 2017: |
| --- | --- |
| An increase of 23.7 per cent in inclusive TI projects and 14.8 per cent for gender projects. | An increase of 51.6 per cent in inclusive TI projects and 121.4 per cent for gender projects. |

Most of the Bank's work on inclusion in 2020 has focused on its Covid-19 response, as highlighted by the following case studies.

### Assessing the impact of Covid-19 on employment policy



**Western Balkans**

The joint regional EBRD and International Labour Organization (ILO) Task Force assessed the impact of Covid-19 on employment and advised Western Balkans countries on appropriate policy responses. North Macedonia has since relaxed the eligibility criteria for unemployment benefit.[4] Recommendations also included supporting those most in need in Serbia[5] and a redesign of internship schemes targeting young graduates in Montenegro.[6]

**Amount:** €27,000

**Donors:** Supported by the EBRD Shareholder Special Fund

### Supporting the tourism sector

**Jordan**

The EBRD, the Sector Skills Council and the tourism ministry developed standard operating procedures to support the tourism sector through the Covid-19 crisis. These included health and safety regulations and were made into an internationally accredited online training programme that more than 8,000 people have accessed.

**Amount:** €290,000

**Donors:** Supported by the EBRD Shareholder Special Fund

### Care economy

**Turkey**

The EBRD signed a loan with the private developer of the Başakşehir Çam ve Sakura City Hospital in Istanbul to support the Covid-19 response. The project offers technical employment opportunities to women and a gender audit of hospital facilities to promote women's access to healthcare services. A gender-responsive healthcare infrastructure will support healthcare workers who are at greater risk of gender-based violence.

**Amount:** €74,950

**Donors:** Supported by the EBRD Shareholder Special Fund

[4] See https://www.ebrd.com/news/2020/ebrd-and-ilo-advise-north-macedonia-on-labour-market-after-coronavirus.html
[5] See http://www.ebrd.com/documents/admin/covid19-and-the-world-of-work-rapid-assessment-of-the-employment-impacts-and-policy-responses-in-serbia.pdf
[6] See https://www.ebrd.com/news/2020/ebrdilo-advise-montenegro-on-labour-market-policies-after-coronavirus.html

In 2020, the Bank also focused on strengthening institutions to improve access to finance for women's entrepreneurship in Central Asia and the southern and eastern Mediterranean region. The EBRD is leading policy dialogue in these regions to bolster gender-intelligent policies and regulations and to break down the financial and non-financial barriers affecting women entrepreneurs. Highlights include:

- In the **Kyrgyz Republic**, an inter-agency task force was created to guide the development and implementation of a gender-responsive SME Development Strategy. It also conducted a Gender Responsive Investment Climate Assessment – an assessment of how the country's legislative and regulatory frameworks affect women entrepreneurs.
- In **Tajikistan**, the EBRD contributed to a review of policies impacting women entrepreneurs that led to new tax incentives and a streamlined business registration process for women entrepreneurs working from home.
- Policy engagement is being extended to **Egypt** and **Morocco** and aims to respond to the disproportionate pressures that women-led SMEs face in the context of the Covid-19 crisis.

## Human rights

In January 2020, the Bank's new Environmental and Social Policy (2019 ESP) and performance requirements came into effect, with resources aimed at rolling out new and updated guidance and tools to facilitate their implementation. Due to the Covid-19 pandemic, resources had to be redirected to addressing the most pressing needs exacerbated by the crisis, such as responding to social and human rights risks.

### Covid-19 response

Three priority areas emerged as requiring immediate attention. The EBRD released a short video with key messages and briefing notes for clients to support their efforts in addressing the following areas:

- **Health and safety:** A workplace health and safety risk-assessment checklist was produced to help assess Covid-19 risks in the workplace.
- **Labour:** Guidance was produced on the protection of workers and their employment, engagement with workers and prevention of collective dismissals. Jointly with the IFC, guidance was also issued on addressing the disproportionate impacts on migrant workers, including women and supply-chain workers.
- **Stakeholder engagement and data protection:** Guidance was produced on information disclosure and developing Covid-19 engagement and communication plans, including appropriate social-distancing measures and data-protection requirements.

### Gender-based violence and harassment

Many have called gender-based violence and harassment (GBVH) a shadow pandemic that has emerged during the Covid-19 crisis. The United Nations Population Fund estimates there were an additional 31 million incidents of GBV globally during the first six months of the pandemic alone. In July 2020, the EBRD launched a major new report on emerging good practice for addressing GBVH in the private sector. Co-produced with CDC Group and the IFC, the report sets out the overarching principles that must underpin all efforts by companies and investors to safely and effectively assess, prevent, monitor and respond to GBVH.

The Bank also introduced internal procedures defining requirements for GBVH risk screening, assessment and monitoring of investment projects. These are supported by reporting protocols for project-related allegations and incidents of GBVH and a legal requirement to report any GBVH incidents or allegations in projects. Designated GBVH focal points support the safe and ethical handling of reports. During the year, the Bank provided introductory GBVH training internally and held a webinar with the IFC and CDC for a large external audience.

### Human Rights Working Group

In 2020, the EBRD built on the 2019 ESP, which strengthened its commitment to respect human rights in line with international standards. The Bank also revised its risk-assessment methodology and E&S due diligence and monitoring tools in order to align internal processes with the new policy.

The EBRD established a cross-departmental **Human Rights Working Group** to put into practice the commitments in the new ESP. Its objective is to create a forum for Bank experts across departments to discuss challenges and solutions and to address stakeholder concerns and expectations on human rights issues. Supported by external human rights experts, the Bank has also developed internal human rights guidance to ensure human rights are firmly embedded in project E&S appraisals and monitoring.

### Other highlights

- A variety of technical cooperation and capacity-building projects were initiated during 2020 to support stakeholders in identifying and addressing human rights risks and social impacts in projects. These were adapted to address the new challenges that emerged during the pandemic. Examples included supporting agribusiness and infrastructure clients in Central Asia through an e-learning programme and toolbox to effectively manage labour risks in their core operations, as well as child labour and forced labour risks in their supply chains.
- New and ongoing partnerships included continued engagement through the Trade Union Communication Mechanism on project-related labour issues, close collaboration with the ILO on a Third-Party Monitoring programme in Uzbekistan, work with the United Nations Children's Fund (UNICEF) in Tajikistan on child-friendly infrastructure and a cooperation with Save the Children to address transport-project risks for children.

## Civil-society organisations

The EBRD recognises the importance of engaging with civil-society organisations (CSOs) to implement its transition mandate and build effective coalitions that address challenges faced by the economies in which it invests. Civil society contributes to the EBRD's work by:

- highlighting issues related to ESG challenges
- offering valuable technical expertise and insights to supplement the Bank's capabilities
- suggesting innovative approaches to and providing important perspectives on the EBRD's projects, policies and policy dialogue initiatives.

As part of the Bank's Solidarity Package to tackle the impacts of Covid-19, the EBRD maintained regular strategic dialogue with civil society over the course of the year. The Bank organised consultations and workshops to gather information on how the pandemic is affecting vulnerable groups and identified areas where the EBRD can support the resilience and capacity-building of CSOs through its Civil Society Capacity Enhancement Framework.[7] Due to the pandemic, the latter were held online.

The EBRD's findings on the effects of Covid-19, informed by its digital engagement with CSOs throughout 2020, identified digital transformation and CSO digital capacity-building as fundamental to supporting local community resilience. The EBRD included this aim as a fourth and cross-cutting pillar of the EBRD's Civil Society Capacity Enhancement Framework. The Bank also launched the Digital Civil Society Programme to increase economies' resilience and adaptation to the new realities. The Programme will be piloted in Turkey and may be replicated in 2021.

Dialogue between the EBRD and its CSO partners prompted changes to the Bank's standard operations and practices. A new practice of online engagement with CSOs balances the need for broad participation with concerns over confidentiality and the possibility of reprisal. The Bank prepared guidelines on how to engage with CSO stakeholders safely and changed its own safety measures for digital consultations with civil society. This new practice will be utilised in 2021 to conduct public consultations with external stakeholders as a part of the EBRD Country Strategy adoption process.

Partnership agreements with NGOs, including Oxfam, Save the Children and the Open Contracting Partnership, and with the United Nations Office on Drugs and Crime (UNODC) supported the implementation of joint projects.

The EBRD-Oxfam partnership aims to improve cooperation in economies where both organisations have a presence, such as Jordan, Lebanon, Morocco, Tunisia, Turkey and West Bank and Gaza. It enhances their ability to deliver their mandate and objectives in line with SDG 17 (partnering for the SDGs). The EBRD and Oxfam also jointly manage two projects: stakeholder participation in solid-waste management in Jordan and enhancing refugee and local women's participation in business, civil society and local development in Turkey.

The EBRD-Save the Children partnership aims to support both institutions in developing inclusive and equitable skills and vocational training, gender equality and inclusive economic growth and effective and inclusive infrastructure development. In 2020, the institutions shared experience and knowledge on the nexus of climate change adaptation and gender and social inclusion. A project to raise awareness among children and communities on road and railway safety is also being designed.

In late 2020, the EBRD and the UNODC began a pilot project to support the implementation of Uzbekistan's 2018 Law on Public Control and to promote external and independent oversight with the aim of setting a benchmark for the Central Asian region.

### Highlights in 2020

- As a part of the Covid-19 response, the Bank successfully organised 19 online consultations reaching out to 220 CSO participants from more than 20 countries.
- Almost 70 CSOs representing 19 countries participated in this year's virtual meeting with the EBRD's Board of Directors.
- The Bank's Civil Society Capacity Enhancement Framework was adapted to the Covid-19 response. In 2020, it comprised 29 technical cooperation projects, totalling around €7 million, covering sustainable energy and resources, economic inclusion and good governance.

### Improving transparency and effectiveness of public procurement

**Ukraine**

In 2020, the EBRD finalised a capacity-building project for CSOs in Ukraine aimed at strengthening the monitoring role of civil society over public procurement. The project supported local organisations in Kharkiv, Khmelnytskyi and Vinnytsia in monitoring local procurement in the areas of transport, construction, education and health.

**Impact:** 113 CSOs were trained and 12 local procurement procedures were monitored.

**Donors:** Ukraine Stabilisation and Sustainable Growth Multi-Donor Account

[7] The Civil Society Capacity Enhancement Framework is an instrument through which the Bank seeks to establish partnerships and provide support to a wide range of civil-society actors.

## Health and safety

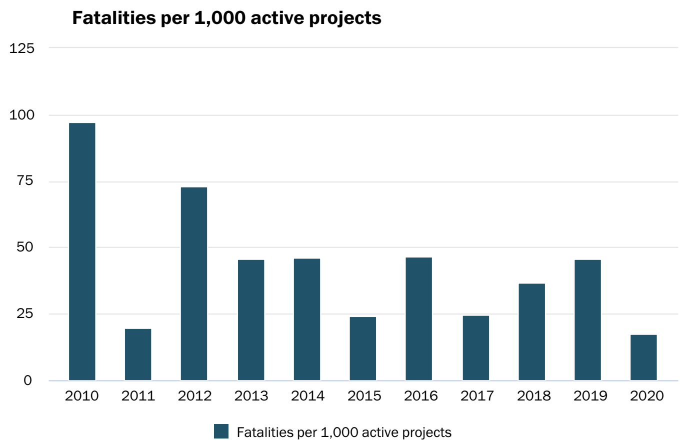
The EBRD ramped up efforts to improve road traffic safety as part of the second United Nations Decade for Action on Road Safety. The Bank launched two online resources to support SDG 3 target 6, which aims to halve all road traffic deaths by 2030, and SDG 11 target 2, to provide access to safe, affordable, accessible and sustainable transport systems. Two e-learning courses, the Occupational Road Risk Toolkit and the Road Safety Engineering Course, were launched in 2020 and are gaining traction among clients and local consultants.

As part of the Bank's broader training remit, the EBRD is currently developing the online Asbestos Training for Building Managers course, in collaboration with the Asian Development Bank. This is now available on the Bank's new E&S e-Learning Platform where a number of training courses will be accessible. The EBRD is working to ensure synergy between training opportunities and investment projects across a number of development banks.

Analysis of accident and incident data reported by clients to the Bank highlighted higher risks in the electrical distribution and rail sectors. In light of this, the EBRD offered remote video health and safety (H&S) training to an electrical distribution company in Lebanon. The Institute of Occupational Safety and Health Managing Safely training was attended by engineers and supervisors of Butec Utilities Services. The EBRD is planning further H&S training in 2021.

As part of the Bank's response to the Covid-19 crisis, the EBRD produced six videos in five languages covering key E&S messages and guidance between April and October. The videos, which shared key E&S messages for all clients, as well as other, more specific videos targeting safe working on construction sites, achieved significant interest across the EBRD regions:

- support and guidance
- risk assessment
- cleaning
- alternative working arrangements
- social distancing
- mental health



# 6. Investor information: green and social bonds

The EBRD strives for a high standard of sustainable development in all its operations, as reflected in its mandate, its Environmental and Social Policy (ESP) and its Sustainability Statement, so all of its bonds may be considered socially responsible investments (SRIs). Nevertheless, in response to demand from an SRI-focused investor community, the Bank has, since 2010, earmarked portfolios of green projects and social projects against which the proceeds of its Green Bonds and Social Bonds are allocated and tracked.

The terms "Green Bond" and "Social Bond" are used by the market for green or social bonds that are issued in conformity with the Green Bond Principles (GBPs) and Social Bond Principles (SBPs), respectively. The EBRD has been a member of the GBP since its inception in 2014 and is currently serving on the GBP SBP Executive Committee and in various working groups. All of the EBRD's Green Bonds and Social Bonds are aligned with the GBPs or SBPs.

SRI finance harnesses support from global investors and capital markets to help improve people's daily lives and overcome global challenges, as highlighted by the 17 SDGs. In particular, Green and Social Bonds – the proceeds of which go exclusively to projects with clear environmental or social benefits – are gaining global recognition for enabling debt issuers to finance projects that seek long-term sustainability.

The increasing market, regulatory and public focus on sustainability has further encouraged all market participants to integrate sustainability criteria into their strategies and operations. To that end, this report seeks to provide transparency on the EBRD's sustainability strategy, policies and activities. This is further enhanced through the 2020 update of the EBRD's sustainability reporting disclosures in accordance with the GRI Standards. Furthermore, as an issuer of Green and Social Bonds, and together with other MDBs, the EBRD seeks to establish harmonised best practices for this market.

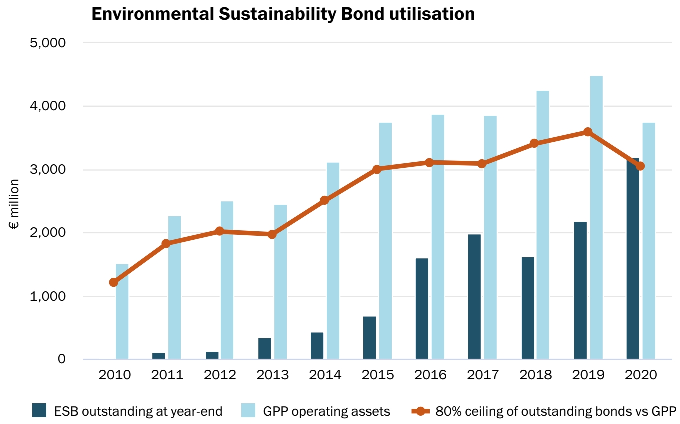
## EBRD Green Bond issuance

The EBRD issues three different types of Green Bond, which are all aligned with the GBP and highlight the importance the Bank places on environmentally sound and sustainable development while fulfilling core elements of its mandate.

All of the EBRD's Green Bonds are underpinned by projects that have been scrutinised by its Environment and Sustainability Department. New, eligible projects are not only required to comply with the EBRD ESP, but must also meet specific hurdles under the Green Economy Transition (GET) approach, as well as strict selection criteria for one of the three types of Green Bond. In addition, all eligible projects are reassessed on a quarterly basis to ensure continued compliance with the respective selection criteria. Any project subsequently deemed ineligible is removed from the relevant Green Bond portfolio, against which issuance is capped at 80 per cent to ensure that the operating assets of each portfolio exceed the related Green Bond proceeds.

## Environmental Sustainability Bonds

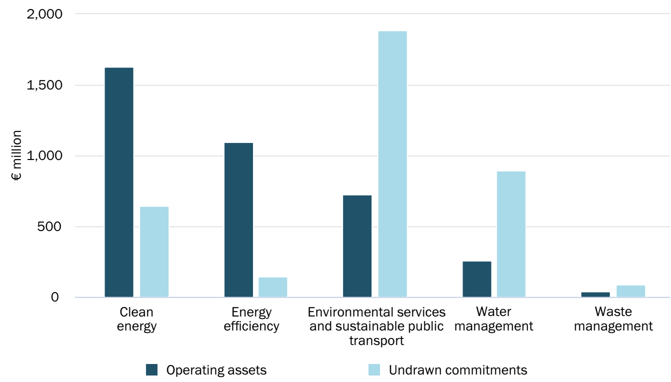
Environmental Sustainability Bonds (ESBs) have been issued since 2010. These are bonds issued against a Green Project Portfolio (GPP) of the Bank's greenest assets. The EBRD has issued an aggregate amount of €5.211 billion. The table shows the annual euro equivalent issuance.



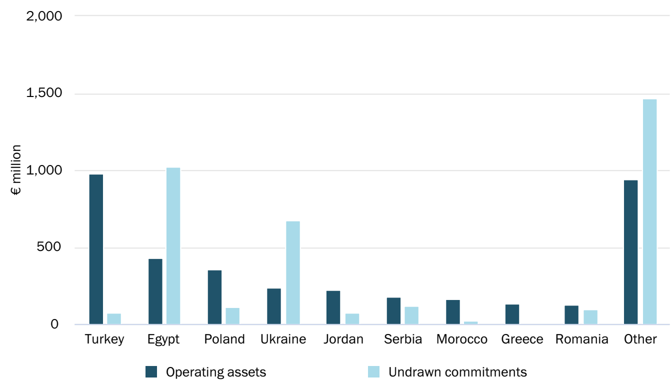

The GPP can potentially cover all project categories listed as examples under the GBPs, however, the focus is on: renewable energy, energy efficiency, water and waste management, as well as air pollution prevention (sustainable transport). The following charts and table show the year-end 2020 GPP composition:

| | |
|---|---|
| Total operating assets | €3.75 billion |
| Total undisbursed commitments | €3.66 billion |
| Number of projects | 355 |
| Weighted average remaining life | 10.22 years |
| Weighted average tenor | 13.68 years |
| Weighted average age of the GPP from signing as of 31 December 2020 | 3.47 years |
| Total committed amounts approved in 2020 | €819 million |
| Total of new operating assets approved in 2020 | €237 million |
| Total of undisbursed commitments approved in 2020 | €582 million |

**GPP operating assets and undrawn commitments, by classification**




**GPP operating assets and undrawn commitments, by economy**




Read more about the Bank's Green Bond Issuance on ebrd.com

Download the following documents:

- Environmental Sustainability Bond/Green Bond Framework Information Template
- Investor material
- Frequently asked questions

## Climate Resilience Bonds

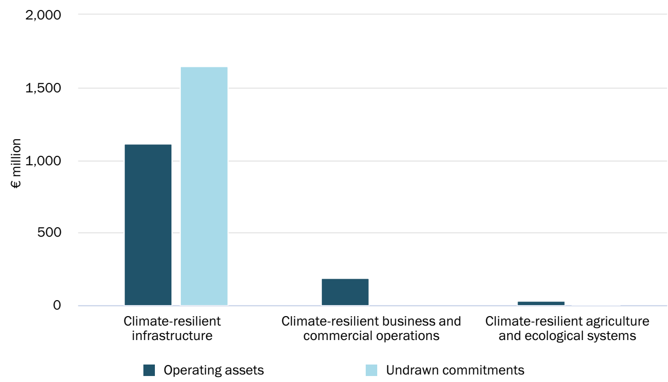
The EBRD successfully launched the first ever dedicated Climate Resilience Bond in 2019. It was issued in accordance with the four core requirements of the GBPs to fund projects earmarked for the Climate Resilience Portfolio (CRPP), which are selected and managed in alignment with the Climate Bonds Initiative's Climate Resilience Principles, published in September 2019. These will typically fall into one of three categories:

- climate-resilient infrastructure (for example, water, energy, transport, communications and urban infrastructure)
- climate-resilient business and commercial operations
- climate-resilient agriculture and ecological systems.

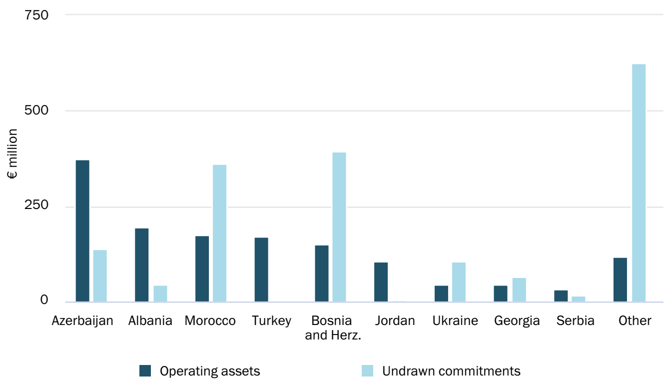
Currently, the EBRD has a portfolio of some €2.986 billion in climate-resilient projects. The projects in the CRPP focus on the GBP category of "climate change adaptation". The following charts and table show the 2020 year-end CRPP composition:

| | |
|---|---|
| Total operating assets | €1.33 billion |
| Total undisbursed commitments | €1.65 billion |
| Number of projects | 74 |
| Weighted average remaining life | 11.46 years |
| Weighted average tenor | 14.60 years |
| Weighted average age of the CRPP from signing as of 31 December 2020 | 3.14 years |
| Total committed amounts approved in 2020 | €577 million |
| Total of new operating assets approved in 2020 | €53 million |
| Total of undisbursed commitments approved in 2020 | €523 million |

**CRPP operating assets and undrawn commitments, by category**



**CRPP operating assets and undrawn commitments, by economy**




Download the following documents:

- Climate Resilience Bond/Green Bond Framework Information Template
- Investor material
- Frequently asked questions

## Green Transition Bonds

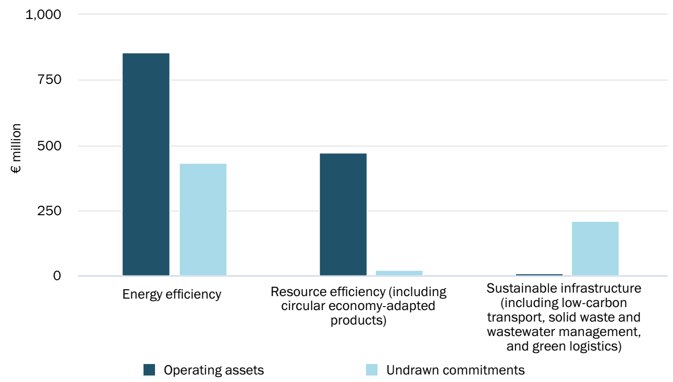
In 2019, the EBRD also promoted Green Transition Bonds (GTBs) in alignment with the GBPs, with its inaugural five-year euro issuance. The proceeds of the Bank's GTBs finance a Green Transition Project Portfolio (GTPP) focusing on key sectors of the economy that are currently highly dependent on the use of fossil fuels, to enable their transition to low-carbon and resource-efficient operations. Of vital importance in assessing GTPP investments is to go beyond the typical Green Bond focus on projects' environmental sustainability objectives and to contextualise the investments within the overarching mandate, strategies and policies of each borrower. The projects are, therefore, required to be implemented in the broader context of improved climate governance of the borrower and should ensure that financing is redirected from carbon-intensive assets and/or processes towards enabling the countries in which the projects are situated to fulfil their Paris Agreement objectives.

The projects in the GTPP concentrate on manufacturing, food production and the construction and renovation of buildings, with an emphasis on three GBP categories that account for more than 74 per cent of the portfolio's operating assets: energy efficiency, renewable energy and green buildings.

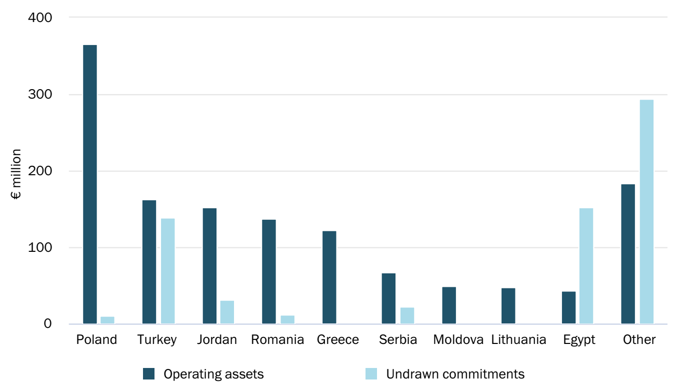
The following charts and table show the 2020 year-end GTPP composition:

| | |
|---|---|
| Total operating assets | €1.332 billion |
| Total undisbursed commitments | €663 million |
| Number of projects | 53 |
| Weighted average remaining life | 8.11 years |
| Weighted average tenor | 9.88 years |
| Weighted average age of the GTPP from signing as of 31 December 2020 | 1.78 years |
| Total committed amounts approved in 2020 | €882 million |
| Total of new operating assets approved in 2020 | €577 million |
| Total of undisbursed commitments approved in 2020 | €305 million |

**GTPP operating assets and undrawn commitments, by category**




**GTPP operating assets and undrawn commitments, by economy**




Download the following documents:

- Green Transition Bonds Framework information template
- Investor material
- Frequently asked questions

## EBRD Social Bond issuance

The EBRD issues two types of Social Bond, which are both aligned with the SBPs.

### Health Bonds

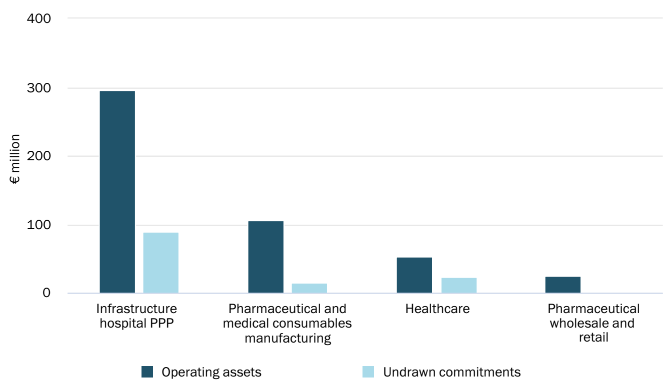
In 2018, the Bank issued its inaugural EBRD Health Bond (HB) to finance projects seeking to improve access to and the quality of health services and pharmaceutical products.

The Bank's HB issuance is linked to the disbursed amount of the Health Project Portfolio (HPP). The eligible project investments focus on general hospitals, speciality hospitals, outpatient treatment centres, diagnostic imaging and laboratory facilities and long-term care, as well as medical technology producers and pharmaceutical production. The Bank finances hospital infrastructure public-private partnerships (PPPs), which are facility management projects (no medical service provision).

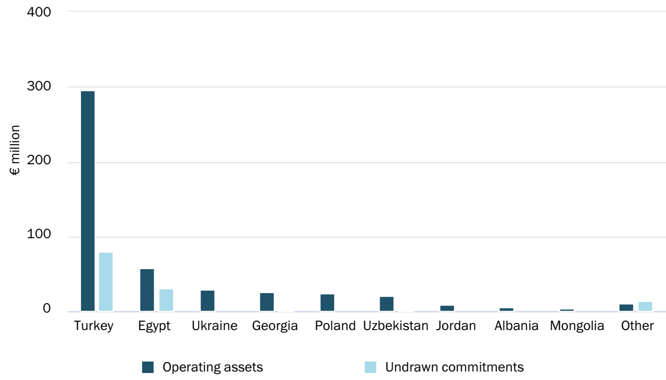
The following charts and table show the 2020 year-end HPP composition:

| | |
|---|---|
| Total operating assets | €479 million |
| Total undisbursed commitments | €127 million |
| Number of projects | 37 |
| Weighted average remaining life | 9.0 years |
| Weighted average tenor | 12.6 years |
| Weighted average age of the HPP from signing as of 31 December 2020 | 3.6 years |
| Total committed amounts approved in 2020 | €102 million |
| Total of new operating assets approved in 2020 | €89 million |
| Total of undisbursed commitments approved in 2020 | €13 million |

**HPP operating assets and undrawn commitments, by category**




**HPP operating assets and undrawn commitments, by economy**




Download the following documents:

- EBRD Social Bond presentation, including the Social Bond Framework

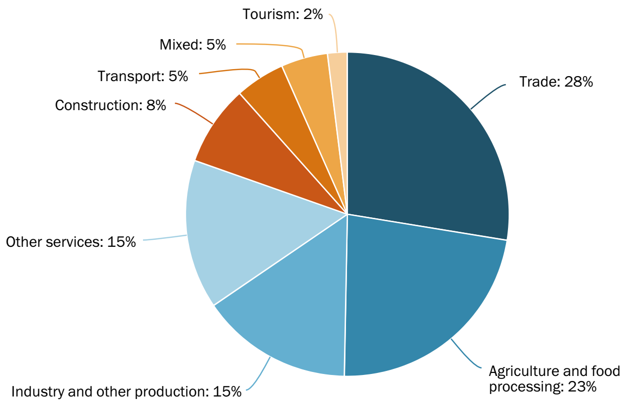
### Microfinance Bonds

The Bank issued its inaugural Microfinance Bonds (MBs) in 2010. The proceeds are dedicated to supporting the smallest loans provided under the EBRD Small Business Initiative. This strategic initiative builds on the Bank's long experience in this field and provides a range of flexible instruments that are combined into integrated products to help SMEs. Apart from funding micro-, small and medium-sized enterprises (MSMEs), the proceeds to financial institutions are mostly earmarked for specific target or underserved groups, such as women entrepreneurs and those based outside major cities, or to promote specific priorities, such as trade, competitiveness or innovation. The Bank has issued two privately placed MBs in South African rand and Mexican peso.

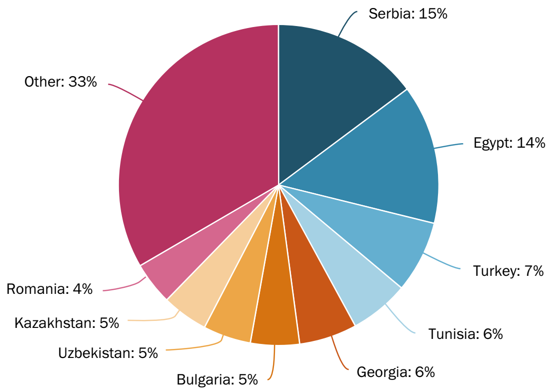
The MBs fund a select microfinance portfolio (MFP) that is disbursed via the EBRD's network of more than 200 partnering local financial institutions, which helps the Bank reach hundreds of thousands of enterprises every year. The average individual sub-loan size to the end-client amounted to less than €7,000 (as of the first half of 2020). Technical assistance (often through donor funding) typically accompanies these programmes to help local partner banks adapt the way they do business with small clients for the long term, creating sustainable outcomes. The following charts and table show the first half of 2020 MFP composition:

| | |
|---|---|
| Portfolio | €2,279 million |
| Operating assets | €1,278 million |
| Number of "unique" clients | 127 |
| Number of active EBRD projects | 234 |
| Average sized sub-loan | < €7,000 |
| Weighted average tenor | 4.8 years |
| Weighted average remaining life | 3 years |
| Weighted average margin | 2.1% |

**MFB operating assets, by industry**




**MFB operating assets, by economy**




Download the following documents:

- EBRD Social Bond presentation, including the Social Bond Framework

## Impact, outcome and output reporting

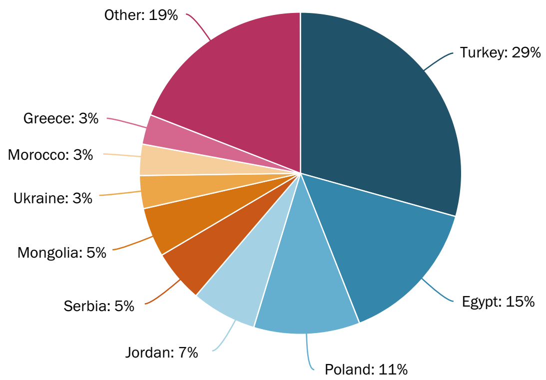
The expected impacts, outcomes and outputs for all of the project portfolios that underlie the EBRD's Green and Social Bonds are based on the committed investment amounts. As the EBRD takes a holistic project view, the data are presented on a full project basis as well as pro rata to the EBRD's share of funding. Note that because of the criteria applied to the respective project portfolios, not all of the EBRD's investments in these sectors are included. Consequently, investment amounts and project benefits for the GPP are lower than the Bank's overall investments in these sectors. For further data or more granular breakdowns, please contact the funding team at the EBRD.

### Green Project Portfolio

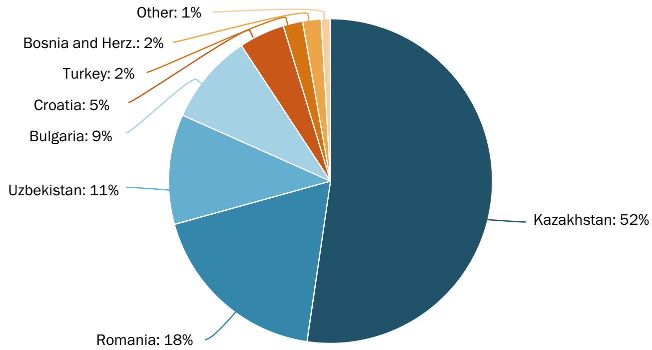
The GPP comprises investments in renewable energy, energy efficiency, water, waste and sustainable transport projects.

| | Total impact | Pro rata impact |
|---|---|---|
| **Climate projects (48% of committed amount)** | | |
| Greenhouse gas reduced (million tonnes $CO_2$ equivalent annually) | 12.1 | 4.2 |
| Capacity installed (gigawatts) | 4.2 | 1.3 |
| Primary energy saved (million gigajoules annually) | 83 | 26 |
| **Water projects and waste management projects (17% of committed amount)** | | |
| People benefiting (million) | 21 | 11 |
| Water savings (million m³ annually) | 216 | 130 |
| Wastewater treated (million m³ annually) | 246 | 112 |
| Reduce waste disposal and improve recycling (million tonnes annually) | 4.1 | 2.0 |
| **Sustainable transport projects (35% of committed amount)** | | |
| Reduction in particulate matter (tonnes annually) | 25 | 12 |
| Reduction in nitrogen oxides (tonnes annually) | 370 | 218 |

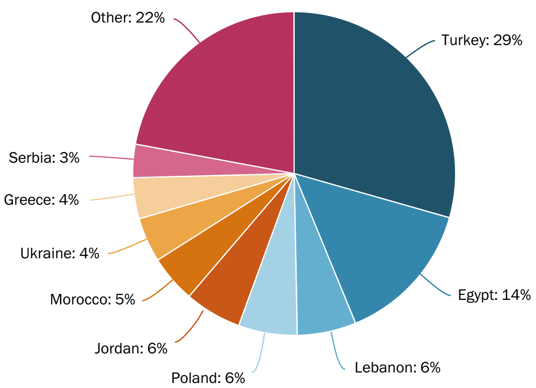
**GPP GHG saved, by economy (total)**



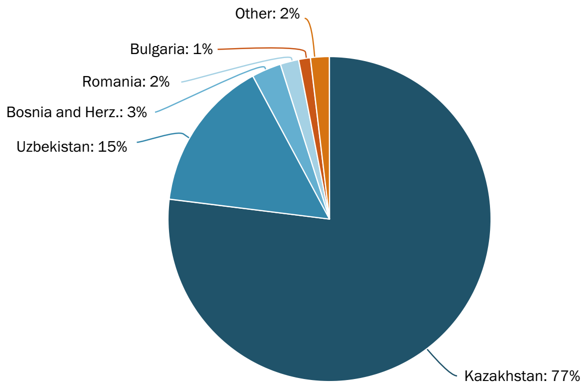

**GPP water savings, by economy (total)**




**GPP GHG saved, by economy (pro rata)**




**GPP water savings, by economy (pro rata)**



## Climate Resilience Project Portfolio

The EBRD's project-level climate resilience results, including those of the CRPP, are assessed as set out in Annex 4.2 of the EBRD's Green Economy Transition (GET) Handbook and are reported at outcome-level, as defined in the MDB-IDFC Framework for Climate Resilience Metrics in Financing Operations. Projects in the CRPP are assessed in relation to five types of physical climate risk: (i) increasing frequency and severity of extreme weather events, (ii) increasing water stress, (iii) increasing heat stress, (iv) increasing hydrological variability and (v) increasing soil degradation. The results (outcomes) of the projects in the CRPP are reported under six categories, as defined in the GET Handbook.

These are the expected outcomes, based on best estimates and reported on an *ex ante* basis, that the projects are intended to deliver against a pre-project baseline in response to the physical climate risks associated with the project-specific context of climate vulnerability:

1. **increased water availability:** the additional water made available as a result of the project, either through water savings or through the provision of additional usable water, measured in $m^3$/year
2. **increased energy availability:** the additional energy made available as a result of the project, either through energy savings or through increased energy generation, measured in GWh/year
3. **increased agricultural potential:** the additional capacity for agricultural potential achieved as a result of the project through improvements in soil quality, measured in tonnes yield/year
4. **improvements to human health/productivity:** improved health/productivity as a result of the project, measured in quality-adjusted life years (QALYs)
5. **reduced weather-related disruption:** reduction in the amount of time that a system or elements of a system are rendered inoperable due to extreme weather events acute climate risks, measured in days/year
6. **reduced weather-related damage:** reduction in the damage to assets due to extreme weather events or shifts in climate conditions, measured in a range of units, including risk frequency and extra years of service life, but presented in this table in valorised terms as it is not possible to aggregate the different physical units used.

These physical climate resilience outcomes are also expressed in valorised terms, as set out in the GET Handbook, in order to provide an estimate of their potential economic value in monetary terms.

**Summary of CRPP outcomes (total)**

| | | | Physical climate risks | | | | | Climate resilience outcome totals | |
|---|---|---|---|---|---|---|---|---|---|
| | | | Increasing extreme weather events | Increasing water stress | Increasing heat stress | Increasing hydrological variability | Increasing soil degradation | Number of projects | Portfolio amount (€ million) |
| | | Number of projects | 20 | 46 | 7 | 9 | 1 | 74 | 2,986 |
| | | Portfolio amount (€ million) | 1,869 | 607 | 147 | 362 | 1 | | |
| Climate resilience outcomes | Increased water availability | Number of projects (w. quantitative outcomes) | 0 | 52 (37) | 0 | 2 (1) | 0 | 54 | 608 |
| | | Physical climate resilience outcomes (Δ million m³/year) | 0 | 620 | 0 | 2 | 0 | | |
| | | Valorised climate resilience outcomes (€ million million/year) | 0 | 651 | 0 | 4 | 0 | | |
| | Increased energy availability | Number of projects (w. quantitative outcomes) | 0 | 0 | 6 (2) | 7 (0) | 0 | 13 | 442 |
| | | Physical climate resilience outcomes (Δ million GWh/year) | 0 | 0 | 21 | 0 | 0 | | |
| | | Valorised climate resilience outcomes (€ million/year) | 0 | 0 | 2 | 0 | 0 | | |
| | Increased agricultural potential | Number of projects (w. quantitative outcomes) | 0 | 2 (2) | 0 | 0 | 1 (0) | 3 | 4 |
| | | Physical climate resilience outcomes (Δ million tonnes/year) | 0 | 1,263 | 0 | 0 | 0 | | |
| | | Valorised climate resilience outcomes (€ million/year) | 0 | 4 | 0 | 0 | 0 | | |
| | Improved human health/ productivity | Number of projects (w. quantitative outcomes) | 2 (2) | 0 | 4 (0) | 0 | 0 | 6 | 80 |
| | | Physical climate resilience outcomes (Δ million QALYs) | 4,000 | 0 | 0 | 0 | 0 | | |
| | | Valorised climate resilience outcomes (€ million/year) | 56 | 0 | 0 | 0 | 0 | | |
| | Reduced weather-related disruption | Number of projects (w. quantitative outcomes) | 18 (8) | 0 | 0 | 1 (1) | 0 | 19 | 857 |
| | | Physical climate resilience outcomes (days/year) | 98 | 0 | 0 | 14 | 0 | | |
| | | Valorised climate resilience outcomes (€ million/year) | 42 | 0 | 0 | 0 | 0 | | |
| | Reduced weather-related damage | Number of projects (w. quantitative outcomes) | 22 (7) | 0 | 3 (0) | 1 (1) | 0 | 26 | 994 |
| | | Physical climate resilience outcomes | n/a | 0 | 0 | n/a | 0 | | |
| | | Valorised climate resilience outcomes (€ million/year) | 25 | 0 | 0 | 1 | 0 | | |

**Summary of CRPP outcomes (pro rata)**

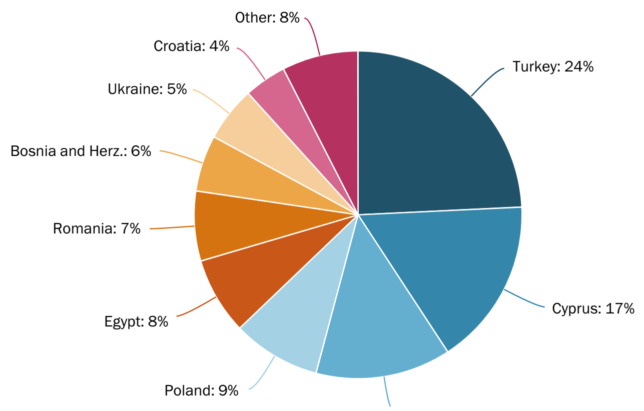
| | | | Physical climate risks | | | | |
|---|---|---|---|---|---|---|---|
| | | | Increasing extreme weather events | Increasing water stress | Increasing heat stress | Increasing hydrological variability | Increasing soil degradation |
| Climate resilience outcomes | Increased water availability | Number projects (w. quantitative outcomes) | 0 | 52 (37) | 0 | 2 (1) | 0 |
| | | Physical climate resilience outcomes (Δ million $m^3$/year) | 0 | 453 | 0 | 1 | 0 |
| | | Valorised climate resilience outcomes (€ million million/year) | 0 | 452 | 0 | 2 | 0 |
| | Increased energy availability | Number projects (w. quantitative outcomes) | 0 | 0 | 6 (2) | 7 (0) | 0 |
| | | Physical climate resilience outcomes (Δ GWh/year) | 0 | 0 | 5 | 0 | 0 |
| | | Valorised climate resilience outcomes (€ million/year) | 0 | 0 | 1 | 0 | 0 |
| | Increased agricultural potential | Number projects (w. quantitative outcomes) | 0 | 2 (2) | 0 | 0 | 1 (0) |
| | | Physical climate resilience outcomes (Δ tonnes/year) | 0 | 398 | 0 | 0 | 0 |
| | | Valorised climate resilience outcomes (€ million/year) | 0 | 1 | 0 | 0 | 0 |
| | Improved human health/productivity | Number projects (w. quantitative outcomes) | 2 (2) | 0 | 4 (0) | 0 | 0 |
| | | Physical climate resilience outcomes (Δ QALYs) | 873 | 0 | 0 | 0 | 0 |
| | | Valorised climate resilience outcomes (€ million/year) | 14 | 0 | 0 | 0 | 0 |
| | Reduced weather-related disruption | Number projects (w. quantitative outcomes) | 18 (8) | 0 | 0 | 1 (1) | 0 |
| | | Physical climate resilience outcomes (days/year) | 15 | 0 | 0 | 4 | 0 |
| | | Valorised climate resilience outcomes (€ million/year) | 8 | 0 | 0 | 0 | 0 |
| | Reduced weather-related damage | Number projects (w. quantitative outcomes) | 22 (7) | 0 | 3 (0) | 1 (1) | 0 |
| | | Physical climate resilience outcomes | n/a | 0 | 0 | n/a | 0 |
| | | Valorised climate resilience outcomes (€ million/year) | 6 | 0 | 0 | 0 | 0 |

## Green Transition Project Portfolio

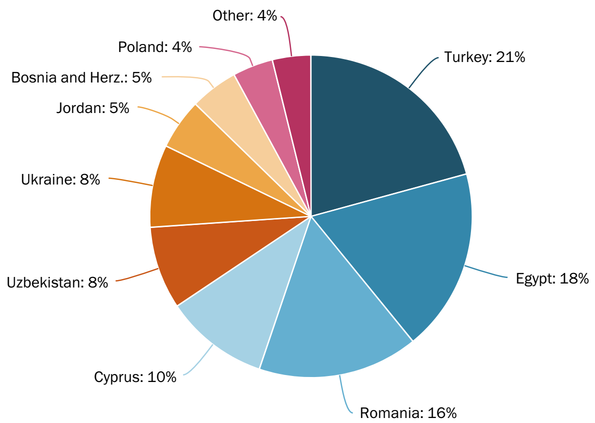
The current key impact metric for the GTPP is GHG savings, however, further metrics will be considered going forward.

GHG savings are achieved by the GTPP portfolio primarily through energy efficiency, which is associated with over 73 per cent of total savings (3.6 million tonnes of GHG annually, with a pro rata share equivalent of 1.3 million tonnes of GHG per year).

**GTPP GHG savings (total)**




**GTPP GHG savings (pro rata)**




## Healthcare Project Portfolio

Over 76 per cent of the HPP committed amount is allocated to infrastructural hospital PPP and healthcare projects, with the remaining 24 per cent focused on pharmaceutical and medicine manufacturing.

| Industry/economy | Total beds | Pro-rata beds |
|---|---|---|
| Healthcare | 1,143 | 632 |
| Albania | 220 | 50 |
| Egypt | 261 | 204 |
| Georgia | 572 | 360 |
| Mongolia | 90 | 18 |
| Infrastructure hospital PPP | 8,758 | 1,027 |
| Turkey | 8,758 | 1,027 |
| Total | 9,901 | 1,660 |

### Disclaimer

Impact indicators are typically based on a number of assumptions. While technical experts aim to use sound and conservative assumptions based on the information available at the time, the actual sustainability impact of the projects may diverge from initial projections. Caution should be taken in comparing projects, sectors or whole portfolios, as baselines (and base years) and calculation methods may vary.

Projects will have a wider range of impacts than those captured by the indicators presented in this report. While the EBRD makes efforts to improve the consistency and availability of reported metrics over time, projects cover a wide range of sectors and sub-sectors, making complete harmonisation of reporting metrics challenging. In some cases, numbers have been rounded for ease of presentation.

The EBRD works continuously to update reporting methodologies in order to provide the most accurate and complete view of the impacts presented in this report.

# 7. Impact inside the EBRD

## The EBRD's first GRI disclosure report

The EBRD published its first standalone Global Reporting Initiative (GRI) disclosure report in 2020, using Global Reporting Initiative Standards to structure its contents. The GRI disclosure report complements the *Sustainability Report* in enabling stakeholders to gain a comprehensive overview of the EBRD's approach to ESG issues. Some of the material included in the *Sustainability Report* in previous years can now be found in the *Sustainability reporting disclosures for 2020 in accordance with the GRI Standards.*

## The Headquarters project

Sustainability is at the heart of the EBRD's vision for the interior design and fit-out of its future Headquarters at 5 Bank Street, Canary Wharf. The base building achieved BREEAM Outstanding certification in June 2020. The commitments made by the EBRD in terms of meeting the building's energy efficiency goals through workplace design enabled 5 Bank Street to achieve an Energy Performance Certificate A-rating in May 2020. It is the first building on the Canary Wharf Estate to achieve this.

The Bank is currently working towards attaining BREEAM Outstanding certification for the fit-out and a WELL Building Standard® Platinum rating for the space that the EBRD will occupy. In addition, in view of the Paris Agreement and the net-zero carbon agenda, consideration is being given to embodied carbon – the carbon content of the materials installed in the fit-out – and the operational energy the Bank will use after it moves in late 2022.

The design also incorporates circular economy principles, with the building's whole life cycle being considered – from product selection to construction and installation methods, to demolition and the replacement of fit-out components.

## Diversity Week

The EBRD is committed to making progress on diversity in the workplace and, each year, holds a series of events over the course of a week to reflect on related themes. The EBRD's Diversity Week in 2020 was entitled "We are all EBRD" – a phrase that suggests unity, connection and community.

Events included webinars, panels and team brainstorming sessions on how to make the workplace more inclusive. These were run by the Disability Network, the African-Caribbean Network and the LGBTQ Spectrum, among others. Topics ranged from finding ways to overcome anxiety and "speaking up" to sharing experiences about challenges and confronting bias and racism in the workplace.

## Green Week

This year's annual Green Week focused on how Covid-19 had led to some "greener" practices among staff. It was also an opportunity to reflect on how these could be maintained in the long term.

Events focused on stories told by the Bank's "Green Heroes" – EBRD staff who apply solid sustainability principles at home – which were shared on the Bank's internal and external communication channels. Campaign content saw high engagement, with 60,000 views across the Bank's social-media channels.

The EBRD also launched the Yes, We plant! tree-planting challenge, both internally and on social media, encouraging staff to plant a tree and nominate three others to plant one too. To date, 346 trees have been planted in the EBRD global forest, from the UK to Egypt and Kazakhstan.

# 8. Assurance and disclosures

## The Bank's policies

All projects are appraised against the Bank's Environmental and Social Policy and Performance Requirements. A project's size, location and potential E&S impacts are all taken into account. In 2019, the EBRD undertook a review of its ESP, its Access to Information Policy and its Independent Project Accountability Mechanism. These revised policies came into force in January 2020.

If an appraisal reveals a project would not be fully compliant with the Bank's requirements, the EBRD agrees an Environmental and Social Action Plan (ESAP) with the client to bring the project up to the required standards within a reasonable timeframe. If this is not possible, but there are compensating environmental or social benefits, the EBRD's Board may approve derogations from specific parts of the performance requirements (see Box for more detail). Any approved derogations are detailed in Annex 2 of this report.

## Results in 2020

The environmental and social category – A, B, C or FI (financial intermediary) – reflects the potential impacts associated with a project and determines the nature of the environmental and social appraisal, information disclosure and stakeholder engagement required.

- **Category A projects:** those with potentially significant and diverse E&S impacts, requiring a detailed participatory assessment process
- **Category B projects:** those with E&S impacts that are site-specific and which can be readily assessed and managed
- **Category C projects:** those that are expected to result in minimal adverse environmental or social impacts
- **Category FI projects:** transactions that involve the provision of financing to a financial intermediary – typically a bank or a fund – which are required to adopt and implement procedures to manage their E&S risks.

**E&S due diligence category (2020 signings)**

| E&S category | Number of projects* | % by number of projects |
|---|---|---|
| Category A | 14 | 3% |
| Category B | 195 | 41% |
| Category C | 23 | 5% |
| Category FI | 244 | 51% |

Note: * Indicative numbers only. Includes trade facilitation. Please see the EBRD's Annual Review 2020 for total investments.

## GET assurance process

The Green Economy Transition (GET) approach aims to increase the amount of financing the Bank directs to green and climate finance. The Bank's first GET approach targeted 40 per cent of EBRD finance going to the green economy by 2020. The Bank has put in place rigorous processes to ensure that only projects with clear and verifiable green benefits are classified as GET projects.

The EBRD assesses GET finance and benefits by:

1. identifying projects or project components that meet the GET principles and criteria
2. assessing the physical environmental benefits of GET projects and project components (*ex ante* analysis)
3. confirming the proportion of GET finance and GET benefits of a project and explaining how it fits into the GET strategy.

Three EBRD departments – Environment and Sustainability, Energy Efficiency and Climate Change, and Economics, Policy and Governance – assess which projects and project components qualify for GET at weekly "Clearing House" meetings.

For more information on how the Bank implements the GET approach, see here.

## Measuring and monitoring performance

The E&S performance of all EBRD projects is closely monitored throughout the investment cycle. This involves a combination of client reporting, regular site visits by Bank staff and independent audits.

The EBRD requires each of its clients to provide a report – at least annually – on their E&S performance and the implementation of applicable ESAPs. Additional monitoring and supervision are determined on a case-by-case basis, depending on the risks and impacts associated with a project and the client's capability to manage them.

## Greenhouse gas assessment for 2020

The EBRD's GHG assessment provides an estimate of the net carbon footprint that will result from Bank-financed projects signed in a representative year once those projects are fully implemented. The calculation is based on estimated emission reductions from climate mitigation projects and estimates of additional GHG emissions from greenfield projects or significant capacity expansions.

### Key figures

The EBRD has published GHG estimates for its signed projects every year since 2002. GHG data for the project assessments come from a variety of sources, including environmental impact assessments, energy audits and, in some cases, calculations carried out by EBRD engineers. Find out more about the Bank's GHG reporting and how the Bank assesses it here.

**Projects with significant GHG emission savings**

| Mitigation category | Number of investments above significance threshold* | GHG impact compared with the baseline scenario ($ktCO_2e$/year) |
|---|---|---|
| Renewable energy | 13 | -1,864 |
| Energy efficiency | 4 | -341 |
| Waste and wastewater | 2 | -109 |
| Lower carbon and efficient energy generation | 2 | -61 |
| Other | 2 | -126 |
| **Total (scope 1 and 2)** | **23** | **-2,501** |
| Projects with significant scope 3 GHG reductions | 2 | -828 |

Note: *GHG assessments are carried out for projects that are likely to result in emission decreases of more than 25 $ktCO_2e$ per year.

## Project performance indicators

The EBRD has introduced a system of performance indicators for direct investment projects. This system assesses and monitors project compliance with the Bank's E&S performance requirements over time. The objectives of this work are:

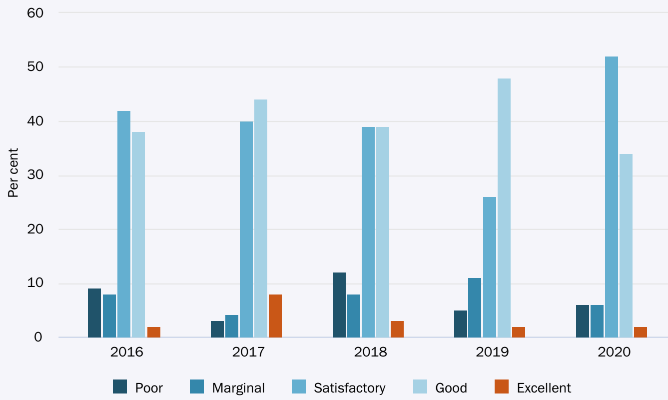
- more accountability
- improved management of resources
- enhanced reporting.

Compliance with the main components of each Performance Requirement is scored for each project at the time of appraisal. These scores are combined to give an overall performance rating for each project on a five-point scale. Projects are rated based on current performance, that is, before the implementation of any future commitments under an ESAP. By tracking projects over time, the Bank aims to be able to demonstrate changes in performance as EBRD investments and associated ESAPs are implemented.

The following chart shows the spread of ratings for projects signed last year for which data are available. The table shows the percentages of these projects that have triggered each of the performance requirements.

**Project E&S performance ratings**

Selected signings from each year




| **Performance requirement*** | **% of projects** |
|---|---|
| PR1: Assessment and management of E&S impacts and issues | 100 |
| PR2: Labour and working conditions | 100 |
| PR3: Resource efficiency and pollution prevention control | 97 |
| PR4: Health and safety | 100 |
| PR5: Land acquisition and involuntary resettlement and economic displacement | 23 |
| PR6: Biodiversity conservation and sustainable management of living natural resources | 61 |
| PR7: Indigenous peoples | 1 |
| PR8: Cultural heritage | 22 |
| PR10: Information disclosure and stakeholder engagement | 98 |

Note: * PR9 applies only to investments made through financial intermediaries. These are monitored separately via the FI Sustainability Index.

**Projects with significant gross GHG emissions**

| Number of investments above significance threshold* | Gross GHG emissions ($ktCO_2e$/year) |
|---|---|
| 5 | 923 |

## Economic assessment of projects with high emissions

Since 2019, the EBRD has carried out economic assessment of projects with GHG emissions, defined as (i) those resulting in absolute emissions of over 100 $ktCO_2e$ per year after the investment and/or (ii) those increasing GHG emissions by more than 25 $ktCO_2e$ per year compared with the baseline.

This year has seen an increasing number of economic assessments across the EBRD regions, in sectors ranging from power stations and gas distribution to heavy industry. These reveal the true costs and benefits of EBRD investments when environmental considerations are awarded an economic value. They are a valuable tool for shaping interventions to reach a viable green frontier and a support for decision-making.

Read the methodology used here.

### Floating storage and regasification unit (FSRU)

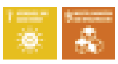
**Cyprus**

The EBRD undertook an economic assessment for an €80 million loan to the Natural Gas Infrastructure Company of Cyprus for the acquisition of an FSRU and the development of related infrastructure. The Bank concluded that the project would benefit society through its potential to significantly reduce electricity generation costs and its environmental benefits in terms of GHGs, local air pollution and improved electricity supply.

**Loan:** €80 million

**Impact:** $CO_2$ emissions savings of 595,000 tonnes annually, along with a reduction in $SO_2$ emissions of 6,000 tonnes and dust emissions of 175 tonnes annually, on average

**Donors:** EBRD Shareholder Special Fund



## Independent Project Accountability Mechanism

The Independent Project Accountability Mechanism (IPAM) reviews environmental, social and transparency issues related to EBRD-financed projects raised by project-affected people and CSOs. IPAM, which operates independently of the Bank's management, aims to ensure that projects are implemented in line with the EBRD's commitments to E&S sustainability.
It includes four functions: problem-solving, compliance review, outreach and institutional learning.

The 2019 Project Accountability Policy (PAP) guides IPAM operations and replaces the 2014 Project Complaint Mechanism Rules of Procedure. The PAP is a more robust, transparent and responsive model, which has as its core principles:

- **independence:** standalone, independent department reporting directly to the Board of Directors via the Audit Committee, with increased seniority of the Chief Accountability Officer at Managing Director level
- **predictability:** shifts case-processing from an external expert model to an in-house (IPAM team) model, clear decision-making criteria and time-bound processes
- **accessibility:** reinforced outreach to promote access and in-reach across Bank staff to raise awareness and systematically assess the risk of retaliation and the establishment of preventative measures when needed
- **source of institutional learning:** through a newly introduced advisory function, the capacity to identify systemic issues, provide recommendations and promote a culture of continuous institutional learning.

## Nenskra hydropower project

**Georgia**

IPAM submitted its first Compliance Review report to the EBRD Board in July 2020, detailing a complaint about the Nenskra Hydro Power Project submitted by community members of Chuberi, Georgia and CSOs. It made 11 recommendations linked to findings of non-compliance with five of the EBRD's performance requirements. IPAM developed a monitoring plan to ensure compliance with the recommendations within a timeframe agreed by all parties.

IPAM responded promptly to the impacts of Covid-19 and is continuously developing tools and strategies to work effectively during the pandemic. However, some operational challenges remain:

1. Digital technology platforms are used for effective, safe and secure engagement with stakeholders. However, a lack of on-site meetings limits opportunities for relationship-building, which is key to establishing trust. IPAM has found that it requires twice the amount of time to prepare for online engagement as for in-person communication.
2. IPAM's understanding of projects, their geography and the situation of stakeholders is limited by the lack of site visits. This also limits the process of assessing compliance.
3. Simultaneous interpretation services are offered to support stakeholder engagement through virtual means; language barriers continue to hinder communication.
4. Technological resources are limited in some project-affected communities living in remote areas, which can hinder access to the mechanism. IPAM is engaging with CSOs to effectively inform and promote access among vulnerable communities.
5. IPAM seeks to ensure confidentiality by using secure virtual platforms and upholding a secure documentation process. However, the increased risks for communities of virtual engagement with IPAM cannot be ignored.

# Annexes

## Annex 1: Climate project disclosure

The EBRD has been tracking climate finance[8] on a project-by-project basis since 2006. Up to 2017, the EBRD disclosed this information on a sectoral or country level.

The following table shows climate finance data on a project level.

**Climate finance data on a project level**

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| Turk Telekom Expansion | Information and communication technologies | 45.1 | 81.5 | Energy efficiency | 45.1 |
| Project Chemist | Manufacturing and services | 40.5 | 115.8 | Cross-cutting issues | 40.5 |
| Obigarm-Nurobod road project | Transport | 48.9 | 122.2 | Energy, transport and other built environment and infrastructure | 48.9 |
| Anglesey Food (f. Project Growth) | Agribusiness | 11.3 | 17.1 | Energy efficiency | 11.3 |
| Serbia Route 7 Highway | Transport | 34.0 | 85.0 | Energy, transport and other built environment and infrastructure | 34.0 |
| Regional and Local Roads Connectivity | Transport | 13.0 | 32.6 | Energy, transport and other built environment and infrastructure | 13.0 |
| Turkey Growth Fund IV (Turkven) | Equity funds | 30.6 | 61.1 | Energy efficiency | 30.6 |
| Project Air | Manufacturing and services | 66.0 | 66.0 | Energy efficiency | 66.0 |
| Porto Franco Regeneration Project | Property and tourism | 63.0 | 63.0 | Energy efficiency | 63.0 |
| Corridor Vc - Motorway Completion | Transport | 14.3 | 35.7 | Energy, transport and other built environment and infrastructure | 14.3 |
| Ulaanbaatar Darkhan Road | Transport | 22.3 | 111.6 | Energy, transport and other built environment and infrastructure | 22.3 |
| DFF: Bir Dunya 2 | Manufacturing and services | 0.1 | 1.1 | Energy efficiency | 0.1 |
| DFF: Project CIRA | Manufacturing and services | 7.5 | 12.5 | Energy efficiency | 7.5 |
| Ukraine Road Corridors | Transport | 48.0 | 100.0 | Energy, transport and other built environment and infrastructure | 48.0 |
| RSF: Hamkorbank - Khorezm Cheese | Agribusiness | 0.2 | 0.3 | Industry, manufacturing and trade | 0.1 |
| DFF: Istrabenz Plini | Manufacturing and services | 1.4 | 7.0 | Energy efficiency | 1.4 |
| Project Lionsgate | Manufacturing and services | 150.0 | 150.0 | Low-carbon technologies | 150.0 |
| VMG Akmene | Manufacturing and services | 10.6 | 20.0 | Energy efficiency | 10.6 |
| DFF: Velvet II | Manufacturing and services | 3.6 | 24.0 | Energy efficiency | 3.6 |
| DFF: Caspian Beverages | Agribusiness | 0.2 | 2.6 | Non-energy GHG reductions | 0.2 |
| DFF: Kokand Fertilisers GET Capex | Manufacturing and Services | 6.3 | 10.2 | Energy efficiency | 6.3 |

[8] At the EBRD, climate finance is defined as Annual Bank Investment (ABI) that qualifies for GET under the climate change mitigation and adaptation categories.

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| Louis Dreyfus Company Trade Finance Expansion | Agribusiness | 15.7 | 81.5 | Agriculture, aquaculture, forestry and land use | 15.7 |
| WDP | Property and tourism | 85.0 | 100.0 | Energy efficiency | 85.0 |
| Fozzy | Agribusiness | 21.7 | 48.9 | Energy efficiency | 19.4 |
| DFF: Lantmannen Ukraine | Agribusiness | 0.5 | 1.5 | Energy efficiency | 0.5 |
| DFF: Hilli Gaplama | Agribusiness | 0.7 | 1.4 | Crop and food production | 0.7 |
| DFF: Hyatt Regency West Cairo | Property and tourism | 2.3 | 8.1 | Energy efficiency | 2.2 |
| Johnson Matthey EV-Batteries | Manufacturing and services | 90.0 | 90.0 | Low-carbon technologies | 90.0 |
| DFF: CTP Serbia | Property and tourism | 11.2 | 13.4 | Energy efficiency | 6.7 |
| Novus Retail and Logistics | Agribusiness | 24.4 | 53.0 | Energy efficiency | 17.1 |
| Schwarz Inclusive and Sustainable Retail Greece | Agribusiness | 47.4 | 70.0 | Energy efficiency | 43.6 |
| Project Copernicus | Information and communication technologies | 43.9 | 43.9 | Energy efficiency | 43.9 |
| DFF: Agromar | Agribusiness | 1.9 | 2.0 | Crop and food production | 1.9 |
| Schwarz Inclusive and Sustainable Retail Moldova | Agribusiness | 39.0 | 50.0 | Energy efficiency | 39.0 |
| Galnaftogaz Loan IV | Natural resources | 10.5 | 28.5 | Energy efficiency | 10.5 |
| Schaeffler E-Mobility | Manufacturing and services | 75.0 | 75.0 | Low-carbon technologies | 75.0 |
| Ukrposhta Logistics Development | Transport | 53.0 | 53.0 | Cross-cutting issues | 53.0 |
| Project Pegasus | Information and communication technologies | 21.9 | 21.9 | Energy efficiency | 21.9 |
| RSF: BoG-Chirina LLC – Freezer and Factory | Agribusiness | 0.3 | 1.2 | Energy efficiency | 0.3 |
| SLOVSEFF III: VUB | Financial institutions | 2.5 | 2.5 | Energy efficiency | 2.5 |
| FIF: DCFTA –Procreditbank SME Facility | Financial institutions | 3.6 | 6.0 | Energy efficiency | 3.6 |
| GEFF: Western Balkans – OTP Bank Albania | Financial institutions | 2.5 | 2.5 | Energy efficiency | 2.5 |
| GEFF: Western Balkans – NLB Bank Skopje | Financial institutions | 1.0 | 1.0 | Energy efficiency | 1.0 |
| GEFF Uzbekistan: Ipak Yuli Bank | Financial institutions | 2.0 | 2.0 | Energy efficiency | 2.0 |
| KyrSEFF II: DKIB Loan II | Financial institutions | 2.4 | 2.4 | Energy efficiency | 2.4 |
| Project Citadel | Financial institutions | 24.3 | 24.3 | Renewable energy | 24.3 |
| Project Reval (SP) | Financial institutions | 18.0 | 18.0 | Energy efficiency | 18.0 |

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| FIF: Regional SME CSP – BiH Intesa Sanpaolo Bank | Financial institutions | 1.5 | 2.5 | Energy efficiency | 1.5 |
| GCF GEFF Regional: Morocco Green Value Chain – BMCE | Financial institutions | 3.8 | 3.8 | Energy efficiency | 3.8 |
| GCF GEFF Regional: Morocco Value Chain – CDM | Financial institutions | 5.0 | 5.0 | Energy efficiency | 5.0 |
| FIF: Regional SME CSP – Serbia UCB | Financial institutions | 3.0 | 5.0 | Energy efficiency | 3.0 |
| FIF: Regional SME CSP – Serbia Banca Intesa Belgrade | Financial institutions | 6.0 | 10.0 | Energy efficiency | 6.0 |
| FIF: WB SME CSP – Bank Macedonia | Financial institutions | 1.8 | 3.0 | Energy efficiency | 1.8 |
| FIF: Regional SME CSP – ProCredit Kosovo | Financial institutions | 6.0 | 10.0 | Energy efficiency | 6.0 |
| GCF GEFF Regional: MAIB | Financial institutions | 1.5 | 1.5 | Energy efficiency | 1.5 |
| FIF: Regional SME CSP II – Serbia Banca Intesa | Financial institutions | 3.0 | 5.0 | Energy efficiency | 3.0 |
| GCF GEFF Regional: BCP | Financial institutions | 6.7 | 6.7 | Energy efficiency | 6.7 |
| GEFF Western Balkans – Podgoricka Banka | Financial institutions | 1.0 | 1.0 | Energy efficiency | 1.0 |
| GCF GEFF Egypt Commercial – QNB AlAhli GVC | Financial institutions | 9.8 | 9.8 | Energy efficiency | 9.8 |
| GCF GEFF Egypt Commercial – QNB AlAhli Extension | Financial institutions | 12.2 | 12.2 | Energy efficiency | 12.2 |
| GCF GEFF Regional: Serbia – Unicredit Leasing Serbia | Financial institutions | 7.5 | 7.5 | Energy efficiency | 7.5 |
| FIF: Regional SME CSP – OTP Bank Albania | Financial institutions | 0.6 | 1.0 | Energy efficiency | 0.6 |
| Project Amazon | Financial institutions | 11.1 | 37.0 | Energy efficiency | 11.1 |
| G4G: RBI Albania | Financial institutions | 10.0 | 100.1 | Energy efficiency | 10.0 |
| GEFF Kazakhstan: MFO KMF GEFF loan | Financial institutions | 4.1 | 4.1 | Energy efficiency | 4.1 |
| FIF: Regional SME CSP – Sparkasse Leasing Macedonia | Financial institutions | 0.6 | 1.0 | Energy efficiency | 0.6 |
| Project Aphrodite (subordinated debt) | Financial institutions | 15.0 | 15.0 | Renewable energy | 15.0 |
| FIF: Regional SME CSP – NLB Bank Skopje | Financial institutions | 1.8 | 3.0 | Energy efficiency | 1.8 |
| FIF: DCFTA – OTP Leasing SME Facility #3 | Financial institutions | 9.0 | 15.0 | Energy efficiency | 9.0 |

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| GCF GEFF Regional: Mongolia – XacLeasing | Financial institutions | 1.2 | 1.2 | Energy efficiency | 1.2 |
| GCF GEFF Regional: Tajikistan – Eskhata | Financial institutions | 0.9 | 0.9 | Energy efficiency | 0.9 |
| GEFF: Western Balkans – Procredit Bank Macedonia | Financial institutions | 1.0 | 1.0 | Energy efficiency | 1.0 |
| GEFF: Western Balkans – Sparkasse Bank Macedonia | Financial institutions | 2.0 | 2.0 | Energy efficiency | 2.0 |
| GEFF: Western Balkans – Ohridska Banka | Financial institutions | 2.5 | 2.5 | Energy efficiency | 2.5 |
| GEFF: Western Balkans – Komercijalna Banka Skopje | Financial institutions | 1.0 | 1.0 | Energy efficiency | 1.0 |
| FIF: DCFTA – Bank Lviv SME Facility | Financial institutions | 4.5 | 7.5 | Energy efficiency | 4.5 |
| FIF - DCFTA Basis Bank Loan | Financial institutions | 5.1 | 8.5 | Energy efficiency | 5.1 |
| FIF: DCFTA – Mobiasbanca MSME Facility III | Financial institutions | 3.0 | 5.0 | Energy efficiency | 3.0 |
| Project Ares (SP) | Financial institutions | 50.0 | 50.0 | Renewable energy | 50.0 |
| GEFF: Romania - UcFin II | Financial institutions | 10.9 | 10.9 | Energy efficiency | 10.9 |
| FIF: Regional SME CSP – Intesa Leasing IV | Financial institutions | 6.0 | 10.0 | Energy efficiency | 6.0 |
| Project Vah (SP 1) | Financial institutions | 20.0 | 20.0 | Energy efficiency | 20.0 |
| FIF: Regional SME CSP – Sparkasse Leasing BiH | Financial institutions | 0.6 | 1.0 | Energy efficiency | 0.6 |
| FIF: Regional SME CSP – Sparkasse Bank | Financial institutions | 3.0 | 5.0 | Energy efficiency | 3.0 |
| FIF: DCFTA – MAIB SME Facility III | Financial institutions | 1.5 | 2.5 | Energy efficiency | 1.5 |
| FIF: Regional SME CSP – ISP BiH II | Financial institutions | 3.0 | 5.0 | Energy efficiency | 3.0 |
| FIF: EaP SMEC – MAIB | Financial institutions | 3.5 | 5.0 | Energy efficiency | 3.5 |
| FIF: EaP SMEC – ProcreditBank | Financial institutions | 3.5 | 5.0 | Energy efficiency | 3.5 |
| FIF - EaP SMEC - OTP Leasing SME Loan | Financial institutions | 20.0 | 25.0 | Energy efficiency | 20.0 |
| FIF: Regional SME CSP – Procredit Bank Macedonia II | Financial institutions | 1.5 | 2.5 | Energy efficiency | 1.5 |
| ENA: Modernisation of Distribution Network | Energy | 13.4 | 13.4 | Lower carbon and efficient energy generation | 13.4 |
| UGV | Natural resources | 11.9 | 51.9 | Lower carbon and efficient energy generation | 11.9 |
| Cyprus FSRU | Energy | 80.0 | 80.0 | Lower carbon and efficient energy generation | 80.0 |
| Project Agera | Energy | 101.8 | 101.8 | Lower carbon and efficient energy generation | 101.8 |
| Power Grid Enhancement Project | Energy | 90.0 | 90.0 | Lower carbon and efficient energy generation | 90.0 |

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| KazTransGas Liquidity Support | Energy | 18.0 | 90.0 | Non-energy GHG reductions | 18.0 |
| Tauron Energy Transition Bond | Energy | 52.7 | 52.7 | Lower carbon and efficient energy generation | 52.7 |
| VISP: Electricity Support Facility | Energy | 33.5 | 81.6 | Lower carbon and efficient energy generation | 33.5 |
| GOGC: Essential Infrastructure Support | Energy | 43.4 | 217.0 | Non-energy GHG reductions | 43.4 |
| DFF: Project Green Light II | Natural resources | 2.3 | 8.1 | Cross-cutting issues | 2.3 |
| Ignitis Grupe (f. Project Octavia) | Energy | 54.0 | 67.5 | Lower carbon and efficient energy generation | 54.0 |
| Masrik-1 Solar Power Plant | Energy | 14.4 | 14.4 | Renewable energy | 14.4 |
| KazRef II: Zhanatas Wind Farm | Energy | 21.0 | 21.0 | Renewable energy | 21.0 |
| Kiyikoy WPP Extension | Energy | 30.1 | 30.1 | Renewable energy | 30.1 |
| Taaleri Solarwind Fund II | Equity funds | 40.0 | 40.0 | Renewable energy | 40.0 |
| SPREF: Global Energy (TAQA PV) | Energy | 3.0 | 3.0 | Renewable energy | 3.0 |
| Enefit Green | Energy | 8.8 | 8.8 | Renewable energy | 8.8 |
| Debsk Windfarm | Energy | 29.5 | 29.5 | Renewable energy | 29.5 |
| Nur Navoi | Energy | 48.9 | 48.9 | Renewable energy | 48.9 |
| Karaganda solar Phase II | Energy | 3.6 | 3.6 | Renewable energy | 3.6 |
| Quadran Wind: Linowo | Energy | 8.4 | 15.5 | Renewable energy | 8.4 |
| Quadran Wind: Rzepin | Energy | 10.6 | 19.3 | Renewable energy | 10.6 |
| Quadran Wind: Udanin | Energy | 20.5 | 21.5 | Renewable energy | 20.5 |
| Quadran Wind: Parzeczew | Energy | 4.5 | 4.8 | Renewable energy | 4.5 |
| Quadran Wind: Wrzesnia | Energy | 4.6 | 4.8 | Renewable energy | 4.6 |
| VISP PPC Liquidity Response | Energy | 30.4 | 160.0 | Renewable energy | 30.4 |
| Sodrugestvo Belarus | Agribusiness | 8.1 | 97.8 | Renewable energy | 8.1 |
| Helpe Solar | Energy | 75.0 | 75.0 | Renewable energy | 75.0 |
| WKN Pomerania Wind | Energy | 36.8 | 36.8 | Renewable energy | 36.8 |
| Dushanbe Public Transport | Municipal and environmental infrastructure | 2.1 | 2.1 | Transport | 2.1 |
| Chisinau Solid Waste | Municipal and environmental infrastructure | 9.0 | 9.0 | Waste and wastewater | 9.0 |
| GrCF: Warsaw Metro Line II extension | Municipal and environmental infrastructure | 35.4 | 35.4 | Transport | 35.4 |
| Naryn Water Subproject Extension | Municipal and environmental infrastructure | 2.0 | 2.0 | Water and wastewater systems | 0.4 |
| GRCF2 W2: Ulaanbaatar District Heating Project | Municipal and environmental infrastructure | 8.1 | 8.1 | Energy efficiency | 8.1 |

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| Pavlodar SL Modernisation | Municipal and environmental infrastructure | 4.7 | 4.7 | Energy efficiency | 4.7 |
| Sarajevo Urban Roads | Municipal and environmental infrastructure | 0.6 | 3.0 | Energy, transport and other built environment and infrastructure | 0.6 |
| Shymkent Water II | Municipal and environmental infrastructure | 2.5 | 2.5 | Water and wastewater systems | 0.5 |
| GrCF2 W2: | Financial institutions | 4.5 | 7.5 | Energy efficiency | 4.5 |
| Sarajevo Public Transport Project | Municipal and environmental infrastructure | 15.0 | 15.0 | Transport | 15.0 |
| Erdenet Climate Resilience | Municipal and environmental infrastructure | 5.7 | 5.7 | Energy, transport and other built environment and infrastructure | 5.7 |
| GrCF2 W2: Khmelnytskyi Solid Waste Project | Municipal and environmental infrastructure | 13.0 | 13.0 | Waste and wastewater | 13.0 |
| ESIF: Smolyan Water Subproject | Municipal and environmental infrastructure | 3.1 | 3.1 | Water and wastewater systems | 0.6 |
| Georgia Urban Transport Enhancement Programme | Municipal and environmental infrastructure | 2.0 | 2.0 | Transport | 2.0 |
| ESIF: Rousse Water Subproject | Municipal and environmental infrastructure | 5.9 | 5.9 | Water and wastewater systems | 5.2 |
| Surkhandarya Water Project | Municipal and environmental infrastructure | 40.7 | 40.7 | Water and wastewater systems | 8.1 |
| ESIF: Stara Zagora Water Subproject | Municipal and environmental infrastructure | 3.7 | 3.7 | Water and wastewater systems | 3.7 |
| GrCFW2: Sarajevo Public Buildings | Municipal and environmental infrastructure | 8.0 | 8.0 | Energy efficiency | 8.0 |
| GrCF2 W2: Tbilisi Bus extension | Municipal and environmental infrastructure | 15.0 | 15.0 | Transport | 15.0 |
| Saiss and Garet water conservation project | Municipal and environmental infrastructure | 150.0 | 150.0 | Crop and food production | 150.0 |
| GrCFW2: Sarajevo Public Transport Part 2 | Municipal and environmental infrastructure | 20.0 | 20.0 | Transport | 20.0 |
| GrCF2 W2: Split water purification project | Municipal and environmental infrastructure | 20.0 | 20.0 | Water and wastewater systems | 13.2 |

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| GrCF2 W1: Tbilisi Metro Project | Municipal and environmental infrastructure | 50.0 | 50.0 | Transport | 50.0 |
| Bakuriani Municipal Services Project | Municipal and environmental infrastructure | 1.5 | 5.0 | Transport | 1.5 |
| GrCF2 W2: Ankara Bus Project | Municipal and environmental infrastructure | 57.1 | 57.1 | Transport | 57.1 |
| GrCF2 W2: Walbrzych Buildings Thermomode | Municipal and environmental infrastructure | 4.9 | 4.9 | Energy efficiency | 4.9 |
| PSEEF: Dnipro Public Buildings EE | Municipal and environmental infrastructure | 23.0 | 25.0 | Energy efficiency | 22.5 |
| MR3: Amman Bus Project | Municipal and environmental infrastructure | 11.8 | 11.8 | Transport | 11.8 |
| GrCFW2 Sarajevo Public Transport Part 3 | Municipal and Environmental Infrastructure | 10.0 | 10.0 | Transport | 10.0 |
| GrCF2 W1: Amman Electric Bus Project | Municipal and environmental infrastructure | 2.8 | 2.8 | Transport | 2.8 |
| Regional TFP: Bank of Georgia (guarantee and pre-export) | Financial institutions | 0.2 | 36.8 | Energy efficiency | 0.2 |
| Regional TFP: TBC Bank (guarantee and pre-export) | Financial institutions | 4.0 | 23.4 | Energy efficiency | 4.0 |
| Regional TFP: Priorbank (guarantees and pre-export) | Financial institutions | 0.1 | 6.3 | Energy efficiency | 0.1 |
| Regional TFP: Aval bank (guarantees and cash disbursement) | Financial institutions | 9.4 | 19.7 | Energy efficiency | 9.4 |
| Regional TFP: JSCB OTP Bank, Ukraine | Financial institutions | 2.1 | 15.0 | Energy efficiency | 2.1 |
| Regional TFP: Mobiasbanca (guarantee and pre-export) | Financial institutions | 0.1 | 0.1 | Energy efficiency | 0.1 |
| Regional TFP: ACBA | Financial institutions | 0.1 | 0.1 | Energy efficiency | 0.1 |
| Regional TFP: Inecobank CJSC | Financial institutions | 0.3 | 2.4 | Energy efficiency | 0.3 |
| Regional TFP: Khan Bank | Financial institutions | 0.1 | 8.3 | Energy efficiency | 0.1 |
| Regional TFP: Ararat Bank | Financial institutions | 0.5 | 2.9 | Energy efficiency | 0.5 |
| Regional TFP: ZAO Minsk Transit Bank | Financial institutions | 0.3 | 8.1 | Energy efficiency | 0.3 |
| Regional TFP: Converse Bank | Financial institutions | 3.6 | 3.6 | Energy efficiency | 3.6 |
| Regional TFP: Armswissbank | Financial institutions | 1.5 | 8.3 | Energy efficiency | 1.5 |
| Regional TFP: Eurobank EFG a.d. Belgrade | Financial institutions | 1.4 | 99.0 | Energy efficiency | 1.4 |
| Regional TFP: Vakifar Bankasi TAO | Financial institutions | 33.8 | 57.6 | Energy efficiency | 33.8 |

| Operation name | Banking sector team | GET finance (€ million) | ABI (€ million) | Climate activity | Climate finance (€ million) |
|---|---|---|---|---|---|
| Regional TFP: Belaruski Narodny Bank | Financial institutions | 0.9 | 7.5 | Energy efficiency | 0.9 |
| Regional TFP: Erste Bank, Croatia | Financial institutions | 1.4 | 8.4 | Energy efficiency | 1.4 |
| Regional TFP: Alternatifbank | Financial institutions | 1.7 | 151.9 | Energy efficiency | 1.7 |
| Regional TFP: Fibabanka | Financial institutions | 4.3 | 55.2 | Energy efficiency | 4.3 |
| Regional TFP: QNB Al Ahli Bank Egypt | Financial institutions | 0.9 | 0.9 | Energy efficiency | 0.9 |
| Regional TFP: National Bank of Greece | Financial institutions | 5.1 | 23.3 | Energy efficiency | 5.1 |
| Regional TFP: Burgan Bank AS | Financial institutions | 11.6 | 81.2 | Energy efficiency | 11.6 |
| Regional TFP: Belinvestbank | Financial institutions | 0.4 | 11.7 | Energy efficiency | 0.4 |
| Regional TFP: Ardshinbank | Financial institutions | 8.0 | 9.0 | Energy efficiency | 8.0 |
| Regional TFP: Bank of Cyprus | Financial institutions | 0.0 | 47.9 | Energy efficiency | 0.0 |
| Regional TFP: Eurobank Ergasias S.A. | Financial institutions | 0.4 | 49.5 | Energy efficiency | 0.4 |
| Regional TFP: Piraeus Bank S.A. | Financial institutions | 1.8 | 57.6 | Energy efficiency | 1.8 |
| Regional TFP: Alpha Bank | Financial institutions | 15.2 | 84.0 | Energy efficiency | 15.2 |
| Regional TFP: Banque Misr | Financial institutions | 17.9 | 122.2 | Energy efficiency | 17.9 |
| Regional TFP: Addiko Bank Serbia | Financial institutions | 0.1 | 16.4 | Energy efficiency | 0.1 |
| Regional TFP: Piraeus Bank (Ukraine) | Financial institutions | 2.4 | 2.7 | Energy efficiency | 2.4 |
| Regional TFP: National Bank of Uzbekistan (NBU) | Financial institutions | 21.8 | 23.5 | Energy efficiency | 21.8 |
| Regional TFP: Hamkorbank | Financial institutions | 0.0 | 5.3 | Energy efficiency | 0.0 |
| Regional TFP –Ipoteka Bank | Financial institutions | 11.1 | 33.0 | Energy efficiency | 11.1 |
| Regional TFP: OTP Bank (f. Banka Societe Generale Alba) | Financial institutions | 0.7 | 0.9 | Energy efficiency | 0.7 |
| Regional TFP: Banque de Tunisie | Financial institutions | 0.5 | 22.2 | Energy efficiency | 0.5 |
| Regional TFP: Bank Audi | Financial institutions | 0.1 | 14.4 | Energy efficiency | 0.1 |
| Regional TFP: UzPSB | Financial institutions | 9.8 | 49.6 | Energy efficiency | 9.8 |
| Regional TFP: Ukrgasbank | Financial institutions | 3.7 | 80.4 | Energy efficiency | 3.7 |
| Regional TFP (Solidarity Package): QNB Finansbank | Financial institutions | 30.9 | 81.8 | Energy efficiency | 30.9 |
| Regional TFP (Solidarity Package): Denizbank | Financial institutions | 24.8 | 68.5 | Energy efficiency | 24.8 |

## Annex 2: Project derogations

Some projects are unable to comply fully with all requirements of the ESP. The EBRD Board approved derogations from the policy for 10 projects signed in 2020. The specific derogations for these projects were agreed where affordability or operational constraints made full compliance unachievable, but the overall ESG benefits of the projects were sufficient to justify its investment. With the exception of the agreed derogations, these projects will meet the Bank's policy and performance requirements.

| Project | Derogation | Economy | Sector |
|---|---|---|---|
| **Chisinau Solid Waste** | The project will result in a number of E&S benefits, including improved residential waste-collection services and recycling, landfill operations with strict environmental, health, safety and social management controls, the closure of the existing Ciocana dump site, the construction of an improved access road and road maintenance that will also benefit the local community and other improvements largely related to public infrastructure for the residents of Tintareni. Despite this, further investments would be needed to achieve compliance with the EBRD performance requirements and the EU Waste Framework Directive with respect to the management of hazardous and medical waste, as well as the recovery and recycling of organic waste. Therefore, on account of limited financial resources and affordability constraints, derogation from the ESP was sought. The shortfalls in relation to EU requirements are not considered to pose significant environmental, health or safety risks. | Moldova | Municipal and environmental infrastructure |
| **Bakad Road Concession** | The construction of the ring road will allow the redirection of a significant proportion of the transit traffic passing through Almaty, which will, in turn, assist in the reduction of traffic congestion and contribute to a reduction of air and noise pollution in the city. An analysis of the previously implemented land acquisition identified major gaps with regard to EBRD PR5, so a derogation from PR5 was needed. A risk management plan has been prepared to provide mitigation measures to affected vulnerable people, but it will not be possible to address all legacy issues to bring the project into full compliance with PR5. | Kazakhstan | Transport |
| **Naryn Water Subproject Extension** | E&S due diligence shows that the implementation of the project will significantly increase access to safe drinking water by improving the efficiency and reliability of water supply services and wastewater treatment in the city. Any adverse impacts will be limited, localised and temporary, and prevented or mitigated by adhering to good construction practices. However, given the limited financial resources and affordability constraints of the local population, the project will not be able to meet the requirements of the EU Waste Water Directive, so required derogation from the ESP. | Kyrgyz Republic | Municipal and environmental infrastructure |
| **Surkhandarya Water Project** | The project will enable a larger proportion of the local population of Namangan to access reliable clean drinking water and achieve compliance with national and EU drinking-water quality standards. Long-term investments will be required for large-scale extensions and improvements to the water supply system to achieve compliance with national and EU requirements for the whole population. These further expansions of and improvements to the water supply system need to be included in the long-term investment programme. At this time, the financing for the long-term investment programme from the companies' own revenues cannot be confirmed and no potential sources of external funding have been identified. Therefore, on account of constraints arising from affordability and limited financial resources, a derogation from the ESP was required. | Uzbekistan | Municipal and environmental infrastructure |
| **Kulob Water and Wastewater Project** | The project will have a significant, positive impact on health and the environment, despite not being able to achieve full EU compliance in the short term. Due to affordability constraints and limited financial resources, under the proposed limited short-term investment programme, it is not possible at the present time to bring the existing facilities and operations of the company into full compliance with EU drinking-water quality and wastewater treatment and discharge standards, as required by the ESP. A derogation was, therefore, required. | Tajikistan | Municipal and environmental infrastructure |

## Annex 3: Category A disclosures

A total of 10 new Category A projects requiring an Environmental and Social Impact Assessment (ESIA) were in an active disclosure period during 2020. Of the projects proceeding to the Board of Directors, all met the disclosure requirement of 60 days minimum for private-sector projects or 120 days minimum for public-sector projects before Board review. Full ESIAs for all projects were available in local languages and were disclosed electronically. Links were provided to each project's ESIA page on the EBRD's website.

| Country | Project name | Public/ private | Disclosure date | Target Board date | Days public before Board | Language |
|---|---|---|---|---|---|---|
| Poland | Project Debsk | Private | 26 March 2020 | 24 June 2020 | 90 | English, Polish |
| Ukraine | Khmelnitsky Solid Waste Project | Public | 28 February 2020 | 2 September 2020 | 186 | English, Ukrainian |
| Uzbekistan | Indorama Agro Capex Loan | Private | 24 April 2020 | 27 January 2021 | 278 | English, Uzbek |
| Egypt | Red Sea Wind Energy (RSWE) 500 MW Wind Power Project (Gulf of Suez II) | Private | 07 August 2020 | tbc | | Arabic, English |
| Uzbekistan | Syrdarya Power Project | Private | 16 October 2020 | 10 February 2020 | 117 | English, Russian, Uzbek |
| North Macedonia | Road Corridor VIII - Phase I | Public | 11 December 2020 | tbc | | Albanian, English, Macedonian |
| Jordan | MR3: Al Ghabawi Septic Tank Facility | Public | 19 November 2020 | tbc | | Arabic, English |
| Montenegro | Main Roads Reconstruction Project (Tivat-Jaz) | Public | 7 August 2020 | tbc | More than 177 days | English, Montenegrin |
| Egypt | Damietta Port Modernisation | Public | 23 June 2020 | tbc | | Arabic, English |
| Mongolia | Erdene Resource Development | Private | 12 June 2020 | 11 June 2019 (preparation and disclosure of the ESIA was a condition of the Bank's equity financing) | | English, Mongolian |

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