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Mid-term Evaluation of EBRD Strategic and Capital Framework 2021-25

Technical Report: Green Results

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This report was prepared by IEvD independently and is circulated under the authority of the Chief Evaluator, Véronique Salze-Lozac'h. It was prepared under the supervision of Gabriele Fattorelli, Director of Corporate, thematic and knowledge products division of IEvD, by Olga Mrinska, Senior Evaluation Manager, Bilgehan Kayalar, Principal Evaluation Manager of IEvD, Rachel Child and Liesl Keam, Cariad Energy Consultants, with the support of Sofia Keenan, Analyst. The Internal Peer Reviewer was Theo Sands, Principal Evaluation Manager.

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Abbreviations

ABI	Annual Bank Investment
CBI	Climate Bonds Initiative
CoOs	Country of Operations
COP	Conference of the Parties
CO2	Carbon Dioxide
CSD	Climate Strategy and Delivery
CSP	Secure Containment Procedures
CSRD	Corporate Sustainability Reporting Directive
DFI	Development Financial Institution
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EFSD+	European Fund for Sustainable Development Plus
EIB	European Investment Bank
EU	European Union
FTE	Full-Time Equivalent
GBF	Global Biodiversity Framework
GCAP	Green City Action Plan
GCF	Green Climate Fund
GEFF	Green Economy Financing Facility
GET	Green Economy Transition
GHG	Greenhouse Gas
GrCF	Green Cities Framework
GrCP	Green Cities Programme
GW	Gigawatts
IBRD	International Bank for Reconstruction and Development
ICC	International Chamber of Commerce
ICD	Islamic Corporation for the Development of the Private Sector
ICIEC	Islamic Corporation for the Insurance of Investment and Export Credit
ICMA	International Capital Markets Association
IDA	International Development Association
IDB	Inter-American Development Bank
IEA	International Energy Agency
IFC	International Finance Corporation
IFI	International Financial Institution
ISDB	Islamic Development Bank
ISSB	International Sustainability Standards Board
IT	Information Technology
ITFC	International Islamic Trade Finance Corporation
MDB	Multilateral Development Bank
MOPAN	Multilateral Organisation Performance Assessment Network.
MOU	Memorandum of Understanding
MRV	Measurement, Reporting, and Verification.
MW	Megawatt
NDC	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
PA	Paris Alignment
PMF	Performance Monitoring Framework
SCF	Strategic and Capital Framework
SDG	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SIP	Strategy Implementation Plan
SMART	Specific, Measurable, Achievable, Relevant, and Time-bound
SPG	Strategic Planning Group
SSF	Shareholder Special Fun
TC	Technical Cooperation
TCFD	Task Force on Climate-Related Financial Disclosure
TQ	Transition Quality
TNFD	Taskforce on Nature-related Financial Disclosures
UNDP	United Nations Development Programme
WBCSD	World Business Council for Sustainable Development
WBG	World Bank Group
WRI	World Resources Institute

Technical Report Summary

A. Bank achievements in 2021-23

Key evaluation insights

Cascading green ambition into Bank strategies and operations

- The Bank's strategic documents approved in 2021-23 consistently integrate a green theme, although the integration of targeted thematic interventions varies (i.e., hard to abate sectors).
- **Implementing Paris Alignment assessments for all new investments from 2022 is a significant achievement and driver for action.** Furthermore, qualitative evidence confirms success in integrating and mainstreaming "green" into Bank operations, though there is less evidence of activity in some other SCF priority areas (such as green innovation).
- Evidence consistently emphasises challenges around data management and inadequate IT systems, one of the impacts of which is lack of ex post monitoring beyond the activity level. There are ongoing dynamic changes in the Bank's IT systems and data governance, with the established Measurement, Reporting, and Verification system and streamlined green assessments to be shortly transposed into the EBRD Monarch platform.
- Qualitative evidence suggests that additional resources assigned for some green commitments, for example for undertaking the Paris Alignment assessment, may be insufficient, and that there is ample scope for increased efficiencies in the process systems for all green assessments. On the other hand, the green domain received one of the most substantial increases in resources through three SIPs in 2021-23.
- Advancements in green space were enabled by substantial concessional finance provided by donors and the Bank's Shareholder Special Fund (SSF). EBRD has significantly enhanced its green skill base.

Green finance target

- The EBRD has reached the target set in the SCF for the share of green finance ahead of 2025. This is a significant achievement, particularly considering the challenging external circumstances in which the Green Economy Transition (GET) 2021-25 is being implemented. Although the total committed annual investment increased over the period, the overall GET ratio for the 2021-23 period was 50 per cent (this varied slightly across individual years).
- **Both GET finance committed and disbursed vary significantly across EBRD countries of operation.** In terms of amounts disbursed, the largest beneficiaries were Türkiye, Poland, and Romania, while no GET finance at all was disbursed in some countries, including Azerbaijan and Montenegro.
- **The majority (over 93 per cent) of EBRD's GET finance committed over the period 2021-23 was for mitigation activities.** Just 4.8 per cent of GET finance over the period was for adaptation activities, with 20 per cent for environmental finance[1]. This trend has become more pronounced over the period, with the share of environmental finance and adaptation

[1] Some projects can be tagged with multiple GET purposes (e.g. mitigation and adaptation) so totals are greater than 100 percent.

Key evaluation insights

finance within GET finance falling from 2021-23, and the share of mitigation finance within GET going up.

- **Evidence shows that EBRD is performing relatively well in mobilising private sector climate finance with respect to other MDBs.** The evaluation found several examples of successful collaboration, including with other MDBs (e.g. Paris Alignment methodology) and at a local level (e.g. country platforms).

Adaptation and climate resilience

- Whilst EBRD tracks adaptation and mitigation finance in line with the joint MDB approach to climate finance, there is no specific target for them. A comparative analysis demonstrates that other MDBs have higher ambitions and achievements for adaptation finance, but similar targets for overall green finance (that most MDBs label climate finance)[2]. Unlike EBRD, most MDBs are investing in the public sector.
- The overall approach to nature and biodiversity is neither consistent nor comprehensive. Vague definitions and potential misclassification in MDB climate finance pose a reputation risk.

Emission reduction target

- **The Bank is on track to achieve its target of total cumulative emission reductions of almost 29 million tonnes.** GET committed finance data on GHG reductions in 2021-23 shows that they are in line with expected (based on ex-ante estimates). It correlates with the predominance of mitigation activities in the GET financing portfolio.
- But tracking performance only on ex-ante basis does not accurately reflects the Bank's actual contribution to GHG emission reduction. While recognising the complexity of the matter and the international effort, including cross-MDB effort, it is essential that in SCF 2026-30 cycle the EBRD is investing adequate resources in enabling tracking of ex-post results, fully utilising the capabilities and data of MRV system.

Supporting countries in green transition

- **The actual impact of GET finance on countries of operations' transition to a green economy remains unknown.** Those are estimated ex-ante (e.g., the volume of greenhouse gases avoided), with no ex-post monitoring of projects or policy interventions at the time of evaluation. Without changes to the approach of measuring green results this inability to report actual impacts will persist.
- **There is no evidence of a correlation between GET finance and reduction in country's green transition gaps.** The Bank has no instrument to tell the story of its green results under the current SCF. The current results architecture does not allow a correlation between change in a country's Green Transition Quality (TQ) in 2020-23 and the amount of committed and disbursed GET finance in EBRD countries of operations (CoOs).
- Collaborative work in countries and through global networks and partnerships is strong.

[2] This finding is based on the analysis of data on the targets and actual green investments by other MDBs in the period 2021-23.

B. Suggestions for improvements

- **To address the mismatch between green investment and commitments, the Bank should allocate funds for projects beyond mitigation, such as adaptation or nature projects.** Given the relatively nascent nature of private sector investment in adaptation and nature projects, achieving such a target would need to be supported by additional human resources for project origination and implementation, capacity building, and concessionary financial instruments.
- **The EBRD should set out indicators for tracking and publicly reporting results related to mitigation and adaptation impact.** These indicators could, for example, be part of the EBRD Corporate Scorecard (as in the new World Bank Scorecard[3]). In line with international guidance and best practice, these indicators should be monitored annually ex post, as well as estimated ex ante, recognising that additional human resources and digital infrastructure would be needed to implement this.
- **To have a meaningful and noticeable impact at the country level, beyond much greater volumes of finance, the Bank should align GET finance needs with the methodology of the Green TQ score which currently include in equal measure mitigation, adaptation and other environmental factors.** It will allow more accurate capture of Bank's finance impact on the country level. Designing a more focused impact metric for mitigation results at country level might be a suitable solution in the short term. In addition, greater clarity around the distinctions and overlap between Green and Resilience transition qualities (TQs) would be helpful.
- **To maintain leadership, the EBRD should eventually focus on mobilising private sector climate finance for established technology**. This would leave space for EBRD direct investment to focus on more additional sectors and geographies and more innovative technologies, as well as investments beyond mitigation i.e., in adaptation and resilience and nature and biodiversity. Using Paris Alignment assessments and more programmatic approaches to identify and design projects can support this and ultimately drive low carbon, climate-resilient, nature-positive development in EBRD's CoOs.

[3] World bank scorecard metrics New World Bank Group Scorecard FY24-FY30 : Driving Action, Measuring Results.

1. Introduction

1. **This technical report presents findings** of the in-depth analysis of the results achieved in the period 2021-23 against the EBRD's commitments related to green transition presented in the SCF 2021-25.

2. **It is structured around the following themes:**

   i. Context and Background refer to the context in which EBRD's green strategic commitments have been implemented and the key elements of the operational model.

   EBRD's green results under the SCF 2021-25 described progress in achieving strategic goals and key results in the first three years of SCF period. The assessment uses a four-category traffic light system, as follows:

🟢	Complete *Indicates that the aspect is performing well and is on track to meet or exceed the targets.*	🟠	Some progress *Highlights that the aspect is underperforming and requires significant improvements to meet the targets.*
🟡	Significant progress *Signals that the aspect is progressing, but there are some concerns that may need attention to ensure targets are met.*	🔴	Limited progress *Denotes that the aspect is critically underperforming, and urgent action is needed to address the issues and meet the targets.*

   ii. Insights, lessons and recommendations: to be integrated in the next Bank strategy for the period 2026-30.

3. **This technical report is part of the mid-term evaluation of the SCF 2021-25** with key results, insights and recommendations presented in the Summary Report. It integrates findings of the most recent IEvD evaluation reports in the green area (see Annex 1).

4. Additionally, **four technical reports cover other elements of evaluation scope**: (i) operationalisation of SCF priorities in Bank's strategies and frameworks; (ii) mobilisation; (iii) crisis response; (iv) results management, knowledge management and learning, including from evaluation.

2. Context and Background

2.1. What the Strategic Capital Framework 2021-25 says about the EBRD green commitments

5. **Environmental and sustainability objectives have been enshrined in EBRD's mandate from its creation in 1991.** Over the years, evolutionary changes have brought green commitments into the core of the Bank's business model. Specifically, in 2016 the green TQ was introduced into the Transition Impact Concept, as "an integral quality of transition within a sustainable market economy, making plain that economic decisions should reflect the full value of resources to present and future generations"[4]. To support delivery, EBRD's Green Economy Transition (GET) Approach 1.0 (2016-20) aimed to have the share of green financing reach 40 per cent of total EBRD annual investments by 2020.

6. **The current Bank SCF 2021-25 articulates the intention to "build on the Bank's already strong green finance activity" by supporting the transition to a green, low carbon economy through the new GET 2.1 (2021-25).** It commits the Bank to aligning with the principles of international climate agreements (principally the Paris Agreement, see Box 1) and to enhanced country and policy work along with the targeted thematic interventions. This upscaling of activity and ambition aims to raise the share of green finance to at least 50 per cent of the annual investment volume and to reduce net greenhouse gases by 25 to 40 million tonnes by the end of the SCF period.

Box 1: The Paris Agreement[5] outlines the commitment to:

- hold the increase in the global average temperature to **well below 2°C** above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels
- increase the ability to adapt to the adverse impacts of climate change and **foster climate resilience and low greenhouse gas (GHG) emissions development**, in a manner that does not threaten food production
- **make finance flows consistent** with a pathway towards low greenhouse gas emissions and climate-resilient development.

Subsequent IPCC modelling shows that to limit temperature increases to 1.5°C, global anthropogenic CO_2 emissions would need to decline by about 45 per cent from 2010 levels by 2030, **reaching net zero around 2050**[6].

7. **In the SCF 2021-25, green is present as one of three cross-cutting strategic themes, along with inclusion and digital.** It is also one of 13 strategic priorities (Box 1) stating that the Bank

[4] "Green": the EBRD's transition concept.
[5] english_paris_agreement.pdf (unfccc.int).
[6] Summary for Policymakers — Global Warming of 1.5 ºC (ipcc.ch).

commits to support "progress towards green, low-carbon economies through higher levels of investment in the Green Economy Transition".

8. At an impact level, the Bank's overarching **goal** throughout the SCF period is to support CoOs' progress towards becoming a successful sustainable market economy that is competitive, well governed, **green**, inclusive, **resilient** and integrated (Box 2).

Box 2: Understanding the Green and Resilience Transition Quality at the country level

According to the EBRD TQ approach, a sustainable market economy is characterised by six qualities: Competitive, Well-governed, Green, Inclusive, Resilient and Integrated. Assessments of TQs (ATQs) at the country level are composite indices combining information from a large number of indicators and assessments in a consistent manner.

The underlying indicators use a wide range of sources, including national and industry statistics, data from other international organisations (e.g. World Bank, IMF, UN). The resulting ATQ scores measure each economy's performance against that of comparator advanced economies as well as other economies in EBRD regions.

Green TQ is assessed using indicators grouped into three components[7]:

- Mitigation (35 per cent of the final score)
- Adaptation (30 per cent of the final score)
- Other environmental areas (principally waste and biodiversity, 30 per cent of the final score)
- Cross-cutting issues (environmental permits, 5 per cent of the final score)

Resilience TQ is assessed using indicators grouped into two components[8]:

- Energy sector resilience (30 per cent)
- Financial stability (70 per cent)

9. **The Green TQ allows the Bank to prioritise green investments, as well as related policy engagement and technical co-operation.** The Resilient TQ, in its current formulation and interpretation (Box 3), does not allow for prioritisation of the investments that are reducing climate vulnerabilities and increasing resilience to crises and external shocks, such as those related to energy, water or food supply, for example.

[7] https://2021.tr-ebrd.com/structural-reform/, https://2021.tr-ebrd.com/structural-reform/, Methodological notes for TR 2021, 2022 and 2023.
[8] Ibid.

Box 3: The language of Resilience

EBRD uses the term Resilience to reflect the ability of markets and market-supporting institutions to resist shocks. It considers financial stability the most important element, followed by macroeconomic stability. The resilience TQ indicators consider energy diversification and financial institutions.

Climate Change Resilience or Climate Resilient Development, an emerging trend globally, refers specifically to the capacity of social, economic and ecosystems to cope with a hazardous climate event or trend or disturbance. (UNFCCC, 2022).

10. **The EBRD's aim is to raise the share of green finance to at least 50 per cent** and **to reduce cumulative net GHGs by 25 to 40 million tonnes** by the end of the SCF period (based on ex ante estimates).

11. In line with the goal of the SCF, one of the cross-cutting themes is **Supporting Transition to a Green, Low-carbon Economy.** For EBRD's CoOs, this means:

- ensuring consistency with national climate-related action plans
- supporting a reduction in energy intensity of the whole economy and the level of carbon emissions in the energy sector
- ensuring a "just transition" i.e., ensuring that the substantial benefits of a green economy transition are shared widely while also supporting those who stand to lose economically – countries, industries, communities, workers or consumers[9]. This is particularly important for many of EBRD's CoOs where, as outlined above, a relatively large proportion of the workforce is employed in fossil fuel industries.

12. As the SCF paragraph 56 indicates, the green cross-cutting theme will be delivered through the **GET Approach for 2021-25** and by implementing an operational framework to do the following:

- align with the principles of international climate agreements, including principally the **Paris Agreement**
- deliver **enhanced country and policy work** e.g., supporting the development and implementation of Nationally Determined Contributions (NDCs) and Long-Term Strategies (including Just Transition considerations).
- define **targeted thematic interventions.** This includes, for example, a targeted focus on **hard to abate sectors** such as heavy industry and transport, as well as a concerted effort to scale up activity in areas where the Bank has achieved meaningful results prior to 2021 such as **energy efficiency, green cities and the growth of green finance** across the banking sectors of CoOs.

[9] The EBRD's just transition initiative.

- **drive EBRD green innovation**, including digital solutions, new energy sources, such as hydrogen, and nature-based solutions
- include new practices and strategies to remain at the **frontier of green financing**, with a particular focus on the private sector and policy – and including an **innovative product development** function.

13. There is an emphasis on:

- **mobilisation** of both private sector investment and donor resources to scale up activity
- **collaborative work** with partners both in-country and through expert networks, including focused partnerships, with membership ranging from governments, the private sector, other MDBs and Development Finance Institutions (DFIs) and think tanks.
- strengthening **data management** for green financial and non-financial parameters and disclosure frameworks, as well as ex-post monitoring of impact.

14. The SCF 2021-25 also indicates that "Specific **new skills**… will be needed with respect to a green, low-carbon economy… both internally and for our clients".

2.2. The context in which SCF has been delivered

15. **The SCF 2021-25 has been implemented under difficult circumstances** as EBRD countries continue with recovery after COVID-19, the impacts of Russia's invasion of Ukraine, rising energy prices and inflation. The SCF (page 13) recognised the risk that addressing the consequences of the Covid-19 crisis would dissipate the political energy and will to address climate change. It also highlighted the opportunity to integrate a "tilt to green" approach into the public and private investment programmes aimed at speeding up the recovery from the Covid-19 crisis.

16. **In many ways this context makes delivery of the green strategic objective more challenging, as green issues may slip down the agenda.** For example, in 2020, the year preceding the SCF, the share of GET investment dropped substantially from 46 per cent to 29 per cent, although it recovered the year after to 51 per cent (TCFD 2023). It was a global trend of world-wide lockdowns and severely restricted economic activities having substantial negative impact on the volumes of climate finance and the number of green investment projects. Opportunities may also arise however e.g., through a focus on a green recovery to these events.

17. The SCF 2021-25 is being implemented under **rapidly evolving national and international landscape for green policy and regulatory regimes.**

- At a country/regional level, focus has been on implementation of NDCs and net zero commitments e.g. the EU Green deal sets out the EU's plan to become the first carbon neutral continent by 2050 and to deliver GHG emissions reductions of 55 per cent by 2030 compared with 1990 levels[10]. This was enshrined in law in 2021 with the adoption of the

[10] The European Green Deal - European Commission (europa.eu).

EU Climate law[11] leading to impacts on member countries and on key trading partners and the EU accession candidates. Instruments such as the Carbon Border Adjustment Mechanism, which entered its current transitional phase in 2023[12], is a key driver in decarbonisation efforts in countries such as Türkiye.

- At a corporate level and for financial institutions, there is growing regulation around and increased requirements for climate disclosures that consider climate risks and opportunities, as well as transition plans. Key amongst these was launch of the S2 Standard for Climate-related Disclosures in 2023 by the International Sustainability Standards Board (ISSB)[13], replacing the current Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. EBRD published its fifth TCFD report in 2024 and expects to disclose against ISSB S2 no later than financial year 2025.[14] In the EU, climate reporting and disclosure is incorporated in the SFDR[15] (for financial institutions, based on legislation passed in 2023) and CSRD[16] (for corporates, which came into force in 2023).

18. There is increased recognition of the **role that the financial sector needs to play in meeting net zero** targets.

- The Net Zero Banking Alliance was launched in 2021 for private sector banks, It now has almost 150 members, including large global banks such as the Bank of America, ING and Standard Chartered. Members have committed to transitioning the operational and attributable GHG emissions from their lending and investment portfolios to **align with pathways to net-zero by 2050 or sooner**[17]. No MDBs belong to the Alliance currently.

- In a statement made in November 2020, the European Development Finance Institutions (EDFIs) committed to align all new financing with the objectives of the Paris Agreement by 2022 and **transition investment portfolios to net zero GHG emissions by 2050** at the latest[18].

19. **Each COP in the period 2021-23 emphasised the role of MDBs in tackling climate change and directing finance to low GHG and to climate resilient development.**

- COP26 (2021) called upon MDBs, other financial institutions and the private sector to enhance finance mobilisation to deliver the scale of resources needed to achieve climate plans, particularly for adaptation[19].

- COP27 (2022) called on MDBs to contribute to significantly increasing climate ambition using the breadth of their policy and financial instruments for greater results, including on private capital mobilisation, and to ensure higher financial efficiency and maximise the use

[11] The European Green Deal (europa.eu)
[12] Carbon Border Adjustment Mechanism - European Commission (europa.eu)
[13] IFRS - IFRS S2 Climate-related Disclosures
[14] EBRD, Task Force on Climate-Related Financial Disclosures Report 2023 [in publication]
[15] Sustainability-related disclosure in the financial services sector - European Commission (europa.eu)
[16] Corporate sustainability reporting - European Commission (europa.eu)
[17] Net-Zero Banking Alliance – United Nations Environment – Finance Initiative (unepfi.org)
[18] 1.-EDFI-Statement-on-Climate-and-Energy-Finance-Final.pdf (edfi-website-v1.s3.fr-par.scw.cloud)
[19] cop26_auv_2f_cover_decision.pdf (unfccc.int)

of existing concessional and risk capital vehicles to drive innovation and accelerate impact[20].

- COP28 (2023) called on MDBs and their shareholders to significantly scale up the provision of climate finance, especially through grants and concessional instruments[21].

20. In addition, there is more emphasis on aspects of "green" **beyond mitigation.**

- ***Climate resilience and adaptation***: in response to the call for increased resources for adaptation from COP26, the MDBs outlined that they "are increasing climate finance, including the amount of finance available to support adaptation initiatives"[22]. **The 2024 UNEP Adaptation Finance Gap report showed that while MDBs have been the largest provider of this type of adaptation finance throughout the period 2018-22, where their financial commitments increased by 52 per cent from 2021-22**[23].

- ***Nature and biodiversity***: The Kunming-Montreal Global Biodiversity Framework (GBF) was adopted in 2022 during COP 15 and sets out an ambitious pathway to reach the global vision of a world living in harmony with nature by 2050[24]. Following this, the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) were published in September 2023[25]. TNFD Adopters include the Private Infrastructure Development Group and Agence Française de Développement, but not EBRD or any other MDBs.

- The MDBs made a joint statement on the actions they would take to step up their efforts towards the protection, restoration and sustainable use of nature at COP26 in 2021[26]. At COP28 in 2023, the MDBs, including the EBRD, agreed on a set of common principles for tracking nature-positive finance, which are expected to help guide the development and implementation of their respective technical frameworks and internal methodologies[27]. At COP28 the EBRD also launched its Approach to Nature, guided by the goals and targets of the Kunming-Montreal Global Biodiversity Framework and the COP26 MDB statement[28]. It outlines EBRD's intent to protect nature (through a review of its Environmental and Social Policy) and to invest in nature and disclose nature-related information.

21. **EBRD is taking particular action on the blue economy:**

- In 2020 the EBRD became a signatory to the United Nations Environment Programme Finance Initiative (UNEPFI)-hosted Sustainable Blue Economy Finance Principles, promoting the implementation of United Nations Sustainable Development Goal 14 (Life Below Water),

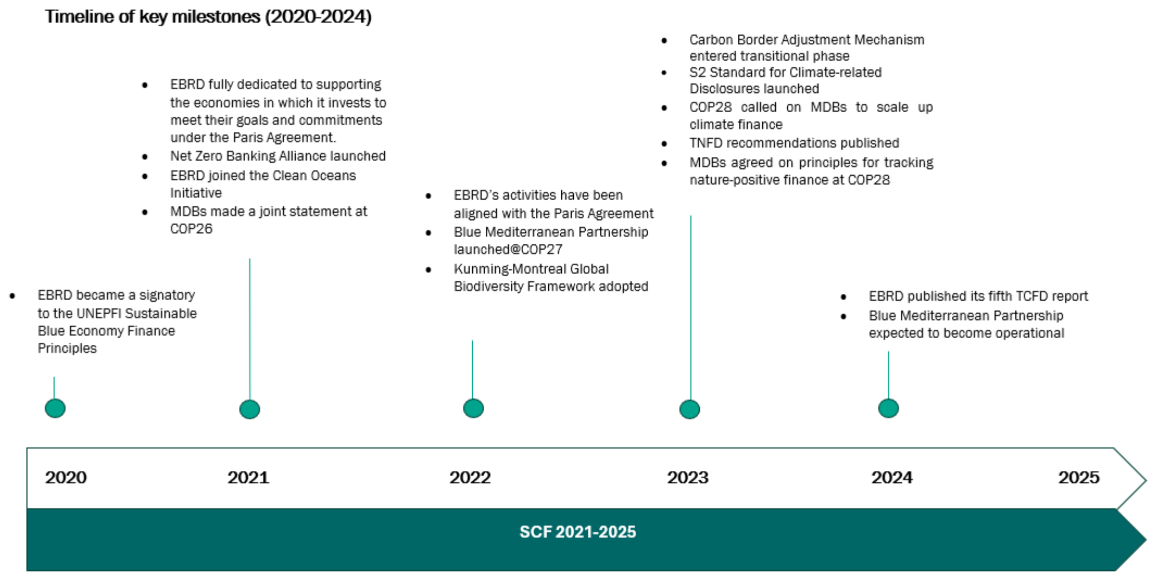
[20] cop27_auv_2_cover%20decision (2).pdf
[21] Matters relating to the global stocktake under the Paris Agreement | UNFCCC
[22] COP26-Joint-MDB-Climate-Ambition-Statement.pdf (aiib.org)
[23] Adaptation Gap Report 2024 | UNEP - UN Environment Programme
[24] Kunming-Montreal Global Biodiversity Framework (cbd.int)
[25] The Taskforce on Nature-related Financial Disclosures (tnfd.global)
[26] Multilateral development banks to step up protection of nature (ebrd.com)
[27] https://www.ebrd.com/documents/environment/mdb-common-principles-to-nature-positive-finance-tracking.pdf
[28] EBRD launches approach to nature

and setting out ocean-specific standards for the financial industry to mainstream sustainability of ocean-based sectors[29].

- The Blue Mediterranean Partnership, fund-managed and hosted by the EBRD, was launched in 2022 at COP27 in Egypt. At COP28, partners and donors involved in the Blue Mediterranean Partnership confirmed their support by signing a letter of intent to make their participation official and to operationalise the Partnership in early 2024. The Blue Mediterranean Partnership addresses the threats to the Mediterranean Sea by coordinating the financing of blue economy projects in the Mediterranean and Red Sea regions, focusing initially in Egypt, Jordan and Morocco[30].

- In 2021 the EBRD joined the Clean Oceans Initiative to strengthen its work to reduce ocean pollution, particularly from plastics. Signatories commit to collectively investing up to €4 billion by 2025 in public and private-sector projects that can stop plastic waste from polluting the seas[31] (Figure 1).

Figure 1: Timelines of key milestones 2020-24



Source: IEvD online research

[29] EBRD signs up to Sustainable Blue Economy Finance Principles.
[30] Blue Mediterranean Partnership steps up support for sustainable blue economy (ebrd.com)
[31] https://www.ebrd.com/news/2022/transforming-our-economies-into-nature-positive.html

2.3. Where the EBRD Countries stand

22. **EBRD CoOs contribute relatively little to global carbon emissions but are relatively energy intensive (SCF 2021-25). Fossil fuels generally dominate the energy sector, in which a large proportion of workforce is employed[32].**

23. The impacts of climate change are already being felt, however. According to the IPCC, in 2023[33] "Human-caused climate change is already affecting many weather and climate extremes in every region across the globe. This has led to widespread adverse impacts and related losses and damages to nature and people".

24. The current 1.1°C warmer world is already affecting natural and human systems in Europe, Asia and Africa and this will increase, even with a 1.5°C limit on global warming. Whilst the European countries of the Bank's operations are particularly concerned about climate risks[34] from global warming levels above 1.5°C and particularly approaching 3°C, West and Central Asian countries are already experiencing widespread impacts[35] and are particularly anticipating an increasing likelihood of heatwaves and droughts in arid and semi-arid areas.

25. **African countries are already experiencing widespread losses and damages attributable to human-induced climate change, including biodiversity loss, water shortages, reduced food production, loss of lives and reduced economic growth.** These countries face extremely severe risks[36] from any global warming above 1.5°C which is exacerbated by socio-economic profiles and populations with lower coping capacity and higher sensitivity to climate impacts than other regions[37].

26. But there are also massive opportunities in addition to these risks. Many EBRD countries have a significant solar and wind energy resource (EBRD TCFD report 2023), as well as deposits of critical raw minerals necessary for the green transition (EBRD Mining Sector Strategy 2024-28), leading to opportunities for creating quality green jobs as well as attracting investment.

27. **EBRD CoOs are all signatories to the Paris Agreement. As such, they have committed to communicate climate actions to reduce GHGs and adapt to the impacts of climate change through Nationally Determined Contributions (NDCs.** EBRD has, in turn, committed to supporting its CoOs with the development and implementation of their NDCs, for example in developing the Bank's own Country Strategies and Sector Strategies[38].

32 The EBRD's just transition initiative.
33 AR6 Synthesis Report: Climate Change 2023 (ipcc.ch)
34. Key Climate Risks: mortality and morbidity of people and changes in ecosystems due to heat, heat and drought stress on crops, water scarcity and flooding and sea level rise, IPCC Sixth Assessment Report, Working Group II: Impacts, Adaptation and Vulnerability, Europe Fact Sheet, 2022.
35. Water, Ecosystems, Cryosphere, Health, Energy Food, Cities and Urban settlements, IPCC Sixth Assessment Report, Working Group II: Impacts, Adaptation and Vulnerability, Asia Fact Sheet, 2022.
36 Key Risks for Africa: Biodiversity Loss and Ecosystem disruption, Mortality and morbidity from heat and infectious disease, reduced food production from crops, fisheries and livestock (all with high to very high impact and high to very high confidence), IPCC Sixth Assessment Report, Working Group II: Impacts, Adaptation and Vulnerability, Africa Fact Sheet, 2022.
37 Communities with lower levels of education, health, connectivity, infrastructure services, livelihood opportunities and high levels of poverty are more vulnerable to climate impact.
38 EBRD, Overview of Nationally Determined Contributions (NDCs) and related EBRD activities, 2019.

3. Key Findings: Progress achieved in delivering green results under the SCF 2021-25

28. **This chapter focuses on the key achievements in delivering the SCF 2021-25 green ambition.** It summarises detailed analysis presented in Annex 2 to this Technical Report.

3.1. Overall progress

29. Table 1 outlines progress in 2021-23 in delivering the SCF 2021-25 ambitions and uses colour coding to indicate degree of progress. It also highlights potential areas of risk for the remainder of the SCF period, taking into account the public commitments made by the EBRD and potential reputation risks.

Table 1: Progress achieving SCF green ambitions

SCF Ambition	Progress 2021-23	Status	Risks for the remainder of SCF 2021-25 SCF 2026-2030
🟢 = largely complete; 🟡 = significant progress; 🟠 = some progress; 🔴 = limited progress			
Aim to raise the share of green finance to at least 50 per cent and reduce cumulative net greenhouse gas emissions (GHGs) by 25 to 40 million tonnes by the end of the SCF period (based on ex-ante estimates).	*Targets achieved ahead of 2025*	🟢	*Potential reputational risk:* *- Majority of GET finance for mitigation* *- Ex-ante reporting of emission reductions* *- Metrics do not demonstrate progress in net zero and climate-resilient development*
In line with the SCF goal, Supporting the Transition to a Green, Low-carbon Economy is one of the cross-cutting SCF themes	*No relationship found between the amount of GET finance and change in Green TQ*	🟠	
Delivery of the green cross-cutting theme: integration	*Generally, good integration of green cross-cutting themes across sector strategies and country strategies but some areas*	🟢	*EBRD may lose its position as a leading Green Bank if there is a weak focus on innovation and the additionality of EBRD*

	not considered in as much detail as others		*involvement in projects will reduce over time*
Delivery of the green cross-cutting theme: Adaptation and Climate Resilience	*There are no targets at the SCF level.*	N/A	*Reputational risk: Low Climate Adaptation finance (one of the lowest of all MDBs over 2021-23) despite publicly stating it as a priority.*
	Good consideration and processes at the project level.	●	*Impact against strategic objectives unknown without a target and monitoring.*
	Inconsistent consideration in Sector and Country Strategies and MoUs.	●	*Risk of misalignment with public statements (i.e., at climate COPs.)*
Delivery of the green cross-cutting theme: Environment and Net positive value	*There are no targets at the SCF level.*	N/A	*Impact against strategic objectives unknown without a target and monitoring.*
	Very limited consideration at Sector, and Country Strategies and MoUs.	●	*Risk of misalignment with public statements (i.e., at climate and mature COPs)*
	Basic consideration at project development as part of Environment and Sustainability Safeguards.	●	

Source: IEvD

3.2. Cascading green strategic aspirations in Bank strategies and operations

3.2.1. The green theme is consistently integrated into Bank's strategic documents approved in 2021-23, although the integration of targeted thematic interventions varies

30. **All three SIPs have identified green transition as a key objective, whilst recognising that regional context may impact delivery.** In addition, all 3 sector strategies and 16 country strategies reviewed included a green strategic priority (see Annex 1 for full list). Several MOUs (e.g., the Financial Framework Partnership Agreement with the EU signed in 2022; MOUs with Kazakhstan

and Azerbaijan) were signed from 2021-23 to support actions to transition economies to green and decarbonisation.

31. **Each of the SIPs contain ambitions for raising the share of GET finance towards the 2025 target that is included in the Scorecard for the SIP period.** However, none of the SIPs mention the ambition of reducing cumulative net greenhouse gas emissions.

32. **All three SIPs outline plans to implement Paris Alignment assessments and GET 2.1 highlights the central role that the alignment of EBRD operations with the Paris Agreement goals will take.** Similarly, all three sector strategies highlight alignment with the Paris Agreement. All country strategies and several MOUs refer to the Paris Agreement and NDC implementation, in line with the SCF aim of supporting the development and implementation of national climate-related action plans including Long-term Strategies and NDCs.

33. **The priority given to delivering enhanced country and policy work increases across the three SIPs and is highlighted as a key priority of GET 2.1, in line with the SDGs and consistent with broader climate and sustainability goals.** All three sector strategies mention policy dialogue as being an activity/intervention to be used to deliver the strategy. Similarly, all the country strategies reviewed contained activities around policy engagement and policy support. In many cases, this was directly related to NDC implementation. Two MOUs (Kazakhstan and Azerbaijan) outline how EBRD will support the achievement of country level NDCs and net zero commitments.

34. **However, none of the SIPs mention a focus on sectors that are hard to abate.** GET 2.1 does outline specific sectors (generally considered hard to abate) and interventions where targeted work will be undertaken to align with low carbon pathways. Of the sector strategies reviewed, only the Energy Sector Strategy (2024-28) mentions hard-to-abate sectors, stating that one of its strategic directions is "Promoting zero-carbon fuels– investing in innovative technologies and harnessing renewables to decarbonise other sectors especially those that are hard to abate". Activities focussing on hard-to-abate sectors were less evident in MOUs and country strategies.

35. **Green Cities** is mentioned in the context of investments in climate-resilient municipal infrastructure (SIP 2022-24) and Country Strategies (SIP 2023-25). GET 2.1 also mentions the potential for supporting CoOs in reducing emissions from cities e.g., under the Green Cities initiative. The Financial Sector Strategy outlines the intent to deploy green intermediated municipal lending to further the EBRD Green Cities Initiative. The other sector strategies mention interfacing with the Green Cities initiative but give no further details of specific actions related to this. Green Cities were the focus of 3 MOUs[39] and were included in 12 of the country strategies reviewed.

36. **Energy Efficiency** is highlighted in GET 2.1 as a key area of focus to achieve the aim of reducing emissions. The Energy Sector Strategy also highlights enhancing energy efficiency and productivity as a critical action area. All the country strategies reviewed included activities to promote energy efficiency, and one MOU directly mentioned energy efficiency as part of scope (MoU with the Ministry of Energy Transition and Sustainable Development of Morocco).

[39] MoU with the New Urban Communities Authority; and two MOUs with the Ministry of Local Development and the Governorate of Cairo).

37. In terms of **green innovation**, this does not appear to be a key focus or priority in any of the SIPs. GET 2.1 does mention the need to support new and innovative technologies such as e-mobility and green hydrogen and emphasises, while the scope for investment in these new areas is expected to be limited during the GET 2.1 period, important foundations must be laid in regulatory developments and pilot projects. In line with this, the Energy Sector Strategy outlines the intention to invest directly in well-established, emerging or less established technologies (for example, offshore wind, floating solar, waste to energy), as well as promoting zero carbon fuels. Over 50 per cent of the country strategies reviewed contained activities related to green innovation e.g. through activities to increase investment in technologies such as e-mobility, smart grid infrastructure, battery storage, and green hydrogen. The MOUs give no evidence of the inclusion of green innovation or the use of novel technologies.

38. **Remaining at the frontier of green financing, including innovative product development is a key priority for the latter two SIPs which emphasis scaling up and driving innovative climate finance.** Similarly, green financing and innovative product development is a major theme across all three sector strategies, in particular the Financial Sector Strategy outlines the intention to expand existing/develop new products and approaches to enhance green financing for segments underserved by green financing. Over 50 per cent of the country strategies reviewed contained activities related to the development of green financial products and increased use of existing green financial products, such as green bonds.

39. **A continued shift towards more programmatic and system-level interventions has the potential to increase support for innovative technologies and use of innovative financial instruments.** Qualitative evidence (i.e. interviews) identified additional potential opportunities to build on the work undertaken to date to “embed green”. For example, there is an opportunity to build on the implementation of Paris Alignment assessments, from achieving a compliance threshold to becoming a tool to systematically identify GET opportunities. In addition, more programmatic and system-level interventions will likely support more holistic and impactful projects.

40. **In general, the systematic integration of green priorities as articulated in the SCF should set the foundations for successful delivery. In particular, a strong focus on the Paris Alignment, policy dialogue, scaling up Green Cities and a drive for increased green finance will contribute to achieving the SCF goals and aims.**

3.2.2. Operationalising the Paris Agreement alignment

41. **Since 2022 all EBRD investments have been aligned with the Paris Agreement through the application of the EBRD Paris alignment methodology** (most recently updated in March 2024). The Bank’s internal activities have reflected the Approach to the Paris Agreement alignment of the EBRDS’s internal activities (2022).[40] Consistent with the Paris Agreement implementation approach agreed by the MDBs, the EBRD approach has six “building blocks”: (1) alignment with mitigation goals; (2) adaptation and climate-resilient operations; (3) accelerated contribution to the transition through climate finance; (4) engagement and policy development; (5) reporting; and (6) alignment of internal activities.

[40] https://www.ebrd.com/ebrd-paris-agreement

3.2.3. The need for strengthening green data management and disclosure frameworks is well articulated, but effects are still to be seen

42. **As no ex-post measurement or assessment is undertaken it is not possible to establish the progress achieved between baseline (defined through ex ante) and current or final status (defined through monitoring and reporting of ex post).** The SCF acknowledges that storage of data on legacy platforms and its management with manual processes makes the use of data in areas such as climate risk assessment and management difficult, imprecise, and time-consuming. The GET 2.1 Evaluability Assessment highlighted that "Fully implementing the ex-post MRV system for climate adaptation projects is a complex undertaking. Due to the evolution of tracking methodologies, for the time being only physical implementation of climate resilience improvements will be monitored".

43. **Several SIPs outline the importance of the role of enhanced controls, results management, and systems.** For instance, the SIP 2023-25 focuses on increased application of digital solutions to generate, capture, and translate results into operational and investment insights. Alongside this, several activities are outlined in GET 2.1 to enhance MRV and data management processes and systems.

44. In addition, in line with the MOPAN the Evaluability Assessment of the GET found that reporting on GET data needs to be streamlined and become more outcome-oriented. Interviews also confirmed the ongoing need for improved digital systems to support and enhance data management and MRV (Box 4).

Box 4. Green data management in MOPAN's 2024 Assessment of EBRD

- **EBRD conducts extensive internal reporting on its GET activities.** in addition to reporting on overall GET Finance, the EBRD reports annually on a series of 18 GET Impact indicators that aggregate the expected impact of projects assessed prior to investment, reflecting the impact and reach that projects are expected to have once they become fully operational
- Overall, these data between 2018-22 suggest that EBRD is making a contribution to its strategic objectives with respect to the GET. Examples include CO2 emissions reduced (kilotonnes/year - 11,141 as of 2022), Water saved (m3/year - 21,495,103 as of 2022) and Renewable Energy – capacity installed (MW - 4,652 as of 2022).
- **For the moment, these data are reported ex-ante.** However, EBRD is implementing a Monitoring, Verification and Reporting approach for GET, including support for clients, which will support ex-post reporting in future (EBRD 2023x; 2024e). If it is successfully implemented, it will be a notable example of good practice

3.2.4. EBRD has significantly enhanced its green skill base

45. **There is acknowledgement in the SCF 2021-25 that "Specific new skills… will be needed with respect to a green, low-carbon economy… both internally and for our clients". The SIPs reviewed demonstrate that significant resources were allocated to "Green" activities:**

- SIP 2021-23 proposes £4.9 million funding and 34 FTEs for new and incremental activities under GET2.1 in the first year of SCF2021-25 implementation.

- SIP 2022-24 states that the 2022 Budget proposal increases green resources further with an Incremental £2.0 million funding and approximately 18 FTEs proposed for investment in Green.

- SIP 2023-25 states that the 2023 Budget proposed £0.5 million funding, including four incremental FTEs for the Green strategic priority.

- this equates to a total of 56 FTEs and £7.4 million new financing over three years.

46. **A substantial increase in the number of green experts across bank departments, specifically in CSD, was a crucial factor for successful delivery of key strategic objectives.** Among them is launch of Paris Agreement alignment; delivery of MRV function; improvement in green data analytics; enhanced partnerships between bankers and green policy specialists working on specific sectors and geographies.

47. The launch of country platforms in the green space, expansion of substantial green frameworks in sustainable infrastructure, such as Green Cities Programme, and gradual entry into adaptation space was due to the availability of experts, including on the ground, who supported country stakeholders.

48. **During interviews, many respondents highlighted challenges around resourcing. This was particularly relevant to the Adaptation and Resilience fields. Additional resources assigned, for example for undertaking Paris Alignment assessment, were not felt to be adequate.** It was also noted that in addition to dedicated personnel, Green "champions"[41] with relevant skills who internalise and drive the green agenda across the Bank's operations were most successful in maximising green benefits (as opposed to working with a compliance or checklist mindset to meet minimum requirements).

3.2.5. Advancements in green space were enabled by substantial concessional resources provided by donors and Bank's Shareholder Special Fund

49. **Data on complementary concessional resources to GET operations is unavailable, however there is evidence of stable growth in concessional resources supporting Green TQ operations.** Donor funds and EBRD's own Net Income Allocation through SSF have been increasingly channelled to the projects with the Green TQ. In 2022, donor funding and the SSF supported over €2.5 billion of EBRD green investments, representing 40 per cent of the Bank's green investments that year. This was supported by donor funding of €260 million from bilateral and multilateral sources in the form of technical assistance and capex grants, concessional co-lending and guarantees.

50. Donor reports for the years 2021-23 illustrate that green projects saw the greatest share of concessional resources enabling it either through blended financing or TC projects. However, the needs for continuous integration of green in all operations and processes are greater and require further resources. Among examples mentioned in the interviews are needs for additional resources for undertaking Paris Alignment assessment with the objective of capturing more

[41] Currently these champions were reported to have developed organically, leaving impact subject to staffing and staff movements.

important information that can be integrated in the future projects. There is also a need to expand the network of green champions.

3.3. Green financing

3.3.1. Stable GET ratio achievement at 50 per cent despite increased committed annual investment

51. To analyse the actual financial result in the first three years of the SCF period, the evaluation team looked at the trends of committed green investments (as opposed to those in approved or signed green investments[42]) (Table 2).

Table 2: Share of GET finance

Indicator	2021	2022	2023
No. of operations	278	305	337
Total ABI (bn €)	10.45	13.07	13.13
GET committed (€)	5.37	6.36	6.54
GET ratio	51%	50%	50%

Source: EBRD datasets

52. The total amount of GET finance committed from 2021 to 2023 amounted to €18.3 billion, with sustainable infrastructure operations delivering 42 per cent, industry, commerce and agriculture contributing 24 per cent, and financial institutions covering 34 per cent. In comparison:

- the European Investment Bank (EIB) committed €88 billion in 2023, of which €49 billion (57 per cent) was for green investments[43].
- British International Investment (BII) committed £1.31 billion in 2023, of which £449 million (37 per cent) was for climate investments[44].

53. This indicates that, while total investment amounts varied, EBRD's share of green/climate finance was broadly in line with peers.

[42] Terminology here refers to where in the EBRD cycle the investment lies:
Committed is where a term sheet has been signed, and due diligence is substantially complete.
Approved is where the investment is approved by the EBRD Board of Directors or Management through Delegated Authority.
Signed is where the EBRD and the client sign the deal documentation, and it becomes legally binding.
Disbursed is where funds are transferred from the Bank's bank account to the client's account.
[43] Driving European competitiveness, stability and climate leadership – EIB Group invests €88 billion in 2023
[44] https://www.bii.co.uk/en/news-insight/news/british-international-investment-announces-2023-annual-review-with-1-31-billion-of-new-sustainable-development-commitments/#:~:text=Out%20of%20BII's%20total%20commitments,period%20is%2030%20per%20cent

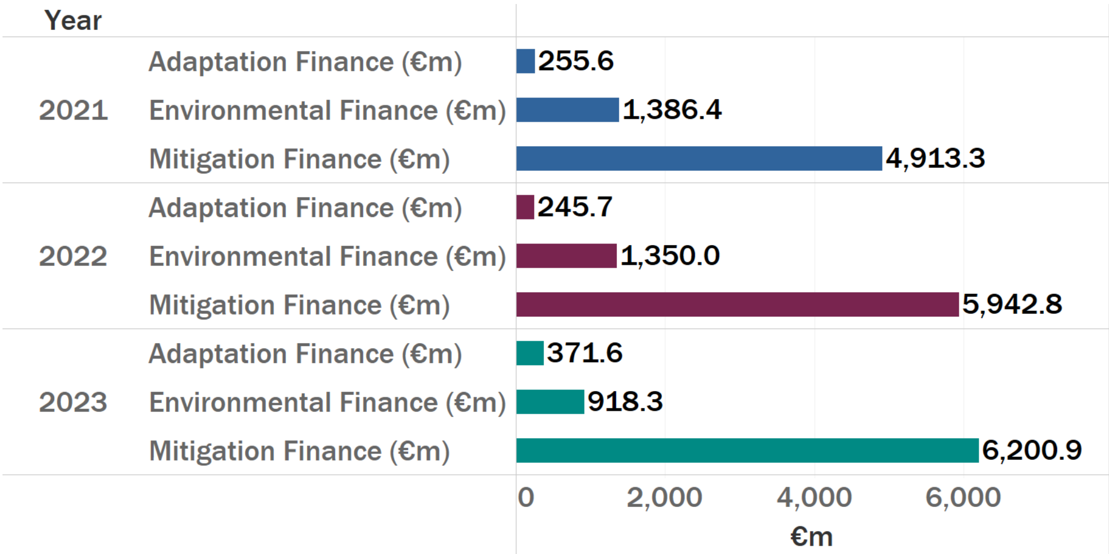
3.3.2. The vast majority of GET finance is committed to mitigation activities

54. In the context of the growing focus on climate adaptation and climate resilience, it is important to analyse the trends of various green commitments in the overall portfolio. The evaluation team considered the split of GET finance by category.

55. This showed that over 93 per cent of GET finance committed over the period was for mitigation activities. Just 4.8 per cent of GET finance over the period was for adaptation activities, with 20 per cent for environmental finance[45]. This trend has become more pronounced over the period, with the share of environmental finance and adaptation finance falling from 2021-23, as the share of mitigation finance increased (Figure 2).

56. This indicates that more effort will be needed over the coming years to direct GET finance to a broader range of activities, beyond mitigation, in line with commitments made at COP.

Figure 2: EBRD annual GET finance commitments across Adaptation, Mitigation and Environmental Finance, 2021-23



Source: EBRD data

3.3.3. The balance in geographic distribution and disbursement rates can be improved

57. The evaluation team looked at amounts of GET finance disbursed and the correlation between this and GET finance committed (Figure 3).

- Both committed and disbursed GET finance vary significantly across EBRD regions and CoOs.

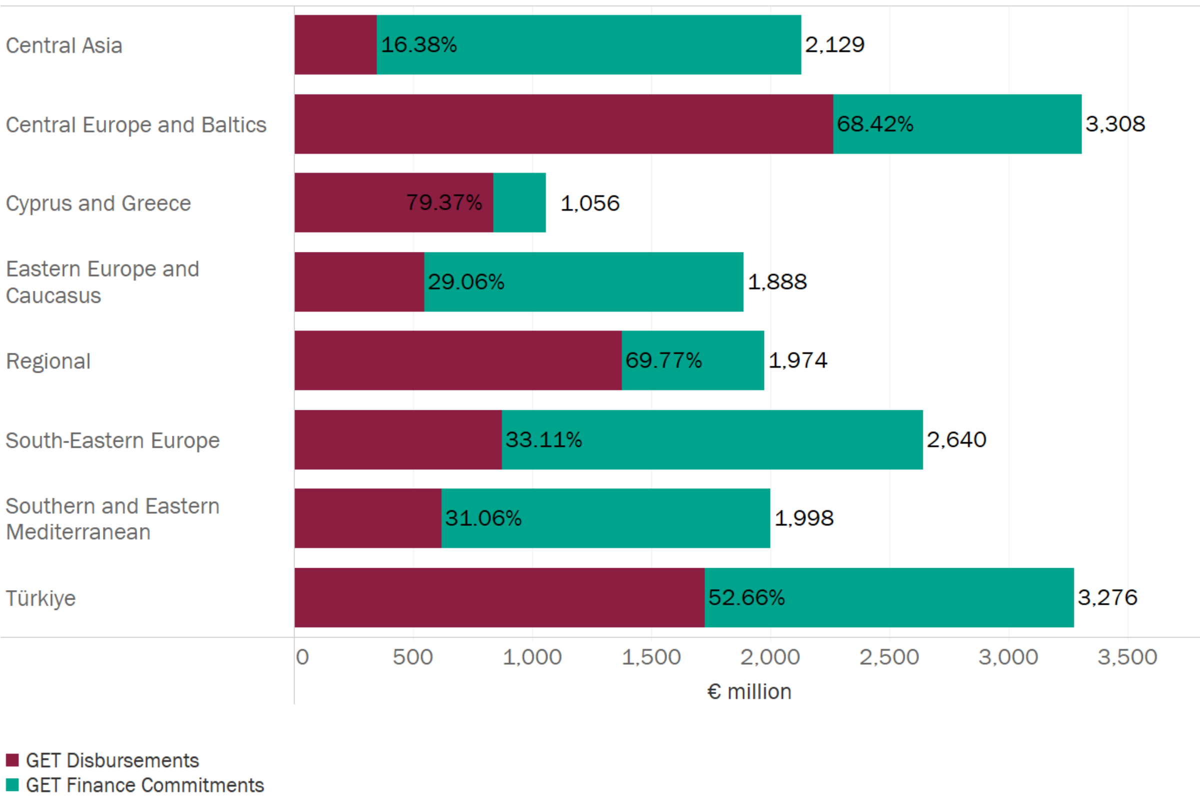
[45] Where:
- Mitigation covers investments that reduce, avoid or remove emissions of greenhouse gases and includes, for example, renewable energy and energy efficiency projects.
- Adaptation covers investments that increase resilience to climate risks.
- Environmental covers investments that take action to abate air pollution, address water issues and protect natural capital.

Projects may be tagged for multiple GET purposes, hence totals do not add to 100 per cent.

- Commitments did not appear to always translate into disbursements. In some regions and countries, the reason for this can be understood (e.g. war on Ukraine and macroeconomic crisis in Egypt, resulting in reduced public lending); in others the reason was less clear.

58. **This suggests that future efforts should focus on ensuring a more equitable distribution of green financing across CoOs and that GET commitments lead to disbursements to maximise impact of GET financing.**

Figure 3: Total GET Finance Commitments vs GET Disbursements 2021-23



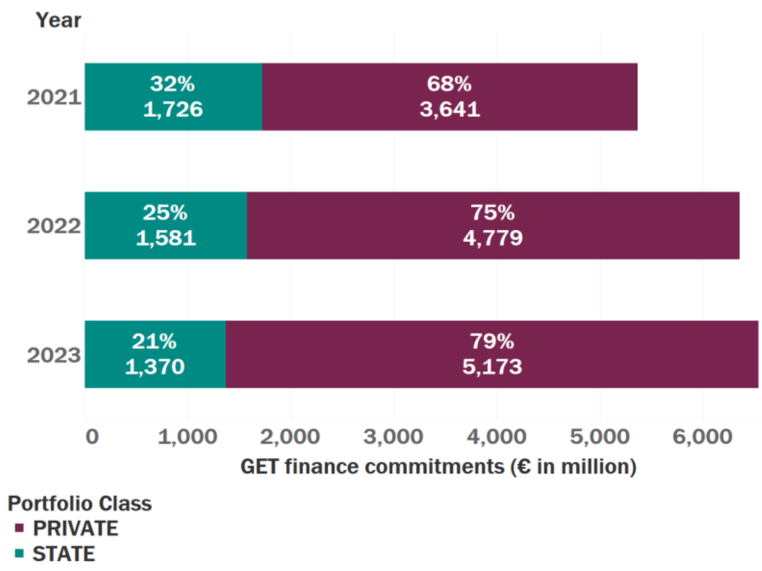
Source: EBRD Data

3.4. Role of private sector and mobilisation

3.4.1. Private share of GET investments increased

59. Data was also reviewed on the split of GET finance committed to the private sector and to the public sector. As outlined in the SCF 2021-25, the focus is on private sector development, with the "ability to make selective interventions in the public sector" (Figure 4).

Figure 4: Private/Public Split of GET finance, 2021-23



Source: EBRD data

60. **There is a consistent trend of private sector projects dominating GET finance, with ratio increasing from 68 per cent to 79 per cent in the total portfolio.** Although this Bank-wise split masks some of the challenges related to meeting both the objective of 75 per cent private finance share and 50 per cent of GET finance share. Those were particularly aggravated during 2022-23, when significant crisis response package to war on Ukraine has forced notable shift towards greater share of public sector portfolio (see Crisis response Technical Report for more detail).

61. **This area was noted as a "contested one" by many interviewees who spoke to the evaluation team.** On the one hand, a significant increase of the GET finance share is a positive achievement of the strategic aspiration, ahead of the schedule. On the other, a significant amount of green finance, especially in some geographies (i.e. SEMED, Central Asia, Western Balkans AND Ukraine), is in the public sector. Municipal investments in a good example. From having close to no investments with GET finance it became one of the sectors with the highest ratio, in many respects thanks to the flagship Green Cities Programme launched in 2016. Some bankers argue that EBRD should follow the example of other MDBs, like IFC, and reclassify municipal operations not as a public sector.

62. **Moreover, for achieving systemic change in the green domain beyond the remits of individual investments it is essential to blend it with the policy engagement and TCs, and particularly in the public sector** (see SCF LKM Technical Report for more details on systemic change and transition impact). Among other initiatives, Bank has established Corporate Climate Governance Facility in 2022 and Sustainable Finance Governance and Regulation Unit in 2023, which is jointly managed by OGC's Legal Transition Team and CSD.

63. **Going forward, with the new governance cross-cutting strategic theme defined for SCF 2026-30, the prominence of this challenge will increase further.** It is expected that more State-owned enterprises (SOEs) across EBRD's CoOs will have significant investment needs and will also require legal and regulatory support to unlock green investments from private sector. This contested area will require resolution in the next SCF.

3.4.2. Most documents included the mobilisation of private sector investments and donor resources to scale up green activities, but the extent was unclear

64. **In country strategies, all those reviewed contained mapping of other donor activity and many contained activities to develop green capital markets and additional activities to encourage private sector investment.** Looking at sector strategies, both the Energy and Mining sector strategies highlight the need for public and private co-financing to drive activity.

65. Mobilisation is a key theme across all three SIPs, including specifically in relation to green/climate financing to achieve GET targets. Similarly, GET 2.1 emphasises the importance of private sector mobilisation and the role that external funds will play in scaling activity.

66. Further evaluative evidence on green mobilisation is presented in the Technical Paper on Mobilisation.

3.5. Supporting countries in the green transition

3.5.1. There is no evidence of a correlation between GET finance and a reduction in a country's green transition gaps

67. The Bank has no instrument to tell the story of its green impact under the current SCF. The evaluation team has therefore combined the trends in green finance with the progress of each CoO in green transition to see if any correlation can be seen. This is illustrated in the dynamics of the Green TQ (see Box 2, Chapter 2) shown in the figure below which shows GET finance committed between 2020-23 per country, alongside the change in Green TQ in the years of SCF review period.

68. A positive (or negative) change in the green TQ score in 2021-23 illustrates progress (or regress) of each country in developing a green economy, as measured by a series of indicators including[46]:

- electricity production from renewable sources
- number of registered vehicles per tonne of CO_2 emitted from transport

[46] Structural reform | EBRD TR2021 (tr-ebrd.com)

- market support mechanism for renewable energy production
- aqueduct water stress index
- number of people affected by droughts, extreme temperatures, floods and wildfires in the last 10 years
- waste generation per capita

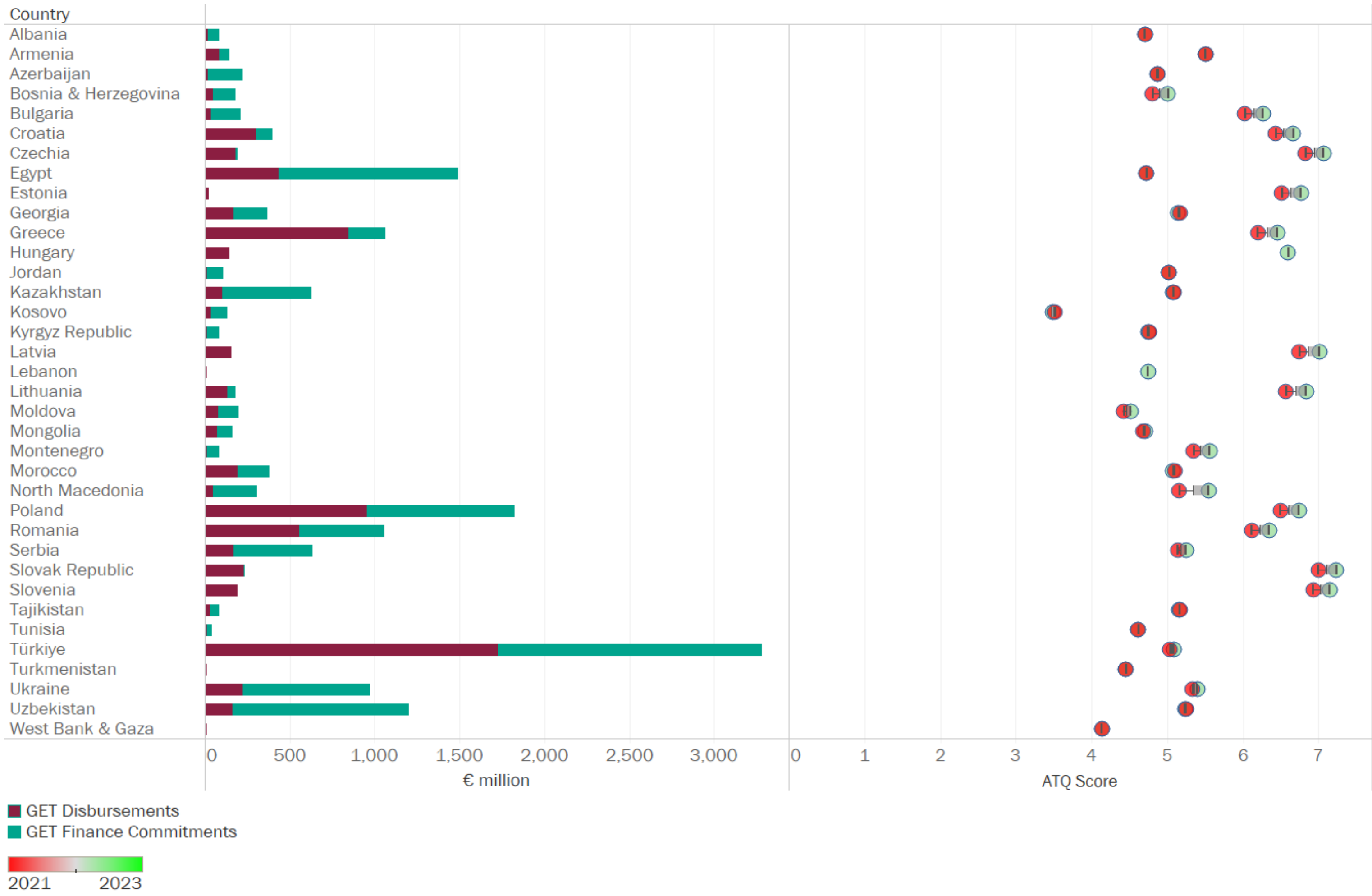
69. **There was no clear correlation between change in Green TQ between 2020-23, and the amount of GET committed.** For example, both Türkiye and Egypt – two of the largest recipients of GET financing – had very modest changes in their Green TQ score. In contrast, both Latvia and Lithuania – which had relatively little GET finance committed –showed a significant improvement in their Green TQ score over the period.

70. There many likely reasons for this include the following:

- EBRD finance, although substantial, usually represents only a tiny fraction of the entire green investment portfolio/country needs in green finance.
- Frequency at which data used for Green TQ indicators is updated: given the broad range of indicators that make up the Green TQ assessment, it is likely that not all indicators are updated annually. In addition, in some cases there appears to be a lag in the availability of data meaning that data used in the assessment is several years' old and wouldn't therefore reflect changes brought about by EBRD investment.
- Multi-year time lag between EBRD financing being committed, being deployed and green benefits being realised.

71. **Most GET finance has been for mitigation, but mitigation indicators account for only one-third of the Green TQ score. This indicates that GET financing might have a limited impact on improving the overall Green TQ score (Figure 5).**

Figure 5: EBRD, GET Finance and Green ATQ Score dynamics, 2021-23



Source: EBRD Data

3.5.2. Collaborative work in countries and through global networks and partnerships is strong

72. Between 2021-23, MOUs that were either wholly or partly focussed on green were signed with European DFIs, another MDB, national governments, the EU and international bodies, amongst others, and the following:

- All country strategies reviewed contain a section mapping the complementarity of International Partners' work with EBRD Business Areas including Green.
- All sector strategies reviewed emphasise the need to work with other MDBs and donors to implement the strategies.
- Collaborative working is emphasised throughout GET 2.1 as being essential to deliver GET 2.1.

73. Focus on collaboration increases across the course of the SIPs, from SIP 2022-24 which focuses on leveraging enhanced partnerships with other IFIs, international partners, and local stakeholders to deliver country level policy engagement and support, to SIP 2023-25 adding to the need for collaboration on implementation of the Paris Agreement, for Just Transition projects and for product development.

74. Several documents give **examples of collaborative work having been successfully delivered**, for example:

- SIP 2023-25 highlights EBRD's leading role in climate action when as Chair of the Climate Head's Group of MDBs, the Bank played a prominent role at COP27 in Egypt, including as lead partner on Egypt's Nexus for Water, Food and Energy, a country sector platform which mobilises more than $US 500 million from international partners to help close 5GW of old conventional generation, invest in a just transition programme and accelerate Egypt's renewable development.
- The 2023 Sustainability Report outlines the role that EBRD has played supporting Macedonia launch its Just Energy Transition Investment Platform, to support Macedonia meet its NDC targets. The EBRD is the lead technical partner on the platform, working in collaboration with other MDBs, donors and development institutions.
- The Financial Sector Strategy outlines the work that the IFC and EBRD led in the development of a joint methodology to align intermediated finance with the objectives of the Paris Climate Agreement.

75. **Further examples were given in interviews including that EBRD is the current (2024) co-chair (with ADB) of the MDB Climate Adaptation Working Group, which has recently focused on metrics and indicators for new finance tracking approaches and scaling adaptation finance across MDB operations.** Anecdotal reports indicate that the working group is achieving strong collaboration and joint response to the practical challenges, particularly those relating to adaptation finance.

3.6. A growing role of adaptation and climate resilience

3.6.1. The overall approach to nature and biodiversity is neither consistent nor comprehensive

76. Recent SIPs reflect EBRD's nascent but expanding engagement with this theme. In 2021-23 it was included only as part of project development, whilst in 2022-24 it was not mentioned.

77. **The most recent SIP (2023-25) addressed the growing demand for climate adaptation and nature finance. It specifies that tackling climate change involves integrated nature-based solutions to increase environmental co-benefits and preserve ecosystems, manage risks and foster disclosures connected with the Taskforce on Nature-related Financial Disclosures.** It committed to closely following global developments at the "nature" COPs, the Global Biodiversity Framework, as well as the recent focus on this topic by stakeholders such as the Network for Greening the Financial System (NGFS).

78. The Energy and Mining Sector Strategies recognise biodiversity and nature whereas the Finance sector strategy does not. All country strategies contain references to nature and biodiversity under the relevant components of the Environment and Social Safeguards section. Only one (Moldova) specifically mentioned the use of nature-based solutions to promote resilience and adaptation. Many of them have some limited analysis of the themes under components focussed on urban and green infrastructure, national adaptation planning and energy resilience. None of the MOUs include nature or biodiversity.

79. **The level of inclusion is not consistent with what is required to deliver a consistent, comprehensive approach to nature and biodiversity or on the EBRD ambition in this sphere.**

80. "Other environmental activities" is a core GET category alongside adaptation and mitigation, but as for Adaptation and Resilience, there is no breakdown of the GET finance target in the SCF. There are also no targets for outcomes or impact related to other environmental activities. Finance for other environmental activities is tracked and broken into sub-categories (e.g. circular economy and biodiversity) is tracked, as are other indicators (e.g. hectares of ecosystem recovered, tonnes of waste reduced) but again these appear all to be calculated ex ante with no ex-post monitoring.

3.6.2. Vague definitions and potential misclassification in MDB climate finance pose a reputation risk

81. **Climate resilience is emerging as a common language in the climate change sector[47] and is often used concurrently or interchangeably with climate adaptation.** There is potential for confusion between this and the broader (generally financially focussed) resilience terminology and reporting of EBRD. The Bank does sometimes touch on renewable energy and food security in its explanations of resilience[48], although the latter is not reflected in the transition indicators for resilience[49].

[47] Climate Resilient Development' IPCC Sixth Assessment Report: Impacts, Vulnerability and Adaptation, 2022.
[48] "Resilient": the EBRD's transition concept.
[49] Structural reform | EBRD TR2021 (tr-ebrd.com)

82. **Recent SIPs reflect the journey of the EBRD to engaging with this theme.** In 2021-23 it was included only as part of project development, whilst in 2022-24 rising global temperatures intensified the focus on efforts to reduce vulnerabilities to climate change, for example through investments in climate-resilient municipal infrastructure, including under the Green Cities Programme. The most recent SIP (2023-25) addressed the increasing demand for climate adaptation and nature finance. It specifies that tackling climate change involves an enhanced emphasis on adaptation and resilience in CoOs.

83. **Adaptation and Climate Resilience are recognised in all three sector strategies, but without significant technical analysis or insight.** All country strategies at a minimum refer to strengthening climate resilience in the Environment and Social Safeguards section whilst many of them have some limited analysis of the themes under components focussed on urban and green infrastructure, national adaptation planning and energy resilience.

84. **None of the MOU's have any inclusion of adaptation or climate resilience.** The level of inclusion is not consistent with what is required to deliver a congruent and comprehensive approach to climate adaptation and resilience or on the MDB joint commitments to increase climate adaptation finance. Comprehensive methodologies exist at project level for Paris Alignment Assessment, Climate Risk Assessment and Climate Resilience Assessment and an organisational Climate Change Adaptation Action Plan exist[50]. All projects are required to be Paris Aligned.

85. **There is no breakdown of the GET finance target e.g. between finance for mitigation and finance for adaptation/ resilience. There are also no targets for outcomes or impact related to adaptation and resilience.** Although there is no target, under GET 2.1, Climate Adaptation Finance is tracked (in terms of number of projects and total finance). The additional GET 2.1 indicator of "Net Climate Resilience Benefits" was revised and apparently added to impact indicators under Climate Adaptation – Physical and Valorised in the EBRD 2024 Technical Guide for Implementing the. Impact indicators also exist for other GET topics such as materials efficiency, water efficiency, drinking water, wastewater, waste, air pollution and ecosystems. The technical guide states that these are used to report the environmental benefits of projects and to assess GET impacts against external benchmarks. The external benchmarks are not specified.

3.5.3. The Bank is on track to achieve its cumulative net GHG reduction target, as GET financing portfolio is biased towards mitigation activities

86. The SCF 2021-25 outlines an additional aim of reducing cumulative net GHG emissions by 25 to 40 million tonnes by the end of the SCF period, based on ex ante estimates. Based on GET committed in 2021-23, data show total expected cumulative emission reductions of almost 29 million tonnes (based on ex ante estimates).

87. **While acknowledging the positive progress in achieving the ex-ante targets, the evaluation team reiterates its recommendations from several of its recent green evaluations concerning the accuracy of ex ante modelling and availability of ex post results.** Not having verified ex-post numbers in the context where operations undergo significant changes in scope and scale during their lifetime, especially in public sector, signals the problem of reporting overoptimistic numbers

[50] Little information is available about the implementation or M and E for the Climate Change Adaptation Action Plan.

related to GHG emissions. The example of Decarbonisation of green buildings sector is very telling. In 2024 IEvD completed an evaluation[51] of a cluster of 11 projects across five countries in the public and private sectors. In the process of on-site verification IEvD was able to collect ex-post data on CO2 emissions for 6 out of 11 projects. The data illustrated that the actual reduction in emissions was 46 per cent less than originally envisaged. The reasons for this gap are two-fold: i) inaccurate ex-ante modelling and assumptions at design stage, and ii) reduced and delayed scope of operations.

88. **This evidence highlights that tracking performance only on ex-ante basis does not accurately reflects the Bank's actual contribution to GHG emission reduction.** While recognising the complexity of the matter and the international effort, including cross-MDB effort, to address this challenge in a co-ordinated manner, it is pertinent that in the next strategic period the EBRD is investing adequate resources in enabling tracking of ex-post results, especially considering the availability of underlying matrix of the MRV system.

3.6. Cross-MDB comparison

89. **In addition, to provide a perspective of EBRD's achievements in green finance, the evaluation team has performed a comparative analysis of the targets and actual green investments by other MDBs. A summary of targets is presented in the table below.**

90. **In general, other MDBs have higher ambitions in terms of adaptation finance and similar targets for overall green finance (climate finance for most MDBs).** In line with the MDBs' Joint Statements at consecutive COPs[52] outlining commitments to address the global adaptation finance gap, most MDB's have scaled up efforts with some success. The figure over the page shows progress by the MDBs on their adaptation finance as a portion of overall climate finance. However, there is some criticism [53] of insufficiently ambitious targets established by all MDBs as many achieved their targets ahead of schedule (Table 3).

Table 3: MDB Climate Finance Targets

MDB	Post-2020 targets related to the joint MDB climate finance tracking methodology
African Development Bank	Climate finance will be 40 per cent of the total annual approvals, out of which at least 50 per cent is adaptation finance (Climate Change Action Plan (2020-25)) Doubling of climate finance to $US 25 billion for the period 2020-25, giving priority to adaptation finance.

[51] IEvD (2024) "Building a Green Future: EBRD Investments in the Decarbonisation of the Built Environment (2016-2022)", SS23-202
[52] https://www.eib.org/attachments/press/cop27-mdb-joint-statement-en.pdf, https://www.ifc.org/en/statements/2023/cop28-mdb-joint-statement
[53] https://www.giz.de/de/downloads/giz2024-en-MDBs-and-GPGs-report.pd and https://www.wri.org/insights/good-bad-and-urgent-mdb-climate-finance-2021

MDB	Post-2020 targets related to the joint MDB climate finance tracking methodology
Asian Development Bank	By 2030, at least 75 per cent of the number of its committed operations (on a three-year rolling average, including sovereign and non-sovereign operations) will be supporting climate change mitigation and adaptation. Climate finance from the ADB's own resources will reach $US 80 billion for the period 2019–30. In 2021, ADB elevated its climate finance ambition to reach $US 100 billion, up by $US 20 billion, by 2030. Medium-term targets: 65 per cent of the number of operations (on a three-year rolling average) and $US 35 billion for the period 2019-24.
Asian Infrastructure Investment Bank	Reflecting its commitment to support the Paris Agreement, AIIB will aim to reach or surpass by 2025 a 50% share of climate finance in its actual financing approvals. The bank currently estimates its cumulative climate finance approvals to be $US 50 billion by 2030.
European Bank for Reconstruction and Development	Green finance is to account for more than 50 per cent of total annual EBRD investment by 2025. The EBRD's GET approach for the period 2021-25 is helping economies where the EBRD operates to build green, low-carbon and resilient economies. The new approach sets a green finance target of 50 per cent of all EBRD's Annual Bank Investment by 2025. This green finance is composed of climate finance for both mitigation and adaptation as well as finance addressing other environmental objectives. The EBRD does not have separate targets for climate action. For the previous period, 2016-20, cumulative climate finance accounted for approximately 95 per cent of the reported green finance.
European Investment Bank	The EIB will gradually increase the share of its financing dedicated to climate action and environmental sustainability to exceed 50 per cent of its operations in 2025. From 2021, the EIB will deliver against a target that comprises both climate finance and environmental sustainability finance. Based on 2021 and 2022 data, climate finance comprises approximately 95 per cent of the volume reported against the target. Additionally, under EIB Adaptation Plan, adaptation finance is set to increase to 15 per cent of climate finance by 2025.
Inter-American Development Bank Group	Climate finance in IDB Group operations (of climate finance approvals as a percentage of all financing commitments for 2020-23) is ≥30 per cent (annual floor). Note: IDB Invest reports at the level of closings (not approvals).
Islamic Development Bank	The IsDB is committed to a climate finance target of 35 per cent of total financial commitments by 2025. This 35 per cent climate finance target **excludes** operations of IsDB Group members including the Islamic Corporation for the Development of the Private Sector (ICD), the

MDB	Post-2020 targets related to the joint MDB climate finance tracking methodology
	International Islamic Trade Finance Corporation (ITFC) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC).
New Development Bank	The NDB aims to direct 40 per cent of total approvals to projects contributing to climate change mitigation and adaptation, including energy transition, over the period 2022-26.
World Bank Group	The WBG announced a target for an average of 35 per cent of its financing to be climate finance over the period 2021-25. Some 50 per cent of IBRD and IDA climate financing will support adaptation and resilience. The 35 per cent target is a significant increase from the 26 per cent achieved on average over the period 2016-20 and an even larger increase in dollar terms as the World Bank Group's total financing has also expanded.

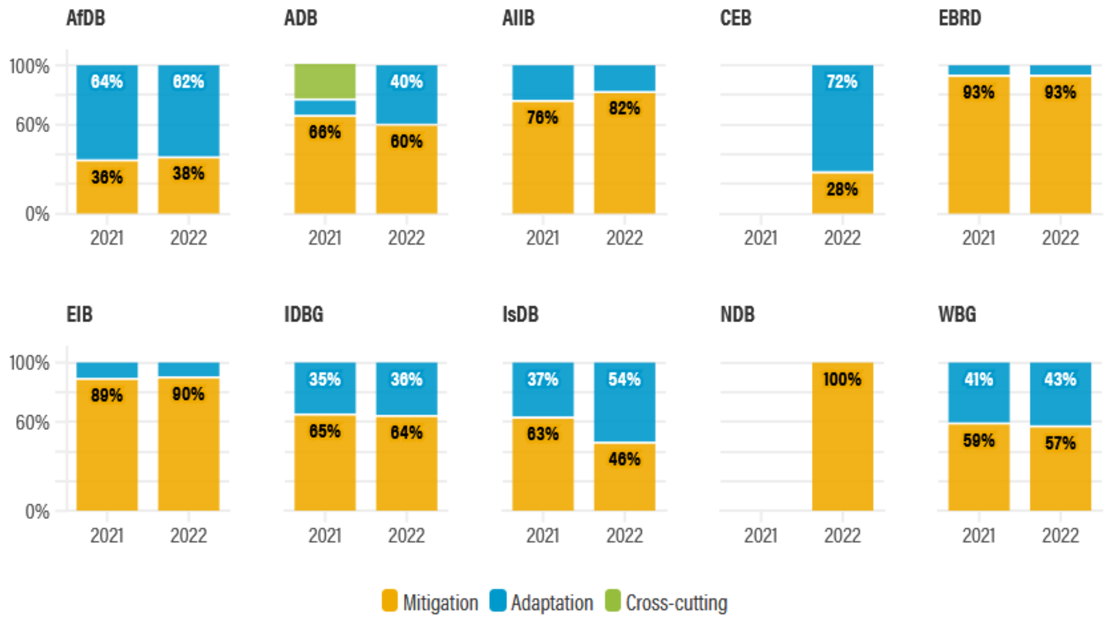
Source: 2022 Joint Report on Multilateral Development Banks Climate Finance[54]

91. To drive investment in areas beyond mitigation, MDBs and DFIs have taken a variety of approaches, including the following (Figure 6).

- The EIB has set a target to increase the share of adaptation support to 15 percent of the Bank's overall finance for climate action by 2025[55].
- BII has a pool of concessional capital to support innovative climate-focussed investments[56].

[54] https://www.eib.org/en/publications/20230128-2022-joint-report-on-multilateral-development-banks-climate-finance
[55] EIB climate action explained
[56] Kinetic - British International Investment (bii.co.uk)

Figure 6. Share of climate finance to low and middle-income economies by MDB and objectives, 2021-22



Source: 2021 and 2022 Joint Reports on Multilateral Development Banks' Climate Finance; calculations by NRDC and WRI.
Note: Percentages are for the share of adaptation-related climate finance by the year and bank shown.

WORLD RESOURCES INSTITUTE

Source: WRI, 2023

4. Insights and Suggestions

4.1. Key Insights

Cascading green ambition into Bank's strategies and operations

92. **A green theme is consistently integrated into the Bank's strategic documents approved in 2021-23**, although the integration of targeted thematic interventions varies (i.e., hard-to-abate sectors).

93. **Implementing Paris Alignment assessments for all new investments from 2022 is a significant achievement and driver for action.** Furthermore, qualitative evidence confirms success in integrating and mainstreaming "green" into Bank's operations, though there is less evidence of activity in some other SCF priority areas (such as green innovation).

94. **Evidence consistently emphasises challenges around data management and inadequate IT systems, one of the impacts of which is lack of ex post monitoring beyond the activity level.** There are ongoing dynamic changes in the Bank's IT systems and data governance, with the established of a Measurement, Reporting, and Verification (MRV) system and streamlined green assessments to be shortly transposed into EBRD's Monarch platform.

95. **Qualitative evidence suggests that additional resources assigned for some green commitments, for example for undertaking a Paris Alignment assessment, may be insufficient.** There is ample scope for increased efficiencies in the process systems for all green assessments. On the other hand, one of the most substantial increases in resources went to the green domain through three SIPs in 2021-23.

96. **Advancements in green space were enabled by substantial concessional finance provided by donors and the Bank's SSF.** EBRD has significantly enhanced its green skill base.

Green finance target

97. **The EBRD has reached the target set in the SCF for the share of green finance ahead of 2025. This is a significant achievement, particularly considering the challenging external circumstances in which GET 2021-25 is being implemented.** Although the total committed annual investment increased over the period, the overall GET ratio for the 2021-23 period was 50 per cent (this varied slightly across individual years).

98. **Both committed and disbursed GET finance vary significantly across EBRD CoOs.** In terms of amounts disbursed, the largest beneficiaries were Türkiye, Poland, and Romania, while no GET finance was disbursed in some countries, including Azerbaijan and Montenegro.

99. **The majority (over 93 per cent) of EBRD's GET finance committed over the period 2021-23 was for mitigation activities.** Just 4.8 per cent of GET finance over the period was for adaptation activities, with 20 per cent for environmental finance[57]. This trend has become more pronounced

[57] As some projects can be tagged with multiple GET purposes (e.g. mitigation and adaptation), totals are greater than 100 per cent.

over the period with the share of environmental finance and adaptation finance within GET finance falling from 2021-23, and the share of mitigation finance within GET going up.

100. **Evidence shows that with respect to other MDBs, the EBRD is performing relatively well in mobilising private sector climate finance.** The evaluation found several examples of successful collaboration, including with other MDBs (e.g. Paris Alignment methodology) and at a local level (e.g. country platforms).

Adaptation and climate resilience

101. **Whilst EBRD tracks adaptation and mitigation finance in line with the joint MDB approach to climate finance, there is no specific target for them**. A comparative analysis demonstrates that other MDBs have higher ambitions and achievements for adaptation finance, but similar targets for overall green finance (labelled climate finance in most MDBs)[58]. Unlike the EBRD, most MDBs are investing in the public sector.

102. T**he overall approach to nature and biodiversity is neither consistent nor comprehensive. Vague definitions and potential misclassification in MDB climate finance pose a reputation risk.**

Emission reduction target

103. **The Bank is on track to achieve its target of total cumulative emission reductions of almost 29 million tonnes.** GET committed finance data on GHG reductions in 2021-23 shows that they are in line with expected (based on ex-ante estimates). It correlates with the predominance of mitigation activities in the GET financing portfolio.

104. **Tracking performance only on ex-ante basis does not accurately reflects the Bank's actual contribution to GHG emissions reduction.** While recognising the complexity of the matter and the international effort, including a cross-MDB effort, it is essential that in the SCF 2026-30 cycle, the EBRD invests adequate resources in enabling the tracking of ex-post results, fully utilising the capabilities and data of ex-post signing the MRV system.

Supporting countries in green transition

105. **The actual impact of GET finance on CoOs transition to a green economy remains unknown.** Those are estimated ex-ante (e.g., volume of GHG avoided), with no ex-post monitoring of projects or policy interventions at the time of evaluation. Without changes to the approach of measuring green results, this inability to report actual impacts will persist.

106. **There is no evidence of correlation between GET finance and a reduction in a country's green transition gaps.** The Bank has no instrument to tell the story of its green results under the current SCF. The current results architecture does not allow a correlation between a change in country's green TQ in 2020-23 and the amount of committed and disbursed GET finance in EBRD CoOs to be made.

107. **Finally, collaborative work in countries and through global networks and partnerships is strong.**

[58] This finding is based on the analysis of data on the targets and actual green investments by other MDBs in the period 2021-23.

4.2. Suggestions for further improvement

Suggestion 1: Introduce tailored metrics and targets to incentivise green financing beyond traditional mitigation

108. This suggestion is articulated across three dimensions: 1) alignment between the Bank's green investment focus and commitments; 2) better measures to understand EBRD's climate related results, and 3) GET finance classification through adaptation.

Issue – why it needs to be changed	Suggestion – what needs to be changed
• Mismatch between the Bank's green investment focus and commitments (i.e. those made at COPs) to increase investment in adaptation, resilience, nature, and biodiversity,	**To address the mismatch between green investment and commitments, the EBRD should allocate funds for projects beyond mitigation, such as adaptation or nature projects.** Given that private sector investment in adaptation and nature projects is relatively new, achieving such a target would need to be supported by additional human resources for project origination and implementation, capacity building and concessionary financial instruments.
• Inadequate measures to understand EBRD's climate related results	**To track climate impacts more completely, recognising that adaptation activities may include non-financial interventions, and in line with the MDB Common Approach to Measuring Climate Results, the EBRD should set out indicators for tracking and publicly reporting results related to mitigation and adaptation impact[59].** This should entail the following: • Adaptation and Resilience indicator: e.g., Number of beneficiaries/businesses/ investments made more resilient to the impacts of climate change • Mitigation indicator: GHG emissions. EBRD has already started to measure GHG emissions ("financed emissions") as

[59] Measuring Climate Results (worldbank.org)

Issue – why it needs to be changed	Suggestion – what needs to be changed
	outlined in the latest TCFD report[60]. Initially, this may be scope 1 and 2 only, however a plan should be made to include material scope 3 emissions in the analysis in line with the guidance from the Partnership for Carbon Accounting Financials[61] and ISSB S2. • These indicators could, for example, be part of the EBRD Corporate Scorecard (as in the new World Bank Scorecard[62]). • In line with international guidance and best practice, these indicators should be monitored annually ex post, as well as estimated ex ante, recognising that additional human resources and digital infrastructure would be needed to do so.
•	

Suggestion 2: Urgent Need to Address Mismatch Between Green Investment Focus and TQ Metrics

109. In line with Suggestion 1, there is a need to address the current mismatch between the Bank's green investment focus and the different areas of the Green TQ.

Issue – why it needs to be changed	Suggestion – what needs to be changed
• The evaluation did not reveal a clear relationship between change in a country's Green TQ score in the period 2020-23 and the amount of GET financing committed to that country. • Mitigation indicators make up approximately one-third of the overall Green TQ score and the vast majority of GET finance to date is for mitigation, the impact of GET financing on positive	**To have a meaningful and noticeable impact at the country level, beyond far greater volumes of finance, the Bank should align GET finance needs with the methodology of the Green TQ score that currently includes mitigation, adaptation and other environmental factors in equal measure.** It will allow to more accurately capture the Bank's finance impact on the country level. Designing a more focused impact metrics for

[60] EBRD, Task Force on Climate-Related Financial Disclosures Report 2023 (in publication).
[61] The Global GHG Accounting and Reporting Standard for the Financial Industry (carbonaccountingfinancials.com)
[62] World bank scorecard metrics New World Bank Group Scorecard FY24-FY30 : Driving Action, Measuring Results

Issue – why it needs to be changed	Suggestion – what needs to be changed
changes in the overall Green TQ score is going to be limited.	mitigation results at country level might be a suitable solution in the short-term. **In addition, greater clarity around the distinctions and overlap between Green and Resilience TQs would be helpful.**

Suggestion 3: Emphasise innovation in green technology for future sustainability

110. A continued shift towards more programmatic, system-level interventions has the potential to increase support for innovative technologies and the use of innovative financial instruments.

Issue – why it needs to be changed	Suggestion – what needs to be changed
• There is less focus on innovation technologies. For sectors considered “hard to abate”, the 2023 Sustainability Report (e.g., Türkiye Low Carbon Pathways) highlighted examples of activity but there was less evidence of action in this area being systematically considered in SIPs and country strategies. • In time EBRD may no longer be seen as an innovative green bank, as continued investments in established renewable energy technologies could have less additionality and risk “crowding out” commercial banks.	**To maintain its leadership, the EBRD should eventually focus on mobilising private sector climate finance for established technology.** This would leave space for EBRD to focus its direct investment on more additional sectors and geographies and more innovative technologies, as well as investments beyond mitigation i.e., in adaptation and resilience, nature and diversity. The use of Paris Alignment assessments and more programmatic approaches to identify and design projects can support this and ultimately drive low-carbon, climate-resilient and nature-positive development in EBRD CoOs.

Annexes

Annex 1. Recent Evaluations

IEvD has produced several green evaluation products in the last 3 years. Some of them look at the results of specific sectors, programmes, clusters of projects, or individual operations, while others focused on the issues of evaluability (quality of design and SMART objectives) and global context. This section presents a synthesis of key evaluative findings.

EBRD Green Cities Programme interim evaluation (2016–21)

• EBRD has been implementing the Green Cities Programme (GrCP) since 2016. The Programme is built upon a number of fundamental components: (1) the Green Cities Frameworks (GrCF) approved by the Board in 2016 and 2018 and extended in 2020 and 2021 with the total number of projects approved at 89 and total headroom (for new FRM approvals) of € 642,918,955 (as of September 2024, source: BPN OPS02[63]); (2) preparation of Green City Action Plans (GCAPs) for participating cities where priories and actions are defined, driven and owned by local stakeholders; (3) horizontal programmatic activities for scaling up, exchanging experience and learning and innovations.
 	
• The Green Cities investment portfolio is dominated by the investments in municipal and environmental infrastructure (MEI), with 60 per cent of investments being in the urban transport sector.
 	
• The evaluation found that
  ○ The GrCP supports the needs and aspirations of municipalities in combatting the most pressing environmental and climate challenges. While the GrCP is strategically aligned with the focus on GET, it has yet to achieve sector integration and to become an internal catalyst of investment.
  ○ The GrCP introduced successful cross-team integration at EBRD, and that international and local expertise are balanced to deliver a standardised methodology, but improvements are needed to ensure municipal ownership and greater localisation.
  ○ GCAP implementation has progressed well albeit with limitations related to monitoring, which is needed to better guide effective implementation.
 	
• The following recommendations were made:
  ○ 1 – Strengthen the catalytic function of the programme and synergies across sectors... through deepening GCAP implementation with follow-on investments, including in the energy sector, and accompanying policy action.
  ○ 2 – In the next extension of the framework, the GrCP should clarify the ambition of providing support to cities in financial mobilisation through Green Finance Roadmaps and municipal/ green bonds.

[63] http://bpnavigator.ebrd.com/BPN4/index.html?goto=tools/ActiveFrameworks

- 3 – Enhance the localisation of the approach to GCAP development and implementation by optimising the use of RO-based in-house expertise and consultants, and through tailored continuous capacity building actions matching the city's initial and developing capabilities and needs.

- 4 – To enable the programme to translate its implementation and delivery into credible narratives of successful Green transition, substantial improvement in its transition monitoring and reporting will be needed.

Cluster Evaluation: Investments in the Decarbonisation of the Built Environment (2016–2022)

- The evaluation found that all projects demonstrated alignment with the Bank's strategies (as outlined in the GET Approach and subsequent GET 2.1 Approach), showing significant strategic relevance, as well as relevance to the client needs. However, it also found they were less coherent with the wider objective of speeding up and scaling up decarbonisation of built environment as, for example, strategic documents were broad and generalist.

- Additionality of cluster evaluation projects was mixed. The additionality of projects with large international corporates was not always clear as these clients could attract financing and their pre-existing standards and expertise on green buildings was broadly equivalent to or exceeded what the EBRD expected. The additionality for cluster's public sector clients and local private sector clients was stronger as there was more evidence that the EBRD's financing was not available from other sources, and the EBRD's expertise and support on decarbonisation was a significant advantage.

- Limitations were identified mainly relating to weaknesses in the Bank's ex-ante modelling of environmental outcomes for decarbonisation projects, based on often inappropriate assumptions or poorly developed models. In addition, ex-ante green results are not part of investment decision making.

- Beyond direct environmental savings, the cluster projects delivered a range of other benefits, including wider environmental benefits, such as support provided to clients on their corporate climate governance, as well as some contribution to other TQs, primarily Inclusive and Competitive.

- Outside of the TQs framework, the evaluation team also observed the important behavioural changes and quality of life improvements that investments in decarbonisation can provide, particularly in public sector projects

- There was limited evidence of systemic change. The EBRD has been active in policy dialogue in the energy efficiency area, including building sector, in one country and in capital markets reforms allowing greater flows of financing in green building in two others. Policy engagement directly targeting national gaps in decarbonisation of built environment are rare in the cluster countries

Evaluation of EBRD's Green Bonds Investments (2017-22)

- EBRD has been investing in green bonds issued by corporates and financial institutions in the Bank's CoOs since 2017, with portfolio sizes reaching €1.25 billion by the end of 2022.

- The Evaluation found that EBRD's investments accounted for a sizeable share of green bond issuances in CoOs in 2017-2022. The Bank also did commendable work in supporting first time issuers. The Bank has been a sought-after and trusted anchor investor with strong financial additionality, tied mostly to specific market conditions and issuers' circumstances.

- It also found that Green bonds from the majority of issuers went in tandem with a genuine shift from 'business as usual' towards credible decarbonisation strategies. However, it also found that EBRD's assessment of the issuers' sustainability strategies has not been methodical enough, at times leaning too heavily on Second Party Opinions. And also, that proceeds from the Bank's investments were used significantly more often for refinancing than new assets – lowering the environmental additionality of projects. In addition, often look-back periods either exceeded the 36-month mark or were not communicated by issuers.

- The majority of issuers (83%) in the EBRD's green bond portfolio published annual allocation reports. 63% published impact reports. This suggests that EBRD could have done more in supporting quality reporting, perhaps highlighted by the fact that EBRD failed to deploy its green bond related €1.1 million TC Programme.

- Finally, the evaluation found that the data on the green impact of green bond investments is poorly managed and that GET ex-ante estimates are unreliable, due to uncertainty about the specific Use of Proceeds, a lack of transparency on methodology and incompatibility with issuers' own impact calculation methodologies.

Sector Evaluations

- **An evaluation of EBRD's support to sustainability and private sector participation in transport during 2017-22** found that while the Bank demonstrated a recognition of the importance of sustainability in its transport projects by sizably increasing GET commitments, it has not yet made a major shift towards promoting green transport as the main goal of its operations. Rather, sustainability was supported through smaller components of largely traditional projects. In addition, although many green components have been implemented, their impact remains unknown for lack of monitoring.

- An evaluation of the **Agribusiness** Strategy 2019–23 found that although agribusiness projects attained many important objectives related to Green and Inclusive TQs, these objectives were more challenging to achieve overall. Also, that there is an opportunity for the Bank to play a more proactive role in supporting or encouraging clients to adopt Green agribusiness technologies and practices to address the sector's sustainability challenges while driving productivity increases. This would more closely align the Bank's agribusiness operations with its flagship GET initiative.

- **A Cluster evaluation of Solar power projects**

- Evaluation found that from 2012-2020, the Bank provided almost €1.3 billion financing to 69 projects supporting close to 3 gigawatts (GW) of industrial-scale solar power. An additional €1.2 billion has been invested in the last five years such as electricity grid expansion and other transmission infrastructure. Typically for solar projects, the Bank funded <50% of total costs with the remainder from another IFI, DFI or a national development bank and a sponsor's equity. None of the solar projects' loans was syndicated to commercial banks.

- **Key Lessons for Green Energy Systems – Insights from Independent Evaluation**
- This paper concluded that evaluations have demonstrated the importance of taking a systemic approach, which addresses the intermittency of renewable energy technologies such as wind and solar, and is responsive to the dynamic and evolving structures of energy markets

Annex 2. Integration of SCF Green Strategic Priorities

Note: a complete list of documents reviewed is given in Annex 3

	Support countries of operations' progress towards green
SIPs	All 3 SIPs have supporting the green transition as a key objective, whilst recognising that regional context may impact delivery: • SIP 2021-23: Supporting Green transition (the green quality) is another major objective across all regions of the Bank, reflecting the Bank's strategic focus and strength in this area... The strategic objectives targeting Green transition are present across all regions, with particularly strong focus in South-eastern Europe and Türkiye, as well as Central Asia. Country Strategies with key strategic objectives focusing on Competitive, Resilient and Well-governed qualities also often target Green as a secondary transition quality. • SIP 2022-24: Supporting a Green economy transition is another major objective across all EBRD regions, reflecting the Bank's strategic focus and strength in this area... Assistance is provided to help countries meet NDCs and Paris alignment, including through continuing support for energy and resource efficiency, renewables and decarbonisation. • SIP 2023-25: The Green Economy Transition (GET) Approach 2021-25, approved in July 2020, set out the plan for the EBRD to become a majority green bank by 2025. Since then, the Bank has seen good progress on its green, environmental and climate ambitions... Maintaining the same level of delivery and ambition in the current regional and global operational context is important but difficult.
GET	• GET2.1 pursues the development of Bank activity on climate change mitigation and adaptation, and on activity with other environmental benefits... air and water quality, waste management and wastewater treatment, the shift to sustainable and smart mobility, natural capital preservation including marine resource and coastal zone management, the active promotion of a clean and circular economy, and of a healthy and environmentally friendly food system
Sector strategies:	All 3 sector strategies have "green" strategic priorities:

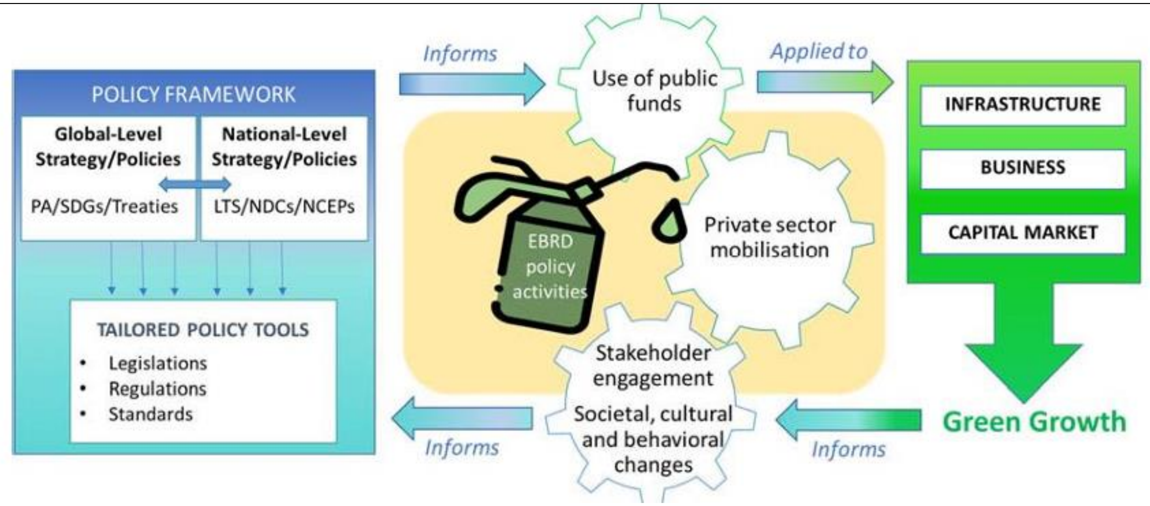
	• The energy sector strategy aims to accelerate the decarbonisation of energy and promote secure, affordable and sustainable energy through a transition to market-oriented, zero-carbon, resilient and inclusive energy systems • The mining sector strategy aims to selectively support the exploration and production of metals and minerals relevant to the green energy transition and digital economy, as well as supporting the decarbonisation of mining activities themselves • The financial sector strategy aims to develop financial sector partnerships to drive the transition to green, low-carbon economies, as well as scale up green financing • These are primarily focussed on reducing emissions of GHGs but also highlight other aspects, for example • the Energy Sector strategy has a section on adapting energy assets to climate change • the Mining sector strategy outlines the intention to encourage the use of nature-based solutions to manage mine related impacts and support nature related investments, including recovery of degraded ecosystems and enhancing biodiversity.
Country strategies	All the country strategies reviewed contained a “green” strategic priority for the strategy period. In some cases, this was explicitly linked to supporting the green transition e.g. “accelerate Croatia’s Green Economy Transition and its Paris Alignment”; in others this was less clearly stated e.g. Hungary’s strategy states “Support Productivity Improvements through Innovative Financing and Green Investments”. The key focus of the green strategic priority and accompanying objectives was generally linked to decarbonisation and reducing emissions, as well as improving resource efficiency e.g. in Latvia, objectives were improved energy and resource efficiency; reduced GHG emission, increased renewable energy. Over 50% of the country strategies however contained objectives related to increasing climate resilience e.g. Kazakhstan’s strategy has objectives for increased renewable energy, a more decarbonised energy sector and improved resource efficiency and climate resilience.
International agreements/ MoUs	Several MOUs were signed from 2021-23 to support actions to transition economies to green and decarbonisation. These include a Financial Framework Partnership Agreement with the EU signed in 2022 where one of the priorities included is developing low-carbon green economies.
	Raise the share of green finance to at least 50 per cent and to reduce net CO_2 by 25 to 40 million tonnes by the end of the SCF period.

<table>
<tr><td>SIPs</td><td>All 3 SIPs contain ambitions for raising the share of GET finance towards the 2025 target:
SIP 2021-23 Scorecard: Green Economy Transition is set as 40 per cent share of ABI.
SIP 2022-24 Scorecard: Green Economy Transition is set as a percentage of ABI at 45 per cent.
SIP 2023-25: Green Economy Transition is set as a percentage of ABI at 45 per cent.
None of the SIPs mention the ambition of reducing net CO_2.</td></tr>
<tr><td>GET</td><td>GET 2.1 includes both these aims and the assumptions that sit behind them i.e.
GET2.1 sets to achieve a green finance target ratio of more than 50% by 2025. GET 2.1 finance target assumes:
countries will adopt clear and decisive policies early on in the strategy period that trigger an ambitious switch to green.
significant incremental resources will be deployed to implement GET2.1.
external funding will remain an important determinant both for the scaling up of blended finance projects and for the development and implementation of innovative products
The Bank will seek to achieve net GHG emission reduction of 25 to 40 million tonnes over the GET2.1 period based on cumulative ex-ante estimates. The determination of this range reflects the following factors:
the share of adaptation finance relative to total GET finance;
the share of non-climate environmental finance relative to total GET finance;
sector priorities including for example the share of GET finance to SMEs;
GHG emission accounting methodologies and benchmarks used for setting the baseline for emissions reduction estimates</td></tr>
</table>

Sector strategies:	• None of the sector strategies mention the overall SCF targets in relation to share of green finance or CO2 reductions. Nor do they have targets for their respective sectors in terms of share of green finance or CO2 reductions. • The Performance Monitoring Frameworks of the Financial Sector Strategy and the Energy Sector Strategy do have tCO2 reduced as an indicator. The Financial Sector Strategy also has GET delivery as % of ABI as an indicator.
Country strategies	None of the country strategies reviewed mentioned the GET finance target or the CO_2 reduction target. All included CO_2 emissions reduced (ton/yr) as an indicator however.
International agreements/ MoUs	No mention in any MOUs reviewed
	Align with the principles of international climate agreements, including principally the Paris Agreement
SIPs	All 3 SIPs outline plans to implement Paris Alignment assessments, for example: • SIP 2022-24: In Q1 2022 the Bank's methodology for screening investment operations for climate change mitigation and adaptation will be finalised. Additional systematic design, screening and verification of operations within the parameters of these frameworks will ramp up through 2022, in order to meet the yearend deadline for full alignment across all of the Bank's investment operations. • SIP 2023-25: Methodologies for screening investment operations which help steer Bank projects into activities aligned with the mitigation and adaptation goals of the Paris Agreement have been rolled out… For financial intermediaries supported by the Bank, transition planning will be the central tool to implement Paris alignment, with the ambition of reaching some 350 of them in the course of the next five years.
GET	GET 2.1 highlights the central role that alignment of the EBRD operations with the goals of the PA will take:

	• The joint approach developed by the MDBs will provide the operational framework for the Bank to design specific tools, methodologies and systems in line with its mandate and institutional priorities and reflecting the primary focus of alignment of the Bank's own financial flows. • The Bank will screen all investments for alignment with PA and national climate-related action plans, taking into consideration the priorities set in country and sector strategies… In addition, particularly in countries and regions characterised by high physical climate risks, the analysis will cover climate vulnerability at project level and the inclusion of appropriate measures to improve the adaptive capacity of infrastructures and businesses.
Sector strategies:	All 3 sector strategies highlight alignment with the Paris Agreement: • The Energy Sector Strategy is shaped by the Bank's commitments and interfaces with other EBRD strategies, approaches and policies, including the EBRD's commitment to aligning all of its activities with the Paris Agreement from 2023 • The Mining Sector Strategy highlights that EBRD will only proceed with projects which comply with the requirements of the key policy and strategic approaches, including the Paris Agreement alignment assessment methodology • The Financial Sector Strategy states that a key activity is to align FI debt and equity financing with the objectives of the Paris Agreement from 2023
Country strategies	All country strategies made reference to the Paris Agreement and NDC implementation, either as part of contextual information about country policy direction or as activities related to policy work (see below). The Serbia country strategy made reference to alignment with EBRD's Paris Alignment methodology as part of planned activities: "Support PFIs in implementing the transition planning approach under the EBRD's Paris alignment methodology for indirect finance".
International agreements/ MoUs	No mention of alignment with EBRD's Paris Alignment methodology in MOUs reviewed, although some did focus on alignment with country level commitments (see below).
	Deliver enhanced country and policy work g. supporting the development and implementation of NDCs and LTSs (including Just Transition considerations)

SIPs	The priority given to this increases across the 3 SIPs: • SIP 2021-23 mentions policy support to COOs on Long Term Strategies, NDCs and sector decarbonisation plans • Whereas SIP 2022-24 states that the urgency of the low carbon and climate resilient transition calls for scale and systemic impact, with greater attention to economy-wide low carbon planning tools, be they nationally determined contributions, long-term strategies, sector pathways, or green city action plans. Subject to adequate resourcing, the Bank will scale up its interventions in these areas, linking to investment opportunities and focusing on innovation and business development. It will do so by leveraging enhanced partnerships with other IFIs, international partners, and local stakeholders. • Similarly the SIP 2023-25, outlines the intention for scaled up policy engagement with countries of operations (CoOs) on ambitious low carbon and climate resilient pathways and regulatory frameworks. The Bank will further scale up its work in these areas including via system-wide interventions in carbon markets (as under Article 6 of the Paris Agreement), greening financial systems and the creation of green technology markets and value chains. In doing so, it will build on its partnerships with other MDBs, international development partners, private sector organisations and local stakeholders.
GET	Enhanced country policy work supporting long term low carbon strategies and greening of financial systems is highlighted as a key priority of GET 2.1, with the aim to integrate a long-term perspective formulated through broad stakeholder engagement with a clear definition of objectives and intermediate milestones, in line with SDGs and consistent with broader climate and sustainability goals. The following framework is presented:

	
Sector strategies:	All 3 sector strategies mention policy dialogue as being an activity/ intervention to be used to deliver the strategy: • The Energy Sector Strategy outlines the intention to pursue holistic and well-sequenced policy engagements to develop and reform energy markets and regulatory frameworks, considering country-specific characteristics. The PMF also has indicators on the number of policy dialogues undertaken. • The Financial Sector Strategy outlines actions for policy dialogue and capacity-building on climate and environmental corporate governance, for PFIs' green portfolios and their participation in capital markets, etc, as well as policy dialogue with regulators as part of a "greening of relationships" approach. The PMF also has an indicator on Policy advice delivered to build the capacity of the financial sector to respond to the challenges and opportunities resulting from climate change The Mining Sector Strategy also has actions around assisting governments in improving the regulation and business environment to facilitate the implementation of best practices in the sector, but it is not clear if this is focused on "green" issues or best practice more generally.
Country strategies	All the country strategies reviewed contained activities around policy engagement and policy support. In many cases, this was directly related to NDC implementation. For example, "Support BiH plans to achieve its Nationally Determined Contributions, National Energy

	and Climate Plan and align with the Paris Agreement, including diversification of power and heat supply away from coal, including through financing renewables and selected gas infrastructure." In other strategies, support was focussed on a particular regulatory issue e.g. in Croatia, "Work with the authorities, regional and local self-government units, and Association of Renewable Energy to develop pre-conditions for development of offshore wind and agri solar".
International agreements/ MoUs	Two MOUs (Kazakhstan and Azerbaijan) reviewed outline how EBRD will support achievement of country level NDCs and net zero commitments.
	Define targeted thematic interventions, including 'hard to abate' sectors and scaled up activity in energy efficiency, green cities and the growth of green finance
SIPs	None of the SIPs mention a focus on hard to abate sectors. Green Cities is mentioned in the context of investments in climate-resilient municipal infrastructure (SIP 2022-24) and Country Strategies (SIP 2023-25).
GET	• GET 2.1 does outline specific sectors (which are generally considered hard to abate) and interventions where targeted work will be undertaken to align with low carbon pathways: In sectors that are not governed by the NDCs (such as shipping and aviation, or that are affected by global market forces such as steel and fertilisers) the Bank will support the formulation of low carbon sectoral pathways consistent with long-term decarbonisation goals... These activities require close cooperation based on strong partnerships. The EBRD is currently working with the IEA on developing global decarbonisation pathways for the fertiliser and steel industries. • Energy Efficiency is highlighted as a key area of focus in order to achieve the aim of reducing emissions • Mention is also given to the potential for supporting COOs in reducing emissions from cities e.g. Under Green Cities initiative, the Bank also assists municipalities in the development of Green City Action Plans (GCAPs), with several already adopted and being implemented.

Sector strategies:	• Only one strategy mentions hard to abate sectors: the Energy Sector Strategy states that one its strategic directions is "Promoting zero-carbon fuels– investing in innovative technologies and harnessing renewables to decarbonise other sectors especially those that are **hard to abate".** • The Energy Sector Strategy also highlights enhancing **energy efficiency** and productivity as a critical action area. Energy efficiency isn't specifically addressed in the other sector strategies. • The Financial Sector Strategy outlines the intent to deploy green intermediated municipal lending to further the EBRD **Green Cities Initiative;** the other strategies mention interfacing with the Green Cities initiative but give no further details of specific actions related to this.
Country strategies	All the strategies reviewed included activities to develop activity in energy efficiency, green cities and/ or green finance; 12 specifically mentioned Green Cities. For example: • "Deploy further green intermediated financing (e.g., GEFFs)" and "Support further investments to enhance energy efficiency in public and residential buildings, including under the Green Cities framework" in Moldova • "Implement Ulaanbaatar GCAP and consider potential Green Cities expansion to Erdenet or Darkhan, including mitigation and climate resilience and adaptation strategies at the city-level" and "Scale up green intermediated financing (e.g., GEFFs)" in Mongolia Activities focussing on hard-to-abate sectors were less evident, with no activities targeting the cement sector or iron and steel sector, although 2 strategies that had activities to support green hydrogen, which could contribute to the decarbonisation of hard to abate sectors.
MOUs	Green Cities were the focus of three MOUs (MoU with the New Urban Communities Authority; and 2 MOUs with the Ministry of Local Development and the Governorate of Cairo); one MOU directly mentioned energy efficiency as part of scope (MoU with the Ministry of Energy Transition and Sustainable Development of Morocco). There was no specific mention of hard to abate sectors and development of financial products/ capital markets with a specific focus on green.

	2023 Sustainability Strategy: EBRD has supported the Turkish Ministry of Industry and Technology in developing Low Carbon Pathways (LCPs) which will set out roadmaps for the progressive decarbonisation of the Turkish Energy intensive industries, in line with Türkiye's 2053 net-zero targets and in compliance with the European Green Deal.
	Green Innovation
SIPs	This does not appear to be a key focus or priority in any of the SIPs, although there are some examples: • SIP 2021-23 outlines the intent for activity in new product development across thematic action areas including for example climate adaptation, sustainable connectivity, food systems and natural capital. • SIP 2023-25 has a key priority around digital solutions e.g. to support public reporting and disclosure, such as under the Task Force on Climate-Related Financial Disclosures (TCFD).
GET	GET 2.1 does mention the need to support new and innovative technologies such as e-mobility and green hydrogen and emphasises, while the scope for investment in these new areas is expected to be limited during the GET 2.1 period, important foundations must be laid in regulatory developments and pilot projects to facilitate the mainstream role these are expected to play in the second half of this decade.
Sector strategies:	• The Energy Sector Strategy outlines the intention to invest directly in utility-scale and distributed renewable energy generation (including when coupled with storage), across all well-established**, emerging or less established technologies (**for example, offshore wind, floating solar, waste to energy), as well as **promoting zero carbon fuels.** There are no indicators specifically relating to this however. • The Mining Sector Strategy recognises that the role of **innovation** in the decarbonisation and competitiveness of the sector has become of a paramount importance and to support innovation related to decarbonisation through EBRD financing.
Country strategies	Over 50% of the strategies reviewed contained activities related to green innovation. This generally focused on activities to increase investment in technologies such as electric vehicles, smart grid infrastructure, battery storage and green hydrogen. For example,

	• "establishment of a green energy innovation ecosystem" in Lithuania • "develop renewables to decarbonise and electrify other sectors (e.g., green hydrogen, desalination)… invest in digital (smart grids, smart meters) and storage (battery, pumped storage, CSP)" in Egypt Only one country strategy (Moldova) contained activities related to nature based solutions: "Support nature based solutions and promote climate resilience and adaptation across infrastructure projects".
International agreements/ MoUs	No specific mention of green innovation or use of novel technologies.
	Green financing and innovative product development
SIPs	This is a key priority for the later 2 SIPs: • SIP 2022-24: Scaling up and innovating climate finance, including through mobilisation… product innovation across the thematic areas set out in the GET Approach will be key. Green financial products, such as green bonds, are also contributing to the green transition. • SIP 2023-25: Key priority is driving innovative climate finance forward, including through mobilisation. Product innovation and engagement with a broader universe of financiers and actors in the climate finance space remains key to achieving GET targets and fostering a broader, systemic impact in CoOs. This includes green capital markets with a considerable increase in the number and volume of transactions, their complexity and diversity of instruments (from standard green bonds to sustainability-linked bonds and sustainable bonds).
GET	• A key priority is for the bank to scale up its efforts to mobilise climate finance through its resources and through co- financing, particularly from private sector investors and financiers.

	• In the financial sector, the Bank's ability to build on its network of green finance banks combined with an enhanced capacity to develop green capital market products should provide the basis for growth from levels achieved during the GET1.0 period over the medium term. • A significant area of potential systemic policy impact is related to the greening of the financial system which can have a particular impact in scaling-up environmentally sustainable private finance.
Sector strategies:	Green financing and innovative product development is a major theme across all 3 sector strategies: • The Energy Sector Strategy states that EBRD will finance, through intermediary institutions, facilities that support renewable energy projects, such as Green Economy Financing Facilities, bonds, green bonds, GET eligible transactions, equity funds and promote public-private partnerships. And that EBRD also will use blended finance (combining loans with grants, concessional loans or guarantees (such as InvestEU)) to scale up renewables and support innovative green technologies" • The Mining Sector Strategy states that EBRD will (i) develop financial products that allow the Bank to de-risk exploration projects, such as financial guarantees, risk-sharing products and others, with the support from other interested partners (e.g. European Commission); and (ii) leverage the Bank's expertise in mine financing to mobilise non-traditional sources of mine funding (either through co-investment or co-lending) to manufacturers / end-users of minerals (e.g. EV battery producers / car companies / utilities). It also states that EBRD will provide financing (including through green and sustainability-linked financial products) to mining companies engaged in the use of technologies (including digital), equipment, products and services that contribute to the decarbonisation of mining operations and more efficient use of resources. • The Financial Sector Strategy states that development and expansion of green financial products and services will be a key output of the strategy developed/expanded. There are also specific actions for certain sectors (e.g. trade finance) and underserved sectors e.g. to expand existing/develop new products and approaches to enhance green financing for segments underserved by green financing and to accelerate the evolution of Green trade finance, including through new products. GEFF is mentioned in the context of activity in the previous strategy period but no mention of scaling up in this strategy.
Country strategies	Over 50% of the strategies contained activities related to green financing. For example,

	• The Bank will continue pursue cooperation with the authorities, including with … the National Bank on green bonds and other green financial products (Hungary) • Continue with GEFFs and support development of other instruments to finance green transition (e.g. green residential credit lines, green bonds) (Georgia) • Support the development of green capital markets. Promote and invest in Green/Sustainability • Bonds (Slovak Republic) In other strategies, the focus of activities was on direct financing rather than developing green capital markets.
International agreements/ MoUs	Provision of finance for green activities was a focus in several MOUs, no mention however was made of financial instruments to be used.
	Mobilisation of private sector investment and donor resources to scale up activity
SIPs	Mobilisation is a key theme across all 3 SIPs but specifically in relation to green/ climate financing: • SIP 2022-24, following the pandemic-induced disruption of 2020, the Bank in 2021 re-established a positive trajectory towards the 50 per cent plus green finance target. In order to continue this momentum and find new ways of mobilising additional private sector investment, product innovation across the thematic areas set out in the GET Approach will be key. • SIP 2-23-25, a key priority is driving innovative climate finance forward, including through mobilisation.
GET	• GET 2.1 states: The Bank pursues an active GET funding mobilisation approach to expand transformational impact and scale up sustainability financing. In line with the GET2.1 approach to business development and policy engagement to trigger systemic change, financing instruments will use a model that incentivises: (i) private sector mobilisation and partnerships; (ii) innovation (green R&D, liquidity for market-based mechanisms at early stage, results-based finance, enhanced MRV practices); (iii) adoption of a robust approach to climate governance; and (iv) positive environmental impact.

	• It also highlights the role that external funds (including International climate funds e.g. GCF, EU grants funding, Bilateral support) will play in scaling activity
Sector strategies:	• The Energy Sector Strategy recognises that access to long-term, low-cost capital remains challenging and therefore states that mobilising private and public capital is a priority. For the private sector this could be, for example, through privatisation, facilitating models that increase private-sector participation (for example, public-private partnerships, concessions and service contracts) and strengthening regulatory frameworks to attract private-sector investment. • Similarly the Mining Sector Strategy intends to actively seek co-financing opportunities with a broad range of public and private financial organisations. • Through implementation of the Financial Sector Strategy, it is anticipated that further finance will be mobilised. An indicator to track this is included in the Performance Monitoring Framework (Volume of total capital market transactions facilitated/ mobilised (e.g. bonds, equity) in EBRD operations beyond EBRD's own investment)
Country strategies	As outlined above, a number of country strategies contained activities to develop green capital markets. And as outlined below, all country strategies contained mapping of other donor activity. In addition, some strategies contained additional activities to encourage private sector investment. For example: • Help the government identify and attract funding for additional green privately led investment (Mongolia) • Seek opportunities to fill a gap in market-based financing for private sector infrastructure and PPPs (Czech Republic)
International agreements/ MoUs	While several MOUs focussed on developing a green economy and on mobilisation of finance, it wasn't clear the extent to which mobilisation of finance for green activities was a focus.
	Collaborative work with governments, the private sector, other MDBs and Development Finance Institutions (DFIs) and think tanks
SIPs	Focus on collaboration similarly increases across the course of the SIPs.

	• SIP 2022-24 focuses on leveraging enhanced partnerships with other IFIs, international partners, and local stakeholders to deliver country level policy engagement and support. • SIP 2023-25 similarly emphasises the need for collaborative working with other MDBs, international development partners, private sector organisations and local stakeholders to deliver country policy work, as well as for implementation of the Paris Agreement, for Just Transition projects and for product development. It highlights EBRD's leading role in climate action when as Chair of the Climate Head's Group of MDBs, the Bank played a prominent role at COP27 in Egypt, including as lead partner on Egypt's Nexus for Water, Food and Energy which mobilises more than $500 million from international partners to help close 5GW of old conventional generation, invest in a just transition programme and accelerate Egypt's renewable development.
GET	Collaborative working is emphasised throughout the document as being essential to deliver GET 2.1, including • Institutional partnerships e.g. with other MDBs, UN Agencies, European Commission on implementation of Green Deal • Policy Partnerships e.g. Coalition of Finance Ministers for Climate Action, NGFS, Mayors in Green Cities • Business partnerships e.g. at sector level, IEA, WBCSD. Examples of specific initiatives to be implemented in GET2.1 include, the development of a decarbonisation pathway in the nitrogen fertilisers industry (jointly with the IEA and the International Fertilisers Association), and the Sustainable Bioenergy Value Chain Innovation Programme in Ukraine, which brings together agribusiness companies, engineering firms, research institutes and energy utilities to accelerate the development of sustainable biomass feedstock value chains with an emphasis of agricultural residues • Technical Partnerships e.g. ICMA, CBI • As well as effective collaboration with international and bilateral funding partners
Sector strategies:	• The Energy Sector Strategy states that delivery of the strategy would be undertaken while collaborating with other MDBs and other external partners for systemic impact and addressing key transition challenges.

<table>
<tr><td></td><td>The Mining Sector Strategy outlines the intent to explore with other MDBs and international players areas of co-operation on policy-based initiatives for countries where mining activity is significant and where broader risks are high, although this seems likely to be on topics broader than climate and green issues.
The Financial Sector Strategy states that working with donors will continue to play a key role in building capacity and developing skills of PFIs, changing behaviour and creating well-functioning markets. Specifically of green finance, it states that the IFC and EBRD are now leading the development of a joint methodology to align intermediated finance with the objectives of the Paris Climate Agreement, taking into account the specific complexity and local context of financial institutions. Future areas of co-operation expected to be:
Coordination on policy dialogue in specific countries to ensure consistency, coherence and increase synergies and leverage:
IFC and ECB on Paris Alignment for intermediated finance (dissemination of climate risk and disclosure best practices)
International Chamber of Commerce (ICC) on green technologies
Joint collaboration on specific initiatives: IFIs on Paris Alignment
Build on the strategic partnership with the EU: leverage new instruments under
European Fund for Sustainable Development plus (EFSD+)
InvestEU</td></tr>
<tr><td>Country strategies</td><td>All the country strategies reviewed contain a section mapping complementarity of International Partners’ work with EBRD Business Areas including Green</td></tr>
<tr><td>International agreements/ MoUs</td><td>Between 2021-23, MOUs that were either wholly or partly focussed on green were signed with, inter alia:
Other International Finance Institutions (Africa Development Bank, European DFIs, Japan Bank for International Cooperation)</td></tr>
</table>

	• International bodies (UNDP, International Organisation for Migration) • European Union • National governments, at national Ministry level and city level (including Morocco, Greece, Uzbekistan, Azerbaijan, Kazakhstan, Egypt) • Private sector banks in several CoO • Research organisations
	Data management
SIPs	• SIP 2021-23 outlines the role of enhanced controls, results management and systems to help the Bank achieve the ambitious policy and operational goals set in GET 2.1 • SIP 2023-25 focuses on increased application of digital solutions, with the Bank prioritising support for the deployment of digitalised systems to generate, capture and translate results into operational and investment insights.
GET	A number of activities are outlined in GET 2.1 to enhance MRV and data management processes and systems: • The assurance and control function role of the GET Clearing House will be further strengthened, both in scope and independence, in line with internal and external stakeholders' demands for transparency and rigour. This will serve as an ex-ante GET quality assurance mechanism. • There is a commitment to enhance the post-signing monitoring, verification and reporting (MRV) mechanisms of GET finance and impact. • GET2.1 will introduce an enhanced set of indicators supporting evolving and incremental disclosure requirements and a robust and comprehensive assessment of outcomes

	• As part of the implementation of GET2.1, indicators will be gradually defined for each thematic area, including in relation to specific SDGs. This will provide a high level of granularity at thematic area level complementing the aggregate indicators... It will also allow to report Bank activity and results relative to the SDG framework
Sector strategies	All 3 sector strategies contain PMFs with indicators but no further details on MRV procedures
Country strategies	All the sector strategies reviewed contain tracking indicators but no further details on MRV procedures
International agreements/ MoUs	No mention
	Resourcing
SIPs	• SIP 2021-23 states that the implementation of GET 2.1 involves a broad range of departments and functions, and during 2021 steps will be taken to ensure maximum resource allocation effectiveness for this vital and growing area of work. It outlined a Multi-year operational and resourcing plan with £4.9 million funding and 34 FTEs proposed for new and incremental activities under GET2.1 in the first year of SCF2021-25 implementation. • SIP 2022-24 states that the 2022 Budget proposal increases Green resources further with an Incremental £2.0 million funding and c. 18 FTEs proposed for investment in Green. • SIP 2023-25 states that the 2023 Budget proposed £0.5 million funding, including four incremental FTEs for the Green strategic priority. This equates to a total of 56 FTEs and £7.4 million new financing over three years.
GET	It is acknowledged that GET 2.1 will require a range of new skills driven by: (i) new specialist skills linked to innovation areas and emerging themes; and (ii) an evolution towards a more systemic approach to accelerate the low carbon transition (such as low-carbon pathways, national climate action plans and corporate climate governance).

Sector strategies	No mention
Country strategies	No mention
International agreements/ MoUs	No mention

Annex 3. Documents Reviewed

Documents Reviewed
SCF 2021-25
SIP 2021-23
SIP 2022-24
SIP 2023-25
Report of the Board of Directors to the Board of Governors Review of the Implementation of the Strategic and Capital Framework 2021-25
GET 2.1 Evaluability Assessment
EBRD Green Cities Programme interim evaluation (2016–21)
Cluster Evaluation: Investments in the Decarbonisation of the Built Environment 2016 - 2022
Evaluation of EBRD's Green Bonds Investments (2017-22)
Evaluation of EBRD's support to sustainability and private sector participation in transport
Evaluation of the Agribusiness Strategy 2019-23 and early results of its implementation
Cluster Evaluation: Solar Power Operations
Key Lessons for Green Energy Systems – Insights from Independent Evaluation
GET 2.1
GET 2.1 Handbook 2024
GET 2.1 Technical Guide 2024
TCFD reports 2022 and 2023
Sustainability Reports 2022 and 2023
The EBRD Approach to Nature, Transitioning to a nature-positive economy
A Framework and Principles for Climate Resilience Metrics in Financing Operations, IADB 2019 (referenced in GET Handbook)

Strategy/Memorandum of Understanding (MoU)	2021	2022	2023
Sector Strategy	1. Financial Sector Strategy (2021-2025)		1. Energy Sector Strategy (2024-2028) 2. Mining Sector Strategy (2024-2028)
Country Strategy	1. Hungary Country Strategy (2021-2026) 2. Latvia Country Strategy (2021-2026) 3. Lithuania Country Strategy (2021-2026) 4. Montenegro Country Strategy (2021-2026) 5. Georgia Country Strategy (2021-2026) 6. Estonia Country Strategy (2021-2026) 7. Czech Republic Country Strategy (2021-2026)	1. Bosnia and Herzegovina Country Strategy (2022-2027) 2. Kazakhstan Country Strategy (2022-2027) 3. Kosovo Country Strategy (2022-2027) 4. Mongolia Country Strategy (2022-2027) 5. Egypt Country Strategy (2022-2027)	1. Croatia Country Strategy (2023-2028) 2. Slovak Republic Country Strategy (2023-2028) 3. Moldova Country Strategy (2023-2028) 4. Serbia Country Strategy (2023-2028)
Memorandum of Understanding (MoU)	1. MoU with the Association of European Development Finance Institutions 2. MoU with the Ministry of Energy of Kazakhstan 3. MoU with the Ministry of Finance of Greece 4. MoU with the UNDP 5. MoU with the New Urban Communities Authority (NUCA) 6. MoU with the ADF Group	1. MoU with the Ministry of Investments and Foreign Trade and Ministry of Water Resources of the Republic of Uzbekistan 2. MoU with the SNGFE 3. MoU with the Bank Al Maghrib and GBPM 4. MoU with the International Organisation for Migration 5. MoU with the Ministry of Energy of the Republic of Azerbaijan	1. MoU with the International Trade Centre 2. MoU with the National Securities and Stock Market Commission and Warsaw Stock Exchange 3. MoU with Development-G7 DFI-EDFI Ukraine Investment Platform 4. MoU with the Administration for Digital Industries of the Taiwanese Ministry of Digital Affairs

	7. MoU with the Moroccan Research Institute for Solar Energy and New Energies (IRSEN) 8. MoU with the Ministry of Local Development and the Governorate of Cairo 9. MoU with the Ministry of Local Development and the Governorate of Cairo 10. MoU with the United Nations 11. MoU with the UN Women 12. MoU with the African Development Bank 13. MoU with the ILO and Union of Municipalities of Türkiye 14. MoU with the Jordan Securities Commission	6. MoU with the Japan Bank for International Cooperation 7. Financial Framework Partnership Agreement with the EU	5. MoU with the MasterCard 6. MoU with the Ministry of Energy Transition and Sustainable Development of Morocco 7. Memorandum of Intent with WB, EIB and CEB on harmonizing procurement practices for public sector investment financed by the MDBs in Ukraine.