



European Bank
for Reconstruction and Development

SUSTAINABILITY REPORT 2019



Who we are

The EBRD is investing in changing people's lives from central Europe to Central Asia, the Western Balkans and the southern and eastern Mediterranean region. With an emphasis on working with the private sector, we invest in projects, engage in policy dialogue and provide technical advice which fosters innovation and builds modern economies that are competitive, well-governed, green, inclusive, resilient and integrated.

What we do

Working from its London Headquarters and network of 37 Resident Offices, the EBRD invests in commercial projects that deliver a market-based financial return while having a measurable economic, social or environmental impact. We work with private clients of all sizes, including small businesses, which constitute the backbone of many economies in the EBRD regions. We also finance municipal entities and publicly owned companies, often in support of essential infrastructure and services for people. The Bank invests in well-structured, financially robust projects, both directly and through financial intermediaries such as local banks and investment funds. Our principal financing instruments are loans, equity investments and guarantees.

Coronavirus response

We are committing all our activity in 2020-21, worth up to €21 billion, to help our regions counter the economic impact of the coronavirus pandemic.

www.ebrd.com/sustainability-covid.html

About this report

The *Sustainability Report 2019* explores the many ways we create impact. Whether it's improving public transport, ensuring a safe water supply, repairing roads or boosting renewable energy, our investments make a real difference to the daily lives of millions of people across three continents.

In 2019, nearly half (46 per cent) of the EBRD's investments helped to finance green economy projects. This is more than ever before and well ahead of the Bank's 40 per cent target for 2020. The Bank has continued its engagement and leadership on climate change. Alongside providing record levels of climate finance, we have been coordinating the multilateral development banks' approach to alignment with the goals of the Paris Agreement. We also started work on a "Just Transition" approach that could support communities in dealing with the social and economic impacts of the transition to a low carbon economy.

This report provides examples of our work and demonstrates the impact we have achieved in 2019.

Read the interactive version of this publication:

2019.sr-ebrd.com

Sustainability in 2019

The *Sustainability Report 2019* explores the many ways we create impact. Whether it's improving public transport, ensuring a safe water supply, repairing roads or boosting renewable energy, our investments make a real difference to the daily lives of millions of people across three continents.

Highlights

The EBRD is [committed to sustainability](#). The *Sustainability Report 2019* explores the many ways we have created sustainable impact over the year. Our projects have boosted the green economy, used resources and energy more efficiently and made a real difference to the daily lives of millions of people across three continents. We have worked to promote inclusive and sustainable growth, focusing on building climate adaptation and resilience across our regions.

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In 2019 the EBRD completed [a review of its three governance policies](#): the Environmental and Social Policy, the Access to Information Policy and the Project Accountability Policy. The review included the largest stakeholder engagement exercise the Bank has ever undertaken. Together these policies will ensure the EBRD remains at the forefront of good practice for environmental and social standards, transparency and accountability.

Our real impact is achieved through our investments, large and small. These range from providing a €210 million loan for the [Dobož Bypass](#) in Bosnia and Herzegovina – a road designed to function even with the scale of floods that are increasingly likely due to climate change. To [our first transaction](#) explicitly addressing economic inclusion for people with disabilities.

This report provides examples of our work and demonstrates the impact we have achieved in 2019. Other highlights you can read about in this year's report include:

- investing €4.6 billion in 260 [green economy](#)⁴ projects
- expanding the reach of [EBRD Green Cities](#) by bringing in 17 new cities, increasing total investments to €474 million, and leveraging donor co-investment to mobilise over €1.5 billion in finance to date
- [responding to the Syrian refugee crisis](#) in Jordan and Turkey with a €900 million financing package
- [demonstrating how targeted intervention](#) can help to avoid accidents and fatalities on our clients' projects
- engaging with stakeholders through [green policy dialogue](#) in 20 countries to improve market conditions for green investments
- issuing the world's first dedicated [climate resilience bond](#), raising US\$ 700 million.

We recognise the importance of robust [impact assurance and verification processes](#). The EBRD became signatory to the UN Principles for Responsible Investment (PRI) in 2018 and will be reporting to the PRI for the first time in 2020.

Alongside this *Sustainability Report*, the EBRD is also due to publish its third climate disclosure report. This describes our current readiness and future plans to enable the EBRD to meet the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). It is our intention that future climate disclosures will comply with the recommendations and that, by collaborating with others in the financial services industry, we will help to establish the standards for good practice.

⁴ For more information on how the EBRD defines green economy projects, see our [Green Economy Transition handbook](#).
2019.sr-ebrd.com/investments-in-the-green-economy/

46%

GET activities as a percentage of Annual Bank Investment

Find out more in the [Green Economy Transition section](#)

17

Number of cities added to the Green Cities programme

For more information on [EBRD Green Cities](#)

4.6

Total investment in the Green Economy Transition (€ billion)

900

Financing package in response to the Syrian refugee crisis in Jordan and Turkey (€ million)

260

green projects

The EBRD's approach to sustainability

At the EBRD, a commitment to sustainability means responding to environmental and social challenges, engaging with investors and stakeholders, setting the highest standards of governance and delivering associated benefits for all. We aim to minimise our own footprint, and measure, monitor and report on the impact of our work to ensure transparency and accountability. The EBRD endeavours to foster transition towards sustainable, inclusive, market-oriented economies that promote private entrepreneurial initiatives and development. We are committed to working with clients, various governments, development institutions and a wide range of stakeholders to help the economies where we invest to fulfil their commitments to the global sustainability agenda.

Our approach to sustainability involves:

- focusing on the climate emergency by supporting **implementation of the Paris Agreement**
- incorporating **environmental and social requirements** into the appraisal and implementation of all Bank-funded projects based on European Union (EU) standards and international good practice
- providing finance and technical assistance specifically aimed at promoting **environmental and social benefits**
- promoting **access to municipal services**, such as water and public transport
- supporting projects that promote **gender equality and social and economic inclusion**
- providing consultation and information disclosure, and **maintaining regular strategic dialogue** with civil society organisations and other stakeholders
- ensuring that we are **accountable to our stakeholders**.

You can find more details of the EBRD's Sustainability Approach [here](#).

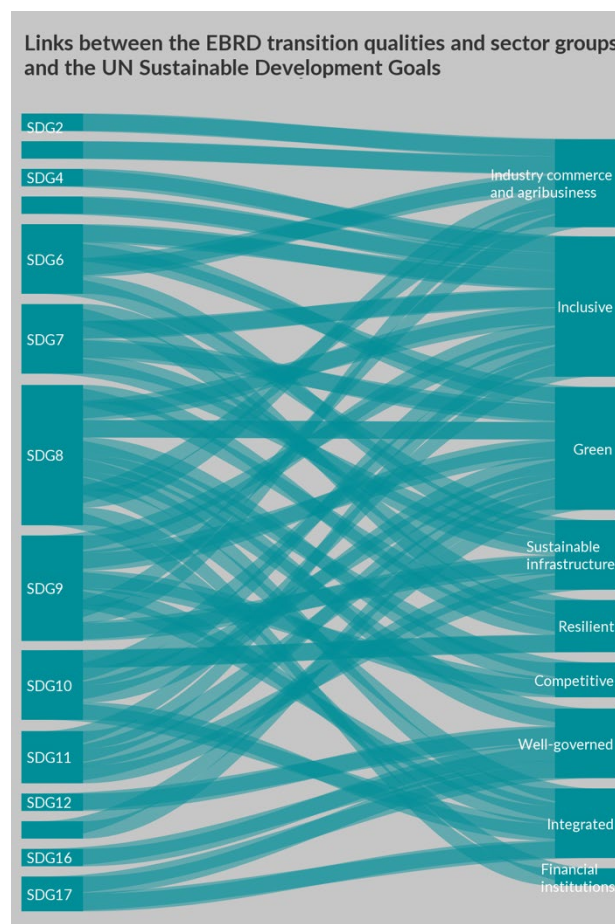
EBRD Transition Qualities, Performance Requirements and the UN Sustainable Development Goals

Article 1 of the Agreement Establishing the Bank described that: “the purpose of the EBRD shall be to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative”. This defined the purpose of the EBRD in terms unlike the charters of conventional development institutions. The EBRD’s purpose is to foster a change or “transition”. It does this through a combination of investment, policy engagement and technical cooperation. 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](#). We measure the success of our activities by the extent to which they advance these qualities.

The United Nations Sustainable Development Goals

As well as fostering one or more of these transition qualities, Bank activities, both what we do and how we do it, are aligned with the 2030 Agenda for Sustainable Development, which was adopted by all United Nations member countries in 2015, and its accompanying Sustainable Development Goals (SDGs). These constitute a shared blueprint for ending poverty, improving health and education and spurring inclusive economic growth, while tackling climate change and working to preserve our oceans and forests.

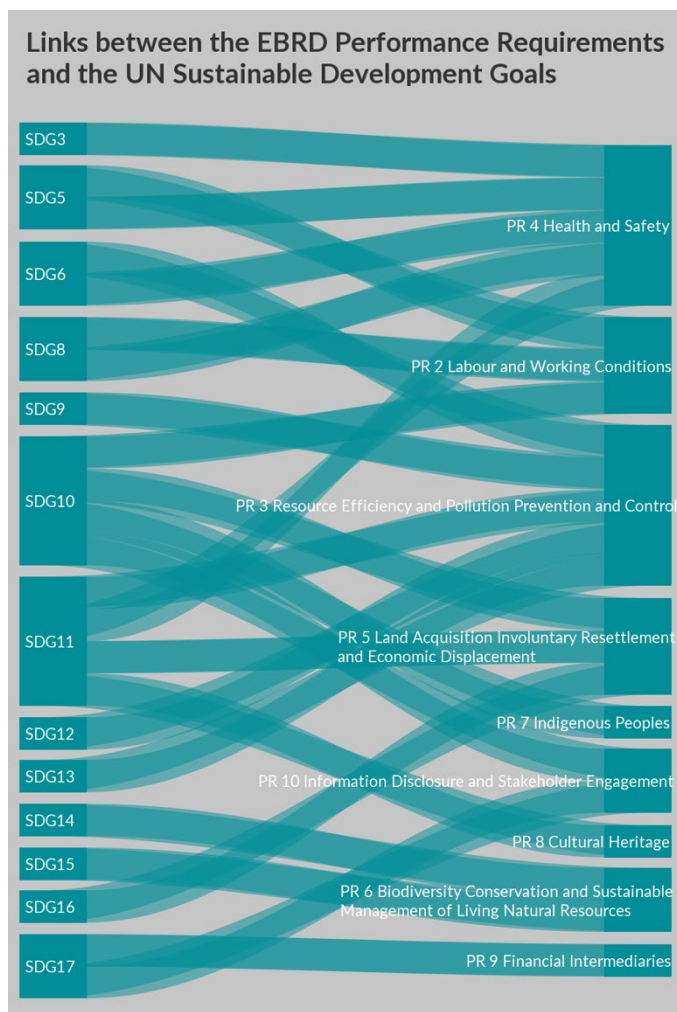
The activities of the EBRD contributes to 14 of the 17 goals. The Bank provides particular value through its support for Goal 5 (Gender Equality), Goal 6 (Clean Water and Sanitation), Goal 7 (Affordable and Clean Energy), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, Innovation and Infrastructure), Goal 10 (Reduced Inequalities), Goal 11 (Sustainable Cities and Communities), Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action).



Individual EBRD projects and engagements are typically associated with specific EBRD objectives and SDGs, based on the transition qualities that these operations promote and the economic sector to which they belong. Throughout the *Sustainability Report 2019*, case studies will indicate, where appropriate, which SDGs the projects in question support.

EBRD Performance Requirements and the SDGs

The EBRD's [Performance Requirements](#) define how our projects are implemented. They set out environmental, social and labour and safety standards, promote good practice, help clients to improve the sustainability of their business operations and maximise the developmental impact of our projects. There is a strong alignment between the Performance Requirements and the SDGs.



Covid-19 and the EBRD: Building a better future

As the Covid-19 pandemic unfolds, talk abounds about finding the opportunity in a crisis, shaping a new normal, and most of all: building a better future. A renewed commitment to a sustainable world is the cornerstone of that vision. Further, sustainability and resilience go hand in hand.

It is clear that the coronavirus and subsequent global economic downturn are profoundly affecting the economies where we invest. While the depth and duration of the impact of the crisis are uncertain, the Bank has pledged to support its clients and countries at every stage with an ambitious Solidarity Package. In delivering the Solidarity Package, the Bank is already making investments and providing advice for a sustainable recovery. Focusing on sustainability is integral to how the Bank works, and cannot wait for the recovery phase.

The EBRD's Environment and Sustainability Department (ESD) has rapidly adjusted to assist the economies where it invests with pragmatic tools and advice. With significant changes in modes of doing business, the environmental, health and safety and social risks around any work are posing new and different challenges to companies, their workforces, contractors and suppliers, as well as host communities across the EBRD regions. In response, ESD has developed a crisis hub with a range of targeted tools to support clients through the uncertainty, such as:

- a workplace health and safety risk assessment checklist for clients to ascertain risks from Covid-19 in the workplace
- briefing notes, addressing coronavirus-specific challenges on the protection of and engagement with workers and their representatives, changes to working conditions and labour management, as well as preventing and minimising retrenchment
- advice on information disclosure and stakeholder engagement, consistent with social distancing measures, including guidance on developing a Covid-19 engagement and communications plan.

We are more committed than ever to partnering with clients to continue investing in sustainable development in 2020 and beyond. A better, more sustainable future is within our reach.

For more details visit:

www.ebrd.com/sustainability-covid.html

Investments in the green economy

Through its [Green Economy Transition](#) (GET) approach, the EBRD is helping the economies where it invests transition to becoming low carbon and resilient. In 2015, the EBRD set itself a target of increasing green financing to 40 per cent of its annual business volume by 2020. In fact, green financing reached 46 per cent of Annual Bank Investment (ABI) in 2019.

Key operational results 2019

46

GET percentage
of the Bank's Annual
Bank Investment (ABI)

4.6

€ billion
GET ABI through
260 projects

62

Percentage
of GET investment
in the private sector

Impact in 2019²

4.8

million tonnes
Expected annual CO₂
emissions reductions

60

million GJ
energy efficiency investments
saving of primary energy
per year

2,249

MW
of renewable energy
capacity financed...
...which will generate
5.4 million MWh per year.

Key operational results 2006-19

34

€ billion
GET ABI through
1,900 projects

1.4

million tonnes
oil equivalent of energy
saved per year

384

million m³
water savings
per year

² These are *ex ante* estimates of impacts for projects signed in 2019.
2019.sr-ebd.com/investments-in-the-green-economy/

Green Economy Transition results

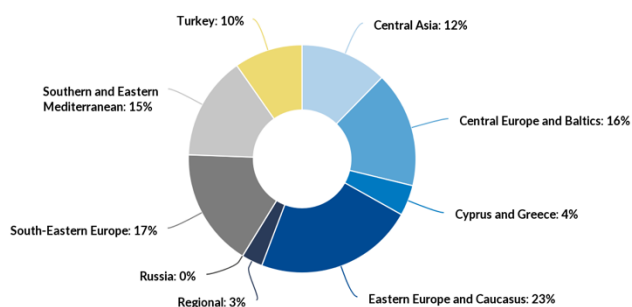
The EBRD’s GET approach comprises three “pillars”: climate mitigation, climate adaptation and other environmental benefits. Projects can contribute to more than one pillar and there is a strong overlap between investments that address climate change and those that result in other environmental benefits such as improved air quality.

Of the €4.6 billion of GET investments that was invested in the Green Economy Transition in 2019:

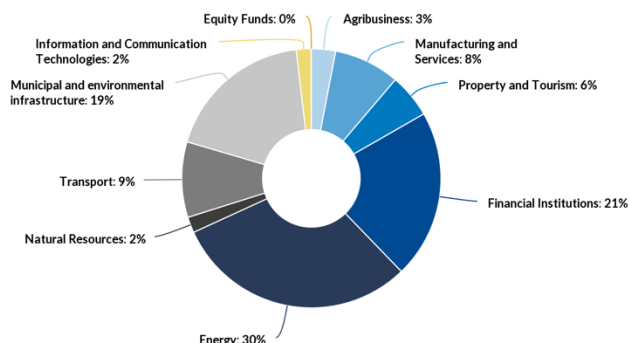
- €3,450 million went to projects with only climate benefits
- €1,035 million went to projects with both climate and environmental benefits
- €133 million went to projects with only environmental benefits.

Of the climate finance investments, €3,794 million was categorised as climate mitigation and €495 million was climate adaptation.

GET finance commitments by regions 2019



GET finance commitments by sector teams 2019



EBRD Green Cities

EBRD Green Cities strives to build a better and more sustainable future for cities and their residents by improving wastewater systems and making public transportation more energy efficient. In 2019, Green Cities expanded its scope and reach by bringing in new regions and leveraging donor co-investment. At the end of 2019 the EBRD was partnering with 37 Green Cities:

- Seventeen cities joined EBRD Green Cities last year. These included Kyiv, Ukraine; Alexandria, Egypt; and Dushanbe, Tajikistan.
- Our existing cities reached key milestones: three cities approved their Green City Action Plans (GCAPs), six cities completed their GCAPs in preparation for formal approval.
- The Bank signed 10 projects through EBRD Green Cities, bringing the EBRD’s total investments to €474 million. Seven of these projects are follow-on investments from the GCAPs.
- Through the Bank, donors’ committed resources and leveraged co investments, EBRD Green Cities was able to mobilise over €1.5 billion in finance to date.

Climate resilience

The EBRD helps countries prepare for an uncertain future brought about by a changing and increasingly variable climate. We do this by ensuring that critical infrastructure being built today can cope with the impacts of climate change in the future, rather than being locked in a state of climate vulnerability. We help businesses deal with climate shocks that disrupt their operations and supply chains, and we work with financial markets to ensure that capital flows reflect the changing situation.

BOSNIA AND HERZEGOVINA

Doboj Bypass

In 2014 Bosnia and Herzegovina experienced the worst floods since records began, resulting in over €2 billion of economic losses including damage to critical infrastructure. The EBRD is helping the Bosnian road authorities build transport networks that are more able to cope with extreme events like these. In 2019 we provided a €210 million loan for the Doboj Bypass, a road designed to continue functioning even with the scale of floods, heavy rainfalls and landslides that are increasingly likely due to climate change.

Related SDGs



Sustainable infrastructure

The EBRD is focused on bolstering sustainable infrastructure across our regions. This year, our projects have included investments in solar power in Kazakhstan, rehabilitating water supply infrastructure in the Kyrgyz Republic, and expanding the electric trolleybus fleet in the Moldovan city of Balti.

KAZAKHSTAN

Kazakhstan renewables

In Kazakhstan, the EBRD invested almost US\$ 100 million in five new solar power plants, taking total EBRD solar financing in the country to more than 500 MW of clean energy capacity. This equates to CO₂ emissions savings of over 700,000 tonnes per year.

Related SDGs



KYRGYZ REPUBLIC

KR Water Framework: Myrzaki-Kurshab

The EBRD is providing of a loan of up to €2 million to the joint municipal enterprise Water Supply and Wastewater Management Agency of the Uzgen region in order to rehabilitate water supply infrastructure in the municipalities of Myrzaki, Kurshab and Don-Bulak. The project is expected to significantly improve the efficiency, reliability and quality of the water supply, contributing to the provision of uninterrupted access to safe drinking water, prevention of ground and watercourse pollution and public health improvements.

Related SDGs



Western Balkans Investment Framework

Since its inception, the EBRD has been very active in the donor-supported Western Balkans Investment Framework (WBIF). Through the WBIF, the Bank supports the socio-economic development and EU accession of the Western Balkans countries, through finance and technical assistance for strategic investments. This joint initiative between the European Union (EU), the EBRD and other international financial institutions (IFIs), bilateral donors and the governments of the Western Balkans focuses on the energy, environmental, social, transport and digital infrastructure sectors. It also supports private sector development initiatives as well as renewable energy

programmes. To date, the total investments of the EBRD and other IFIs amount to over €5.6 billion alongside commitments from the EU and bilateral donors in excess of €1 billion.

Since the launch of WBIF in 2009, the EBRD has contributed to the construction of more than 800km of roads, including regional ones and new motorway sections connecting the Western Balkans to major European transport corridors. Today, 2.3 million people have access to water and wastewater treatment systems and close to 100,000 students benefit from improved school facilities. The EBRD's interventions through the WBIF also enabled improvements in the energy sector with investments in renewables and energy efficiency projects for residential households and businesses, contributing to a significant reduction of CO₂ levels in the region.

The EBRD is also active through the Infrastructure Project Facility (IPF), which aims to support infrastructure projects from strategy to design in order to make them bankable and comply with EU standards as well as economic, social, technical and environmental needs. The Bank regularly reviews IPF deliverables to ensure high quality outputs, and works actively to promote environmental and social capacity among local stakeholders.

MOLDOVA

Scaling up electric transport

We provided €2.5 million to Balti, Moldova to help expand and improve the city's electric trolleybus fleet. The city will receive 10 new zero-emission trolleybuses through the investment, which will connect to the existing electric trolleybus network as well as expand routes beyond the existing network by relying on batteries. The project will increase local access to public transportation, as well as reduce air pollution and greenhouse gas emissions from transport. As Balti's "trigger project" under EBRD Green Cities, the city will also develop its Green City Action Plan.

Related SDGs



Industry, commerce and agribusiness

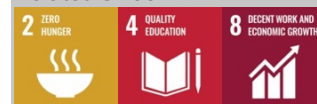
Opportunities to save energy and resources exist in almost every business and sector. These savings are critical to a country's economy. They lower emissions, support energy security, reduce waste and enhance competitiveness. In 2019, the EBRD made investments across a variety of sectors. Some of the highlights this year included:

TURKEY

Isik Organic

The EBRD provided Isik Organic, Turkey's leading exporter of organic dried fruits and nuts, with a €16 million loan in 2019 to expand production and reduce waste. This financing package includes a €1.5 million concessional loan from the Clean Technology Fund (CTF) under the EBRD's Near Zero Waste programme. The CTF loan will support the company's use of technologies that enable significant energy savings and allow the recovery of underutilised raw materials to be upcycled and converted into high-value organic products such as frozen puree. Overall, the investment is expected to result in 3,025 tonnes per year CO₂ savings and the recovery of 2,379 tonnes of underutilised raw materials.

Related SDGs



POLAND

LG Chem

This year, we invested €250 million in the construction of an LG Chem battery gigafactory in Wrocław in western Poland. The €2.8 billion project will deliver Europe's largest factory of lithium-ion batteries for electric vehicles. Once completed in 2022, the factory will produce approximately one million batteries annually. This is enough to replace six per cent of the internal combustion cars sold in Europe each year. The company has committed to sourcing 100 per cent of its own electricity consumption from renewable energy providers.

Related SDGs



Financial institutions

Green Economy Financing Facility

Our Green Economy Financing Facilities (GEFFs) support businesses and home owners to invest in green technologies. We operate through a network of more than 140 local institutions in more than 26 countries. Since 2006,³ we have:

- signed €4.6 billion with 148 partner financial institutions in 27 countries
- facilitated over 190,000 sub-projects in the small and medium sizes enterprise (SMEs), corporate and residential sectors
- avoided an estimated 8.6 million tonnes of CO₂ each year from GEFF projects.

EGYPT

EBRD loan supports on-lending to private borrowers

An EBRD loan of up to US\$ 70 million under GEFF will enable Qatar National Bank AIAhli SAE, Egypt's fourth largest commercial bank, to support on-lending to private sub-borrowers for green, energy efficiency and renewable energy projects. These are of particular importance in the context of the high energy intensity of the Egyptian economy. The facility will also support high-performance technologies and services supporting a green economy and boosting the competitiveness of the SMEs' part of the value chain.

Related SDGs



EGYPT

SMEs benefit from financing package

Small and medium-sized enterprises (SMEs) in Egypt will benefit from a US\$ 150 million financing package from the EBRD to the National Bank of Egypt (NBE). A US\$ 100 million loan will be provided to the NBE under the EBRD's Green Economy Financing Facility (GEFF) Egypt, co-financed by the Green Climate Fund (GCF). NBE will on-lend funds to SMEs for investments in high-performing technologies that improve the use of energy, water and land resources.

Related SDGs



Green trade

As a key participant in trade finance, the EBRD is well placed to help promote trade in higher performance technologies and materials.

Since 2016, the Bank's Trade Facilitation Programme (TFP) has been implementing the Green TFP to stimulate the supply of green technologies and materials in the economies where we invest, particularly into markets where demand is generated via GEFFs.

Green TFP 2019 highlights

- contributed more than €250 million to green finance in line with the GET approach
- more than 270 transactions were financed in 17 economies where the EBRD invests
- transactions will result in estimated annual energy savings of 780,070 MWh,⁴ water savings of 63,374 m³ and emission reductions of 294,648 tonnes CO₂ equivalent.

Green trade transactions supported

- wind power generation equipment imported from Denmark to Ukraine
- small-scale combined heat and power technologies imported from Italy to Lebanon
- water-saving bottling lines imported from Germany to Armenia and from France to Tunisia
- sustainably sourced wood products exported from Romania to Egypt
- residential lifts imported from Greece to Kosovo.

In 2019, the EBRD presented its [first awards for green trade](#) to local and foreign banks. Raiffeisen Bank Aval and UniCredit received awards as the most active issuing bank and most active confirming bank in green trade, respectively. Converse Bank and KBC Bank received a joint award for deal of the year in green trade for a transaction involving an Armenian greenhouse grower of strawberries, supporting private entrepreneurship in the country with the help of a local bank. The awards were presented during the EBRD's Annual Meeting and Business Forum in Sarajevo in May.

³ Data corresponds to finance provided by the EBRD and its co-financing partners where applicable.

⁴ This includes the equivalent in primary energy savings from renewables, the actual figures are annual energy savings of 671,162 MWh and renewable energy generated 37,642 MWh

EBRD Sustainability Awards

The EBRD’s Sustainability Awards, which are organised by the Bank’s Environment and Sustainability Department, recognise projects for their excellence and achievement in the field. Clients and their projects are judged against their *Standards and best practice, Innovation, Demonstration effect* and *Capacity building*. The awards are arranged into four categories:

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

The gold winners of the 2019 Awards were:


SUSTAINABLE ENERGY | LITHUANIA | AGRIBUSINESS
Auga Group
 In August 2018, the EBRD invested €8.9 million in Auga Group, a company active in the organic agriculture and farming sector. Auga’s business model is designed around the concept of closed-loop farming and can be considered one of the most advanced and innovative examples of sustainable agriculture in the EBRD’s regions.

Related SDGs




CLIMATE RESILIENCE | TURKMENISTAN | AGRIBUSINESS
Hosh Zaman Greenhouses
 Hosh Zaman operates some of the largest modern greenhouses in Turkmenistan. The EBRD project has enabled the company to expand its hydroponic greenhouses from 3.3 hectares to 5.8 hectares. This has increased the company’s tomato production capacity without the use of soil, reducing water consumption and the use of chemical inputs, and improving the environment for insects – particularly bees as pollinators.

Related SDGs



In 2019, the EBRD shortlisted 27 projects for their outstanding contributions to promoting environmental and social sustainability. Of these, seven were produced by small business investment companies (SBICs) – of which two were gold winners – demonstrating that no company or project is too small to be recognised for its contribution to sustainability.

ENVIRONMENTAL AND SOCIAL BEST PRACTICE | TURKEY | POWER AND ENERGY
Tredas Financing
 The EBRD provided financing for the 2016-20 investment programme of Tredas, an electricity distribution company. The company has demonstrated an impressive commitment to enhancing women’s access to employment recording an outstanding increase in the number of women in technical roles from 4 per cent to 25 per cent in roughly one year, and an increase from 10 per cent to 15 per cent in women who are in management roles.

Related SDGs



ENVIRONMENTAL AND SOCIAL INNOVATION | FINANCIAL INSTITUTIONS | TURKEY
Turkish Women in Business, Turk Ekonomi Bankasi
 In April 2015, the EBRD signed a €50 million loan agreement with Turk Ekonomi Bankasi (TEB). As a participant in the Bank’s Turkey Women in Business Programme, TEB is aiming to become the market leader in lending to women-led SMEs through a variety of products and services within its Women’s Banking Initiative.

Related SDGs



	Sustainable Energy	Climate Resilience	Environmental and Social Best Practice	Environmental and Social Innovation
Gold Award	Auga Group (Project Circulus)	Hosh Zaman Greenhouses	Tredas Financing	TurWiB- TEB
Silver Award	BUTEK Electricity Distribution	South Kazakhstan Water Supply Project	Olam Regional	Ege Profil PVC Plant and Recycling
Bronze Award	USELF: NBT Syvash Wind	Talimarjan Power Project	Kitchener Drain Depollution	Project Meadow (I & II)

Climate action, donor support and partnerships

The EBRD is focused on strengthening its climate action through donor support and through partnerships both internationally and locally within its regions.

Action and results

The EBRD plays an active role in international forums on climate change. As a key participant, the Bank is involved in shaping discussions, decisions and outcomes on the issue.

Paris alignment

In light of growing climate change impacts, the EBRD is taking urgent action to help our regions deliver on the goals of the 2015 Paris Agreement. The Bank has been coordinating the work of MDBs in developing strategies that align with the Agreement and we attended the UN Climate Action Summit in September and the COP25 in December with various pledges to:

- increase climate finance levels gradually, to reach a collective total of at least US\$ 65 billion annually by 2025
- mobilise a further US\$ 40 billion of climate investments annually from private sector investors by 2025
- present key elements of the common framework on the Paris alignment approach of the MDBs for direct finance at COP25
- develop a new transparency framework to report on both the impact of each MDB's activities and how these are helping clients meet and exceed commitments made
- help public and private sector clients move away from using fossil fuels by supporting [Just Transition](#) and assist them to design and implement long-term low greenhouse gas (GHG) emissions and climate resilient strategies.

Conference of the Parties (COP25), Madrid, Spain

The EBRD participated in over 40 events during COP25 with partners including the UK government, as incoming COP President; the UNFCCC and private sector partners such as the Global Climate Fund and the Climate Law and Governance Initiative. The Bank was able to share its experience of supporting

countries' transition to low carbon and climate resilient economies. Key events included:

- a session on the progress of the joint MDB approach on Paris alignment. Along with the MDBs, the UK government (as incoming COP President) and UNFCCC were also present
- a workshop on [Financing Just Transition](#), focusing on the role international financial institutions can play in promoting social justice in communities negatively impacted by climate action
- a joint MDB event on [Article 6](#) (which deals with carbon markets and international cooperations), where participants discussed how MDBs can support and develop its goals.

UN Climate Action Summit, New York, United States of America

The UN Climate Action Summit sought to advance climate action **in reducing greenhouse gas emissions by 45 per cent over the next decade, and to net zero emissions by 2050**. The EBRD contributed to a number of high-level events during the summit, with the EBRD President delivering a high-level statement on behalf of the MDBs regarding alignment with the Paris Agreement. Panellists included private sector players such as HSBC and DWS group, with the heads of the EBRD, EIB and Agence Française de Développement, Lord Nicholas Stern and former Finance Minister of Finland Petteri Orpo also taking part. Key highlights of the summit included:

- an event exploring the role that MDBs and the private sector can play in accelerating climate action and impact
- the related workstreams that underpinned the summit provide a basis for formulating the cross-cutting strategic theme of transition to a green, low-carbon economy in the EBRD's Strategic and Capital Framework (SCF) for the period 2021-25.

Just Transition

The EBRD began preliminary work on a “Just Transition approach” to help deal with the social impacts linked to the green economy transition, with a view to putting a proposal to our management and Board for consideration in 2020. This is particularly relevant for economies dependent on coal mining and coal-generated power, or involved in fossil fuels (that is, oil and gas), and energy-intensive industries such as steel, cement and plastics. The EBRD operates in several locations in central and eastern Europe, the Western Balkans, Ukraine and Central Asia that are impacted. The Bank is focused on mobilising private investment into vulnerable areas, supporting the phasing out of carbon-intensive assets, reconvertng them where possible and providing training and employment opportunities to the local workforce through advice, research and policy dialogue.

We are collaborating with other MDBs and thinktanks to develop a shared narrative on Just Transition and agree on key principles with the results to be presented at COP26. In parallel, we are working with the European Commission, through its Coal Regions in Transition Platform, to identify suitable projects for EBRD financing in the European Union. A similar platform is being created in the Western Balkans and Ukraine.

Climate corporate governance

In 2018, the EBRD became a supporter of the Financial Stability Board’s [Task Force on Climate-related Financial Disclosures](#) (TCFD), which calls for the disclosure of climate-related risks and opportunities in business and financing operations.

An essential part of this process is effective corporate climate governance. Recognising this, in 2019 the EBRD has been working to improve the climate corporate governance of its internal operations and external financing and policy activities. We are also helping our clients understand the risks and opportunities associated with low carbon and climate resilient transition. This includes deploying a range of climate scenarios to identify priority climate actions, in addition to providing recommendations on how to implement these actions.

Donor support and partnerships

Donor support and external partnerships are vital in helping the EBRD develop projects and pioneer new approaches to sustainability. The EBRD has worked with donors since its inception and currently manages relations with a broad and varied donor community of some 50 different partners, primarily governments and multilateral organisations.

In 2019, donors provided €757 million to support the EBRD’s operations and policy dialogue activities in the form of grants, loans and risk-mitigation instruments, including for the first time, unfunded guarantees from the European Structural and Investment Funds (ESIF). In its role as fund manager, the Bank mobilised an additional €172 million in 2019 to EBRD-managed funds, open to other development entities and development finance institutions (DFIs).

Bilateral donors

Bilateral donors contribute greatly to the sustainability agenda of the Bank, supporting clients across its regions, especially in the countries with the largest transition gaps. The support comes mainly in the form of grants that are used either for technical assistance or co-investment grants for green technologies and solutions. This includes significant investments in water infrastructure in countries such as Ukraine, Belarus and regions such as Central Asia; supporting refugee-hosting communities in Jordan and Turkey, strengthening municipal services to meet increased demand; implementation of investments in green solutions across the southern and eastern Mediterranean (SEMED) region, both in energy generation and energy use; and providing advice and access to finance to small and medium-sized enterprises (SMEs); promoting inclusion and gender equality across the EBRD’s regions.

European Union

The European Union (EU) is a key EBRD partner and continues to be our largest donor, accounting for about 50 per cent of donor funding in 2019. This year, the EBRD and the European Commission came together to scale up renewable energy investments in our regions through the deployment, for the first time, of unfunded guarantees for the Bank totalling €50 million. EU donor funding continues supporting EBRD programmes across sectors, including infrastructure, industry, energy and financial institutions. In 2019, total EU support for EBRD green interventions amounted to almost €174 million consisting of grants and risk-sharing mechanisms.

The EU has also been an essential partner of the Bank under the [EBRD Green Cities programme](#) and the [Western Balkans Investment Framework](#) (WBIF).

In terms of other important partnerships with the EU, the EBRD also contributed to the following deliverables:

- scaling up of energy efficiency in homes, industry and the public sector through several forums including the Energy Efficiency Financing Institutions Group (EEFIG) and the High-level Group on Energy Intensive Industries
- significant input to DG Research and Innovation to help develop thinking on improving access to finance for circular economy projects
- ongoing collaboration to support new and innovative sustainability solutions such as those in the bio-based industries and within the European battery value chain
- development of an EU Taxonomy for sustainable activities which, when finalised, will need to be referred to by institutional investors and asset managers, likely to have an even wider impact
- participation in specific platforms aiming to assist stakeholders in coal regions tackle the challenges in transitioning to a low carbon economy through the EBRD's anticipated [Just Transition approach](#)

Climate Investment Funds

The Climate Investment Funds (CIF) is a multilateral fund that aims to accelerate climate action by empowering transformations in clean technology, energy access, climate resilience and sustainable forests. In 2019, CIF provided more than €45 million for the High Climate Impact for the Corporate Sector regional programme. This supports energy-intensive industries, transport logistics chains and infrastructure providers in EBRD regions to integrate climate change considerations into their strategic, financial and operational decision-making. As of the end of 2019, cumulative CIF support to the EBRD's projects totalled nearly €520 million.

Green Climate Fund

In 2019, a number of EBRD and Green Climate Fund (GCF) co-financed projects were completed. The first solar plant, Benban, the largest solar park on the African continent, was connected to Egypt's national electricity grid. Thousands of kilometres to the east, three utility-scale solar projects supported by GCF and the EBRD in Kazakhstan have been completed with an installed capacity of 140 MW. Similarly, climate resilience enhancements to the Qairokkum hydropower plant (HPP) in Tajikistan have begun. Once completed, the HPP's capacity will increase from 126 MW to 174 MW, and the HPP will be delivering over 800 MWh renewable energy to the grid annually, serving around half a million people. In addition, green credit lines to local commercial banks, under the [GCF-EBRD Green Economy Financing Facilities Framework](#)

have been approved and are under implementation in Armenia, Egypt, Georgia and Morocco. The remaining eligible countries under the framework will follow in 2020. As of the end of 2019, total cumulative contributions signed with GCF totalled nearly €730 million.

Global Environment Facility

The Global Environment Facility (GEF) is a multilateral fund that plays an important role in supporting the piloting of new concepts and the alignment of climate action with other global environmental benefits. Since 2014, the EBRD has benefited from GEF grant co-financing for technical cooperation and concessional finance to support our efforts to address climate change and environmental degradation. The total value of funds provided to the EBRD reached more than €120 million, including funding from GEF's Special Climate Change Fund (SCCF). In 2019, the GEF Council approved an additional grant for strengthening electric vehicle charging infrastructure in Ukraine, and concessional finance for a regional circular economy initiative in Turkey and the Western Balkans.

Other key sustainable partnerships

Climate action in financial institutions

Launched in December 2015 on the margins of COP21, the [Climate Action in Financial Institutions](#) initiative aims to provide an opportunity for public and private financial institutions to learn from each other, to disseminate good practice and to collaborate on areas of common interest.

The EBRD is a supporting partner of the initiative, helping to advance the integration of climate change considerations across strategies, programmes and operations. In 2019, the initiative's annual assembly was held at the EBRD Headquarters in London. The EBRD also participated in the initiative's expert workshop on the margins of the UN Climate Action Summit which brought together thinktank experts, financial sector practitioners and other stakeholders to discuss emerging research and approaches to aligning with the Paris Agreement.

International Energy Agency

This year, the EBRD and the IEA launched their low-carbon technology roadmap for the global nitrogen fertilisers industry. Working in conjunction with the International Fertilizers Association (IFA), the three organisations will engage with industry stakeholders to identify a pathway to decarbonise the sector by 2050. This includes identifying the technologies and policies needed to support this transition. This work is part of the EBRD's larger strategic initiative to support low-carbon pathways both at the sector and company level.

World Green Building Council

Buildings have a vital role to play in responding to the climate emergency. The EBRD has been working closely with the World Green Building Council (WGBC) to decarbonise the building sector. In 2019, the EBRD endorsed the *Bringing Embodied Carbon Upfront* report. The report calls for a radical cross-sector coordination to revolutionise the buildings and construction sector towards a net zero future, and tackle embodied carbon emissions. Adding to this, the EBRD is working with the WGBC to develop a Zero Carbon Roadmap for the building sector in our regions.

UN partnerships

In 2019, we worked with Food and Agriculture Organization of the United Nations (FAO) to review the status of carbon neutrality in the agri-food sector and identify best practices. [This ongoing project](#) will help agribusinesses understand the best strategies to achieve carbon neutrality throughout their value chains and meet consumer demand for low carbon products. Other areas of work with FAO include the development of quality and origin-based food labels in the Western Balkans and Georgia, as well as short supply chains linking agriculture and tourism, which encourage sustainable production practices.

Building on a Memorandum of Understanding signed with the International Maritime Organization (IMO) in 2018, this year, we have continued to work closely with the institution to increase energy efficiency in ports and port operations.

Integrating social inclusion into sustainable approaches through donor support

Women in Business Programme, We-Fi, EBRD's Refugee Response Plan

Donors have supported the inclusion of women through the [Women in Business Programme](#), the [Women Entrepreneurs Finance Initiative](#) (We-Fi) – which the EBRD joined in 2019 – and refugees through the [EBRD's Refugee Response plan](#).

Special environmental programmes: the E5P and NDEP

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 IFIs asked us to manage, on their behalf, two multilateral funds created to address environmental, nuclear safety and climate change challenges in eastern Europe. As the fund managers of the Eastern Europe Energy Efficiency and Environment Partnership (E5P) and the Northern Dimension Environmental Partnership (NDEP) since their inception, we actively seek new contributions and new project opportunities for both programmes, which also drive the reform agenda and policy engagement.

The Eastern Europe Energy Efficiency and Environment Partnership

The Eastern Europe Energy Efficiency and Environment Partnership (E5P) celebrated its 10th anniversary in 2019. In recognition of its achievements since launch, the donor community this year pledged new financing of about €50 million for the fund's mandate which has been extended to 2029. The fund now totals €220 million and, alongside other investors, has supported environmental and energy efficiency projects with a total value of €800 million. Another key achievement this year has come in the form of Azerbaijan joining the E5P which is now operational in all Eastern Partnership countries of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine.



<https://youtu.be/kWjnis6f1eI>

BELARUS | WASTEWATER

Rehabilitation of wastewater treatment

In 2019 the E5P approved a €4.3 million grant to rehabilitate wastewater treatment facilities in six small cities in Belarus (Kletsk, Lyuban, Fanipol, Bereza, Zhlobin and Shklov). The investment will cut direct discharges of untreated wastewater into the local rivers (and ultimately into the Black Sea basin) and improve energy efficiency with the installation of modern pumps. These improvements in the quality and reliability of wastewater services will meet national and EU standards and facilitate sector reforms to achieve full cost recovery tariffs.

Related SDGs



The Northern Dimension Environmental Partnership (NDEP)

The [NDEP](#), a multi-donor fund created in 2002, is a flagship initiative within the EU Northern Dimension concept, which this year celebrated its 20th anniversary. The fund totals €348 million and has helped finance nuclear safety improvements worth €166 million and environmental projects worth €1.4 billion, thanks to grants of €137 million. The NDEP's nuclear safety operations deal with the legacy of spent nuclear fuel from the Northern Soviet fleet in the Kola Peninsula. Environmental activities focus 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. More recently, the Fund has also co-financed investment projects to reduce black carbon pollution in the Arctic region.

NUCLEAR SAFETY | REGIONAL

Building 5, Andreeva Bay

A decade of work to clear the spent nuclear fuel from Building 5 in Andreeva Bay was finally completed this year. During the Cold War era, the facility was used to refuel and service Soviet nuclear-powered submarines. But in 1982, an accident caused widespread contamination and, although left derelict, high radiation emissions continued to present a serious threat. Operations to decommission the building have included a radiological survey, roof repairs, and the use of specially designed remotely operated equipment to handle the waste. The transportation of the spent fuel assemblies to the Mayak nuclear processing plant in the Urals was completed in October 2019.

Related SDGs



<https://youtu.be/LBuZXCydyaI>

Interview with Josué Tanaka

As he enters his final year before leaving the EBRD after 29 years, we sat down with Josué Tanaka, Managing Director for Energy Efficiency and Climate Change, to learn about how the Bank's work on climate started, developed and where it might go next.

EBRD: It would be really interesting to hear a bit about your own trajectory in terms of addressing the climate challenge within the Bank and how we've got to where we are at.

Josué Tanaka: Where we are today is very much determined by COP21 in late 2015. But let's go back to the G8 meeting in Gleneagles in 2005. Why? Because the story really starts with the communiqué of that meeting which requested the MDBs to step up their clean energy financing. The EBRD President mentioned that at an Executive Committee meeting and this G8 request went into some part of my brain ...

Then a few days later, at around 11.00 pm, I had this idea: why don't we try to develop an initiative within the Bank focused on responding to that request?

So I wrote a note between 11.00 pm and 4.00 am. As the President had an "open door" between 7.30 and 7.45 am, I went to see him that very morning to present the idea.

I gave him my note and, to cut a long story short, he said, "look, the Annual Meeting is coming up in a few months so why don't you develop this as a theme for this Annual Meeting!?"

So that was the seed, the beginning. I then asked myself what are the features of our region in terms of climate? What instruments do we have to contribute? How should we structure an EBRD climate initiative reflecting our mandate, business model and experience?

The base team to develop this work was the pre-existing energy efficiency team created in 1994. After 12 years of activity its portfolio was somewhere in the region of 120 million euros. So very small, particularly given the scale of the issues and opportunities ahead. The question was then how to scale-up activity building on the skills developed by that small team.

EBRD: So when was the light bulb moment?

JT: The 30th of September of 2005 to be precise. I remember that date because it influenced my life since, both in terms of work focus and of overall purpose.

There was an initial focus on energy efficiency. We already had a competence in that area but everything else had to be changed: both the hardware in terms of the organisational structure and functions, and the software in terms of the way to develop our climate action within the organisation...

The key dilemma that I had to deal with right away was, whether we should aim to build a large climate team to cover the full range of climate action? Or should this team focus on a few specialised functions with the transaction delivery done by our sector and country teams? Luckily, we went for the second option, a lean and focused renewed Energy Efficiency and Climate Change (E2C2) team with specialised technical skills working closely with colleagues in Banking sector and country teams, in ESD, in the Chief Economist's team and with the donor funds team. Developing new products takes time and doesn't translate immediately into investments. E2C2 took that product development task forward. While some products have had limited scale-up, others have flourished, becoming major components of the Bank's activity.

So for us, the internal market test is to develop ideas working with our colleagues, with the good ideas going into the line and becoming over time "part of their regular operational activity."

The big shift was to re-wire the organisation making a small specialised team operate completely horizontally across teams and departments.

EBRD: And now we are talking about 40 per cent green financing by 2020. It sounds like there has been a huge shift.

JT: It's been a trip and I would say in retrospect that it has been a great trip not only for me, but also for the team and for the Bank as a whole. To understand where we are today, we need to go back to the run up to COP 21. In October 2015, you had the annual meeting of the World Bank and the IMF in Lima, Peru. And one of the big events there was possibly the largest meeting of ministers of finance on climate.

In that session each MDB President had to answer the question “what are you going to do to scale up your climate ambition?”. We knew this question would be coming and so had prepared the Green Economy Transition approach which set the famous 40 per cent green finance target ratio by 2020. It was very ambitious at the time because our average green finance ratio over the previous strategic period was 25 per cent.

And now four years into our current strategic period, we have already twice exceeded the 40 per cent target set for 2020: a first time in 2017 at 43 per cent and then a second time in 2019 reaching a record ratio of 46 per cent of which 91 per cent in climate finance.

EBRD: Can I just take you back there? You had done the homework and said, we're going to go for 40 per cent. How could you think that that would be possible?

JT: We did estimates, we knew it would be a stretch and would require an effort across the Bank. But we had examined the potential in different areas and felt that with innovation and determination, such an ambitious target could be achieved together.

Beyond the internal wiring and the gradual mobilisation of the organisation, a key determinant of the Bank's increasing record on the climate front has been the consistent signalling and support from both top management and shareholders.

I would also point to the importance of incentives. Being responsible for the Operational Strategy and Planning function has allowed to ensure alignment between the operational and climate objectives of the Bank. Then there has been the inclusion of Green as a quality of transition. This has also played an important role in terms of incentives. Finally the simplicity of our 40 per cent target has been relevant in driving our activity.

Looking forward, I feel there is an increasing engagement from the younger generation on climate action. Our increasing activity in this area motivates our younger colleagues who become ever more important drivers of our results. This has added something in the organisational dynamics as younger staff from across the Bank come to see me to say, 'Hey, Josué, we really like what we're doing'. That is motivating beyond words!

EBRD: So when you're sitting there and you hear all this going on, how does it make you feel? Are you excited?...

JT: Excited, perhaps. Particularly because the Bank is a place where you can still have new ideas and make them a reality. My first job at the Bank in 1991 was to start our urban and environmental infrastructure financing activity, what became known as MEI and which is now in the Sustainable Infrastructure Group. About two decades later, I was at a traffic light when the idea came into my mind that the Bank could have a much stronger urban environmental financing approach by developing an approach integrating policy, planning and investment, and by aggregating our activity in a programme rather than continue to operate at the retail level. This was the seed of what has become today the Green Cities Framework with a target of 100 cities by 2024. There are not many places where you can have an idea at a traffic light and three years later have a billion euros plus programme under active implementation.

So excited yes, but most of all I would say that I feel fulfilled because at some point in life purpose becomes a central concern.... Having started at the EBRD right at the beginning on inauguration day, and seeing what has been achieved since provides a real sense of fulfilment, particularly when one feels that it is now the organisation as a whole which has become relevant globally in addressing such a fundamental challenge as climate change.

Social impact

The EBRD focuses on promoting social and economic inclusion, and ensures that its investments integrate the protection of human rights.

Gender and economic inclusion

The EBRD works with the private sector, governments and municipalities to address inequality in line with our [Economic Inclusion Strategy](#). We support 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 key services to help clients across all sectors.

Our Economic Inclusion Strategy highlights our support for new target groups such as people with disabilities and elderly workers. In 2019, we launched our work on inclusive design to support access to services such as education, public transport, infrastructure and information and communication technologies (ICT).

Key 2019 highlights

In 2019, the EBRD signed 71 projects addressing gender, youth and regional inclusion. These projects sought to enhance access to employment, skills, finance and services for young people, refugees, and other groups. Nearly three-quarters of these projects had a specific focus on gender equality. Our first transaction explicitly addressing economic inclusion for people with disabilities was approved and signed in June.

Financing under the EBRD's Women in Business programme, which is supported by a range of donors, has now topped the €500 million mark. Through it, credit lines were provided to more than 60,000 women-led small and medium-sized companies in 18 countries. The programme offers a unique combination of financing, technical assistance and access to know-how. Active policy efforts with governments and stakeholders promote a more enabling business environment for women entrepreneurs.

In 2019, the EBRD joined the Women Entrepreneurs Finance Initiative (We-Fi) and received more than €19 million in donor funding to support its Women of the Steppe programme in Central Asia. We-Fi is a collaborative partnership, composed of multilateral development banks (MDBs), governments and other stakeholders, designed to unlock financing for women-led/owned businesses in developing countries.

1st

signed project with a disability focus in MAF Almaza

299

ASB advisory projects in 2019

2 clients

signed the UN Women Empowerment Principles (Samruk Energy and Tbilisi Transport Company)

318

women entrepreneurs trained through [Advice for Small Businesses](#) (ASB) initiative

90

women enrolled in ASB mentoring programme

25

women were trained in passenger bus driving through technical cooperation to promote equal opportunities in Tbilisi Bus Company, as part of the Japan EBRD Cooperation Fund

INCLUSION

City Centre Almaza training and recruitment for young people and people with disabilities

In Egypt, young people and those with disabilities face significant barriers to education, employment and other economic opportunities. The EBRD is financing the development of City Centre Almaza, a new retail and entertainment centre in Cairo’s Heliopolis district. The project will establish an onsite training and job-brokering facility to connect young people and people with disabilities to nearby jobs, fulfilling resident retailers’ skills- and recruitment-related needs and enhancing their capacities on recruitment and retention of disabled workers.

Related SDGs

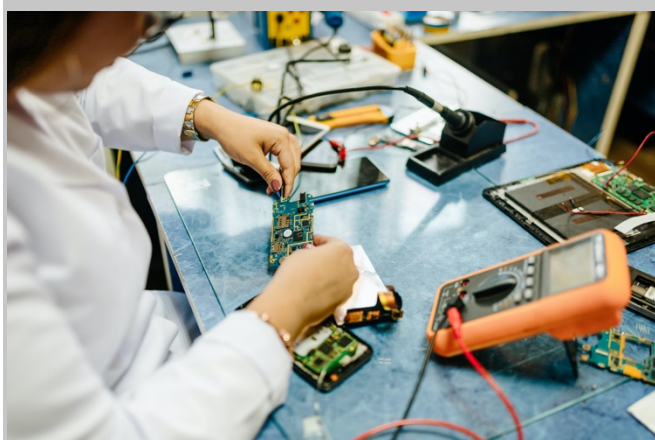


ECONOMIC INCLUSION

Promoting employment and training in the industrial engineering sector

In September 2019 the EBRD formally launched Egypt’s first sector skills platform in engineering industries to be fully institutionalised after a new Technical Vocational Education and Training law is approved. Memoranda of Understanding were this year signed by the Bank and national counterparts, confirming commitment to set up a sustainable private sector-led skills platform in the electrical equipment and cables sectors.

Related SDGs



GENDER

Promoting female entrepreneurship in agriculture

The EBRD’s €150 million loan will support Morocco to achieve regional and gender inclusion impact through the creation of new economic opportunities and training for local female farmers to enhance their leadership skills and participation in the agricultural sector. Going forward, the Bank will start policy engagement with the Ministry of Agriculture to support the adoption and implementation of a coordinated gender strategy for the sector.

Related SDGs

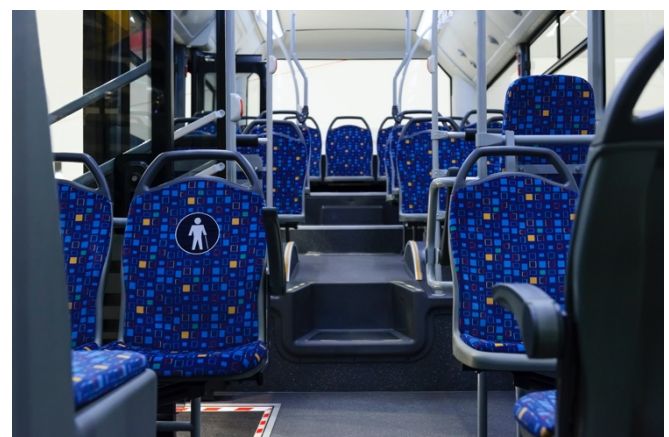


GENDER

Gender-responsive design of public transport

A €17 million loan by the EBRD will help six cities in Georgia acquire a new fleet of buses. The EBRD will help the cities to develop and implement Gender Action Plans to enhance equal opportunity policies and gender-responsive design and service provision. The project will also target regional inclusion in the transport sector by offering training to young women and men in less-developed regions of the country.

Related SDGs



Supporting the refugee response

As part of our response to the Syrian refugee crisis, we target refugees and host communities to help lessen pressure on social cohesion in host countries. Our support, including in Turkey and Jordan, is delivered through investments to alleviate the strain on public services. It also aims to increase employment opportunities through finance and advice to small businesses. Other examples of support include: programmes to facilitate economic participation through skills mapping and training, especially for young people and women.

Total donor contributions for the refugee response amounted to €140.5 million (as of the end of 2019) alongside total EBRD investments of €177.4 million as part of the overall €900 million financial package.

The following project was signed in December 2019 as part of the Municipal Resilience Refugee Response (MR3) Framework:

REFUGEE RESPONSE

Greater Amman Municipality (GAM) Solid Waste Crisis Response, transfer stations

The EBRD assisted the Greater Amman Municipality with the mobilisation of technical assistance. Al-Shaer WTS has been operating above capacity since 2014 largely due to the rapid growth in solid waste triggered by the Syrian refugee crisis.

In 2019, the Bank provided a loan of up to around €3 million to finance the expansion of the station.

The investment will significantly improve the current environmental and social conditions of the city by decreasing pollution, odours and nuisance as well as safeguarding health and safety for inhabitants.

Related SDGs



Human rights

The Bank's Environmental and Social Policy (ESP) and Performance Requirements (PRs) approved in 2019 reaffirm and further strengthen our commitment to the respect for human rights in our lending operations in general and in particular concerning the rights of workers, vulnerable people, the rights of customary land users and indigenous people, protection from gender-based violence and harassment, and retaliation.

Human rights due diligence is integrated into the EBRD's existing project review processes and the Bank requires its clients to identify the human rights risks in their projects. The EBRD will continue to avoid financing projects which it knows would contravene country obligations under international human rights treaties and agreements. In particular, the EBRD will not knowingly finance any project that involves or is associated with forced labour, harmful child labour or forced evictions under the Environmental and Social Policy.

Workers' rights

As part of the 2019 review of the Environmental and Social Policy, **Performance Requirement 2 on Labour and Working Conditions** was bolstered by increasing the emphasis on protecting vulnerable workers and ensuring access to effective grievance mechanisms. This includes, among other things, the explicit requirement for written contracts for all project workers, the reference to "fraudulent and abusive recruitment practices" as a key forced labour risk, and a more deliberate approach to safeguarding freedom of association and collective bargaining rights.

In early 2019, the Environment and Sustainability Department established a **Trade Union Communication Mechanism** to facilitate engagement between the EBRD and trades unions in the context of the projects it finances. Focusing on communication with global unions (the International Trade Union Confederation and the Global Union Federations) and their national and sectoral affiliates, it aims to systematise and accelerate communication relating to the aforementioned PR2 and PR4 (Health and Safety) compliance.

Vulnerable people

We have expanded the definition of project-affected vulnerable people and strengthened requirements for clients to identify those who may be disproportionately impacted by projects, such as young workers, people with disabilities, migrant workers and refugees, workers engaged by third parties, and workers in the client's supply chain. Early identification and meaningful engagement are essential for vulnerable groups to receive due consideration during environmental and social assessment. Tailored

mitigation measures are integral to environmental and social impact and risk management.

Land and livelihoods

The EBRD's commitment to not knowingly finance, directly or indirectly, projects involving forced evictions was elevated to the EBRD's Environmental and Social Exclusion List of activities precluded from EBRD financing. The revised **PR5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement** now provides detailed definitions of technical terms and more clarity on requirements, including those regarding forced eviction, provision of adequate housing, and assessment and management of impacts on women and vulnerable groups.

Indigenous people

Performance Requirements on Indigenous People (IP) have been revised and further clarified in the 2019 ESP in line with stakeholder comments and to align with other MDBs and Good International Practices.

A new PR7 Guidance Note is being prepared through a comprehensive consultation process with key international consultants and experts on IP issues, and after a detailed review of other MDB and industry guidance notes to support clients in future projects.

Gender-based violence and harassment

With the adoption of the ILO Convention C190 on the Elimination of Violence and Harassment in the World of Work, 2019 was a momentous year for the global endeavour to address gender-based violence and harassment.

Our new Environmental and Social Policy and Performance Requirements include a strong commitment and requirements for clients to adopt measures to effectively prevent and address any form of violence, harassment, including sexual harassment, exploitation and abuse, gender-based violence, bullying, intimidation, and/or exploitation.

Additional gender-based violence and harassment (GBVH) requirements specific to workers' protection and grievance mechanisms, as well as community safety, effectively make the EBRD's GBVH standards the strongest among its sister IFIs. This requires the development of a sound implementation framework to support the need for systematic screening for GBVH-related risks in project appraisals and improved mitigation plans and monitoring.

During 2019, we worked with CDC and IFC to develop good practice guidance for the private sector and provided initial training to EBRD staff to build capacity for the implementation of the new GBVH-related requirements. The launch of the Good Practice Note and additional training are planned for the first or second quarters of 2020.

We continued to provide updates on the implementation of the seven Principles endorsed by 10 IFIs in the April 2018 Joint Statement on Continuous Advancement of Standards to Prevent Harassment, Abuse, and Exploitation, a summary of which was published in DFID's Progress Report [Putting People First – Tackling Sexual Exploitation, Abuse and Harassment in the Aid Sector](#).

Retaliation

When allegations of retaliation on our projects are raised with the EBRD that do not *a priori* constitute a Coercive Practice under the Enforcement Policy and Procedures, the EBRD works with clients and other relevant parties to address them. In January 2019, the EBRD adopted its internal [Guidelines for EBRD Personnel on handling allegations of retaliation for criticism and complaints related to EBRD projects](#) to assist EBRD personnel to appropriately manage and respond to suspected reprisals towards external stakeholders critical of EBRD projects, such as project-affected communities, civil society organisations, human rights defenders, environmental activists, and so on.

The EBRD released a [statement](#) affirming that it does not tolerate actions by its clients or other project counterparties that amount to retaliation – including threats, intimidation, harassment, or violence – against those who voice their opinion regarding the activities of the Bank or its clients. The EBRD takes all credible allegations of reprisals seriously.

Social standards training

In 2019, we successfully delivered regional social risk management training to clients, consultants and other relevant stakeholders in the Georgia, Kyrgyz Republic, Turkey and Ukraine attended by over 200 representatives from public and private sector clients and consultants. This will be replicated across more regions in the coming year.

EBRD policy engagement and outreach

Green policy dialogue and engagement with civil society are both key to the EBRD's approach to investments across its regions. The Bank's internal good governance policies, as well as external principles on impact investing, are also fundamental.

Green policy engagement

A key part of the Bank's business approach is to integrate green finance with green policy dialogue. Green policy assignments aim to change the market framework conditions for green investments across all EBRD regions. The Bank engages with leading market and policy players including governments, municipalities, regulatory bodies and industry associations. We work with these stakeholders on numerous areas, such as market development for renewable energy; green city planning, climate resilience, carbon markets, the circular economy, and environmental practices and standards. Since 2009, the Bank has engaged in 407 green policy assignments across 35 economies where we invest.

2019 highlights

20

countries were supported on green policy dialogue

31

green laws, regulations and strategic documents were developed

REGIONAL

Scaling circular economy finance

In 2019, the EBRD co-authored the report "Accelerating the Transition to the Circular Economy", published by the Directorate-General for Research and Innovation in the European Commission. The report is the product of the EBRD's contributions to the Expert Group on Circular Economy Finance, which consists of EU representatives, multilateral development banks (MDBs), commercial banks, pension funds, civil society organisations (CSOs) and key private sector operators with expertise in the circular economy. The report published three sets of recommendations for scaling

2019.sr-ebd.com/ebd-policy-engagement-and-outreach/

up circular economy finance for financial institutions and policymakers. The report will feed into EU discussions on its updated Circular Economy Strategy as well as the taxonomy on sustainable finance.

CLIMATE RESILIENCE

International Hydropower Association's Climate Resilience Guide

The EBRD, along with the World Bank, provided technical and financial support for the launch of the Hydropower Climate Resilience Guide at the World Hydropower Congress in Paris in May. The guide – the first of its kind – condenses industry best practices on climate risk management and climate resilience for hydropower owners, operators and developers. The EBRD's experience in climate resilience hydropower investments in Albania, Georgia and Tajikistan helped shape the guide from an emerging market perspective. In 2019, the EBRD started using the guide in preparing investments in Kazakhstan, Morocco and Uzbekistan.

TURKEY

Developing carbon markets

CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) is one of several measures the UN International Civil Aviation Organisation envisions for carbon-neutral growth of the international aviation sector from 2020.

In 2019, we supported Turkey in implementing CORSIA. We provided recommendations on how to undertake carbon accounting to ensure environmental integrity. Taking account of Turkey's domestic carbon-credit projects, we also conducted an analysis of carbon credit supply and demand scenarios. We are also providing recommendations around CORSIA through carbon market engagements in other countries, including Jordan and Kazakhstan.

CIRCULAR ECONOMY

Promoting sustainable practices in food retail

The EBRD, in partnership with Food and Agriculture Organization of the United Nations (FAO), launched its first food loss and waste (FLW) pilot project. It promotes best practices and possible solutions to integrate the circular economy approach into the food supply chain engaging in the private and public sector in Turkey and Greece. The project was launched with a major loan to the Schwarz Group in 2018 and the FLW Guidelines were published in November 2019 after a comprehensive stakeholder engagement process. These showcase good sector practices as well as potential investment opportunities and should serve policymakers, investors and businesses. They will also help inform the EBRD of the role it can play in pursuing the wider food waste and circular economy agendas in those countries and constitute the foundation for future activities in the sector.

Civil society organisations

Together with governments, private sector representatives and clients, the Bank engages proactively with civil society organisations (CSOs) to implement its transition mandate and build effective coalitions to address challenges faced by its countries of operations. Civil society actors can help the Bank to deliver impact-oriented, targeted projects and policy work in transition countries. Civil society helps deliver impact-oriented, targeted projects and policy work in transition countries. Civil society contributes to the EBRD's work by:

- highlighting issues related to social and governance challenges through their local knowledge
- offering valuable technical expertise and insights to supplement available data
- suggesting innovative approaches and providing important perspectives regarding the EBRD's projects, policies and policy dialogue initiatives.

To maintain regular strategic dialogue with civil society, the Bank's Civil Society Engagement Unit (CSEU) continued to organise and facilitate consultation workshops, post the Bank's draft strategies on our website and to seek feedback through our new [Consultation Hub](#). The Bank considers this feedback when shaping assessments and decisions on policies and country and sectoral strategies, alongside comments from shareholder governments, clients and other interested parties. This year, three draft policies and 14 strategies were reviewed and approved.

Through the [Civil Society Capacity Enhancement Framework](#) the Bank seeks to establish partnerships and provide support to a wide range of civil society organisations (CSOs). In 2019 our projects focused on enhancing the capacities of local community and CSOs to promote the sustainable use of energy and resources, economic inclusion, good governance and transparency, while mainstreaming gender equality. We delivered on SDGs 5, 7, 8, 13, 16 and 17 by providing training, raising awareness and improving the organisational capacities.

Highlights

- We organised around 90 meetings and events, in which more than 1,300 civil society stakeholders participated.
- We engaged in dialogue with international and local CSOs from up to 21 countries by providing information on about 84 requests.
- 184 civil society members from 35 countries registered for the Bank's civil society programme at the Annual Meeting and Business Forum.
- The Bank's CEFR comprises 27 TC projects worth around €4.6 million in 2019 in the sectors of sustainable energy and resources, economic inclusion, and good governance and transparency.
- Our capacity-building programmes benefited nearly 14,000 civil society and community representatives.

REGIONAL

Enhancing the capacity of civil society on anti-corruption and good governance

In partnership with the United Nations Office on Drugs and Crime (UNODC), the EBRD finalised in 2019 a capacity-building project for CSOs in the Western Balkans. It strengthened their role in public oversight and collaboration with the private sector as a partner in the implementation of the United Nations Convention on Anti-Corruption. Following the completion of the pilot project, the EBRD and UNODC formed a sustainable partnership by signing a Memorandum of Understanding, which led to further cooperation.

Related SDGs



Review of the Bank's Good Governance Policies

The three 2014 EBRD Good Governance Policies; namely the Environmental and Social Policy (ESP) and Public Information Policy (PIP) and the Project Complaint Mechanism (PCM) Rules of Procedure, were reviewed, following an extensive consultation with EBRD stakeholders, including civil society organisations, industry associations, community representatives from regions where the Bank operates, clients, other international financial institutions and international organisations. The review of the Good Governance Policies was an important event for the Bank as a whole, and for our shareholders and stakeholders. The review process involved careful consideration of evolving practices within the development finance space; the desires of our shareholders, the desires of civil society organisations; and lessons learned within our institution. The review of these policies allowed us to take a comprehensive overview of how the EBRD views and implements its sustainability mandate, and how it responds to the associated opportunities and challenges.

The public consultation process consisted of eight consultation meetings, seven in the EBRD regions and one in London. The public consultation meetings were well attended with over 500 participants in total. This was the largest consultation process in the history of the Bank, and we are proud to have been able to engage with such a diverse range of stakeholders on our environmental, social, transparency and accountability commitments moving forward. The policies were greatly improved as a response to the feedback and comments received during the consultation from the public, civil society organisations and a wide range of other stakeholders. We aimed to ensure that the three Good Governance Policies correspond to external views on sustainability, respond to the expectations of our stakeholders and promote responsible and forward-looking approaches in all our actions, and among our clients and partners.

The new policies embrace the Bank's desire to further mainstream transparency, accountability, gender, inclusion and climate change into our policies and operations. We are proud to be the first MDB to have introduced requirements relating to current and important topics such as gender-based violence, modern slavery and antimicrobial resistance in our Environmental and Social Policy, moved the dial of our transparency to align ourselves further with the IFI best practice and established a next-generation accountability mechanism that responds to feedback.

The [Environmental and Social Policy](#) (ESP) guides the EBRD's commitment to promoting “environmentally sound and sustainable development” in the full range of its investment and technical cooperation activities. It sets out the ways in which we implement this commitment in practice and on our projects. We maintained the existing architecture and approach to environmental and social safeguards, with a focus on clarifying language and ensuring alignment with other international financial institutions. Updates and changes included new requirements for assessing climate risks, clarifying the approach relating to supply chains, strengthening requirements for identification of vulnerable groups, and strengthening consideration of gender.

The [Access to Information Policy](#) (AIP) replaces the previous Public Information Policy and demonstrates the EBRD's commitment to enhance the transparency of its activities and promote good governance through concrete actions. The AIP provides for greater disclosure both at the institutional and project-specific levels. This includes additional institutional information relating to environmental, social and governance matters, and disclosure of Project Summary Documents for all projects.

The [Project Accountability Policy](#) (PAP) (formerly the PCM Rules of Procedure) outlines how environmental, social and transparency concerns regarding Bank projects can be independently reviewed and addressed. The PAP will be implemented by the [Independent Project Accountability Mechanism](#) (IPAM), which is replacing the current Project Complaint Mechanism (PCM) as the accountability mechanism of the Bank.

The revision of these policies represented the most extensive policy consultation process the Bank has undertaken to date. It took into account lessons learned during implementation, international practice and consultation feedback from stakeholders. Public consultations on the draft policies were conducted across eight cities ([Almaty](#), [Belgrade](#), [Cairo](#), [Casablanca](#), [Istanbul](#), [Kyiv](#), [London](#) and [Tbilisi](#)) with outreach to civil society organisations, industry associations, community representatives from countries of operations, clients, other international financial institutions and organisations. Over 500 EBRD stakeholders provided comments over an 18 month period.

The 2019 Environmental and Social Policy and related Performance Requirements were approved by the EBRD Board of Directors on 25 April 2019 and apply to projects initiated after 1 January 2020. The Policy will be reviewed in 2024.

Impact investing

All EBRD transactions must demonstrate sound banking, [additionality](#) and [transition impact](#). As well as being commercially viable, the impact on the company or market where the investment occurs must be measurable. This makes the EBRD one of the original “impact investors” and demonstrates our dedication to scaling up private finance to address development needs in emerging markets.

In a further commitment to these aims, the EBRD signed up to the [IFC's Operating Principles for Impact Management](#). Launched in April 2019, these apply to the system of impact management investors use to screen, select, structure, monitor and report on impact investments. Our commitment as a signatory is to publish an annual independently verified disclosure statement. This will describe the extent to which the EBRD's impact management system is aligned with the operating principles. We will publish our first disclosure statement by April 2020.

Antimicrobial resistance

Antimicrobial resistance, or AMR, represents a critical challenge for the EBRD's regions, if they are to achieve the SDGs. In light of this, the EBRD's revised Environmental and Social Policy [promotes](#) good international practices to prevent the proliferation of AMR – the rapid spread of multidrug-resistant organisms that means we may not be able to treat everyday infections or diseases with antibiotics in the near future.

The EBRD has been engaging with the issue since the 2016 UN Declaration to combat AMR proliferation. As it is a complex and cross-sectoral subject, the Bank has developed collaborative networks with AMR experts in the WHO, World Bank, OECD, the British Society for Antimicrobial Chemotherapy (BSAC) and UK academics.

The EBRD's leadership in combating the spread of AMR was highlighted at the G20 Health Ministers' meeting in Okayama, Japan in October. The [declaration](#) adopted by the ministers recommended that other MDBs follow the EBRD's lead.

“We recognise the leadership shown recently by the EBRD in the introduction of their new 2019 Environmental and Social Policy which – for the first time – includes loan conditions designated to mitigate the risk of AMR”.

In November, the EBRD held an international AMR conference in London, together with Aviva Investors and the BSAC, to further engage with industry and investment communities to address the issue. In October, the Bank and the BSAC organised an AMR capacity-building workshop in Georgia. In December, the Bank and international AMR experts organised an AMR capacity-building workshop in Turkey and published an Arabic AMR awareness brochure for Syrian refugees. The Bank is grateful to the Japanese government for supporting a consultant medical expert to provide technical advice for the Bank's AMR engagement.

Investor information: Green and Social Bonds

While all EBRD bonds can be considered socially responsible investments, since 2010 the Bank has earmarked portfolios of green projects and social projects against which the proceeds of its Green Bonds and Social Bonds are allocated and tracked.

EBRD Green and Social Bonds

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. All of the EBRD’s Green Bonds and Social Bonds are aligned with the GBPs or SBPs.

Introduction

The EBRD strives for a high standard of sustainable development in all its operations, as reflected in its mandate, its [Environmental and Social Policy](#) and its [Sustainability Statement](#), and thus all of our 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.

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 UN Sustainable Development Goals (SDGs). In particular Green and Social Bonds – whose proceeds exclusively go 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. As an issuer of Green and Social Bonds, and together with other MDBs, we seek to establish harmonised best practices for this market. All our Green Bonds and Social Bonds are aligned 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 we

are currently serving on the GBP SBP Executive Committee and on various working groups.

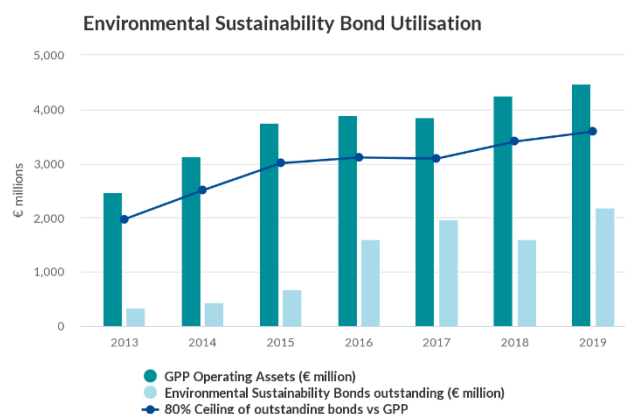
EBRD Green Bond issuance

The EBRD issues three different types of Green Bonds that are all aligned with the GBP. All of our Green Bonds are underpinned by projects that have been scrutinised by our Environment and Sustainability Department (ESD). New, eligible projects are not only required to comply with the EBRD Environmental and Social Policy (ESP), but must also meet specific hurdles under the Green Economy Transition (GET) strategy as well as strict selection criteria for one of the three types of Green Bonds. In addition, all eligible projects are re-assessed 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 seek to ensure that the operating assets of each portfolio exceed the related Green Bond proceeds.

Our Green Bonds allow us to highlight the importance we place on environmentally sound and sustainable development while fulfilling core elements of our mandate.

Environmental Sustainability Bonds

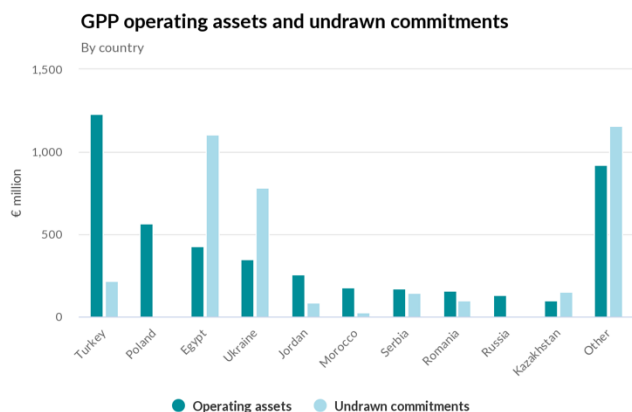
Environmental Sustainability Bonds (ESBs) have been issued since 2010. These are bonds issued against a Green Project Portfolio (GPP) of our greenest assets. We have issued an aggregate amount of €4.167 billion. The table below shows the annual euro equivalent issuance.



Green Project Portfolio

The GPP can potentially cover all project categories listed as examples under the GBP, however, the focus is on: renewable energy, energy efficiency, water and waste management, as well as air pollution prevention (sustainable transport). The charts below show the year-end 2019 GPP composition:

Total operating assets as at 31 December 2019	€4.49 billion
Total undisbursed commitments as at 31 December 2019	€3.77 billion
Number of projects	380
Weighted average remaining life	10.19 years
Weighted average tenor	13.06 years
Weighted average age of the GPP from signing as at 31 December 2019	2.88 years
Total committed amounts approved in 2019	€1.7 billion
Total of new operating assets approved in 2019	€416 million
Total of undisbursed commitments approved in 2019	€1.29 billion



Read more about our [Green Bond Issuance on ebrd.com](https://www.ebrd.com/green-bond-issuance)

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. The proceeds from the bond, which saw demand from approximately 40 investors in 15 countries, seek to finance the Bank’s existing and new climate resilience projects. This US dollar benchmark bond was issued in September 2019: US\$ 700 million at 1.625 per cent due September 2024.

The EBRD’s Climate Resilience Bond was issued in accordance with the four core requirements of the GBP to fund projects earmarked for the Climate Resilience Portfolio (CRPP) that are selected and managed in alignment with the Climate Bonds Initiative’s Climate Resilience Principles (CRPs), published in September 2019. These will typically fall under one of three categories:

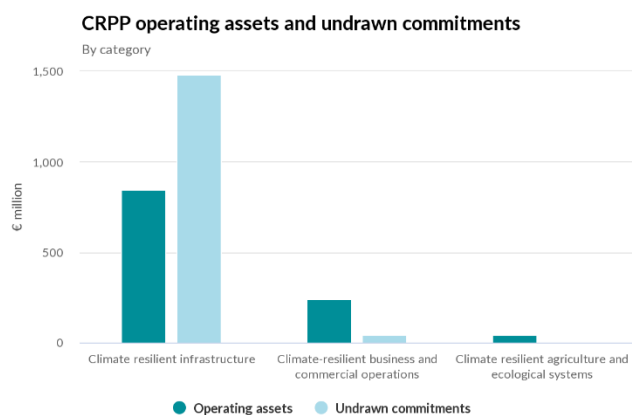
- climate resilient infrastructure (for example, water, energy, transport, communications and urban infrastructure)
- climate resilient business and commercial operations
- climate resilient agriculture and ecological systems.

Currently, the EBRD has a portfolio of some €2.65 billion in climate resilient projects. Examples include the Qairokkum hydropower upgrade in Tajikistan and the Saïss water conservation project in Morocco.

The projects in the CRPP focus on the GBP category of “climate change adaptation”. The charts and table below show the 2019 year-end CRPP composition:

Total operating assets as at 31 December 2019	€1.13 billion
Total undisbursed commitments as at 31 December 2019	€1.53 billion
Number of projects	63
Weighted average remaining life	10.93 years
Weighted average tenor	14.84 years
Weighted average age of the CRPP from signing as at 31 December 2019	3.91 years
Total committed amounts approved in 2019	€488 million
Total of new operating assets approved in 2019	€12 million
Total of undisbursed commitments approved in 2019	€476 million

EBRD Sustainability Report 2019



Download the following documents:

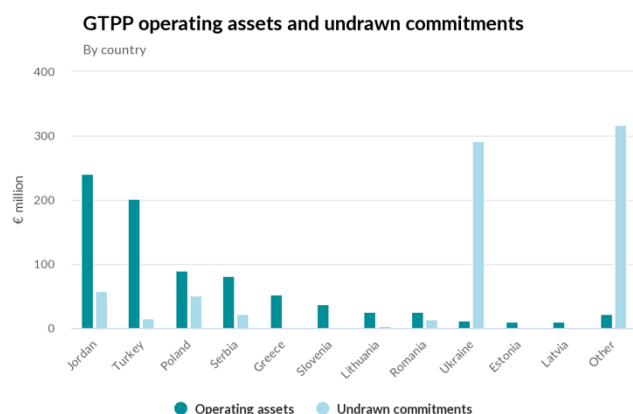
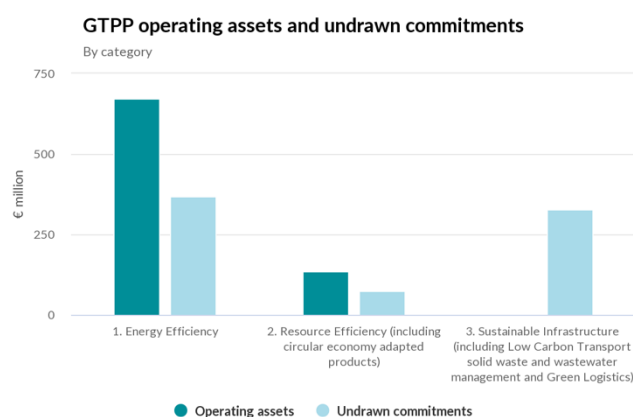
- Climate Resilience Bonds/Green Bond Programme Framework [Information Template](#)
- [Investor material](#)
- [Frequently asked questions](#)

Green Transition Bonds

In 2019, the EBRD also promoted Green Transition Bonds (GTB) in alignment with the GBP with its inaugural five year euro issuance. The proceeds of the Bank's GTB finance a Green Transition Project Portfolio (GTPP) focusing on key sectors of the economy, which are currently highly dependent on the use of fossil fuels, to enable their transition to low carbon and resource-efficient operations. The benchmark bond was issued in October 2019 – €500 million 0.000 per cent due October 2024 – and was subsequently increased twice to €625 million.

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 85 per cent of the portfolio operating assets: energy efficiency, renewable energy and green buildings. The charts and table below show the 2019 year-end GTPP composition:

Total operating assets as at 31 December 2019	€808 million
Total undisbursed commitments as at 31 December 2019	€773 million
Number of projects	34
Weighted average remaining life	9.74 years
Weighted average tenor	11.39 years
Weighted average age of the GTPP from signing as at 31 December 2019	1.69 years
Total committed amounts approved in 2019	€273 million
Total of new operating assets approved in 2019	€205 million
Total of undisbursed commitments approved in 2019	€68 million



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 Bonds that are both aligned with the SBPs.

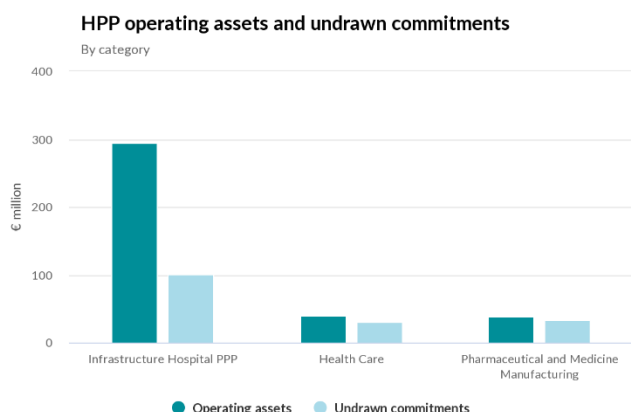
Health Bonds

In 2018, the Bank issued its inaugural EBRD Health Bond (HB) that finances projects that seek to improve access to, and the quality of, health services and pharmaceutical products. The HB, a 10-year Polish zloty 317 million note, was privately placed.

Our 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, 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 charts and table below show the 2019 year-end HPP composition:

Total operating assets as at 31 December 2019	€372 million
Total undisbursed commitments as at 31 December 2019	€164 million
Number of projects	35
Weighted average remaining life	12.07 years
Weighted average tenor	15.26 years
Weighted average age of the HPP from signing as at 31 December 2019	3.2 years
Total committed amounts approved in 2019	€64 million
Total of new operating assets approved in 2019	€13 million
Total of undisbursed commitments approved in 2019	€51 million



Country	Operating assets € million	Undrawn commitments € million
Turkey	294	90
Egypt	15	6
Georgia	13	2
Ukraine	12	21
Jordan	12	0
Uzbekistan	9	8
Albania	5	0
Mongolia	4	2
Tunisia	4	0
Other	3	35

Download the following documents:

- EBRD Social Bond presentation, including Social Bond [Framework](#)

Microfinance Bonds

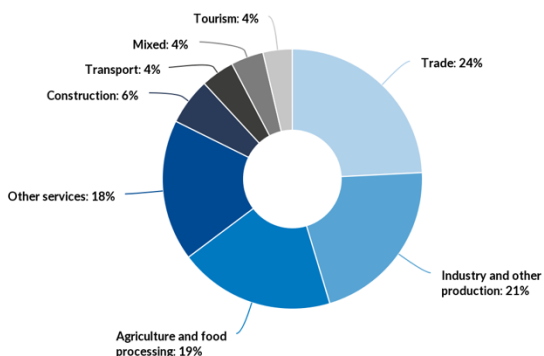
The Bank issued its inaugural Microfinance Bonds (MBs) in 2010. The proceeds are dedicated to support the smallest loans provided under the EBRD Small Business Initiative (SBI). This strategic initiative builds on our long experience in this field and provides a range of flexible instruments that are combined into integrated products to help SMEs. Apart from funding MSMEs, the proceeds to financial institutions are mostly earmarked for specific target groups for example, specific 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 MB funds a selected microfinance portfolio (MFP) that is disbursed via our network of more than 200 partnering local financial institutions, which helps us reach hundreds of thousands of enterprises every year. The average individual sub-loan size to the end-client amounted to less than €5,000 (as at year-end 2019). Technical assistance (often through donor funding) typically accompanies these programmes to help our local partner banks adapt the way they do business with small clients for the long term, creating sustainable outcomes. The charts and table below show the 2019 year end MFP composition:

Portfolio	€1,966 million
Operating Assets	€1,212 million
Number of "Unique" Clients	116
Number of Active EBRD Projects	212
Average sized Sub-loan	< €5,000
Weighted Average Tenor	4.9 years
Weighted Average Remaining Life	3 years
Weighted Average Margin	2.30%

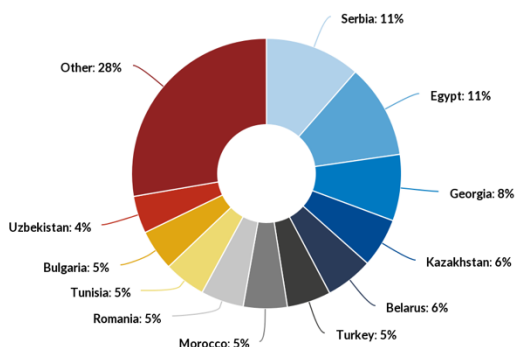
MFBs operating assets

By industry



MFBs operating assets

By country



Download the following documents:

- EBRD Social Bond presentation, including Social Bond [Framework](#)

Supporting Green Transition through a Green Bond

The long-term sustainability challenges that the planet is facing cannot be solved without substantial progress towards decarbonisation and improved resource efficiency in key sectors that are currently highly dependent on fossil fuels. After all, electric cars, wind farm turbines and green buildings all depend on energy-intensive steel and cement production, and the manufacture of solar panels, and the batteries for electric cars remains very energy and resource intensive.

In identifying investments to be funded through our Green Transition Bonds, we shifted our focus to projects that finance significant resource improvements in the manufacturing sector, and in particular in chemical, cement and steel production; food production; in agribusiness and sustainable land use; in transport systems; and in the construction and renovation of buildings. In the selection of projects, however, it was important to ensure that they avoid locking in a carbon-intensive asset or process for the longer term. This necessarily excluded new fossil fuel electricity generation, however, we determined that where significant CO₂ reductions could be made by switching from old and inefficient oil and coal facilities to gas, this would be compatible with the transition objectives if the project employs the best available technology, and there is no feasible alternative for that specific location. This also serves to recognise the marked benefits of gas over solid fuels in reducing particulate matter.

Of vital importance in assessing Green Transition investments is to go beyond the typical green bond focus on the environmental sustainability objectives of the projects, and to also contextualise the investments within the overarching mandate, strategies and policies of each borrower. In high-emitting and resource-intensive economic sectors, regardless of how material the environmental benefit of a project purports to be, we believe that it can only be credibly deemed “transitional” if the relevant borrower commits to implement measures to improve their organisation’s climate governance and sustainability. The assessment of the benefits of each project must therefore be complemented by an analysis of the borrower’s current understanding, processes, policies and strategy governing environmental sustainability, as well as their wherewithal to achieve the organisation’s improved climate governance consistent with the project’s Green Transition objectives.

Impact, outcome and output reporting

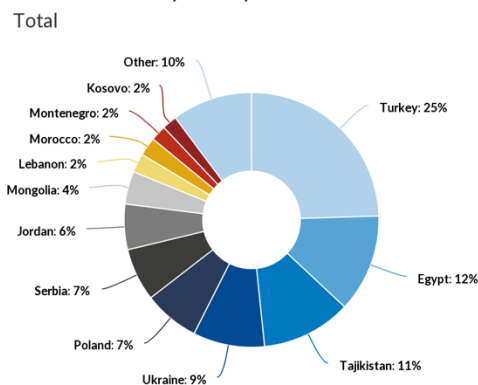
The expected impacts, outcomes and outputs for all of the project portfolios that underlie the EBRD’s Green and Social Bonds are based on the committed investment amounts. Given the EBRD’s focus on a holistic project review, the data is presented on a full project basis as well as pro rata to the EBRD’s 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 (GPP)

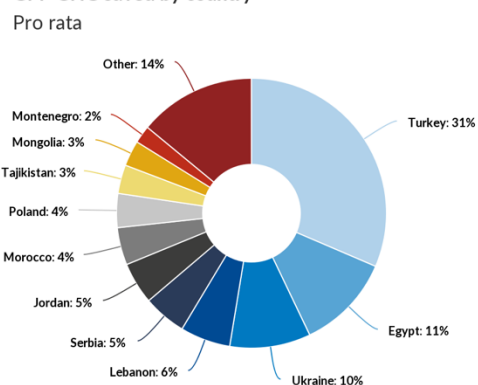
The GPP comprises investments in renewable energy, energy efficiency, water, waste and sustainable transport projects.

	Total Impact	Pro rata Impact
Climate Projects (54% of committed amount)		
Greenhouse Gas reduced (million tons CO ₂ equivalent annually)	14	5
Capacity Installed (Gigawatt)	4.1	1.3
Primary Energy Saved (million Gigajoule annually)	96	32
Water Projects and Waste Management Projects (16% of committed amount)		
Benefitting People (million)	23	12
Water savings (million m ³ annually)	210	135
Waste water treated (million m ³ annually)	184	90
Reduce waste disposal and improve recycling (million tonnes annually)	4	2.1
Sustainable Transportation Projects (29% of committed amount)		
Reduction in Particulate Matter (tonnes annually)	17	8.9
Reduction in Nitrogen Oxides (tonnes annually)	239	157

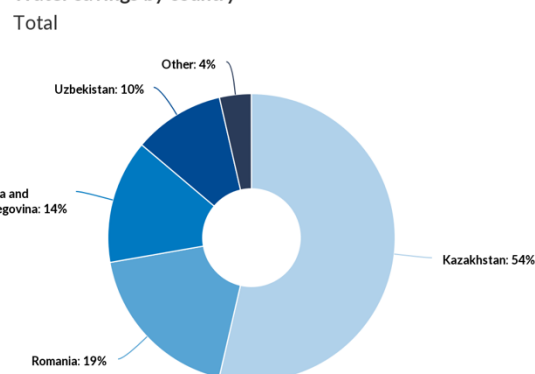
GPP GHG saved by country



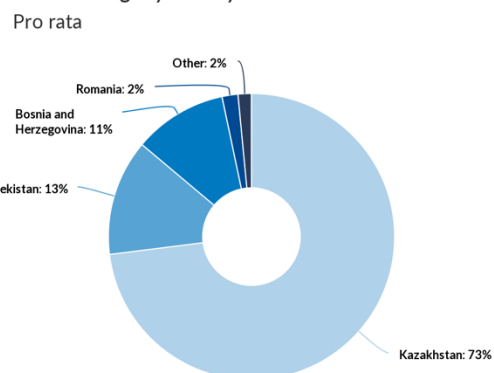
GPP GHG saved by country



Water savings by country



Water savings by country



Climate Resilience Project Portfolio (CRPP)

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 m³/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 only 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, expressed in monetary terms.

Summary table 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	12	42	7	8	63	2,653
		Portfolio amount (€ million)	1,572	535	177	367		
Climate resilience outcomes	Increased water availability	Number of projects (w. quantitative outcomes)	0	51 (34)	0	2 (1)	53	541
		Physical climate resilience outcomes (Δ million m ³ /yr)	0	600	0	2		
		Valorised climate resilience outcomes (€ million/year)	0	616	0	4.1		
	Increased energy availability	Number of projects (w. quantitative outcomes)	0	0	6 (2)	7 (0)	13	479
		Physical climate resilience outcomes (Δ million GWh/yr)	0	0	21	0		
		Valorised climate resilience outcomes (€ million/year)	0	0	2	0		
	Increased agricultural potential	Number of projects (w. quantitative outcomes)	0	0	0	0	1	1
		Physical climate resilience outcomes (Δ million tonnes/yr)	0	0	0	0		
		Valorised climate resilience outcomes (€ million/year)	0	0	0	0		
	Improved human health/productivity	Number of projects (w. quantitative outcomes)	2 (2)	0	4 (0)	0	6	80
		Physical climate resilience outcomes (Δ million QALYs)	4,000	0	0	0		
		Valorised climate resilience outcomes (€ million/year)	56	0	0	0		
	Reduced weather-related disruption	Number of projects (w. quantitative outcomes)	14 (4)	0	0	1 (1)	15	809
		Physical climate resilience outcomes (days/yr)	82	0	0	14		
		Valorised climate resilience outcomes (€ million/year)	22	0	0	0.1		
	Reduced weather-related damage	Number of projects (w. quantitative outcomes)	15 (3)	0	3 (0)	0	18	742
		Physical climate resilience outcomes	n/a	0	0	0		
		Valorised climate resilience outcomes (€ million/year)	10	0	0	0		

Summary table 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		Number of projects (w. quantitative outcomes)	0	51 (34)	0	2 (1)	0
	Increased water availability	Physical climate resilience outcomes (Δ million m ³ /yr)	0	484	0	1	0
		Valorised climate resilience outcomes (€ million/year)	0	477	0	2	0
			Number of projects (w. quantitative outcomes)	0	0	6 (2)	7 (0)
	Increased energy availability	Physical climate resilience outcomes (Δ million GWh/yr)	0	0	7	0	0
		Valorised climate resilience outcomes (€ million/year)	0	0	1	0	0
			Number of projects (w. quantitative outcomes)	0	0	0	0
	Increased agricultural potential	Physical climate resilience outcomes (Δ million tonnes/yr)	0	0	0	0	0
		Valorised climate resilience outcomes (€ million/year)	0	0	0	0	0
			Number of projects (w. quantitative outcomes)	2 (2)	0	4 (0)	0
	Improved human health/productivity	Physical climate resilience outcomes (Δ million QALYs)	915	0	0	0	0
		Valorised climate resilience outcomes (€ million/year)	15	0	0	0	0
			Number of projects (w. quantitative outcomes)	14 (4)	0	0	1 (1)
	Reduced weather-related disruption	Physical climate resilience outcomes (days/yr)	12	0	0	4	0
		Valorised climate resilience outcomes (€ million/year)	3	0	0	0.03	0
			Number of projects (w. quantitative outcomes)	15 (3)	0	3 (0)	0
	Reduced weather-related damage	Physical climate resilience outcomes	n/a	0	0	0	0
		Valorised climate resilience outcomes (€ million/year)	2	0	0	0	0

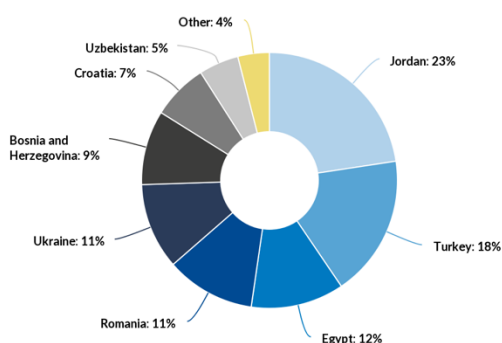
Green Transition Project Portfolio (GTPP)

The current key impact metric for the GTPP is GHG savings, however, further metrics will be considered going forward. The GTPP's CO₂ equivalent savings are split into three main categories:

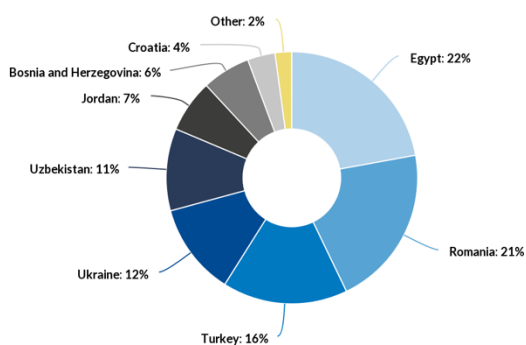
1. energy efficiency
2. resource efficiency (including circular economy adapted products)
3. sustainable infrastructure (including low carbon transport, solid waste and waste management, and green logistics).

GHG savings are achieved by the GTPP portfolio primarily through energy efficiency, which is associated with over 85 per cent of total savings (2.1 million tonnes of GHG annually, with a pro rata share equivalent of 1 million tonnes GHG per year).

CO₂ equivalent savings
Total



CO₂ equivalent savings
Pro rata



Healthcare Project Portfolio (HPP)

Over 85 per cent of the HPP committed amount is allocated toward Infrastructure Hospital PPP and Healthcare projects, with the remaining 15 per cent focused on Pharmaceutical and Medicine Manufacturing.

	Number of beds	Pro rata
Infrastructure Hospital PPP	6,883	805
Turkey	6,883	805
Bosnia and Herzegovina	0	0
Healthcare	790	281
Egypt	261	159
Albania	220	50
Georgia	219	38
Mongolia	90	33

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 because baselines (and base years) and calculation methods may vary.

Projects will have a wider range of impacts than are 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 continuously works on updating reporting methodologies in order to provide the most accurate and complete view of impacts that are presented within the presentation.

Assurance and disclosures

This section demonstrates how the EBRD is committed to:

High standard of assurance

Delivering a high standard of assurance through robust due diligence and effective project monitoring

Health and safety

Prioritising health and safety in the projects it finances

Investigating complaints

Maintaining a rigorous process for investigating complaints about our projects.

The Bank's policies

All projects are appraised against the [Bank's Environmental and Social Policy and Performance Requirements](#). The project's size, location and potential environmental and social impacts are all taken into account. In 2019 the EBRD [undertook a review](#) of its Environmental and Social Policy, its Access to Information Policy and its Independent Project Accountability Mechanism. These revised policies will apply from 2020.

If an appraisal reveals a project would not be fully compliant with our requirements, the EBRD will agree 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 more detail [below](#)). Any approved [derogations](#) are detailed in this report.

Performance Requirement ⁵	% of projects
PR1: Assessment and Management of Environmental and Social Impacts and Issues	100
PR2: Labour and Working Conditions	100
PR3: Resource Efficiency and Pollution Prevention Control	97
PR4: Health and Safety	97
PR5: Land Acquisition and Involuntary Resettlement and Economic Displacement	35
PR6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	52
PR7: Indigenous Peoples	0
PR8: Cultural Heritage	35
PR10: Information Disclosure and Stakeholder Engagement	94

Results in 2019

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 environmental and social impacts, requiring a detailed participatory assessment process
- **Category B projects:** those with environmental and social 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 environmental and social risks.

Environmental and social due diligence category (2019 signings)

Environmental and Social category	Number of projects	% by number of projects
Category A	16	3%
Category B	220	39%
Category C	31	6%
Category FI	292	52%

⁵ Indicative numbers only. Includes Trade facilitation. Please see the EBRD's [Annual Review](#) for total investments. 2019.sr-brd.com/assurance-and-disclosures/

GET assurance process

The Green Economy Transition (GET) approach aims to increase the Bank’s green financing to 40 per cent of total EBRD financing by 2020. This is expected to correspond to GET financing of up to €18 billion over the period 2016-20, or to over €4 billion annually by 2020. GET investments can be categorised as projects that deliver climate mitigation, climate resilience, and other environmental benefits.

We assess 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 the 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.

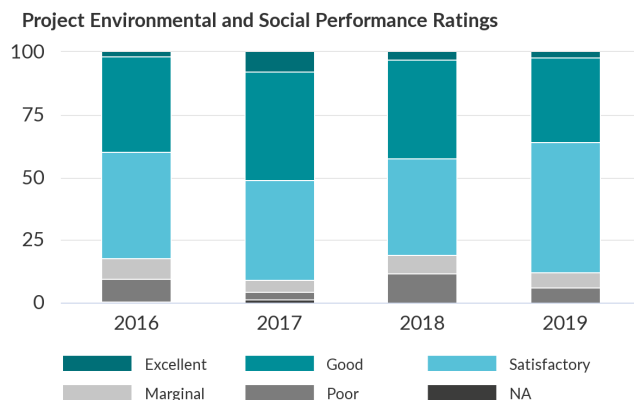
Three EBRD departments: Environment and Sustainability, Energy Efficiency and Climate Change, and Economics, Policy and Governance assess which projects and projects components qualify for GET at weekly “Clearing House” meetings.

For more information on how the Bank implements the GET approach, see [here](#).

Measuring and monitoring performance

The environmental and social 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.

We require each of our clients to provide us with a report – at least annually – on their environmental and social performance and the implementation of applicable Environmental and Social Action Plans (ESAPs). Additional monitoring and supervision is determined on a case-by-case basis depending on the risks and impacts associated with the projects and the client’s capability to manage those risks and impacts.



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 environmental and social Performance Requirements (PRs) over time. The objectives of this work are:

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

Compliance with the main components of each PR 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 Environmental and Social Action Plan (ESAP). By tracking projects over time, we aim to be able to demonstrate changes in performance as EBRD investments and associated ESAPs are implemented.

The chart above shows the spread of ratings for projects signed last year for which data is available and the table shows the percentage of these projects that have triggered each of the Performance Requirements.

Greenhouse gas (GHG) assessment for 2019

Our GHG assessment provides an estimate of the net carbon footprint that will result from EBRD-financed projects signed during a representative year, once the 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 (EIAs), energy audits and, in some cases, calculations carried out by our engineers. Find out more about our GHG reporting and how we assess it [here](#).

Category	Number of investments above significance threshold ⁶	GHG impact compared with the baseline scenario (ktCO ₂ e per year)
Renewable energy	19	-2,968
Energy efficiency	4	-341
Waste and wastewater	2	-239
Lower carbon and efficient energy generation	2	-128
Low-carbon technologies	1	-156
Agriculture, aquaculture, forestry and land use	1	-44
Public transport	1	-41
Greenfield (new build)	2	2,520
Total	32	-1,432

⁶ GHG assessments are carried out for projects that are likely to result in emission increases or decreases of more than 25kt CO₂e. Details of the EBRD's greenhouse gas emission methodology are available as above.

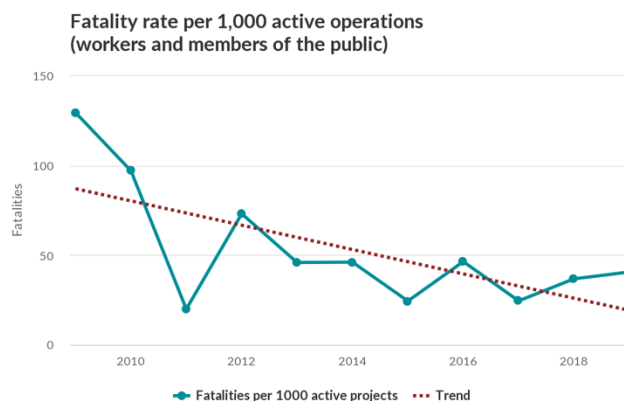
Health and safety

The EBRD is committed to protecting workers and project-affected communities from risks created by and associated with client operations. Our health and safety requirements contained within our [Environmental and Social Policy](#) are in line with international principles and set the standards expected across all our investments. We are actively engaged in technical cooperation to promote road safety and health and safety with clients and others operating across our regions and have witnessed a steady decline in fatalities over the last decade.

Action to avoid fatalities

The EBRD has been helping clients avoid serious accidents and fatalities. The Bank has collected 11 years of accident data from projects. By analysing the underlying causes of these accidents, we have been able to develop targeted responses, mobilise donor funding and provide clients with the necessary training and support.

The data shows a downward trend in fatal accidents reported. There were 129.5 fatalities per 1,000 active operations in 2009, compared with 40.6 fatalities per 1,000 active operations in 2019. The number of clients reporting fatal accidents per 1,000 active operations (not including vehicle collisions) has also decreased from its peak of 32 in 2013, to 25 in 2019.



In 2019, a total of 98 fatalities were reported to the Bank across its portfolio of investments from 43 clients. Many of these fatalities occurred in previous years but have only now been reported. The data in the chart above has been appropriately adjusted to provide actual figures for each year since 2009. Actual figures for 2019 are 85 fatalities from 34 clients. This data may be subject to change should there also be late reporting of accidents in future years. The Bank was informed of three significant events which

2019 marks the 14th consecutive year in which our investments have been forecast to deliver aggregate GHG savings.

resulted in multiple fatalities in 2019. One of these included an empty locomotive striking the buffers at a main station at high speed – resulting in 22 fatalities. Due to the high number of fatal injuries from this accident and other events which have occurred, the Bank is currently engaging with its client to look at human factors and to influence the behaviour of critical workers such as train operators.

Technical cooperation

In 2019, the EBRD undertook 25 technical cooperation (TC) assignments to Bank clients and others on health and safety and road safety totalling €300,607 and €584,750, respectively. Over the past three years we trained 382 workers in eight countries, audited 999.99 kilometres of roads in 12 countries, resulting in 248 safety recommendations.

Supporting the Sustainable Development Goals, in particular Goal 8.8 and 3.6 and 11.2, is key to the Bank’s work on occupational health and safety (OHS) and road safety. In line with this, we are continually ramping up training through TC assignments, with a belief they can impact projects at the grassroots level.

Technical cooperation assignments and value implemented between 2015-19

	2015	2016	2017	2018	2019
Health and safety	4	4	8	9	12
Road safety	3	6	12	14	13
Value	€488,171	€372,635	€951,552	€821,495	€885,442

The EBRD’s fifth Health and Safety Meeting in October attracted more IFIs than ever before. We welcomed nearly 50 participants from institutions including the World Bank, ADB, EIB, AfDB, AIIB, IFC and many more. The event, which was held at our London Headquarters, included presentations on construction health and safety, road safety and incident reporting. A small group also visited a local construction project which implements best international practice and participants discussed key issues and challenges on project investments.

382
Workers trained

300,607
Value of health and safety assignments (euros)

584,750
Value of road safety assignments (euros)


999.9
Kilometres of road audited

HEALTH AND SAFETY | KYRGYZ REPUBLIC

Seat belt use in Bishkek

In 2019 the Bank was involved with raising awareness among drivers and parents in Bishkek of the importance of using seat belts and child restraints. The assignment commenced with a baseline assessment of seat belt-wearing rates and the use of child restraints. The survey followed the World Health Organization (WHO) guidelines for carrying out seat belt observational surveys at four busy crossroads in different areas of central Bishkek during February 2019. The assignment then highlighted the risks in a series of road safety publicity events and local road safety campaigns which targeted specific groups. The events included one at the Dordoi Plaza shopping mall in Bishkek during the UN Global Road Safety Week. The observational surveys were then replicated in late September/early October 2019 to measure the impact of the Bank’s campaign, with 12,000 observations carried out, the results of which are shown in the table below.

Related SDGs



Seat belt use in Bishkek, Kyrgyz Republic

	February 2019	September-October 2019	% increase from baseline	% increase in wearing rates
Driver	70.3%	74.6%	6.1%	4.3%
Front passengers	58.7%	62.2%	7.7%	4.5%
Rear passengers	6.3%	16.3%	159%	10%

Project Accountability Policy

As the accountability mechanism of the EBRD, the **Project Complaint Mechanism (PCM)** independently reviews environmental, social and transparency-related complaints regarding Bank projects that are alleged to have caused, or are likely to cause, harm. The PCM:

- facilitates the resolution of social, environmental and public disclosure issues among project stakeholders
- determines whether the Bank has complied with its Environmental and Social Policy and Public Information Policy, in order to address any existing non-compliance, prevent future non-compliance, and promote institutional learning.

In 2019, the PCM completed its ambitious five-year policy review, with Board approval of the revised [Independent Project Accountability Mechanism \(IPAM\)](#) and its new governing document, the 2019 Project Accountability Policy (PAP). IPAM will replace the PCM in 2020.

The policy was developed over 18 months through extensive internal and external consultation. The PCM held in-person outreach events in Bosnia and Herzegovina, Egypt, Georgia, Kazakhstan, Morocco, Serbia, Turkey, Ukraine and the United Kingdom, receiving over 250 public comments. In recognition of issues raised by stakeholders, the new PAP strengthens the EBRD's accountability mechanism through adjustments to its governance, structure and operational procedures.

Engaging with key stakeholders remains of paramount importance to the PCM. In 2019, the mechanism played an active role in the global Independent Accountability Mechanisms Network (IAMSNet), which shares good practices, develops guidance for the accountability space, and jointly processes complaints when they are submitted to multiple institutions. The PCM also sought to raise awareness of the mechanism through outreach with civil society from the southern and eastern Mediterranean region through the IAMSNet Annual Meeting in Cote d'Ivoire.

PCM cases

In 2019, the PCM processed 57 complaints, registering two new complaints, conducting four Problem-solving Initiatives, two active Compliance Reviews, and monitoring four ongoing cases. Over the course of the year, the PCM issued six Eligibility Assessment, Compliance Review, Problem-solving Completion and Monitoring reports. Complaints related predominantly to EBRD projects in the power and energy sector, municipal environmental infrastructure and transport sectors, and were submitted primarily from two EBRD regions: eastern Europe and the Caucasus, and south-eastern Europe.

Financial intermediaries

The EBRD is committed to fostering a sustainable finance approach for the future. We work with partner financial institutions (PFIs), including banks, private equity funds, insurers and others, to provide financing that is environmentally and socially sustainable and inclusive. We do this by applying the highest international environmental and social (E&S) standards to our own investments, on the one hand, and by working with financial institutions on their own integration of environmental and social matters.

2019 highlights

In 2019, we implemented a pilot E&S Capacity Building Programme for Private Equity Fund Managers with training workshops held in Athens, Tunis and Istanbul. We also provided E&S training for banks in Bishkek, Amman, Athens and Kyiv. This complements our ongoing E&S e-learning programme for FIs. In 2019, we also designed an application-based E&S due diligence and evaluation tool which can be used by banks and funds during their due diligence process. We also maintained an active role in sustainable finance initiatives such as UNEP FI and the International Chamber of Commerce's Sustainable Trade Finance working group.

The EBRD's environmental and social work with financial intermediaries (FIs) comprises four pillars:

- Through dedicated lending lines, we support the investments of our PFIs in areas of environmental and social impact, such as green investments under our GET approach and gender-focused investments in our Women in Business lines.
- We ensure that all our clients have appropriate environmental and social risk management systems in place and actively encourage the application of international best practices.
- We provide capacity building and training to financial intermediaries on best E&S practices and the latest trends in the industry of sustainable financing.
- We provide systemic support to shape the integration of E&S matters in the financial industry generally.

Monitoring and reporting

Our online Financial Intermediary Sustainability Index allows us to monitor and score the environmental and social (E&S) risk management performance of our PFIs and the entire portfolio. By the end of 2019, over 200 PFIs had completed the Sustainability Index and we received submissions of 130 clients throughout that year. This was complemented by monitoring visits to PFIs, among other places, to Mongolia, Greece, Ukraine, Jordan and the Kyrgyz Republic.

Impact inside the EBRD

Alongside our work with clients, the EBRD is committed to implementing best practice environmental and social standards in its own operations.

This includes:

High standards

We hold ourselves to the same high standards we expect of others.

Internal operations

Constantly evaluating the sustainability of our internal operations.

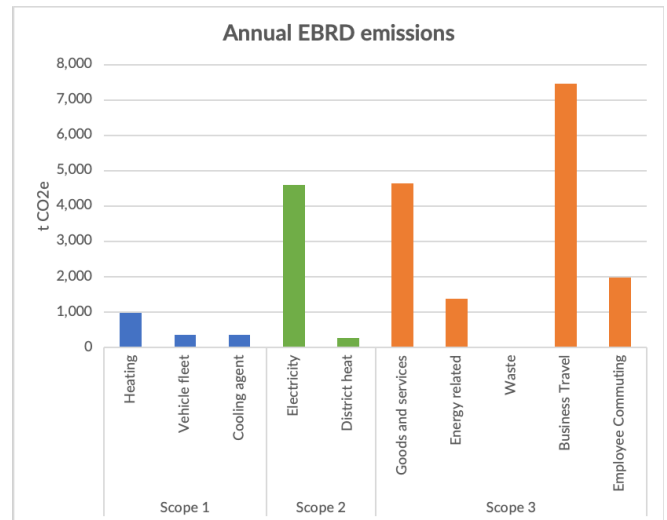
Minimising our environmental impact

Striving to minimise our environmental impact and to increase awareness among staff about sustainability.

Carbon neutrality

In July 2018 we became a carbon-neutral institution by offsetting the greenhouse gas (GHG) emissions of all our internal operations, including office buildings and flights. We have purchased a total of 22,000 Gold Standard-certified carbon credits to offset our 2018 emissions. The credits were purchased from two Turkish renewable energy projects, the Şadıllı and Edincik wind farms (see case study opposite).

This year we engaged independent consultants to review the EBRD's carbon footprint and provide advice on implementing a comprehensive methodology. The results of this assessment are shown below:

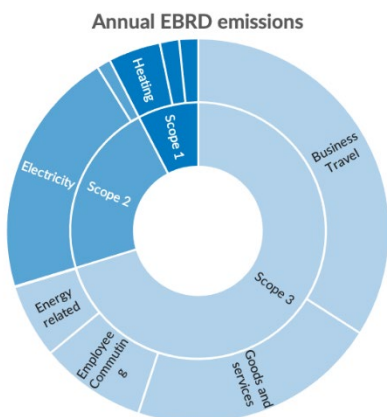


CASE STUDY

The Edincik wind farm

The 77.4 MW Edincik wind power project is located on the southern coast of the Sea of Marmara, Turkey. The project was entirely financed through Isbank using Mid-size Sustainable Energy Financing Facility (MidSEFF) funding. In total, an estimated 254.5 GWh is expected to be generated annually, reducing GHG emissions by 147,510 tCO₂ per year. The project also contributes to social and economic development through education, sanitation provision, job creation, technology transfer and improved agricultural production.

Related SDGs



Consumption and recycling

Not only have we fully offset our carbon emissions, we also source all electricity for our London Headquarters (HQ) from renewable energy suppliers. Our office paper is certified by the Forest Stewardship Council® (FSC) as coming from sustainable sources. Our HQ catering team’s food waste ratio sits at 3 per cent (against an industry average of 5 per cent).

There is also a strong emphasis on waste recycling, reducing the use of plastic bottles and sourcing environmentally friendly merchandise. Our staff has formed a Sustainability Working Group to drive more green engagement throughout the Bank and promote the initiatives of our internal operations teams. This has resulted in increased recycling, uptake of reusable cups and water bottles, and more awareness of energy efficiency within our offices.

In 2022 the EBRD will be moving its Headquarters to a new building in Canary Wharf. The building, which is currently being fitted out, will have the highest environmental and wellbeing standards (targeting [BREEAM](#) outstanding certification).

EBRD Headquarters consumption and recycling figures

	2016	2017	2018	2019
Electricity (GWh)	14.8	14.8	14.8	14.0
Gas (GWh)	4.3	3.8	4.2	3.8
Energy CO ₂ emissions (kt)	6.9	5.9	5.2	4.7
Travel CO ₂ emissions (kt)	7.7	6.2	7.2	7.2
Water (thousands m ³)	42.2	42.5	48.1	48.6
Printer paper consumption (tonnes)	49.5	46.5	39.0	32
Material recycling (non-food) (tonnes)	72.8	105.4	99.1	116.9
Food waste composted	NA	NA	NA	54.8

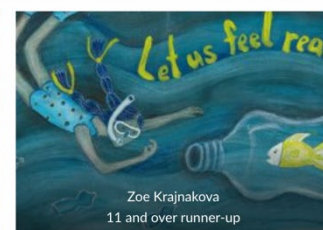
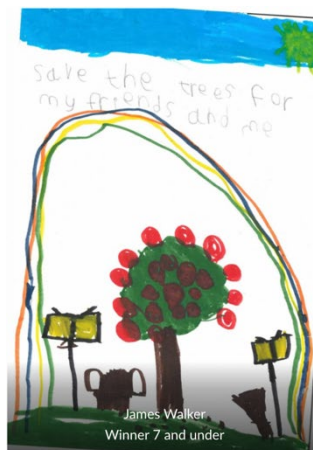
These figures are for our London Headquarters, covering around 75 per cent of staff. A full GHG assessment for 2019 will be carried out as part of our off-setting initiative and will be reported on next year.

In 2019, we were also recycling food/compostable waste (46.7) and coffee grounds (7.9), upsetting general waste (-65.9 compared with 2018), bringing the total material recycling tonnage to 171.5.

Green Week

Our Green Week in November, which coincided with the [European Week for Waste Reduction](#), aimed to showcase our green impact and promote a sustainable lifestyle generally. Staff were asked to consider their own carbon footprint and to incorporate sustainability practices such as avoiding single-use plastics, recycling, saving energy and reducing waste. They were encouraged to take the stairs instead of the lift, and to ensure computer monitors were turned off at night. A prize went to the staff member with the lowest carbon footprint.

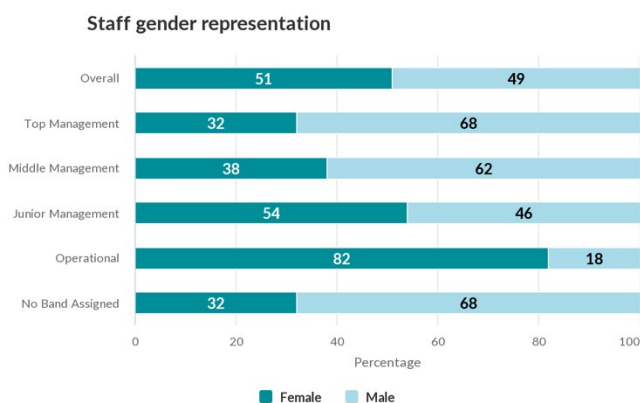
As part of the Green Week we ran a children’s green poster competition for the family and friends of EBRD employees. This produced a fantastic response and some excellent pieces of art.



Staff gender breakdown

The EBRD is committed to promoting gender equality among its own workforce. In 2017 the EBRD partnered with EDGE (Economic Dividends for Gender Equality), the leading provider of business certification for gender equality, in order to measure and benchmark our policies and practices concerning gender equality. Together with EDGE we identified areas for improvement and an action plan was developed.

As part of our commitment to equality and transparency we are providing details of EBRD staff representation by gender. Women make up more than half of EBRD staff but represent a lower percentage of more senior job bands.



In partnership with EDGE we also carried out an analysis of our gender pay gap. This analysis shows that, when looking at equal pay for equivalent work, there are no statistically significant differences between men and women at the same pay grade at the EBRD. The Bank is working proactively to address gender representation through mentoring, coaching, succession planning and the promotion of flexible working arrangements. The Bank's Strategic Implementation Plan 2018-20 sets an aspiration of having women in half of all corporate leadership group roles. We are already seeing the positive impact of these efforts.

Diversity Week

The EBRD's approach to diversity has progressed dramatically. This year we held our third annual Diversity Week. Events and discussions focused on the importance of being our true selves in the workplace and included a panel discussion on how to speak out even when doing so might make you uncomfortable. Several employee networks – EBRD Connect, the Asian Network, African Caribbean Network, Spectrum, EBRD Family and the Disability Network – organised insightful talks, workshops and film screenings.

We also conducted Bank-wide surveys to help us build an accurate picture of our demography and diversity. We asked staff how the Bank is doing in terms of support and equality for the LGBT+ community through the Stonewall equality index survey, and measured progress in terms of gender equality. The EBRD also signed up to the [Race at Work Charter](#) for the first time, which means we will take practical steps to tackle the barriers that ethnic minorities may face in recruitment and progression.

EBRD Community Initiative

Our Community Initiative, which has been running since 2016, gives EBRD staff an opportunity to get involved in philanthropic, social and cultural activities in the economies where we work. For every €1 donated by staff fundraising teams to the charities of their choice, the EBRD Community Initiative also contributes €1, to help their projects go further.

The EBRD Community Initiative is funded from the Community Special Fund. At the Annual Meeting 2019 in Sarajevo, we reached an important milestone when our shareholders approved a €2 million allocation to the fund to finance the activities of the Community Initiative for the next three years. The direct support of the initiative by our shareholders is a valued symbol of their appreciation of staff engagement in support of activities exclusively focused on the Bank's regions.

Over the past three years, the EBRD Community Initiative has provided nearly €600,000 in support of the charitable projects initiated by staff members from HQ and ROs. It has supported charitable organisations in Armenia, Bulgaria, Croatia, Egypt, Georgia, Greece, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Moldova, Mongolia, Morocco, Romania, Russia, Tajikistan, Turkey and Ukraine.

Annex 1: Climate project disclosure

The EBRD has been tracking climate finance⁷ on a project-by-project basis since 2006. Up to 2017, the EBRD disclosed this information on a sectoral or country level.

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

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
Main Roads Reconstruction Project	Transport	3	15	Energy, transport and other built environment and infrastructure	3
Toplana Zenica GET Project	Manufacturing and Services	18	18	Energy efficiency	18
DFF - Araz	Agribusiness	5	5	Energy efficiency	5
DFF - Typhoon	Manufacturing and Services	1.9	8.5	Renewable energy	1.5
DFF - Florian Group	Manufacturing and Services	2.3	2.5	Agriculture, aquaculture, forestry and land use	2.3
RAILPORT	Transport	26.7	26.7	Transport	26.7
Globalworth Real Estate	Property and Tourism	9.4	25	Energy efficiency	9.4
Migros capex loan	Agribusiness	29.3	40	Energy efficiency	29.3
DFF ,Ai Sarten	Agribusiness	12	23	Energy efficiency	12
Tekirdag Port Project	Transport	2.7	15.6	Transport	2.7
DFF - Yuriya	Manufacturing and Services	0.3	15	Energy efficiency	0.3
LDC Rail Ukraine	Transport	31.2	31.2	Transport	31.2
NEPI Rockcastle second bond issue	Property and Tourism	9.9	50	Energy efficiency	9.9
North-South Corridor (Kvesheti-Kobi) Road Project	Transport	21.4	53.4	Energy, transport and other built environment and infrastructure	21.4
Arcelik GET and R&D	Manufacturing and Services	100	100	Low-carbon technologies	100
Project Barvinok	Agribusiness	42.8	42.8	Renewable energy	42.8
RSF - XAC Suu Milk	Agribusiness	1.7	6.9	Energy efficiency	1.7
Chirina LLC ,Ai Broiler Farm Expansion	Agribusiness	0.2	4	Energy efficiency	0.2
Ayrau Astrakhan Road Project	Transport	38.1	190.4	Energy, transport and other built environment and infrastructure	38.1
Pelion Pharma Investment Programme	Manufacturing and Services	11.3	47	Energy efficiency	11.3
Kronospan UA - OSB	Manufacturing and Services	18.5	25.1	Renewable energy	15.2
RSF - TBC Bank GRC LLC	Manufacturing and Services	0.9	0.9	Energy efficiency	0.9
Project Storm	Information and Communication Technologies	8.3	50.5	Energy efficiency	8.3
MAF Almaza	Property and Tourism	133.6	133.6	Energy efficiency	133.6
RSF - BOG IGDG Saburtalo	Property and Tourism	0.8	9.6	Energy efficiency	0.8
DFF - Frame	Manufacturing and Services	10.6	18.9	Energy efficiency	10.6
RSF - EXB Petecoflex	Manufacturing and Services	3.4	3.4	Waste and wastewater	3.4
Project Elixir	Manufacturing and Services	5.1	17.8	Energy efficiency	5.1
Corridor Vc - Dobož Bypass	Transport	84	210	Energy, transport and other built environment and infrastructure	84
DFF - Unigran	Manufacturing and Services	5	8.7	Energy efficiency	5
Project Curie	Information and Communication Technologies	23.5	47	Energy efficiency	23.5
DFF - Isik Organic	Agribusiness	12.1	12.1	Energy efficiency	7.1
DFF - DD Packaging	Agribusiness	2.4	2.4	Waste and wastewater	2.4
DFF - Dniprovska Meat	Agribusiness	6.9	10	Energy efficiency	6.9
Pangea Real Estate Investment Company	Property and Tourism	25	50	Energy efficiency	25

⁷ At the EBRD, climate finance is defined as ABI that qualifies for GET under the climate change mitigation and adaptation categories. 2019.sr-brd.com/annexes/

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
DFF - Hatzopoulos	Manufacturing and Services	4.2	8	Energy efficiency	4.2
DFF: Dimand mezzanine loan facility	Property and Tourism	10	10	Energy efficiency	10
EFEN Baltics Sustainable Property Fund	Property and Tourism	30	30.5	Energy efficiency	30
RSF-BoG-Ibis Hotel Tbilisi 1 - Akhvediani	Property and Tourism	0.2	1.5	Energy efficiency	0.2
Serbia Voz Rolling Stock Acquisition	Transport	100	100	Transport	100
DFF Farmak Capex Programme	Manufacturing and Services	2	15	Energy efficiency	2
Project Voyager	Transport	71.9	84.5	Transport	71.9
RSF - Hamkorbank - Khorezm Cheese	Agribusiness	0.2	0.4	Industry, manufacturing and trade	0.2
DFF - Grain Alliance	Agribusiness	2.7	4.5	Renewable energy	2.7
DFF - Kickstart	Property and Tourism	17	25.5	Cross-cutting issues	17
DFF - EGGER regional	Manufacturing and Services	4.3	25	Renewable energy	1.3
DFF - Saloglu	Manufacturing and Services	0.8	2.1	Renewable energy	0.8
DFF: Ferronikeli energy efficiency project	Natural Resources	12	25	Energy efficiency	5.1
Project Lionsgate	Manufacturing and Services	100	100	Low-carbon technologies	100
DFF - Vicat Regional	Manufacturing and Services	25	25	Energy efficiency	25
KGHM PLN Bonds	Natural Resources	70.4	93.9	Energy efficiency	70.4
Project Monadiko	Information and Communication Technologies	30	30	Energy efficiency	30
Regional Bridges and M3 Road Rehabilitation	Transport	50.4	126	Energy, transport and other built environment and infrastructure	50.4
DFF - RG Brands	Agribusiness	3.9	20.4	Energy efficiency	3.9
DFF - MAHLE Slovenia	Manufacturing and Services	25	25	Low-carbon technologies	25
DFF: ZCMC Bond Participation	Natural Resources	8.9	9.8	Energy efficiency	8.9
Mytilineos Eurobond	Manufacturing and Services	38	45	Waste and wastewater	38
DFF - Project Purple	Information and Communication Technologies	24.9	24.9	Energy efficiency	24.9
DFF - Lamda Development	Property and Tourism	18.2	22.7	Energy efficiency	10.9
SLOVSEFF III - VUB	Financial Institutions	2.5	2.5	Energy efficiency	2.5
EgyptSEFF - AAIB	Financial Institutions	13.4	13.4	Energy efficiency	13.4
KyrSEFF II - KICB loan II	Financial Institutions	2	2	Energy efficiency	2
GEFF - Western Balkans - UniCredit Bank Mostar	Financial Institutions	3	3	Energy efficiency	3
FIF - DCFTA - Ukreximbank SME Facility	Financial Institutions	5.3	8.9	Energy efficiency	5.3
GEFF - Romania - Banca Transilvania	Financial Institutions	14	14	Energy efficiency	14
FIF - DCFTA - Mobiasbanca SME facility II	Financial Institutions	9	15	Energy efficiency	9
GEFF - Western Balkans - Sparkasse Bank Macedonia	Financial Institutions	1	1	Energy efficiency	1
KyrSEFF II - Optima Bank II	Financial Institutions	2	2	Energy efficiency	2
GEFF - Western Balkans - Partner	Financial Institutions	2.5	2.5	Energy efficiency	2.5
GEFF - Western Balkans - TEB Sh.A.	Financial Institutions	2	2	Energy efficiency	2
GEFF Uzbekistan - Ipak Yuli Bank	Financial Institutions	2.2	2.2	Energy efficiency	2.2
KyrSEFF II - DKIB Loan II	Financial Institutions	3.6	3.6	Energy efficiency	3.6
CEEP - ACBA Bank	Financial Institutions	1.8	1.8	Energy efficiency	1.8

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
FIF - Regional SME CSP - Ohridska Banka	Financial Institutions	3	5	Energy efficiency	3
FIF - Regional SME CSP - BiH Intesa SanPaolo Bank	Financial Institutions	1.5	2.5	Energy efficiency	1.5
FIF - Regional SME CSP - BiH UniCredit Bank Banja Luka	Financial Institutions	1.5	2.5	Energy efficiency	1.5
FIF - Regional SME CSP - BiH UniCredit Bank Mostar	Financial Institutions	1.5	2.5	Energy efficiency	1.5
GCF GEFF Regional - Morocco Value chain - SGMB	Financial Institutions	4.8	4.8	Energy efficiency	4.8
FIF - Regional SME CSP - BiH Sparkasse Bank	Financial Institutions	3	5	Energy efficiency	3
FIF - Regional SME CSP - Serbia UCB	Financial Institutions	3	5	Energy efficiency	3
FIF - Regional SME CSP - Serbia Banca Intesa Belgrade	Financial Institutions	3	5	Energy efficiency	3
Bank Millennium bond	Financial Institutions	39	39	Energy efficiency	39
FIF - Regional SME CSP - Komercijalna Banka Skopje	Financial Institutions	1.5	2.5	Energy efficiency	1.5
FIF-WB SME CSP-Sparkasse Bank Macedonia	Financial Institutions	1.8	3	Energy efficiency	1.8
KyrSEFF II - First MicroFinance Company loan II	Financial Institutions	0.9	0.9	Energy efficiency	0.9
FIF - Regional SME CSP - ProCredit Kosovo	Financial Institutions	3	5	Energy efficiency	3
Bank Pekao Subordinated Bond	Financial Institutions	16.4	16.4	Energy efficiency	16.4
FIF - Regional SME CSP - Banka Per Biznes	Financial Institutions	1.5	2.5	Energy efficiency	1.5
GCF GEFF Regional FW - BMCE Bank	Financial Institutions	3.8	3.8	Energy efficiency	3.8
FIF - DCFTA - VictoriaBank SME Facility	Financial Institutions	1.5	2.5	Energy efficiency	1.5
KyrSEFF II - Kompanion Loan II	Financial Institutions	0.9	0.9	Energy efficiency	0.9
FIF - DCFTA - Bank of Georgia	Financial Institutions	5.3	8.9	Energy efficiency	5.3
GCF GEFF Regional - Georgia - Basis Bank	Financial Institutions	6.7	6.7	Energy efficiency	6.7
Tatra Bank Covered Bond	Financial Institutions	15	25	Energy efficiency	15
FI Green & Sustainability Bond Framework: Project Jade	Financial Institutions	23.5	23.5	Energy efficiency	23.5
GCF GEFF Regional - GEFF Armenia - Armswissbank	Financial Institutions	1.9	1.9	Energy efficiency	1.9
CEEP - TBC Bank III	Financial Institutions	1.8	1.8	Energy efficiency	1.8
GCF GEFF Regional FW - BMCE Bank - 2	Financial Institutions	3.8	3.8	Energy efficiency	3.8
GCF GEFF Regional - GEFF Armenia -Inecobank	Financial Institutions	1.7	1.7	Energy efficiency	1.7
GCF GEFF Regional - GEFF Armenia - ACBA Bank	Financial Institutions	1.3	1.3	Energy efficiency	1.3
FIF - DCFTA - MAIB SME Facility	Financial Institutions	3	5	Energy efficiency	3
Ukreximbank Loan for RE/EE Financing	Financial Institutions	40	40	Renewable energy	40
FIF - DCFTA - OTP Leasing SME Facility #2	Financial Institutions	6	10	Energy efficiency	6
VUB Covered Bonds II (f. Project Morava)	Financial Institutions	24.5	70	Energy efficiency	24.5
NKBM ,Ai Participation in Tier 2 bond issuance	Financial Institutions	40	50	Energy efficiency	40
FIF - UniCredit Leasing Latvia	Financial Institutions	30	50	Energy efficiency	30
FIF - Regional SME CSP - Procredit Bank Macedonia	Financial Institutions	3	5	Energy efficiency	3
GEFF - Western Balkans - Procredit Bank Macedonia	Financial Institutions	1	1	Energy efficiency	1
GEFF - Western Balkans - Ohridska Banka - 2nd line	Financial Institutions	4	4	Energy efficiency	4
GCF GEFF Regional - Georgia - ProCredit	Financial Institutions	11.3	11.3	Energy efficiency	11.3

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
GCF GEFF Regional National Bank of Egypt Green SME Loan	Financial Institutions	66.8	66.8	Energy efficiency	66.8
GCF GEFF Egypt Commercial - QNB AIAhli GVC	Financial Institutions	12	12	Energy efficiency	12
Egypt GEFF - QNB AIAhli	Financial Institutions	15.1	15.1	Energy efficiency	15.1
OTP Bank subordinated bond	Financial Institutions	58.8	60	Energy efficiency	58.8
GCF GEFF Regional - Georgia - TBC Bank	Financial Institutions	16.9	16.9	Energy efficiency	16.9
FIF - DCFTA SME Programme- TBC Bank II	Financial Institutions	0.6	1	Energy efficiency	0.6
GEFF - Poland - SocGen Leasing	Financial Institutions	50	50	Energy efficiency	50
Slovenska Sporitelna Covered Bonds	Financial Institutions	24	40	Energy efficiency	24
GCF GEFF Regional - Serbia - Unicredit Leasing Serbia	Financial Institutions	7.5	7.5	Energy efficiency	7.5
GEFF - Poland - Santander Leasing II	Financial Institutions	50	50	Energy efficiency	50
Project Enescu	Financial Institutions	25.1	50.2	Energy efficiency	25.1
FI Green Bond Framework: Project Green Orange	Financial Institutions	18.8	18.8	Energy efficiency	18.8
Banca Comerciala Romana - Senior non-preferred bonds	Financial Institutions	20.9	26.1	Energy efficiency	20.9
FIF - UniCredit Leasing Croatia - MSME	Financial Institutions	15	25	Energy efficiency	15
Green for Growth Fund: A-Shares	Financial Institutions	19.2	20	Energy efficiency	19.2
GEFF - Western Balkans - Sparkasse Bank Macedonia II	Financial Institutions	2	2	Energy efficiency	2
GCF GEFF Regional - Tajikistan - Humo	Financial Institutions	0.7	0.7	Energy efficiency	0.7
FIF - DCFTA - MAIB SME facility II	Financial Institutions	4.5	7.5	Energy efficiency	4.5
FIF - Project Riesling	Financial Institutions	0.7	2.3	Energy efficiency	0.7
ENA - Modernisation of Distribution Network	Energy	13.4	13.4	Lower carbon and efficient energy generation	13.4
Ukrenergo Transmission Network Modernisation	Energy	149	149	Lower carbon and efficient energy generation	149
Talimarjan Power Project	Energy	112.2	213.8	Energy, transport and other built environment and infrastructure	112.2
Navoi Transmission Upgrade	Energy	71.5	71.5	Lower carbon and efficient energy generation	71.5
Project Agera	Energy	89.1	89.1	Lower carbon and efficient energy generation	89.1
Electricity Grid Reinforcement Project	Energy	128	182.9	Lower carbon and efficient energy generation	128
Shardara HPP Modernization Project	Energy	26.8	26.8	Renewable energy	26.8
DFF - CYPV Solar	Energy	0.5	0.5	Renewable energy	0.5
KESH Restructuring Project	Energy	100	100	Renewable energy	100
DFF - Nyva	Agribusiness	3.1	11.1	Renewable energy	0.8
Enguri HPP - Climate Resilience Upgrade	Energy	10	10	Renewable energy	10
USELF: Yavoriv Solar Power Plant	Energy	5.8	5.8	Renewable energy	5.8
Lekela Wind BOO	Energy	74.7	74.7	Renewable energy	74.7
IC Ictas Renewable Energy	Energy	89.1	89.1	Renewable energy	89.1
USELF: Ingulets Solar	Energy	17.5	17.5	Renewable energy	17.5
M-KAT Green Solar Power Plant	Energy	50	50	Renewable energy	50
Potegowo Wind	Energy	49.1	49.1	Renewable energy	49.1
USELF: Syvash Wind Power Plant	Energy	75	75	Renewable energy	75
Chulakurgan Solar	Energy	36	36	Renewable energy	36
DFF - Makprogres	Agribusiness	0.2	0.3	Renewable energy	0.2
USELF: Vita Solar Power Plant	Energy	8.5	8.5	Renewable energy	8.5
SPREF: Kawar/Orange Project	Energy	13.3	13.3	Renewable energy	13.3
Modus Biogas Portfolio Phase II	Energy	10.1	10.1	Renewable energy	10.1
USELF: Shevchenkove Solar	Energy	5	5	Renewable energy	5
USELF: Balahivka Solar	Energy	4.8	4.8	Renewable energy	4.8
ELEM Solar Project - Photovoltaic plant	Energy	5.9	5.9	Renewable energy	5.9

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
Bajgora Wind	Energy	57.5	57.5	Renewable energy	57.5
KITKA Wind	Energy	18	18	Renewable energy	18
USELF: Aquanova Shalanky	Energy	2	2	Renewable energy	2
Volitalia rights offering	Energy	20	25	Renewable energy	25
Captive	Energy	41.5	53.4	Renewable energy	41.5
USELF - Chigirin Solar	Energy	19.7	19.7	Renewable energy	19.7
KAZREF - Universal Energy Zhangiz Solar	Energy	10.3	10.3	Renewable energy	10.3
KAZREF - Zhanakorgan Solar 1	Energy	3.9	3.9	Renewable energy	3.9
Karaganda Solar Power Plant	Energy	21.9	21.9	Renewable energy	21.9
USELF III: Modus Solar PV Project	Energy	22.8	22.8	Renewable energy	22.8
Highway Tolling	Transport	5.6	13	Renewable energy	5.6
USELF - Irshanska Solar	Energy	12	12	Renewable energy	12
Szymankowo Windfarm	Energy	9.9	9.9	Renewable energy	9.9
Terna Energy Bond	Energy	18	18	Renewable energy	18
Dushanbe Public Transport	Municipal and Environmental Infrastructure	2.3	2.3	Transport	2.3
CAEPCO District Heating - Petropavlovsk	Municipal and Environmental Infrastructure	3.8	3.8	Energy efficiency	3.8
STT Train Fleet Renewal - TGM Line	Municipal and Environmental Infrastructure	45	45	Transport	45
Gyumri Urban Roads	Municipal and Environmental Infrastructure	4	4	Energy efficiency	4
Belgrade Solid Waste PPP	Municipal and Environmental Infrastructure	72.3	72.3	Waste and wastewater	72.3
KR Water Framework - Kerben Water sub-project	Municipal and Environmental Infrastructure	2.5	2.5	Water and wastewater systems	1.3
KR Water Framework:Jalal-Abad Water II Sub-Project	Municipal and Environmental Infrastructure	4	4	Water and wastewater systems	2
KR Water Framework-Myrzaki-Kurshab Regional Water	Municipal and Environmental Infrastructure	2	2	Water and wastewater systems	1
UPTF2: Mykolayiv Trolleybus	Municipal and Environmental Infrastructure	20	20	Transport	20
PSEEF: Kryvyi Rih Public Buildings EE	Municipal and Environmental Infrastructure	6.4	6.4	Energy efficiency	6.4
Zhlobin Wastewater Subproject	Municipal and Environmental Infrastructure	5.5	5.5	Waste and wastewater	0.8
Small Cities Sanitation Programme	Municipal and Environmental Infrastructure	75	75	Water and wastewater systems	15
Isfana Water Project	Municipal and Environmental Infrastructure	1.6	1.6	Water and wastewater systems	0.8
Canakkale Solid Waste PPP	Municipal and Environmental Infrastructure	8.6	8.6	Waste and wastewater	8.6
UPTF: Dnipro Trolleybus	Municipal and Environmental Infrastructure	11.5	11.5	Transport	11.5
SWIFT Iasi sub-project	Municipal and Environmental Infrastructure	25	25	Water and wastewater systems	5
East KZ Regional SL Modernisation	Municipal and Environmental Infrastructure	8.9	8.9	Energy efficiency	8.9
Istanbul Metro Project II	Municipal and Environmental Infrastructure	77.5	77.5	Transport	77.5
UPTF - Lviv Trolleybus	Municipal and Environmental Infrastructure	15	15	Transport	15

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
Shymkent Water II	Municipal and Environmental Infrastructure	6.3	6.3	Sustainable efficient water use and wastewater management	1.3
UPTF2: Poltava Trolleybus	Municipal and Environmental Infrastructure	10	10	Transport	10
GrCF: Skopje Bus project	Municipal and Environmental Infrastructure	10	10	Transport	10
GrCF2 W2 - Skopje Wastewater Project	Municipal and Environmental Infrastructure	58	58	Water and wastewater systems	11.6
MR3: GAM Lagoon Remediation Project	Municipal and Environmental Infrastructure	2	5	Water and wastewater systems	2
GrCF - Balti Trolleybus	Municipal and Environmental Infrastructure	2.5	2.5	Transport	2.5
Kashkadarya Wastewater Project	Municipal and Environmental Infrastructure	53.4	53.4	Water and wastewater systems	10.7
Horezm Wastewater Project	Municipal and Environmental Infrastructure	80.2	80.2	Water and wastewater systems	16
SWIFT - Arges sub-project	Municipal and Environmental Infrastructure	10	12.5	Water and wastewater systems	2
UPTF2: Kherson Trolleybus	Municipal and Environmental Infrastructure	10	10	Transport	10
Georgia Urban Transport Enhancement Programme	Municipal and Environmental Infrastructure	17	17	Transport	17
Serbian Climate Resilience & Irrigation Programme SCRIP	Municipal and Environmental Infrastructure	15	15	Crop and food production	15
Sabac Buildings EE Project	Municipal and Environmental Infrastructure	2.5	2.5	Energy efficiency	2.5
GrCF2 W2 - Tbilisi Bus extension	Municipal and Environmental Infrastructure	65	65	Transport	65
GrCF2 W2 - Banja Luka Water - Phase 1	Municipal and Environmental Infrastructure	4	4	Water and wastewater systems	1.6
GrCF2 W2 - Novi Sad Bus Fleet Renewal	Municipal and Environmental Infrastructure	7	7	Transport	7
Regional TFP: Komercijalna Banka	Financial Institutions	0.1	34.7	Energy efficiency	0.1
Regional TFP: Bank of Georgia (Guarantee & Pre-export)	Financial Institutions	10.5	21.2	Energy efficiency	10.5
Regional TFP: Stopanska Banka	Financial Institutions	0.3	0.4	Energy efficiency	0.3
Regional TFP: TBC Bank (guarantee & pre-export)	Financial Institutions	1.7	38	Energy efficiency	1.7
Regional TFP: Priorbank Guarantees and Pre-Export	Financial Institutions	0.1	0.4	Energy efficiency	0.1
Regional TFP: Aval bank (Gtees & cash disb)	Financial Institutions	10.2	37.9	Energy efficiency	10.2
Regional TFP: JSCB OTP Bank, Ukraine	Financial Institutions	8.5	20.9	Energy efficiency	8.5
Regional TFP: Mobiasbanca (Guarantee & Pre-export)	Financial Institutions	0.4	0.4	Energy efficiency	0.4
Regional TFP: Export Import Bank of Ukraine (UkrExIm)	Financial Institutions	25	31.6	Energy efficiency	25
Regional TFP: ZAO Minsk Transit Bankl	Financial Institutions	1.5	8.3	Energy efficiency	1.5
Regional TFP: Converse Bank	Financial Institutions	3.7	4.3	Energy efficiency	3.7
Regional TFP: Armswissbank	Financial Institutions	0.4	2.9	Energy efficiency	0.4
Regional TFP: Eurobank EFG a.d. Belgrade	Financial Institutions	1.3	99	Energy efficiency	1.3

Operation name	Banking sector team	GET finance year-to-date (€ millions)	ABI (€ millions)	Climate activity	Climate finance (€ millions)
Regional TFP: Banka per Biznes	Financial Institutions	0.1	0.1	Energy efficiency	0.1
Regional TFP: Belaruskyy Narodny Bank	Financial Institutions	0.3	3.6	Energy efficiency	0.3
Regional TFP: Amen Bank	Financial Institutions	1.2	1.6	Energy efficiency	1.2
Regional TFP: InvestBank	Financial Institutions	0.2	4.2	Energy efficiency	0.2
Regional TFP: National Bank Of Egypt	Financial Institutions	4.5	133.6	Energy efficiency	4.5
Regional TFP: Erste Bank, Croatia	Financial Institutions	1.7	7.3	Energy efficiency	1.7
Regional TFP: Commercial International Bk	Financial Institutions	1.6	7.6	Energy efficiency	1.6
Regional TFP: National Bank of Greece	Financial Institutions	9.1	89.8	Energy efficiency	9.1
Regional TFP: Belinvestbank	Financial Institutions	2.9	29.1	Energy efficiency	2.9
Regional TFP: Ardshinbank	Financial Institutions	7.5	8.6	Energy efficiency	7.5
Regional TFP: Eurobank Ergasias S.A.	Financial Institutions	1.5	39.6	Energy efficiency	1.5
Regional TFP: Piraeus Bank S.A.	Financial Institutions	22.3	66.4	Energy efficiency	22.3
Regional TFP: Alpha Bank	Financial Institutions	23.8	84.4	Energy efficiency	23.8
Regional TFP: Banque Misr	Financial Institutions	14.4	22.3	Energy efficiency	14.4
Regional TFP: UBCI	Financial Institutions	0.4	0.4	Energy efficiency	0.4
Regional TFP: Addiko Bank Serbia	Financial Institutions	1	12.7	Energy efficiency	1
Regional TFP: Piraeus Bank (Ukraine)	Financial Institutions	2.7	3.5	Energy efficiency	2.7
Regional TFP: National Bank of Uzbekistan (NBU)	Financial Institutions	15.7	17.4	Energy efficiency	15.7
Regional TFP - Hamkorbank	Financial Institutions	0.2	1.3	Energy efficiency	0.2
Regional TFP - Ipoteka Bank	Financial Institutions	0.8	14.6	Energy efficiency	0.8
Regional TFP: Fransabank	Financial Institutions	6.2	9.3	Energy efficiency	6.2
Regional TFP: SGBL	Financial Institutions	0.1	24	Energy efficiency	0.1
Regional TFP: BLOM Bank	Financial Institutions	0.2	29.3	Energy efficiency	0.2
Regional TFP: Byblos Bank	Financial Institutions	0.9	15.1	Energy efficiency	0.9
Regional TFP: UzPSB	Financial Institutions	0.5	14.4	Energy efficiency	0.5
Regional TFP: Ukgasbank	Financial Institutions	1.2	33.2	Energy efficiency	1.2

Annex 2: Derogations

Some projects are unable to comply fully with all requirements of the Environmental and Social Policy. The EBRD Board approved derogations from the policy for five projects or project extensions signed in 2019. The specific derogations for these projects were agreed where affordability or operational constraints made full compliance unachievable but the overall environmental, social and economic benefits of the projects were sufficient to justify our investment. With the exception of the agreed derogations, these projects will meet our policy and performance requirements.

Project	Derogation	Economy	Sector
SOPC Energy Efficiency & Upgrade Program	The project is expected to improve the environmental and social performance of the SOPC refinery leading to a reduction in greenhouse gas emissions in excess of 295kt CO ₂ per year and reduced energy and water demand. An Environmental and Social Action Plan (ESAP) has been agreed to ensure that the project is developed in line with the EBRD Performance Requirements and EU standards. The ESAP also includes a road map to align the rest of the refinery with the Performance Requirements in the long term. The Bank's financing and the associated ESAP will not, however, enable the refinery' as a whole to attain full alignment with the Performance Requirements within the medium term. The ESAP requires SOPC to determine the feasibility of options for emission abatement and further flaring reduction, water reuse and discharge controls. A derogation from fully complying with the Bank's Environmental and Social Policy, specifically with respect to EU BAT required for PR3 (Resource Efficiency and Pollution Prevention and Control, 2014) at the refinery level was required.	Egypt	Natural Resources
GrCF2 W2 - Skopje Wastewater Project	The project involves the construction of a new Wastewater Treatment Plant (WWTP) for Skopje. Completion of the project will end the current practice of discharging untreated sewage into the Vardar River. The addition of tertiary treatment to facilitate removal of nitrogen and phosphorus will be constructed in the second phase of the project by 2045. Until phase II is completed the project will not fully meet the discharge standards for nitrogen and phosphorus required by the EU Directive on urban wastewater treatment. Given the extended implementation period and the fact that financing is not yet agreed for phase II, a derogation is required in relation to PR3 (Resource Efficiency and Pollution Prevention and Control, 2014) due to financial constraints and affordability considerations. All other relevant EU standards will be met following completion of phase I.	North Macedonia	Municipal and Environmental Infrastructure
KR Water Framework-Myrzaki-Kurshab Regional Water	The rehabilitation and extension of the water supply system will provide access to 9,300 new users and increase the total population benefiting from improved access to tap water from 12,180 before and 33,461 after the PIP implementation. It will also reduce energy consumption in the water distribution system by 10 per cent. However, given the limited financial resources and affordability constraints of the local population the project will not be able to achieve the EU standards of drinking water quality in the medium to long term and, therefore, the project requires derogation from the Environmental and Social Policy (2014).	Kyrgyz Republic	Municipal and Environmental Infrastructure

Annex 3: Category A disclosures

A total of 14 new Category A projects requiring an Environmental and Social Impact Assessment (ESIA) were in an active disclosure period during 2019.

Of the projects proceeding to the Board of Directors, all projects met the disclosure requirements of 60 days minimum for private sector projects or 120 days minimum for public sector projects before Board review.

Full ESIA's for all projects were available in local languages and were disclosed electronically. Links were provided to each project's ESIA page on our website.

Country	Project name	Public/ private	Disclosure date	Target Board date	Days public before Board	Language
Kazakhstan	BAKAD Road Concession	Private	15-Apr-19	14-Oct-19	183	English, Russian
Romania	Black Sea - Midia Gas Development Project	Private	18-Apr-19	19-Jun-19	63	English, Romanian
Georgia	North-South Corridor (Kvesheti-Kobi) Road Project	Public	03-May-19	02-Oct-19	153	English, Georgian
Croatia	Corridor Vc - Motorway Completion	Public	16-May-19	15-Jan-20	245	English, Croatian
Ukraine	Dnistrovskiy Wind Project Ukraine	Public	23-May-19	n/a		English, Ukrainian
Uzbekistan	Navoi Transmission Upgrade	Private	12-Jul-19	13-Nov-19	125	Russian, English
Tajikistan	Obigarm-Nurobod road project	Private	12-Jul-19	13-Nov-19	125	Russian, English
Mongolia	Ulaanbaatar Darkhan Road	Public	25-Jul-19	11-Dec-19	140	English, Mongolian
Montenegro	Main Roads Reconstruction Project	Private	26-Jul-19	01-Nov-17	99	English, Montenegrin
Georgia	Power Grid Enhancement Project	Public	09-Aug-19	11-Dec-19	125	English, Georgian
Kosovo	Bajgora Wind	Private	04-Oct-19	11-Dec-19	69	English, Albanian, Serbian
Turkey	Kiyikoy WPP Extension	Private	09-Oct-19	11-Dec-19	64	Turkish, English
Moldova	VMTG	Public	11-Oct-19	11-Dec-19	62	English, Romanian
Poland	Project Chemist: PDH Plant	Private	29-Nov-19	26-Feb-20	90	English, Polish

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