

2. Supporting a green transition



Scaling up climate action

Multilateral development banks (MDBs) have developed “country sector platforms” to step up development and climate action. The platforms are country led and, with MDB participation, can mobilise private finance for the transition to a low-carbon and climate-resilient economy. A country sector platform combines:

- country leadership for ambitious national climate planning
- regulatory frameworks to promote private investment
- concessional and grant finance for technical assistance, including for a just transition
- pipeline development and private-sector mobilisation.

The EBRD is one of the pioneers in this space; its support for the energy pillar of Egypt's Nexus on Water, Food and Energy (NWFE) is a good example of how a country sector platform can mobilise private investment for decarbonisation and just transition across the economy.

The EBRD is also supporting North Macedonia with its Just Energy Transition Investment Platform (JETIP), which was launched at the COP28 climate conference. The Bank will support other countries in launching similar initiatives, with work on an [in-country platform for industrial decarbonisation](#) in Türkiye already under way.

Ambitious climate plans are important for mobilising private-sector climate finance, as they give investors certainty and advise them of technology and financing needs. At COP28, the MDBs launched the Long-term Strategies Programme to enhance and coordinate policy support for national strategic climate plans, Nationally Determined Contributions (NDCs), low-carbon pathways (LCPs) and so on. The World Bank's Climate Support Facility hosts the Long-term Strategies Programme and will channel resources to the MDBs.

Case study: Egypt's NWFE opens the door to the private sector



Egypt boasts a fast-growing renewable energy industry and has significant potential to develop it further through the NWFE. As lead partner of the ground-breaking initiative's energy pillar, the EBRD is supporting Egypt's national climate ambitions by helping to develop its regulatory framework and policies and by mobilising concessional and grant financing.

The NWFE, launched at COP27, aims to develop 10 GW of new private renewable energy capacity by 2028 and retire 5 GW of inefficient fossil-fuel capacity by 2026. It combines US\$ 1.5 billion (€1.4 billion) of public, donor and international financial institution (IFI) finance while mobilising US\$ 10 billion (€9 billion) from the private sector.

The energy pillar of the NWFE is also mobilising institutional support for grid strengthening to enable the integration of more renewable energy sources into the system. The EBRD is undertaking technical work, including a just transition plan and a decommissioning plan to address technical and environmental challenges, to bring about the permanent closure of the country's 12 thermal power plants and to support the affected workforce. The Bank is also helping to develop green value chains and expand renewable energy, which will help to create an enabling environment for renewable energy investments.

Agreements on three renewable energy projects were signed, totalling 1.8 GW of wind and solar capacity. Two were jointly financed by the EBRD and the Green Climate Fund – Gulf of Suez II 500 MW Wind and Kom Ombo 200 MW solar. The third – AMEA Power, Wind and Solar – was funded by the International Finance Corporation (IFC). Steps towards decommissioning the first 1 GW of fossil-fuel capacity by the first quarter of 2024 are also under way. Another milestone in 2023 was the signing of an inaugural grid-enhancement financing package by Germany's KfW development bank to connect NWFE windfarms to the energy grid.

Case study: North Macedonia launches the Just Energy Transition Investment Platform



North Macedonia, supported by the EBRD, [launched its Just Energy Transition Investment Platform \(JETIP\) at COP28](#).

The platform aims to help North Macedonia achieve its NDC pledge of reducing net greenhouse gas (GHG) emissions by 82 per cent by 2030 from 1990 levels.

It will support a full coal phase-out in the electricity sector and the deployment of 1.7 GW of renewable energy by 2030, primarily through private-sector mobilisation. It will also ensure a just transition (see page 15) for about 4,000 workers in coal power plants and mines and facilitate investments in enabling infrastructure, including grids and storage.

Preliminary estimates suggest an investment need of more than €3 billion by 2030. The EBRD is the lead technical partner on the platform, working in collaboration with other MDBs, donors and development institutions. The Climate Investment Funds' invitation to North Macedonia to join the Accelerated Coal Transition Programme was instrumental in kick-starting the country's just transition activities.

Renewable energy auctions

The EBRD's Renewable Energy Programme supports the economies in which the Bank invests in developing supportive policy frameworks and implementing competitive bidding processes for renewable energy auctions. The Bank is currently working in 18 countries and has already directly supported auctions for over 1,600 MW of capacity in Albania, Egypt, Kazakhstan, Serbia and Uzbekistan. An additional 5,000 MW are in the pipeline in these countries and others, including Azerbaijan, Bulgaria, Moldova, Montenegro and Romania.

In 2023, three auctions under the EBRD Renewable Energy Programme were awarded for an overall capacity of around 1,000 MW. In addition to an [auction in Uzbekistan](#), these included the first [onshore wind auction](#) in Albania and the [first renewable](#) energy auction in Serbia.

The programme is adapted to each country's market context and designed to deliver results that go beyond a single auction. Activities range from revisions to primary legislation to developing project-specific agreements. The goal is to have a long-term impact on the renewable energy sector of the country and crowd-in private-sector investment.

Case study: Boost for Uzbekistan's renewable energy sector



The EBRD is supporting the design and implementation of competitive bidding processes for [2 GW of wind power capacity in Uzbekistan](#). The first auction to award a portion of this – the [100 MW Karakalpakstan Wind Power Project](#), financed by the Bank in 2023 – set a record low price for wind energy in the Central Asia region and will save more than 178 kilotonnes of carbon dioxide (CO₂) emissions annually.

ACWA Power placed the lowest bid for constructing and operating the project, with a tariff of US\$ 2.5695 cents (€2.3198 cents) per kilowatt hour. The EBRD supported the tender by providing technical assistance and a US\$ 19.3 million (€17.4 million) loan to ACWA Power to finance the plant's construction. The new plant will diversify energy supply and increase energy security while delivering affordable energy.

The second project awarded under the wind auction programme combined 200 MW of wind capacity and a 100 MW/100 MWh battery energy storage system, also in the Karakalpakstan region. This was the first tender in Uzbekistan to combine generation and storage at utility scale.

The government aims to install 25 GW of renewables by 2030. If it achieves this target, renewable energy will account for 40 per cent of the country's power supply. The EBRD has financed 2.7 GW of renewable capacity in Uzbekistan since 2018.

EBRD Green Cities

[EBRD Green Cities](#) strives to build a sustainable and resilient future for cities and their residents. The programme assists cities in identifying environmental challenges and addressing them with sustainable infrastructure investments and policy measures. It also helps local authorities to promote digitalisation through the adoption of “smart” technologies and to foster gender equality and inclusion by identifying and responding to the barriers women face in accessing urban infrastructure services and green jobs.

In 2023, four new cities – Alba Iulia, Bursa, Guelmim and Vilnius – joined the EBRD Green Cities programme. The Green Climate Fund also approved an expansion of its dedicated facility for the programme to include six new countries: Bosnia and Herzegovina, Kazakhstan, the Kyrgyz Republic, Morocco, Tajikistan and Uzbekistan. Sectoral coverage was broadened to include energy.

One of the programme’s central components is the [Green City Action Plan \(GCAP\)](#), whereby a city’s environmental challenges are systematically assessed, prioritised and addressed. Workshops and consultations with local stakeholders, including CSOs, academic institutions and business associations, are conducted as part of the process.

Since 2016, more than 89,000 stakeholders have been consulted on GCAPs that have been completed or are currently under development. In 2023, nine cities completed their GCAPs (6 October City, Ankara, Bishkek, Ganja, Gaziantep, Iasi, Medias, Timisoara and Ust-Kamenogorsk), nine started the GCAP process (Agadir, Alba Iulia, Bucharest, Cairo, Istanbul, Karlovac, Samarkand, Shymkent and Vilnius) and 20 investment project agreements were signed, totalling close to €490 million. A gender equality component is included in all new GCAPs.

To date, 60 cities have joined EBRD Green Cities, covering 77 million residents across the Bank’s regions. The programme has financed 89 green and sustainable infrastructure projects in 50 cities for a total of €2.7 billion. Investments span all municipal infrastructure sectors, including electric buses, the construction of water supply, wastewater and solid waste management infrastructure, the retrofit of buildings and other energy efficiency and renewable energy solutions. The estimated reduction in GHG emissions totals 4,635 kilotonnes annually, equivalent to removing over 1 million petrol cars from the road each year.

Case study: EBRD promotes sustainability in the Moldovan capital



In 2023, the EBRD rolled out several projects to boost sustainability in the Moldovan capital, Chisinau, which joined EBRD Green Cities in 2018 and completed its GCAP in 2020. As part of its GCAP, Chisinau is building institutional capacity for the implementation, assessment and monitoring of sustainable and resilient urban development, focusing on:

- sustainable mobility and transport
- climate-resilient “blue-green” infrastructure
- sustainable and efficient energy
- sustainable resources and waste management.

Achieving these objectives will cost about €365 million, to be funded from the city and national budgets, the private sector or loans from IFIs.

A [project financed by an €8 million EBRD loan](#) and a €4 million grant from the GCF will help regenerate the River Bic, which has become increasingly polluted and is prone to flooding. This is the first time the Bank has formally financed a nature-based solution. Plans include retrofitting about 90 rain gardens and 85 tree pits in urban settings; these sustainable urban drainage solutions will enhance water quality and manage surface water run-off flows, reducing the risk of flooding.

The EBRD is also supporting Moldova’s largest private electricity distribution system operator, ICS Premier Energy Distribution. [A US\\$ 30 million \(€27 million\) loan](#) will allow upgrades to the grid, including in Chisinau, where a new digital smart grid will improve services and supply. It will help reduce CO₂ emissions by more than 2,500 tonnes and energy losses by 21 per cent a year.

Case study: Samarkand joins EBRD Green Cities and acquires electric bus fleet



In 2023, Samarkand became the first city in Uzbekistan to join EBRD Green Cities. The Bank is lending the municipality US\$ 49 million (€44 million) to deploy a fleet of electric buses to provide green transport for its population of almost 560,000.

State enterprise SamarqandYo'lovchiTrans will operate the new fleet of 100 e-buses, the largest funded by the Bank to date. Charging units and infrastructure, including an e-bus depot and a power substation, will also be constructed. The project will reduce GHG emissions and improve Samarkand's air quality.

Industrial decarbonisation

The EBRD aids governments and industries in developing and implementing LCPs for carbon-intensive sectors. LCPs help industries reshape their operations towards an economically advantageous and more sustainable future. They outline the industry's climate performance and current emissions and identify key policy actions and investments for decarbonisation.

The Bank provides technical assistance to its clients, as well as commercial and concessional finance through international donors. The EBRD has committed more than €12.3 billion of green finance to industrial sectors since 2006. In 2023 alone, its green finance commitments to these sectors surpassed €1.6 billion.

At the corporate level, the Bank combines its investments with advisory services provided by its [Corporate Climate Governance \(CCG\) Facility](#). In this way, the EBRD helps companies to define a range of priority actions and investments related to climate governance, disclosure and investment that sets them on the path to decarbonisation.

Sustainability-linked loans (SLLs) tie loan terms to a company's progress on pre-agreed environmental and social goals, incentivising greener practices at the corporate level. The EBRD supported several SLL transactions in 2023 and is working to scale up its involvement in the rapidly growing SLL market.

In 2023, the EBRD extended a [€75 million SLL](#) to Turkish snack brand Ulker Bisküvi Sanayi. The loan will help the company reduce GHG emissions, boost water-use efficiency and waste recycling. The Bank also extended [an SLL of €75 million](#) to Poland's Żabka Polska, which operates a leading modern convenience ecosystem in Europe. This will support Żabka's medium-term capex programme in Poland, which includes investments eligible under the Bank's Green Economy Transition (GET) approach.

The Bank is also involved in industrial alliances that promote the development of new markets and foster business development opportunities, such as the Biomethane Industrial Partnership, the Renewable and Low-carbon Fuels Value Chain Industrial

Alliance, and the European Battery Alliance. In 2023, for example, the Bank started working with EIT InnoEnergy, the leader of the European Battery Alliance, to develop an investment landscape for electric vehicle battery recycling in the economies where the Bank invests, starting with Poland and potentially expanding to neighbouring countries in central Europe. Developing markets for secondary raw materials for batteries will be crucial to accelerating the transition to low and zero-carbon vehicles.

Case study: Low-carbon pathways in Türkiye support decarbonisation



The EBRD is helping Türkiye to develop [LCPs](#) for the progressive decarbonisation of energy-intensive industries such as steel and iron, cement, aluminium and nitrogen fertilisers.

The LCPs outline what the country needs in terms of investment and technology to decarbonise these sectors and will help shape the green transition, in line with Türkiye's 2053 net-zero targets.

The EBRD is also helping Türkiye to develop a country sector platform to scale up the private investments needed to achieve its wider decarbonisation goals. The high-emitting sectors the platform addresses are covered under the [EU Carbon Border Adjustment Mechanism](#), so decarbonisation will help Turkish companies remain competitive and support sustainability.

Case study: Decarbonisation and climate resilience pathway for Ukrainian agribusiness



A [US\\$ 30 million \(€27 million\) EBRD financing package](#) for one of Ukraine's leading agricultural holdings, Astarta, will be used to modernise production facilities, scale up climate-smart agricultural practices and secure sufficient working capital to sustain operations at pre-war levels. Extra liquidity will support the livelihoods of nearly 7,000 workers.

With technical assistance from the EBRD's CCG Facility, Astarta is actively developing its corporate climate change strategy, including a decarbonisation and climate change resilience pathway. This will include GHG emissions accounting and reporting, and the disclosure of climate change-related risks and opportunities affecting its business.

The project also includes increasing the use of tillage practices that will reduce soil loss by at least 25 per cent and provide additional climate resilience benefits, such as higher, less volatile yields from reduced erosion and nutrient leakage.