

THEMATIC EVALUATION

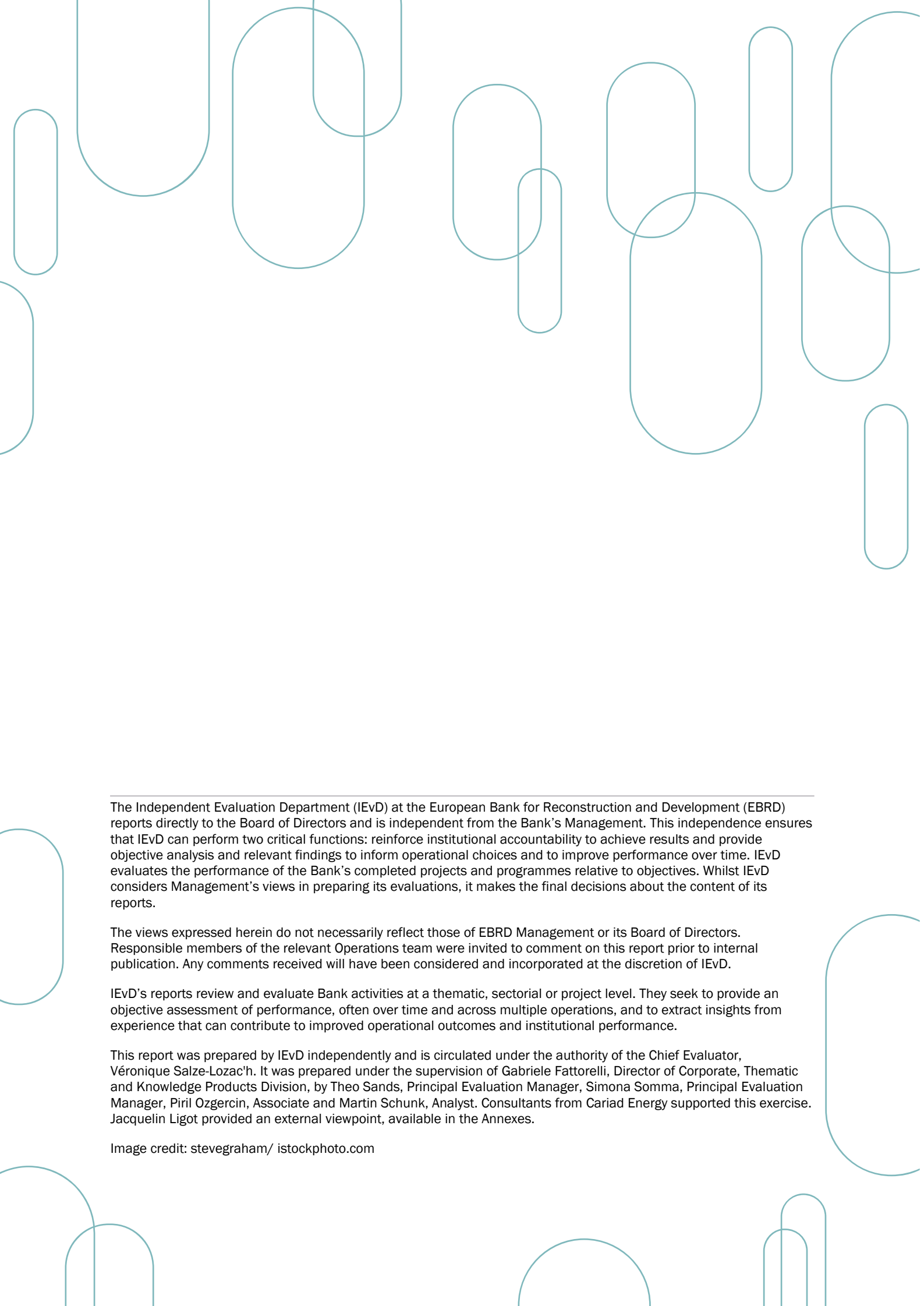
“Facing the heat”

How to deepen EBRD’s green transition impact

Evaluation of the EBRD’s Green Economy Transition Approach (2021-2025)

IEvD ID: SS25-197





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Abbreviations

ABI	Annual Bank Investment	MDB	Multilateral Development Bank
AMI	Annual Mobilised Investment	MEI	Municipal and Environmental Infrastructure
CEB	The Council of Europe Development Bank	MRV	Monitoring, Reporting, and Verification
CoO	Country of Operations	NDC	Nationally Determined Contributions
CSD	Climate Strategy and Delivery	OL	Operational Leader
CP	Common Principles	PFI	Partner Financial Institution
CPA	Green Composite Performance Assessment	PIM	Private Indirect Mobilisation
CRVA	Climate Risk and Vulnerability Assessment	RO	Resident office
DCCRA	Disaster and Climate Change Risk Assessment	SEFF	Sustainable Energy Financing Facility
EE	Energy Efficiency	SCF	Strategic and Capital Framework
ETI	Expected Transition Impact	SIG	Sustainable Infrastructure Group (EBRD)
EU	European Union	TC	Technical Cooperation
EV	Electric Vehicle	TI	Transition Impact
FI	Financial Institutions	ToC	Theory of Change
GC	Green Cities	ToR	Terms of Reference
GCAP	Green City Action Plan	TQ	Transition Quality
GET	Green Economy Transition		
GEFF	Green Economy Financing Facility		
GHG	Greenhouse Gas		
GrCF	Green Cities Framework		
GrCP	Green Cities Programme		
IEvD	Independent Evaluation Department		
LTS	Long-Term Strategies		
MC	Member Countries		

The evaluation in a snapshot

Objective	The “GET Approach” (or GET 2.1) is the European Bank for Reconstruction and Development's (EBRD's) strategy for the Green Economy Transition from 2021 to 2025, which sets out a target for more than 50% per cent of the Bank's annual investment to be green financing by 2025. The objective of this evaluation is to assess: 1. the strategic design of GET 2.1, 2. how it was operationalised, and 3. what it has delivered, in order to provide useful evidence, insights and recommendations for the next iteration of the strategy.
Scope	The scope of this evaluation encompasses the overall GET 2.1. approach, including both the processes to implement it and related policy dialogue and investments signed from 2021 to 2024ⁱ.
GET Portfolio	Between 2021 and 2024: • 1,357 GET projects • approximately €27.9 billion € in GET finance
Evaluation Questions	To what extent has GET 2.1 delivered upon its objectives? • Q1: Design - To what extent did the design of the GET 2.1 support the EBRD achieving its green objectives? • Q2: Operationalisation - How efficient and robust was the GET 2.1 implementation? • Q3: Delivery - To what extent did GET 2.1 achieve its intended results? GET 2.1 design EQ1: To what extent did the design of the GET 2.1 Approach support the EBRD in achieving its green objectives? <i>Examining the priorities of GET 2.1 given EBRD's capabilities as well as GET's objectives, and the design of GET's performance management</i> GET 2.1 operationalisation EQ2: How efficient and robust was GET 2.1 implementation? <i>Assessing internal tools, processes and methodologies to deliver GET, and how these components support improving the quantity and quality of green financing</i> GET 2.1 results and delivery EQ3: To what extent did the GET 2.1 Approach achieve its intended results? <i>Focusing on GET finance ratio, including share of adaptation and environmental financing, as well as wider contribution to systemic change</i>

ⁱ The scope is limited to how GET projects have supported the transition to a green economy and so does not include EBRD's support to Just Transition.

Summary of key findings & recommendations

The design of GET 2.1 is ambitious but lacks clear strategic guidance to achieve green systemic change and robust performance metrics

GET 2.1 outlined an ambitious objective for the EBRD's green finance, in evolving from a mainstreaming to a systemic approach.

This step reflected both the green financing needs in EBRD's regions, as well as the Bank's wider transition impact.

However, GET 2.1 did not have an explicit Theory of Change outlining how the EBRD was to reach that objective. Without a Theory of Change, it is challenging to understand the structural logic that underpins GET 2.1, as well as to link that logic to either wider performance management or learning on where the Bank has been most effective.

The design of GET 2.1 rightly emphasised policy dialogue. This focus reflects the pivotal role that policy dialogue has played in supporting systemic change, as demonstrated by previous evaluations.

The logic of other design components was less clear. The focus on innovation appears misaligned with the Bank's model of providing long-term debt financing on a sound-banking basis, a conclusion reflected within the portfolio financed under GET 2.1.

Furthermore, the new thematic areas set out within GET 2.1 did not add value. Not all thematic areas were systems, putting them

at odds with the systemic approach that GET 2.1 aimed to take. Finally, the use of these thematic areas as a tool was inconsistent; thematic areas were used for project categories but not for policy dialogue, and for projects, the definitions of thematic areas was not applied coherently.

The performance management of GET 2.1 was weak. At a high level, there is a clear disconnect between the systemic change approach of GET 2.1, and the central target of the GET ratio, which does not have a systemic component.

The GET 2.1 performance dashboard provided a limited view of implementation. Commitments to strengthen the dashboard with results frameworks at the thematic area level were not implemented.

Significant progress in strengthening operationalisation but poor use of data and conflation of GET and transition impact remain ongoing issues

Behind the scenes, GET 2.1 has led to significant changes in how the EBRD operates. New processes for determining GET finance have strengthened the accountability of that process, whilst the introduction of a Green Monitoring, Reporting and Verification system (MRV) – although nascent – is a positive step forward in terms of providing a more robust foundation for accountability and learning.

However, a key operationalisation weakness is that Green TQ/ETI has been applied primarily as an extension of the GET metrics, rather than fulfilling its fundamental role of measuring systemic transitional change. This misalignment

undermines the distinct and complementary functions these metrics should serve.

The GET 2.1 Approach notes the importance of data as a foundation for implementation.

During the course of GET 2.1, there have been significant efforts to improve the quality and robustness of GET data, such as iterations to the GET handbook and the introduction of a two-stage process for GET determination.

However, the use of GET data for decision-making, performance management, and learning is not being maximised. There continue to be weaknesses throughout the GET data life cycle that undermines the credibility and utility of GET data.

The ex-post signing Monitoring, Reporting, and Verification (MRV) system is a welcome step forward and should in the longer run provide valuable data on the EBRD's green contribution. It should also be better utilised towards institutional accountability and learning. However, this system is still nascent, and it will take a significant period of time to generate meaningful data. In the meantime, questions on how this data will be used, and how it will be integrated with transition impact data on Green TQ, remain unaddressed. The Bank has initiated developments in its dedicated IT platform, Monarch, to explore such linkages.

One overlooked area for tracking delivery of GET finance is disbursements. However, the EBRD does not currently track GET disbursements or use them as a proxy for delivery. This is an oversight, particularly because analysis of disbursements demonstrates clear patterns in where the EBRD's financing is facing delays in reaching recipients on the ground.

Finally, one important mechanism through which the Bank can support green systemic change is the GET Private Indirect Mobilisation (PIM).

However, there are significant issues in how the Bank calculates GET PIM. The basic methodology is flawed in assuming that in any given project if the EBRD's financing is green, then third-party finance must also be green. This is clearly not the case, with many examples where the Bank's financing was green but third-party finance was not.

In addition, the processes for assessing GET PIM require strengthening. IEvD identified cases where PIM was recorded even though investment did not materialise (see section, or when investment was from a public institution such as an export or development bank which does not meet the criteria for PIM).

Increased financing, but limited clarity on what this means for greenhouse gas emission reductions, other physical outcomes, and overall systemic change

The results of GET 2.1 were assessed in light of the Approach's three primary objectives: reaching a 50 per cent GET ratio, contributing to 25-40 million tonnes of CO₂ emission reductions, and adopting a systemic approach.

From a financing perspective, GET 2.1 has been successful. The central target set within GET 2.1 was to support the EBRD reaching 50 per cent GET finance by 2025. The EBRD achieved this target for each full year of GET 2.1 implementation, and in 2024 significantly exceeded this benchmark,

with GET finance reaching 58 per cent. Portfolio analysis also illustrates the regional spread of GET finance, demonstrating the EBRD's capacity to provide GET finance in a range of different operating contexts.

However, while distinct categories, the share of both adaptation financing and environmental financing as a proportion of wider GET financing has declined.

Furthermore, across both, the emphasis has been on public sector financing rather than the EBRD's private sector model.

The EBRD has achieved its target for contribution to estimated CO₂ emission reductions. Yet it is not clear what this achievement means for the EBRD, given that CO₂ emission reductions are not scaled for the EBRD's financing, and so the overall figure is distorted by large projects where the EBRD only provides a small share of financing.

Other reporting systems are not systems-based. This means the EBRD does not have clear data on where and how it has contributed to systemic change, leaving it unable to communicate the narrative on what systemic change it has catalysed as well as to learn from previous implementation.

Evaluations have demonstrated examples where GET financing, combined with policy dialogue and technical cooperation, has led to systemic change. The EBRD's work to support renewable energy, engagement with financial institutions on transition planning, and role in developing green capital markets are all examples where the Bank's engagement has contributed to transformational changes in markets where the Bank works.

Both GET 2.1 and the Financial Sector Strategy 2021-25 recognised the need to move away from a use-of-proceeds approach with Financial Institutions, as part of a shift towards a systemic approach.

There has been significant progress in this area, with the support on transition planning and climate corporate governance providing confidence that through its GET FI projects the EBRD can contribute to wider institutional changes with its PFIs.

However, monitoring is still use-of-proceeds based. This continues to keep the Bank locked to that model and means the EBRD has very little data on where and how it has supported PFIs to scale up green financing.

Furthermore, there are important differences between different FI instruments and how the EBRD can expect them to support increased green lending. With respect to the Bank's approach, these instruments have largely been conflated, reflecting a focus on use-of-proceeds rather than if instruments are actually scaling up green financing provided by PFIs.

Key recommendations for the new GET

Keeping in mind the two key dimensions of the forthcoming GET strategic directions, aimed at enhancing both the volume and quality of the EBRD's green finance, the recommendations prompted by the findings of this evaluation are organized into strategic-level and operational-level directives.

Strategic-level Recommendations

1. To maximize the impact of its green finance, the EBRD should strengthen how systemic change is embedded within the

new GET strategy, with a focus on developing the structures to learn from where GET finance has most effectively supported systemic change.

2. To increase the quantity and quality of its adaptation and environmental financing, the EBRD should clearly outline the challenges it has faced in these two distinct areas, articulate the role that the EBRD should play, and improve internal incentives.

Operational-level recommendations

3. To enhance the impact of its green finance through partner financial institutions, the EBRD's engagement in the financial sector should be focused on expanding green finance at the counterpart-level, in addition to considering use-of-proceeds.¹

4. To improve the effectiveness and credibility of its GET finance results, the EBRD should strengthen the use of adequate data to support investment decision-making, performance management and learning.

5. To improve the effectiveness and the credibility of its green mobilisation efforts, the EBRD should strengthen the process and methodology for estimating GET Private indirect mobilisation (PIM).

¹ This recommendation builds on recommendation 2 that IEVD made as part of the evaluation of the transition impact

and additionality of the EBRD's MREL and bail-in-able products, which was partially accepted by Management

1. Introduction

1.1. Objective and scope of this evaluation

1. The EBRD is preparing its new **Strategic and Capital Framework (SCF)** for the next five years against the backdrop of an accelerating climate emergency.²³ The role of multilateral institutions in accelerating sustainable, low-carbon transitions is critical. Within this context, the Bank's private-sector mandate—focused on sustainable transition—is increasingly vital.

2. This evaluation of the **EBRD's Green Economy Transition (GET) 2.1 Approach** provides independent insights into the design, operationalisation, and results of **GET 2.1 from 2021 to 2024**. Given the urgency of the climate crisis, this evaluation provides insights to help ensure the EBRD support for green economic transition remain impactful, credible, and adaptive.

Box 1: The three key objectives of the GET 2.1

The Green Economy Transition (GET) 2021-2025 is the Bank's approach for helping EBRD's countries of operation (CoOs) build green, low carbon and resilient economies.

GET 2.1 is a central part of how the EBRD operates. From 2021-24, the EBRD committed €27.9 billion under the GET 2.1 programme, alongside significant organisational and process changes to facilitate delivery as well as extensive policy dialogue engagement.

At the core of GET 2.1 are three interrelated objectives:

1. **Increasing green financing to over 50 per cent** of the EBRD's Annual Business Investment (ABI) by 2025, using the GET methodology assessing the use of proceeds of the EBRD's financing;
2. **Contributing towards net greenhouse gas (GHG) emissions reduction of 25 to 40 million tonnes** over the GET2.1 period based on cumulative ex-ante estimates; and
3. **Evolving towards a systemic change approach**, drawing upon the operationalisation of key principles of international climate agreements, such as the Paris agreement, as well as the integration of policy dialogue to support systemic change and a focus on innovation and market effects to support transformational change.

3. The scope of this evaluation encompasses the overall **GET 2.1. approach**, including both the processes to implement **GET 2.1** and projects signed under **GET 2.1 from 2021 to 2024**. Results are assessed focusing on their links to GET 2.1. Whilst this evaluation looked at projects with multiple objectives and multiple TQs, for the purpose of this evaluation the scope is limited to how projects have supported the transition to a green economy.

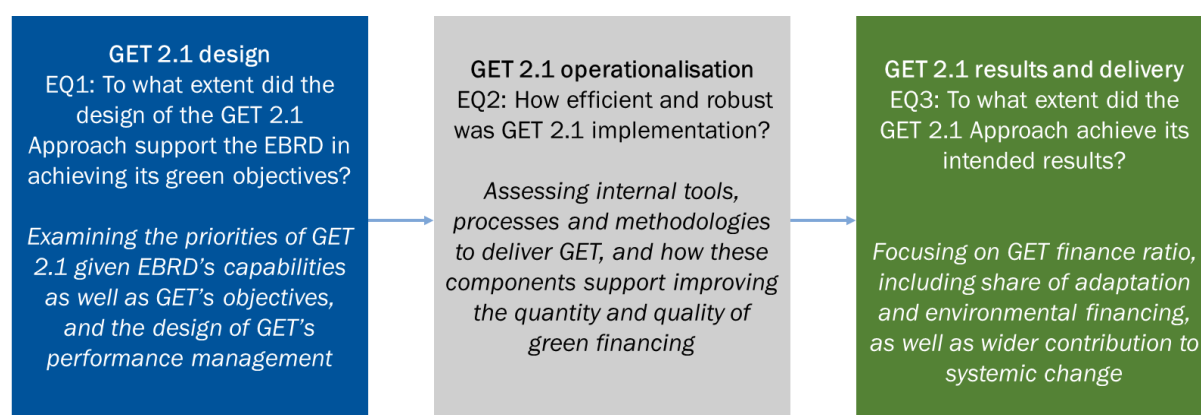
² "World way off target in tackling climate change - UN", BBC, 28th October 2024

³ "2024 first year to pass 1.5C global warming limit", BBC, 10th January 2025

4. For this reason, the EBRD's support to Just Transition is not within the scope of this evaluation. Supporting Just Transition Towards a Green Economy is one of the priorities of the EBRD's Equality of Opportunity Strategy and so will be covered by a different evaluation. The process of assessing if projects are Paris-aligned is also outside the scope of this evaluation, as this topic is currently being examined by Internal Audit.

1.2. Methodological approach

5. The evaluation aims to address one overarching question: To what extent has GET 2.1 delivered upon its objectives? To respond to this overarching question, this evaluation uses a basic framework looking at the design, operationalisation, and results of GET 2.1.



This evaluation is based on three principal methodological pillars:

1. Portfolio Analysis & a mixed-methods approach combining qualitative and quantitative insights to provide a comprehensive picture of the Bank's performance.
2. A case study approach to understand systemic change in GET 2.1 projects focusing on financial institutions and industrial decarbonisation in Türkiye, and energy systems in Egypt.
3. Synthesis to collate insights from other MDBs on best practices in climate finance and systemic change, and benchmarking to understand how the EBRD compares.

1.2.1. Contextualising this evaluation in the IEvD's work programme

6. This evaluation builds on a substantial number of previous IEvD exercises which have examined subcomponents of the EBRD's green finance.⁴ It also coordinated closely with the Mid-Term Evaluation of the SCF 2021-25 to ensure complementarity and consistency of findings.

7. This evaluation was conducted in parallel with an evaluation assessing the EBRD's support for energy security. Given the close relationship between these topics, the two teams are sharing

⁴ These include the Evaluability of Green Finance, Solar Power Operations Investment, Green Cities Evaluation, Green Bonds Evaluation, MREL and Bail-in Capital Evaluation, and the Decarbonisation of the Built Environment Evaluation.

resources (including personnel), and have conducted a joint case study mission to maximise synergies. The energy security evaluation will be concluded in Q3 2025.

1.2.2. Limitations and Risk Mitigation

8. There are weaknesses within the evaluability of GET 2.1, as described in previous IEvD reports.⁵ Without an explicit Theory of Change, detailed targets, and a comprehensive results framework it is challenging to assess what constitutes 'success' for GET 2.1. IEvD addressed this challenge by developing an evaluation framework and referring to the original GET 2.1 objectives wherever possible, whilst recognising their limitations.

9. Furthermore, the scope of this evaluation is extensive. As of late 2024, the Bank had provided €27.9 billion of GET finance under GET 2.1, across 1,357 projects. In addition to this financing, GET 2.1 also encompasses other delivery tools within the EBRD's toolkit, such as policy dialogue, as well as extensive organisational changes to support delivery. This evaluation is not aiming to provide a comprehensive assessment of all the outcomes stemming from GET 2.1's implementation. Instead, the focus is on the design and operationalisation of GET 2.1, with analysis of outcomes mainly linked to case studies as well as previous IEvD evaluations.

10. The full impact from many GET 2.1 activities (financing and policy dialogue) are still to be realised. Long-term results, including wider systemic changes can take years to materialise. IEvD has used case studies to examine evidence for the Bank's contribution to systemic change, with case studies purposively selected whereby at this point there is a reasonable expectation of emerging evidence of systemic changes stemming from the Bank's engagement.

11. Finally, given the breadth of this evaluation, it is not feasible to conduct extensive primary data collection across all topics, implying a reliance on pre-existing EBRD GET portfolio data. Where this data has weaknesses, this affects IEvD's capacity to conduct a performance assessment. Where possible, IEvD has tried to triangulate using secondary data.

⁵ E.g. Evaluability of Green Finance Phase 1

2. Strategic fit & design: The GET 2.1 is rightly geared towards systemic change but does not provide strategic guidance on how to achieve it

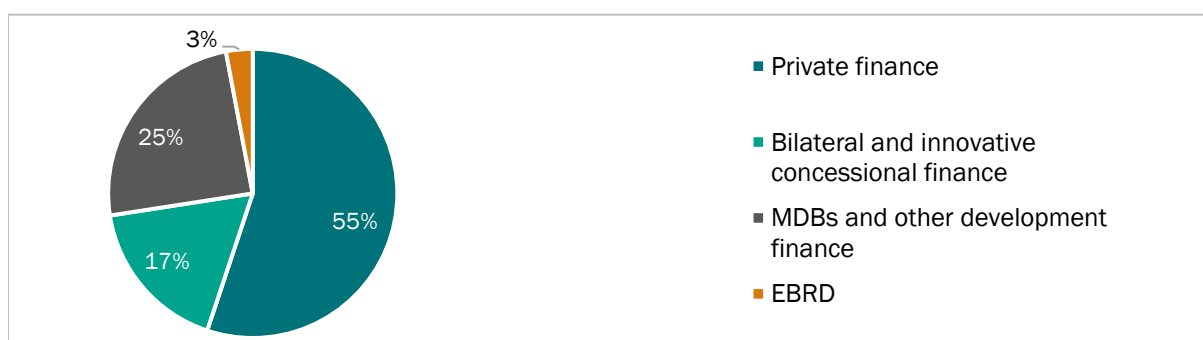
To what extent did the design of the GET 2.1 support the EBRD in achieving its green objectives?

- To support the Bank in fostering the Green Transition in its region the GET 2.1 emphasised a systemic approach.
- However, it does not outline how the Bank should evolve towards it. The systemic approach was ambitious and given the green finance needs within the EBRD's regions, also necessary, but the lack of a Theory of Change weakened the design logic of GET 2.1.
- The GET 2.1 Approach also prioritised policy dialogue. Previous evaluations as well as case studies in this evaluation demonstrated the importance of policy dialogue as a catalyst of systemic change.
- However, the logic behind other areas of emphasis within GET 2.1 remains not clear; for example, the focus on innovation as a “driver” of green financing and systemic change does not reflect EBRD strengths.
- The new GET thematic areas did not add value. Not all were clearly defined, making their practical application more challenging.
- The use of the GET thematic areas was also inconsistent, reducing their usefulness. In areas where the EBRD has not provided significant support, it is worth discussing whether these should continue to be prioritised going forward.
- The design of the performance management system for GET 2.1 is weak, particularly with respect to the implementation of its systemic approach; for example, the ex-ante GET ratio provides a narrow perspective of performance given GET 2.1's emphasis on systemic change.

GET 2.1 emphasised a systemic approach but without outlining how the Bank is expected to evolve towards it

12. GET 2.1 aimed to transition from “a mainstreaming to a systemic approach”, defined as achieving impact beyond the project-level “by creating green market opportunities pursued by a range of other economic players.” This definition provides a practical illustration of how the EBRD considers systemic change in green finance, which reflects both the EBRD business model and the scale of the green financing gap within EBRD countries of operation.

Figure 1: Estimated annual external green finance needs in EBRD CoOs by 2030



Source: Green SCF Cornerstone, IEvD analysis

13. What the GET 2.1 Approach lacks is a clear Theory of Change illustrating how the Bank expects to achieve systemic change. Without a Theory of Change, it is challenging to understand the structural logic that underpins GET 2.1, as well as to link that logic to either wider performance management or learning on where the Bank has been most effective.

Box 2: What is green systemic change?

- GET 2.1 defines a systemic approach as impact beyond the project-level “by creating green-market opportunities pursued by a range of other economic players”.
- This means that with GET 2.1, the Bank was specifically focused on market transformation, with an ambition beyond scaling up the EBRD’s own green finance and the direct ‘green outcomes’ from EBRD projects.

The design of GET 2.1 rightly prioritised the key role played by green policy dialogue to achieve systemic change

14. This focus was based on lessons learnt from the Bank's historical experience. Policy engagement has often proven to be a critical tool in achieving systemic outcomes (see Box 4) – and reflected the Bank's implementation in the current GET 2.1 period, with policy dialogue often fundamental to how the EBRD has supported systemic change. Where the Bank has effectively combined targeted policy engagement with investments, it has achieved outcomes that extend far beyond individual projects, paving the way for broader market transformation.

Box 3: Findings from IEvD Products on “green” policy dialogue

IEvD's previous evaluations have highlighted clear examples of where the Bank's policy dialogue has played a pivotal role in supporting systemic change:

- *IEvD cluster evaluation of the EBRD's solar power operations (2022)*, demonstrated policy engagement on renewable auctions provided the foundation for private green investment.
- *The Terna Rachoula Wind Farm Project Evaluation (2024)* showed the EBRD's role in supporting systemic change through developing regulatory systems that induce investment.

However, evaluations have also demonstrated that the intensity of the Bank's policy dialogue supporting the green economy transition is uneven across sectors and thematic areas:

- *Building a Green Future: EBRD's Investments in the Decarbonisation of the Built Environment (2016-2022) (2024)* noted the Bank's limited policy engagement in these areas, which undermined the wider contribution the EBRD was making towards systemic change.
- *Food for Thought in Challenging Times: Evaluation of the Agribusiness Strategy 2019–23 (2023)* also highlighted similar limitations in policy engagement.

Finally, evaluations have highlighted the importance of balancing policy dialogue linked to the EBRD investments with wider policy dialogue supporting sectoral development. For example:

- *The Green Cities Interim Evaluation (2023)* identified that EBRD's focus on investments, with limited funding for non-transactional policy work.

Sources: The hyperlinked IEvD evaluations

GET 2.1's focus on innovation as a "driver" of green financing and systemic change does not reflect EBRD strengths

15. GET 2.1 describes innovation as a key driver for the EBRD's green financing and wider systemic change. However, it is not clear whether the focus on innovation is appropriate given the Bank's operational model. Analysis of the portfolio and interviews with colleagues suggest that a real driver of implementation has instead been scaling replicable business models across different regions in which the Bank operates.

16. The EBRD's business model revolves around providing long-term debt financing on a sound banking basis. This model ensures financial sustainability and implies a measured risk appetite. Furthermore, the Bank works in regions characterized by economic volatility and institutional fragility. This context – of an institution with a measured risk appetite, investing in challenging environments – is arguably not always the best set-up for promoting innovation.

17. This conclusion is reflected in what the Bank supported. As of August 2024, 14 projects – out of 1161 supported under GET 2.1 with an ETI assessment – had received a Green ETI uplift for technology innovation. An additional 11 projects had received a Green ETI uplift for business model innovation. These projects accounted for 5.2 per cent of GET financing, which does not reflect GET 2.1's stated aim of using innovation as a major driver of financing.

18. Even projects with innovation ETI uplift often did not demonstrate convincing technological innovation. Examples include an offshore wind project, as well as buildings certified with EDGE certification. Whilst these might represent significant 'firsts' for an EBRD country, they are not a technological innovation but rather deploying an established technology to a new context.

19. In comparison, whilst GET 1.0 also emphasised innovation, it instead described it as built around "a focused technology transfer approach". This mechanism is a better reflection of the EBRD under GET 2.1, as well as the underlying characteristics of the EBRD business model. Characterizing the EBRD's support to innovation as one focussing on transfer of technology and know-how would be more aligned with EBRD's capacity and strengths.

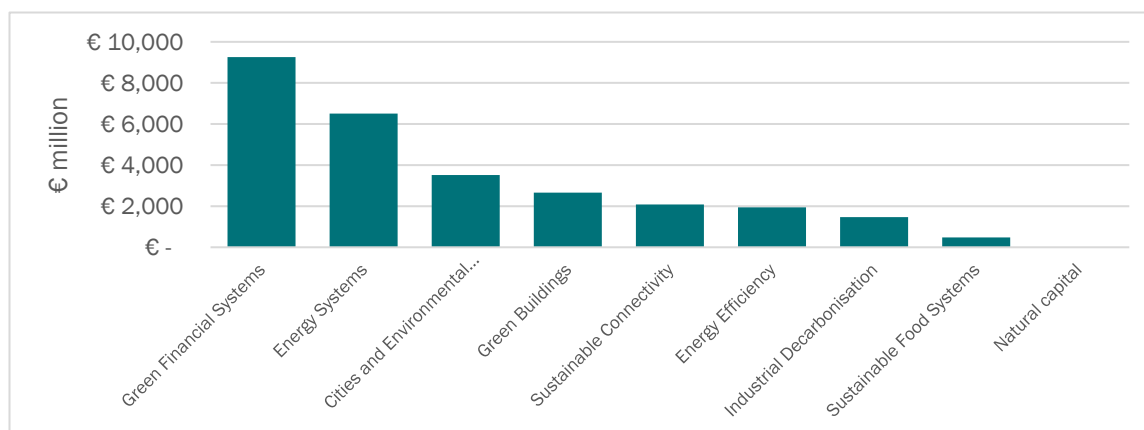
Some thematic areas don't reflect the "EBRD DNA" nor are they clearly defined

20. GET 2.1 identified ten thematic areas for the Bank's green finance (see Figure 2). The thematic areas were designed to facilitate specialization, strengthen policy dialogue, and manage and communicate results more effectively, and through doing so support a systemic approach. Thematic areas were selected on the Bank's capacity to scale activity and drive green transition.

21. However, it is not clear how the GET 2.1 thematic areas added value. As an initial observation, the selection of thematic areas does not necessarily reflect the EBRD's capabilities. GET 2.1's thematic areas demonstrate a wide divergence in where the EBRD has provided

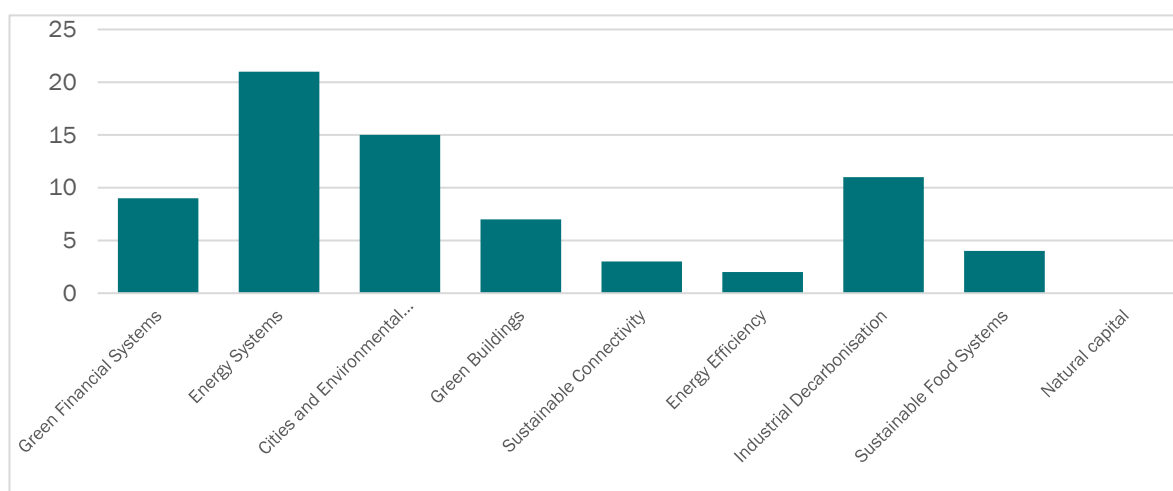
financing and prioritised policy engagement. Areas in which the Bank has provided limited financing and has had limited policy engagement either merit consideration on whether they reflect EBRD strengths, or conversely where more resource allocation might be required.

Figure 2: GET financing by thematic area, 2021-24



Source: GET database, IEvD analysis

Figure 3: GET policy engagement by thematic area (from Green Policy Scripts)



Source: Green Policy Scripts; IEvD analysis

22. Second, the categorisation of thematic areas was not applied consistently either to internal organisation or to policy dialogue activities. This reduced the capability of thematic areas to enable specialisation and better structure policy dialogue work. For example, the Green TC tracking tool does not use the GET thematic areas for categorising TC assignments, reducing the usefulness thematic areas as an analytical tool.

23. Third, some of the selected thematic areas were not systems. A systemic approach should start by defining systems for intervention; developing thematic areas that are not systems-based creates a disconnect with the wider system approach that GET 2.1 sought to use. Energy

efficiency, green buildings, and natural capital in particular stand out as areas which are not necessarily systems, and which are therefore not conducive to a systemic approach.

24. Fourth, the definitions of some thematic areas were unclear. This led to inconsistencies in how thematic areas were applied across projects, creating ambiguity and reducing usefulness. For example, Project CCAP was coded as Green Buildings to “finance development of c. 0.9 million sqm of logistic and light industrial facilities”. Project DL Invest, used to “finance the development of a number of build-to-suit logistics projects”, was coded Energy Efficiency. Similarly, Turk Traktor Green Loan was used to finance “modernisation of existing manufacturing plants” as well as “install a rooftop solar plant” and was coded energy efficiency. However, Elemental PGM used to increase manufacturing capacity and install solar panels, was tagged Industrial Decarbonisation. Several road projects (e.g. Ukraine Road Corridors and Road Corridor VIII Phase 1) were energy efficiency, despite similar projects being sustainable connectivity.

25. These definitional issues matter by making it more challenging to analyse where the EBRD has scaled up support and where the EBRD has successfully delivered.

The “GET ratio” is the primary target and monitoring indicator of the strategy but it is not a systemic change metric

26. Evidence shows the GET ratio target has been an effective mechanism for increasing green finance. As an incentive for Banking teams to incorporate green in their projects, it has been instrumental in shifting internal priorities, embedding green thinking into project origination, and catalysing organisational culture change towards expanding green finance.

27. However, whilst a powerful incentive, the GET ratio is also a rather “crude” measure. It does not provide a meaningful understanding of the EBRD’s green results. Despite GET 2.1’s systemic approach, the strategy was designed with its primary target and monitoring indicator as the GET ratio.

28. As pointed out previously by IEVD such as in the *Evaluability Assessment of Green Finance*, the GET calculation does not reflect systemic change. As a tool based on use of proceeds, there is no direct connection between the GET % and systemic change potential (see Ch.4). The GET calculation only reflects direct EBRD financing, rather than the much larger private sector financing that GET 2.1 seeks to unlock.

29. This difference creates a disconnect between GET 2.1’s ambitions and GET 2.1’s primary target and monitoring metric. The mechanism by which the Bank determines the success of GET 2.1 does not link to systemic change – and reflects the mainstreaming approach that GET 2.1 was meant to move on from⁶.

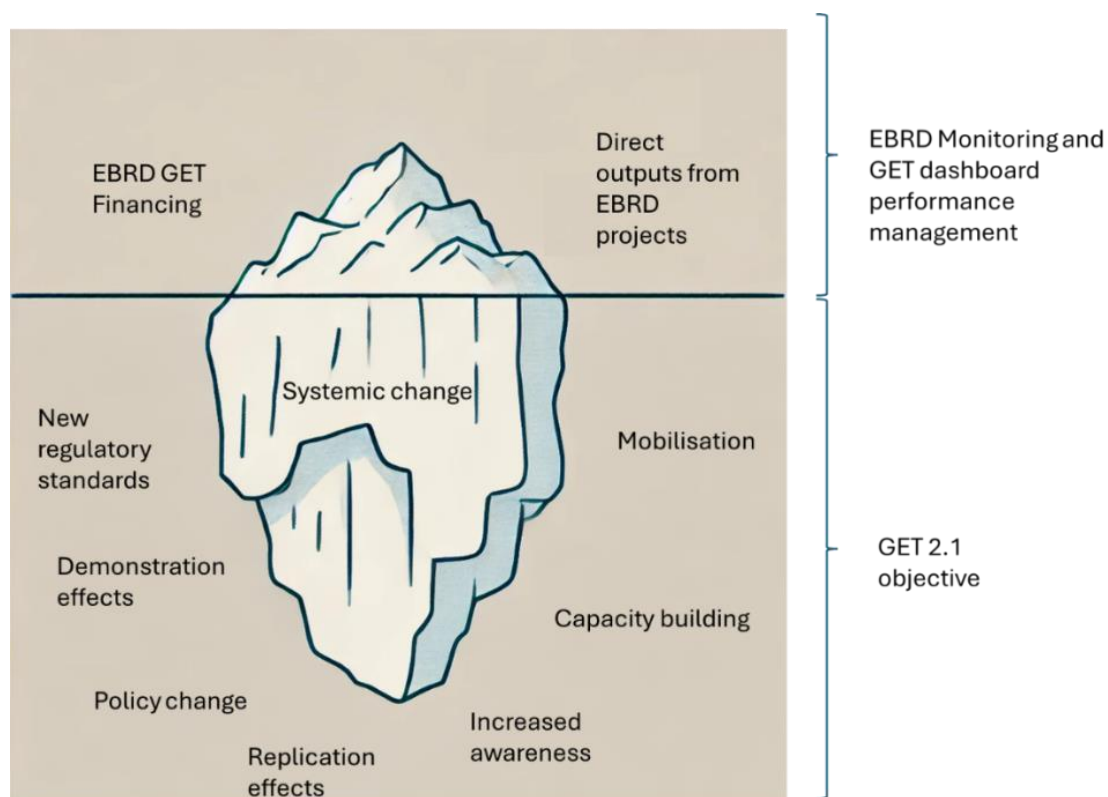
⁶ This point is obliquely acknowledged within GET 2.1 – although it aimed to support the EBRD in “evolving from a mainstreaming to a systemic approach”, the Approach also mentions the importance of the GET target as a “determinant of GET mainstreaming”.

The GET 2.1's performance dashboard did not support effective performance monitoring for decision making

30. GET 2.1's performance dashboard was designed to support “evolving and incremental disclosure requirements and a robust and comprehensive assessment of outcomes”. The dashboard consists of 4 compositional indicators, 9 performance indicators, and 3 process indicators. This dashboard has several weaknesses:

- **The GET 2.1 dashboard is not complete.** It does not follow best practice of defining indicators at each level of the results chain (input – output – outcome – impact), thus providing an incomplete picture of the programme's performance.
- **The GET 2.1 dashboard is not comprehensive,** as it does not cover GET 2.1's systemic aspirations; 5 indicators within the GET dashboard are finance related, 4 track direct project outcomes, and only 2 have any link to a systemic approach, by tracking mobilisation. The GET dashboard provides a minimal perspective of the success of GET 2.1's systemic approach.
- **The GET 2.1 dashboard is based on ex-ante financial commitments and forecasts of environmental benefits, rather than implementation.** The dashboard would not capture if the Bank had not managed to make a single disbursement on all projects signed under GET 2.1. Including disbursements on GET 2.1 projects as a first step and actual environmental results produced through the MRV system would provide a more complete and accurate picture of the Bank's actual impact through GET 2.1.

31. Besides targets for the GET ratio and the estimated cumulative CO₂ reduction, the GET 2.1 dashboard did not include targets, not even at input/activity level. Without targets, it becomes more challenging to benchmark the Bank's performance. Targets can also act as an incentive and accountability mechanism; particularly for areas where the Bank was aiming to scale up activity (e.g. adaptation financing), targets may have led to renewed focus and allocation of resources.

Figure 4: Much of the EBRD's impact is not captured beneath the surface

Source: IEvD elaboration

32. **Disregarding these limitations, it is not clear to IEvD where the GET 2.1 dashboard was ever reported.** The Approach stated the dashboard will be “reported systemically from 2021”, with indicators captured on an annual basis. However, it was first reported as part of the SCF 2026-30 Cornerstone Discussion (Green Approach), in July 2024. To all extent and purposes, it appears that the GET 2.1 dashboard was not used or reported on systematically.

33. **Finally, the GET 2.1 Approach outlined a plan to define indicators for each thematic area, to “provide a high level of granularity at thematic area level complementing the aggregate indicators”.** Whilst this makes sense in theory, it was not implemented in practice; these indicators were never developed and therefore not reported upon.

3. Implementation: Despite significant progress, the GET credibility is undermined by varying quality, transparency and use of ex-ante forecasts

How efficient and robust was the implementation of the GET 2.1?

- The GET 2.1 has catalysed major changes in how the Bank operates, supporting more effective implementation of GET projects.
- However, credibility challenges undermine the use of GET data to understand green outcomes, to support decision-making and to drive accountability and learning.
- For example, although the ex-ante GET calculation has improved, there are opportunities to address ambiguities and strengthen communication. In addition, the role of Green Transition Impact in relation to GET is unclear. There is conflation and redundancy between these two mechanisms.
- The EBRD has made a step forward in the introduction of a Monitoring, Reporting and Verification (MRV) for GET ex-post data on results.
- Whilst this system is currently operational, it is at a nascent stage and currently is not mature enough to provide a meaningful database for accountability nor learning.
- In the absence of concrete data on GET outcomes, one proxy that the Bank could utilise is data on GET disbursements; however, the Bank is not utilising data on GET disbursements.
- GET private indirect mobilisation (PIM) provides an important route to systemic change, but the methodology and process used to calculate have flaws; applying a rigorous methodology would reduce the reported the EBRD's GET PIM in 2023 by over 60 per cent.

GET 2.1 has catalysed major changes in how the Bank operates, supporting more effective green delivery, however the role of Green Transition Impact in relation to GET remains unclear

34. Internally, the creation of Climate Strategy Delivery from the previous Green Economy and Climate Action (GECA)/Energy Efficiency and Climate Change (E2C2) team, and the transfer of this unit from Banking to VP3 with a significant increase in resources, has contributed to a cross-cutting climate function delivering GET across all Banking departments, whilst also emphasising the role of climate policy as a central tool in the Bank's GET arsenal besides financing. This is a good example of putting into practice the emphasis within GET 2.1 on policy dialogue, as well as the EBRD allocating resources to scale up activity in priority areas.

35. **GET 2.1 also positioned the EBRD for Paris Alignment.** Although outside the scope of this evaluation, IEVD would note that this was a significant organisational change, meaning that all financing (and not just GET projects) was assessed in light of climate considerations.

36. **However, the role of Green Transition Impact in relation to GET is unclear. There is conflation and redundancy between these two mechanisms.**

37. **The transition impact scoring assessment (Expected Transition Impact – ETI) offers one mechanism for operationalising the green systemic change approach set out within GET 2.1⁷.** However, there is a high degree of overlap and redundancy between GET and Green TI. Furthermore, ETI is disconnected from GET 2.1, is a weak incentive, and, as a tool largely based on the GET calculation, is also only a limited proxy of systemic change.

38. **In the current system, GET and Green TI are conflated.⁸** Both are focused on systemic change, but both use indicators that are primarily input-based. The Green ETI calculation is largely based on the GET ratio⁹, which does not relate to systemic change. The exception is that projects may receive green ETI uplifts to “recognise projects that achieve systemic impact”¹⁰.

39. **However, not all uplift areas provide a convincing rationale for systemic change. GET multipliers on FI projects, for example, do not necessarily induce behavioural change at the client level¹¹.** Some other uplift areas relate to project-level outcomes rather than systemic change, e.g. scale of physical impact, emissions abatement cost, and climate resilience benefit/cost ratio.

40. **Furthermore, the Green ETI is not integrated within the GET Approach.** Green ETI is not part of the GET 2.1 performance dashboard and was not featured in the SCF 2026-30 Green

⁷ E.g. as highlighted by management during the Board Information Session on Identifying and Reporting Green Finance

⁸ While this is the context for the evaluation period, the Bank is in the process of updating Green TI such that the GET ratio is no longer a primary determinant.

⁹ Albeit with some nuance, e.g. GET thresholds which vary by sector.

¹⁰ Update of the Green Transition Impact Methodology, February 2022

¹¹ Evaluation of the EBRD's Investments in Bail-In Capital Instruments (2024)

Cornerstone discussion. It is not used to gauge progress on the GET 2.1 systemic approach and is not captured in the GET Database, showing the disconnect between the two systems.

41. More broadly, regardless of how it has been integrated with GET 2.1, it is questionable whether Green ETI is an effective incentive. Unlike the GET finance ratio, Green ETI as a quantitative indicator is not part of the corporate scorecard and is not reported on at either a portfolio or departmental level. This (in)visibility makes it challenging to conclude that ETI is an effective incentive for Banking teams to pursue green systemic change projects¹².

Although the Bank has continued its efforts in strengthening the GET calculation process, the GET implementation, through the “GET handbook” and other tools, has several limitations

42. A core part of GET is determining what constitutes GET finance. The credibility of this data is paramount; ambiguity or misclassification can erode the integrity of the entire GET programme. Clear definitions, rigorous methodologies, and consistent application of criteria (including through alignment with international standards) are essential to ensure that green investments are accurately identified and tracked. This data foundation not only underpins transparency and accountability but also enables evidence-based decision-making.

43. Over GET 2.1, the Bank has made several improvements in this area, notably:

- Moving to a two-stage GET determination process, as recommended by Internal Audit. This step has enabled clearer scrutiny and accountability of GET calculations.
- Adding the Green Assessments annex to project Board Memorandums. Whilst the quality of the Green Assessments annex varies, they undoubtedly add value. The quality of the Green Assessments Annex has continued to improve since their introduction.
- Continuing to iterate and strengthen the GET handbook and GET handbook annexes. Most notably, the process for adaptation finance changed in 2024, providing a more transparent framework for assessing adaptation finance, in line with the approach used by other MDBs.

44. For the evaluation period (2021-24), weaknesses that IEvD has identified in the version of the GET Handbook from 2021-24 include:

- **Unclear definitions of complex concepts.** E.g. the identification of ‘system wide co-benefits’ for adaptation is a complex concept defined only through a single sentence footnote.
- **Ambiguous language.** E.g. Energy Efficiency projects are required to demonstrate a “substantial reduction in relative GHG emissions”, whilst many of the criteria for environmental financing require an “improvement” or “benefits” compared to a baseline – without a quantifiable measure of what constitutes a substantial reduction or benefit.

¹² In comparison, as the GET 2.1 notes, the GET ratio “has provided a clear target in operational terms within the Bank supporting an effective and transparent base for performance assessment and incentives” – pg. 21, GET 2.1, 2021-25.

- **Gaps in coverage.** The GET Handbook did not cover TFP financing, which was 8 per cent of GET financing under GET 2.1. The MDB Common Principles for tracking Nature-Positive Finance and the EBRD's own Nature-Based Financing Approach were also not incorporated.
- **Not clearly indicating the different approach taken for adaptation financing.** The approach taken to assessing adaptation financing is not use-of-proceeds based. Whilst this is justified, it was not explained in the handbook, which incorrectly said it was based on use-of-proceeds.
- **Non-alignment with the Common Principles for Climate Mitigation Finance Tracking on Scope 3 emissions,** which state "scope 3 emissions [should] be quantified for activities where those emissions are expected to be material and relevant". The GET handbook stated Scope 3 emissions are "excluded from the EBRD's project boundary" unless there are "significant mitigation benefits" to include. This approach implies that Scope 3 emissions are not included where they are detrimental, but are included where there are positive climate benefits, which is at odds with the Common Principles.

45. In addition, the evaluation recognizes that Management is currently working on a revised version of the GET handbook, and therefore a complete assessment cannot be conducted within this evaluation. The evaluation already notes progress in certain areas, although additional improvements are necessary in others (Box 4).

Box 4: Ongoing revision of the GET Handbook - Key points for consideration

While the Thematic Evaluation of GET 2.1 was underway, the EBRD was revising the GET Handbook. The revisions do not fall within the evaluation period. However, key changes are summarised via a light review below:

- The revisions to the GET handbook provide **further clarity on the treatment of scope 3 emissions**, particularly where inclusion of scope 3 emissions would result in an increase in overall GHG emissions compared with the baseline.¹³
- Revisions provide **additional guidance on the qualifying criteria for nature finance**.
- There is **closer alignment with the EU Taxonomy's "significant contribution" threshold**.¹⁴
- Revisions provide more **clarity on projects that would qualify as "other environmental activities"** that do not fall under the MDB climate finance definition.

Overall, the revised GET Handbook represents a significant step forward, providing clarity in many aspects of the assessment of green finance attribution of EBRD investments.

However, the evaluation suggests further revision of some aspects of the new handbook to provide clarity and avoid reputational risk:

- **Through the new GET Handbook, it is still possible to potentially classify projects that could result in the increased use of fossil gas as green finance** (e.g. fuel switch from coal

¹³ Yet, the text in Annex 2 has to be updated to be consistent with footnote 8.

¹⁴ The EU Taxonomy's "substantial contribution" threshold refers to the specific technical criteria an economic activity must meet to be considered as making a meaningful, positive impact on one of the EU's six environmental objectives.

Box 4: Ongoing revision of the GET Handbook - Key points for consideration

to gas for heating at an existing industrial facility). Further clarity is needed in the corresponding exclusion criterion.

- **The use of a Climate Resilience Outcomes vs Total Project Value ratio for 'significant' outcome quantification in attribution remains problematic.** The EU criteria are likely a better gauge of significant outcomes.

Evidence provides reassurance that GET Handbook processes were being applied consistently, but highlighted communication issues

46. **Evidence shows that communication of GET finance assessments remains limited.** For example, on Bash and Dzhankedly Wind Power Plants – which were the EBRD's second and third largest adaptation projects in 2022 – explanation in the Board Memorandum on how adaptation financing was determined is limited to a note on alignment with the adaptation goals of the Paris Agreement without clarification on potential adaptation outcomes or impacts.

Box 5: Oxfam's scrutiny of how MDBs determine climate finance**Key points identified in previous Oxfam reports include:**

- Project documents do not contain sufficient information on how the climate finance components of projects have been calculated,
- Incrementality is not often reported and there is a lack of granularity in reporting,
- Climate finance data as well as internal methodologies are not publicly accessible,
- There is no requirement to share ex-post results,
- Project indicators and results frameworks are sometimes not adequately robust,
- Financing does not reach lower income or least developed countries.

Some of these criticisms highlights positive examples of the EBRD's practice; the Bank publishes the GET handbook externally, GET financing demonstrates good geographical distribution, and the Bank's Sustainability Report contains a breakdown of which projects have received GET financing.

However, some key points are yet to be taken on board by the EBRD. Currently, there is no public information on how project GET shares have been calculated, nor are *ex-ante* climate outcomes at a project-level published.

Sources: OXFAM, 2024. *Unaccountable Adaptation: The Asian Development Bank's overstated claims on climate adaptation finance*. OXFAM, OXFAM, 2022. *Unaccountable Accounting: The World Bank's unreliable climate finance reporting*

Credibility challenges undermine the use of GET data to support decision-making and to drive accountability and learning

47. Ex-ante forecasts of GET benefits are a core data input, but the quality, transparency, and usability of these forecasts vary. Ex-ante forecasts of the green and environmental benefits of GET 2.1 projects are a critical data input. These figures are provided to the Board during investment approval to indicate expected results, serve as the primary input for the GET 2.1 performance dashboard, form the basis for project-level monitoring, and are published externally on both project and portfolio level.

48. The quality, transparency, and consistency of these forecasts vary¹⁵. Whilst there have been improvements, these problems persist in recent projects. These issues complicate scrutiny of ex-ante GET forecasts, and call into question whether under GET 2.1 the EBRD complied with the principle of Transparency within the IFI Framework for a Harmonisation Approach to GHG Accounting. Selected issues which have been identified in IEvD evaluations include:

- Lack of clarity as to what is the 'final' version of GET information sheets. This makes trying to understand the calculations challenging.
- **Inclusion of hard coded numbers** as well as data without sources or with unclear assumptions
- **Limited accessibility of GET calculation sheets.** GET calculation sheets are not stored within the EBRD's official project repository, but instead within a separate folder managed by CSD.¹⁶

Box 6: What is GET data used for?

Central to this discussion is having clarity on what ex-ante forecasts of green and environmental benefits are used for. It is not clear how forecast outcomes are used:

- **In investment decision-making.** Management have previously stated that weaknesses in the modelling of climate outcomes would not have an impact on investment decision-making as anticipated ex-ante green outcomes were not a factor in that process.
- **To understand where the Bank is most effective.** GET data is not generated in a form that supports learning, with limited use of GET data to explore where the Bank has been effective.
- **To reconcile with ex-post data generated from the MRV.**

Instead, GET data appears to be generated primarily to comply with international principles and for external communication of the Bank's impact. This is a missed opportunity to use data as a foundation for more effective operations and insightful learning.

¹⁵ E.g. as highlighted in Evaluation of the EBRD's investments in the decarbonisation of the built environment and in Green Bonds

¹⁶ IEvD understands that GET calculation sheets will be moved to Monarch, which would increase accessibility and transparency.

49. Finally, one clear outlier with respect to GET data credibility is GET FI data. On other GET projects, GET forecasts are based on clear information on use-of-proceeds. For GET FI projects, GET forecasts are made based on assumptions on what green sub-assets might be financed.

50. However, what green sub-assets PFIs end up financing can differ significantly from the EBRD's assumptions. For example, for GET calculations for green bonds issued by a client in Romania¹⁷, the Bank assumed that 35 per cent of financing would be for renewable energy, 30 per cent to transport, and 15 per cent to residential mortgages; in practice, 2 per cent went to renewable energy, 5 per cent to transport, and 71 per cent to residential mortgages. Similarly, for a GEFF project agreed with a client¹⁸ in Türkiye, the Bank assumed that 100 per cent of sub-loans would be for energy efficiency improvements, whilst IEvD found that 36 per cent was allocated towards solar PV, and 43 per cent to biomass boilers.

51. Given the inaccuracy of these forecasts, arguably it is not worth forecasting CO₂ emission reductions for GET FI projects. These numbers have little credibility, and as a result do not provide value for understanding the EBRD's contribution or to learning from prior implementation. Instead of allocating staff time to modelling highly uncertain forecasts, it might be more effective to shift the focus towards robust monitoring and ex-post verification methods that can accurately capture the impact of the Bank's intermediated financing.

52. For example, the EIB has taken this approach. The EIB does not calculate CO₂ forecasts for FI projects on either an *ex-ante* or an *ex-poste* basis, reflecting the highly uncertain nature of these estimates.

53. The usability of GET forecasts is undermined by the Bank's decision not to pro-rate estimates for the EBRD's financing.

54. In most cases, GET forecasts are conducted based on the entire project, rather than pro-rated for the EBRD's financing. To maximise the usefulness of GET forecasts, forecasts should instead be scaled for the EBRD's financial contribution, at least internally. Taking this step would enable comparability between projects, supporting learning, whilst also providing a more accurate picture of the Bank's contribution, supporting accountability. Currently, it is not possible to credibly compare the cost-effectiveness of the Bank's GET financing, undermining the capacity of the Bank to learn from where it has been most effective¹⁹.

Effective GET data management is impaired by the lack of integration with other EBRD data systems and the ex-post signing Monitoring, Reporting and Verification system (MRV) is still a work in progress.

¹⁷ Client name removed for confidentiality reasons

¹⁸ Ibid.

¹⁹ It is unfortunately also not possible to back-calculate the EBRD's pro-rated contribution, because in some cases forecasts have already been scaled for the EBRD's contribution.

55. The GET database is a valuable internal resource that aggregates extensive information on the Bank's green finance activities. It serves as a central repository for tracking key metrics such as GET finance ratios, project classifications, and expected climate outcomes. By consolidating this data, the database provides stakeholders with a historical record and baseline for assessing the effectiveness of GET initiatives, making it valuable for internal reviews and strategic planning.

56. However, the full potential of the GET database is significantly compromised by its lack of integration with other critical EBRD data systems. It does not incorporate data on transition impact or disbursements, and there are no plans to reconcile ex-post data generated from the Monitoring, Reporting, and Verification system (MRV – see below). This fragmented data environment undermines the database's utility for comprehensive performance management, learning and accountability.

57. One step forward the EBRD has made is the introduction of a Monitoring, Reporting and Verification (MRV) for GET ex-post data on results. However, it is worth emphasising that whilst this system is currently operational, it is at a nascent stage and currently is not mature enough to provide a meaningful database for accountability or learning. The MRV is only operational for projects signed since July 2022. Given project implementation timelines, this means currently green MRV results data is very limited.

58. Furthermore, there are still questions marks over how GET MRV data sits alongside Green TI data collection. There are numerous examples where the same indicators are defined for both Green TQ impact monitoring and the Green Project Monitoring Plan.

59. For these projects where the Bank is collecting Green TQ data and Green MRV data using the same indicators, the Bank is effectively collecting the same data across two separate processes with different responsible units. This structure is inefficient data management practice, imposes unnecessary burden on clients, and contrary to the spirit of 'One Bank' that the EBRD supports.

60. Finally, how MRV data will be used is not yet clear. There is no clarity on how MRV data will be reconciled with ex-ante forecasts, as well as where this data will be presented (e.g. within the Impact Report?). At the project-level, one mechanism to reconcile data could be the self-evaluation (e.g. Summary Project Assessments - SPAs), but there are currently no plans to integrate MRV data there.

Table 1: Comparing Green TQ reporting and the Green MRV – IEvD's summary

Feature	Green TQ reporting	GET MRV reporting
Responsible for development of indicators	Operations Leader with sign-off from Impact	CSD with sign-off from the Environment and Sustainability Department (ESD)
Data reporting	Through Transition Impact Monitoring System (TIMS)	Primarily through the Annual Environmental and Social Report
Responsible unit	Impact	ESD

Feature	Green TQ reporting	GET MRV reporting
Data storage and responsible unit	Data stored in Monarch and data owner is Impact	Data stored in Monarch as of January 2025, data owner is ESD

In the absence of concrete data on GET outcomes, one proxy that the Bank could utilise is data on GET disbursements; however, the Bank is not utilising data on GET disbursements

61. Disbursements are an important factor for EBRD GET financing to translate into both direct project outcomes and systemic change. Given the urgency of the climate crisis, the speed of disbursements also matters; whether EBRD GET financing is disbursed in 6 months, 18 months, or 5 years after signing has an effect. Currently, disbursement data is challenging to collate with GET data. It is not part of the GET database and is not reported internally or externally. This is a major gap in how the Bank considers its GET finance results.

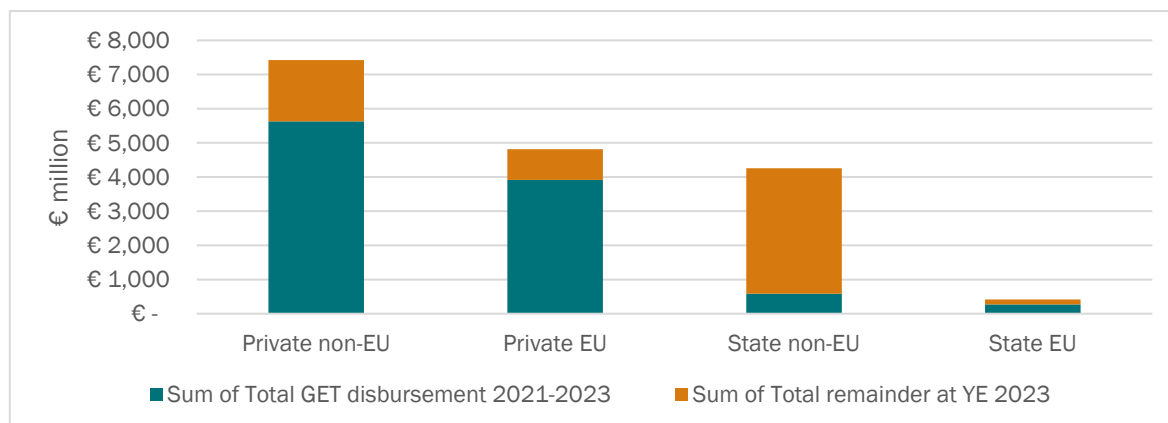
62. Disbursements should be tracked alongside the pre-existing focus on commitments. Data on disbursements is available to the Bank internally, and better visibility on where the Bank is disbursing GET finance could lead to a new perspective on where there are challenges turning finance into concrete implementation.

63. IEvD understands that other MDBs are also exploring this area; the World Bank is tracking climate finance disbursements, whilst the EIB is investigating how climate disbursements can be incorporated into performance management.

Box 7: Variations in disbursement rates

Integrating disbursement data is particularly important because the patterns of disbursement are not uniform. There are trends which might indicate areas where the Bank needs to apply extra scrutiny or analysis to understand why financing is not reaching clients.

Two clear differences relate to geography and recipient type. Unsurprisingly, GET disbursements on state projects are much slower than on private projects, particularly within non-EU countries.



GET Private Indirect Mobilisation, “GET PIM”, provides an important route to systemic change, but the methodology and process have flaws that can lead to an overestimation of the reported EBRD’s GET PIM (i.e. by over 60 per cent in 2023)

64. EBRD’s GET Private Indirect Mobilisation (GET PIM) indicator is intended to capture the volume of private finance indirectly mobilised in support of green activities. It provides a potential route to systemic change by tracking the Bank’s ability to mobilise private capital for the green transition. Private indirect mobilisation (PIM) is a critical mechanism for the Bank to achieve wider climate impact. It reflects the wider GET 2.1 ambition of creating green investment opportunities for private sector stakeholders and is mentioned specifically within GET 2.1 as a tool to “scale-up investments and accelerate market transformation”. Green mobilisation is being positioned as one of the core proposed elements of the Bank’s green ambition over the 2026-30 period, while mobilisation is also a critical ‘enabler’ of the next SCF.

65. However, this evaluation aims to clarify that “GET PIM” is related to but separate from “Climate PIM”, which the Bank reports externally as part of the Joint Reports on MDB Climate Finance (Table 2).

- The definition of climate PIM is “the volume of financial resources invested by public and private external parties alongside multilateral development banks’ financing for climate mitigation and adaptation activities”. This definition means it accounts for any PIM invested (regardless of purpose) in combination with MDB climate financing.
- In comparison, the way that GET PIM is defined means that it should reflect PIM invested directly for GET-eligible activities.

66. MDBs, including the EBRD, have communicated that Climate PIM is Climate Finance, and this can lead to misinterpretation. Climate PIM is not climate finance; instead, it is PIM invested alongside MDB climate finance. Yet, EBRD news releases on the Joint MDB climate finance reports consistently suggests that climate PIM is climate finance, e.g. “Given the focus in 2024 on really scaling climate finance, we note in particular the high levels of private-sector climate finance mobilisation”²⁰, and “We are especially pleased to see that every dollar of finance we provided leveraged more than another two dollars of private climate mobilisation.”²¹

67. Other MDBs have also communicated climate co-finance as mobilised climate finance. The EIB, for example, has described climate PIM as climate private finance²², whilst the Common Approach to Measuring Climate Results also uses the terminology of “private climate finance mobilised”²³. The Joint Reports on Mobilisation of Private Finance have also described “private

²⁰ <https://www.ebrd.com/home/news-and-events/news/2024/climate-finance-by-multilateral-development-banks-hits-record-in-2023.html>

²¹ <https://www.ebrd.com/home/news-and-events/news/2022/2021-sees-record-joint-mdb-climate-finance.html>

²² <https://www.eib.org/en/press/news/new-report-on-mobilization-of-private-finance-by-multilateral-development-banks-and-development-finance-institutions>

²³ <https://www.eib.org/files/press/MDBCommonApproach.pdf>

climate finance mobilised”, including climate PIM within that figure.²⁴ As with the EBRD, these all give the impression that climate PIM refers to climate finance, rather than the actual definition of finance invested alongside MDB climate finance.

Table 2: Definitional Differences between GET PIM and Climate PIM

Term	Definition	Meaning	EBRD interpretation	Methodological approach
Climate PIM (climate co-finance)	<i>“The volume of financial resources invested by public and private external parties alongside MDB climate-finance commitments.”²⁵</i> (Source: Joint Reports on MDB Climate Finance)	Any indirect mobilisation in combination with an MDB's climate loan/equity (pro-rated by the MDB's climate share of the project) regardless of what that money is actually used for.	The EBRD has interpreted climate PIM as PIM which is climate finance. This is incorrect.	PIM pro-rated by climate share of EBRD financing on project
GET PIM	<i>“The Bank's estimated PIM that aims to advance an environmentally sustainable, low-carbon and climate-resilient economy.”</i> (Source: EBRD Internal Clarification and Documents)	Private Mobilisation that must capture only the slice of PIM that truly funds GET-eligible activities.	GET PIM is green finance, e.g. GET PIM should go directly towards GET-eligible activities. ²⁶ This reflects the formal definition of GET PIM.	PIM pro-rated by GET share of EBRD financing on project

68. On the other hand, how the EBRD has defined GET PIM provides a more useful indicator of the total amount of green finance that the EBRD is supporting, compared to the official definition of climate PIM.

69. However, the methodology and process to calculate GET PIM are also flawed. These flaws largely derive from weaknesses of the MDB Methodology of Private Investment Mobilisation and Approach for Tracking Climate Co-Finance. Rather than addressing these weaknesses as part of the Bank's own internal approach to GET PIM (see Figure 5), the EBRD has instead replicated them, with the effect that the Bank's reported figures for GET PIM do not reflect what they purport to, with GET PIM figures being significantly inflated. Since the objective of this indicator is to assess an institution's contribution to addressing the climate finance gap through private capital,

²⁴ <https://www.ifc.org/content/dam/ifc/doc/2024/2022-joint-report-mobilization-of-private-finance-by-mdbs-dfis.pdf>

²⁵ See Joint Reports on Multilateral Banks' Climate Finance e.g. [2020-Joint-MDB-report-on-climate-finance-Report-final-web.pdf](#)

²⁶ E.g. GET PIM is included as a sub-component of Green Finance in this Board Document: Report of the Board of Directors to the Board of Governors: Strategic and Capital Framework 2026-30 - Background Information (BDS25-020 (Addendum 2)).

then what should be included is climate private finance mobilised, not private finance invested alongside MDB climate finance.

70. The GET PIM is calculated by pro-rating the PIM on any project by the project's GET share.

The approach to climate PIM is the same, with climate share used instead of GET share. The problem with this approach is that the project GET share is calculated based just on the EBRD's own financing, rather than the entire project. The GET PIM definition assumes that if EBRD financing is GET-eligible, all other project-financing is similarly GET-eligible.

71. In reality, the EBRD often finances 'green' components of projects, with other financiers supporting non-green components. The Bank's investments in GET-eligible bonds issued by financial institutions demonstrates this problem (Box 8). In these projects, the Bank invests in bonds for general purpose financing, and the issuer commits to allocating equivalent financing to green sub-projects, with a GET ratio of 100 per cent. There is no such commitment for the remainder of the issuance. PIM includes all other private investors in the issuance, and so GET PIM is a large volume of financing with no links towards supporting green projects.

Box 8: Bond Issuance Example

In 2023, the EBRD invested €38 million in issuances from a bank²⁷, which raised €1 billion. The client made a commitment that financing equivalent to 150 per cent of the EBRD's financing would be allocated to green sub-projects, meaning the project was 100 per cent GET. The overall purpose of the bond was for general purpose financing, with no specific green sub-lending. This leads to:

- €38 million GET financing because of the 100 per cent GET share
- €19 million GET AMI because of the 150 per cent multiplier
- €943 million GET PIM because of the 100 per cent GET share – even though there is no commitment this financing will go towards green sub-projects.

72. This problem also applies to direct lending. As the GET calculation is based on EBRD financing, the use of EBRD financing is often channelled towards green sub-components of wider projects. As a result, there is a difference between the GET calculation based on EBRD inputs and the project as a whole, which consequently can lead to over-estimations of GET PIM. Other actors have taken a more robust approach. For example, the UK Government's Approach for its International Climate Finance (ICF) assesses explicitly whether co-finance is also climate finance and includes mechanisms to "exclude any part of the project/programme that is not specifically related to climate change mitigation or adaptation actions"²⁸.

²⁷ Client name removed for confidentiality reasons.

²⁸ Volume of private finance mobilised for climate change purposes as a result of ICF, ICF KPI 12 Methodology Note, February 2024

Example: Grid Modernisation Project in Romania

In this project, the EBRD provided RON 400 million (~€80 million) to finance capex investments into the client's energy grid modernisation programme. The project was rated as 100 per cent GET.

The total project consisted of an additional RON 2600 million (~€520 million), the bulk of which was for refinancing and working capital rather than for capex investments.

However, this additional investment was treated as if it were equivalent to the EBRD's investment, resulting in a GET PIM of €523 million.

73. Another issue includes claiming PIM for public or unrealised financing (Box 9). The MDB guidelines on mobilisation distinguish between PIM and public co-finance. However, the EBRD's calculation includes some public co-finance. Using the 2023 figures, IEvD identified €1,374 million of public co-financing that was tagged as PIM, including €240 million from the Japanese Bank of International Cooperation, a development bank. There are two root causes for this.

- First, the MDB guidelines on mobilisation that distinguish between PIM and public co-finance are confusingly worded²⁹, and the EBRD's interpretation arguably sets a lower threshold than the guidelines set out.
- Second, there is limited quality assurance and scrutiny of mobilisation co-finance data.

74. Finally, GET PIM includes financing which at the point of project signing the Bank had confirmed was no longer in place. The single largest source of PIM under GET 2.1 recorded €4.25 billion in 2023 – 18 per cent of the total climate PIM in that year.³⁰ This figure was based on the client's planned bond issuance programme, which the EBRD was to invest in. However, due to market conditions, the client decided to pause the bond issuance programme, and the EBRD provided a bilateral loan instead, with no co-financing. This change happened pre EBRD signing, with the change communicated to the Board. Whilst it is outside of the control of the EBRD as to whether third parties will deliver upon financial commitments, it should not be the case that financial commitments which had disappeared at the point of project signing are included within GET PIM.

Box 9: Defining private and public co-financing

The Joint MDB guidance on mobilisation distinguishes between private and public entities.

- Private entities include publicly owned institutions “established for business purposes”.
- In comparison, public entities are an “institution whose primary purpose is to benefit or promote a specific national interest, regardless of ownership”. Examples provided within the document of public entities are bilateral financial institutions and export credit agencies.

²⁹ IEvD understands from Management that there is an ongoing working group to update and strengthen the guidelines

³⁰ OSP577 – BPN477 Debt Mobilisation Sheet, IEvD interpolation

Box 9: Defining private and public co-financing

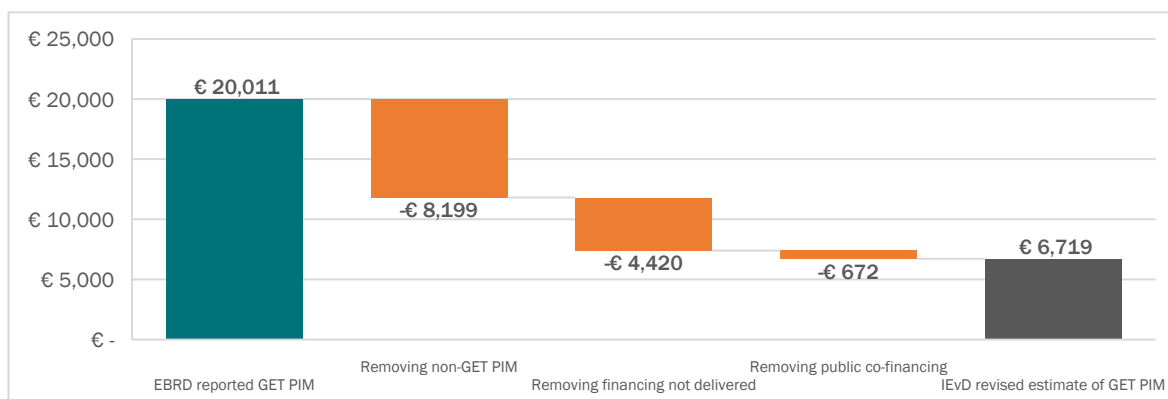
The EBRD appears to have been applying this distinction differently, and counting finance provided on commercial terms as private, even if the finance provider was a public institution as defined within the Joint MDB guidance.

The net result is that if a public institution such as export credit agency or a national development bank provides financing on commercial terms, it is counted as PIM by the EBRD. This is not in line with the guidance provided within the Joint Document.

IEvD understands that there is currently a joint working group between MDBs to update mobilisation guidelines.

75. IEvD's revised estimate for GET PIM in 2023, which addresses these weaknesses, highlights the wide gap with the EBRD's current reporting. With the increased global focus on mobilisation, including in the EBRD, the identified weaknesses in the approach highlighted by this evaluation should be improved.

Figure 5: IEvD's revised estimate of GET PIM



Source: Green SCF Cornerstone, IEvD analysis

4. Results: The GET 2.1 achieved concrete results in terms of volume; however, there is scattered evidence of green sytemic change

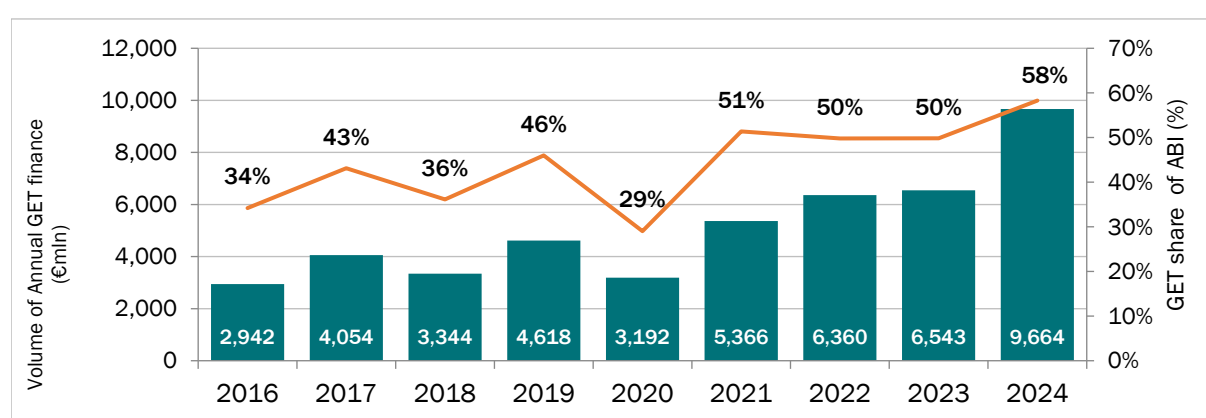
To what extent the GET 2.1 has achieved green systemic change?

- **GET financing has continued to grow under GET 2.1, consistently exceeding the 50 per cent target each year from 2021 to 2024.** Increase in financing has mostly derived from the Financial Institutions portfolio.
- **However, GET 2.1. financing in both adaptation and environmental financing has been weaker due to a lack of clear strategic direction for each category and the combination of environmental and climate finance in the GET metric, without clear incentive structures for neither.**
- **EBRD has reached its GHG reduction target, by reaching 39.6 Mn tonnes of reduction in 2024 based on ex-ante estimates.** Yet these estimates demonstrate a high level of uncertainty and vary in quality.
- **There is limited evidence of comprehensive green systemic change.** Evidence demonstrates examples of where GET has translated into systemic change, especially with policy dialogue or technical assistance.
- **The GET finance to Financial Institutions remains focused on a use-of-proceeds approach rather than institutional change.** This limits the Bank's ability to assess its contribution to incremental green financing.

GET financing has continued to grow under GET 2.1 with the Bank reaching the 50 per cent GET ratio target each year from 2021 to 2024

76. The central target of GET 2.1 was achieving a 50 per cent GET ratio by 2025. The EBRD accomplished this milestone well ahead of schedule, consistently meeting the target each year from 2021 onwards and significantly surpassing it in 2024. This achievement is especially notable considering the disruptions from the Russian invasion of Ukraine and the Covid-19 pandemic, both of which could have shifted focus away from green finance.

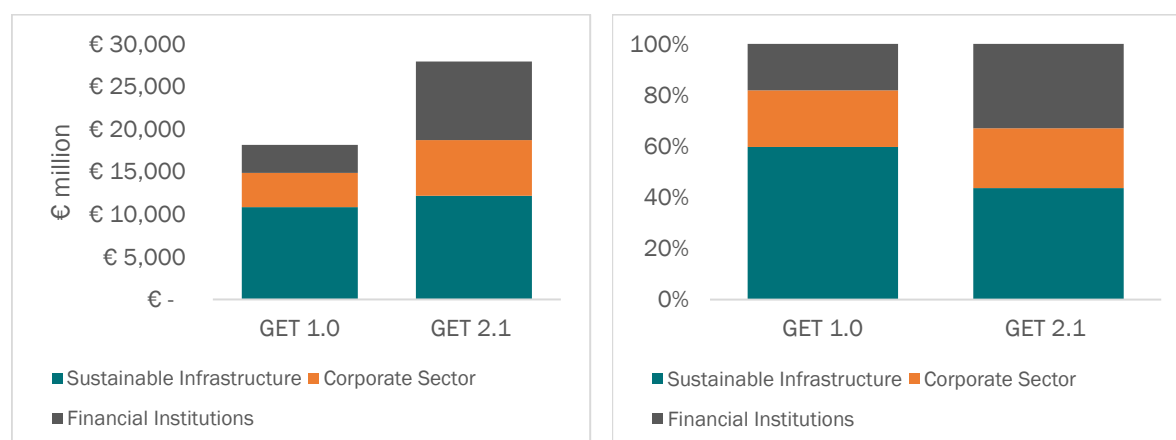
Figure 6: GET financing over GET 1.0 and GET 2.1



Source: GET Database; IEvD analysis

77. The Bank has also demonstrated a robust capacity to deploy GET financing broadly across its regions of operation, rather than concentrating on a limited number of markets or sectors. The Bank maintained a GET share of at least 40 per cent in all other regions, illustrating a notably balanced distribution of green finance. This diversification of green financing suggests effective mainstreaming of GET considerations across the EBRD's operational departments and offices, reflecting strong institutional integration and commitment to the GET objectives.

78. One area of particular growth has been GET financing to Financial Institutions (FI). FI's share of total GET finance rose from 18 per cent in GET 1.0 to 33 per cent in GET 2.1. Given the overall rise in GET finance during this period, this represented an increase in FI GET commitments from €3.2 billion over a 5-year period in GET 1.0 to €9.2 billion over a 4-year period in GET 2.1. This increase can be attributed to an increase in the GET share within FI transactions. The GET share on FI investment over doubled from 19.6 per cent over GET 1.0 to 41 per cent in GET 2.1.

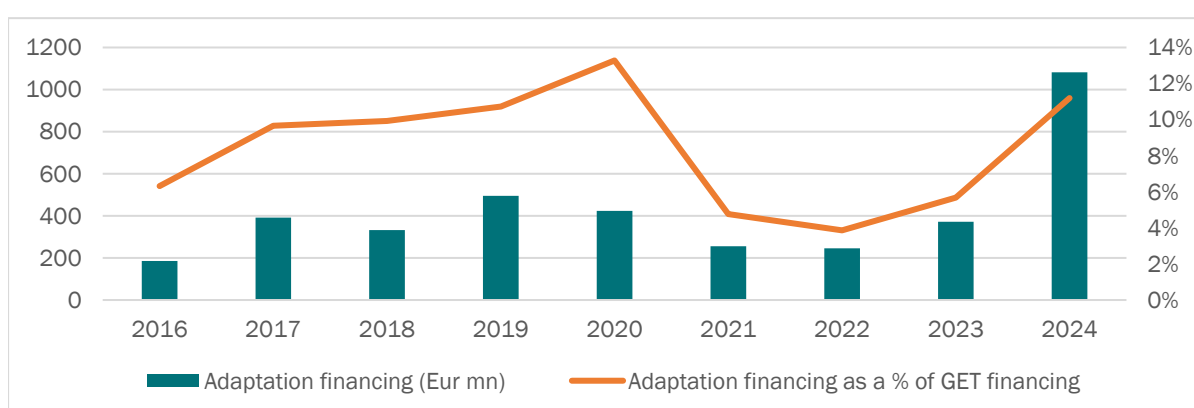
Figure 7: GET financing over GET 1.0 and GET 2.1

Source: GET Database; IEvD analysis

The GET 2.1 approach entails a step-up in adaptation; however, over the years, financing adaptation has become weaker and environmental financing also declined over GET 2.1

79. **GET 2.1 was designed to entail a step-up in adaptation.** The Approach stated that “GET 2.1 will give a particular emphasis to climate adaptation finance and capacity building programmes”. The adaptation share of financing was listed as one of 4 main indicators for the performance of GET 2.1, reflecting the degree to which GET 2.1 highlighted that topic.

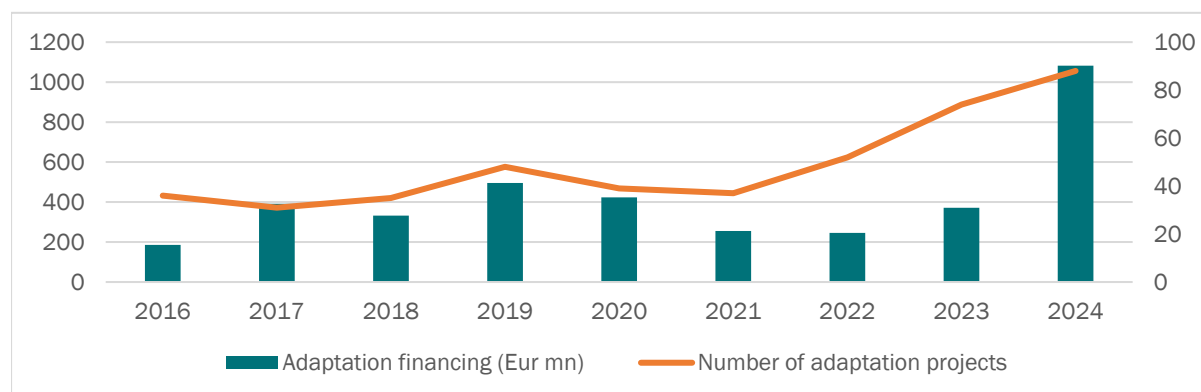
80. **However, adaptation financing has been a lower share of GET financing under GET 2.1 (compared to the previous GET 2015-2020).**

Figure 8: Adaptation financing by financing volume and as a % of GET finance (2016-24)

Source: GET Database, IEvD Analysis

81. The most recent year showed a steep rise in adaptation financing. Furthermore, throughout the GET 2.1 period the number of projects with adaptation components has risen. It is plausible that a financial volume-based assessment may not reflect the EBRD's adaptation impact, and that it is more important to deliver mainstreaming adaptation principles across many projects rather than single, large standalone projects. This approach provides a more optimistic view of the EBRD's adaptation financing activities, given the increase in projects with adaptation components throughout the GET 2.1 period.

Figure 9: Adaptation finance by financing volume and number of projects (2016-24)



Source: GET Database, IEvD Analysis

82. However, the increase in number of adaptation projects is driven primarily by expanding credit lines with partner financial institutions. It is based on assumptions on the uses of intermediated green financing, rather than adaptation finance within capex projects. FI projects accounted for 19 per cent of projects with an adaptation finance component under GET 1.0, and 40 per cent under GET 2.1. Although this is still positive, this implies that the increase in project volumes does not necessarily reflect more success at embedding adaptation throughout the portfolio.

Box 10: Paris Alignment – An Entry Point for Adaptation Finance?

As a result of recent Paris Alignment and climate risk processes, all projects are screened for physical climate risk as well as their alignment with the adaptation components of Paris Alignment.

- Qualitative evidence (i.e. interviews with internal banking teams) noted that this should provide entry points for integrating adaptation within projects.
- However, it is not yet clear if these new processes have become a mechanism for increasing adaptation financing.
- Removing FI projects from the analysis, projects with an adaptation component consisted of 24 per cent of total GET projects under GET 1.0, and 22 per cent in GET 2.1, which does not indicate that these processes have become an entry point at this stage.

83. Where the EBRD has financed adaptation, in terms of volume it has tended to be public sector projects with donor support. This reliance underscores the Bank's limited success in identifying bankable private-sector adaptation models, and the challenge of meeting EBRD's ambition of delivering GET 2.1 "through the Bank's private sector orientated business model".

84. Finally, based on IEvD's data analysis, adaptation disbursements lag behind other GET 2.1 financing, which is linked to the concentration of adaptation investments within the public sector. By YE 2023, only 29 per cent of the €893 million of adaptation financing signed between 2021-23 had been disbursed, compared to 61.5 per cent for the overall GET 2.1 portfolio. For state projects with adaptation financing, the disbursement rate is significantly worse; the EBRD had disbursed less than 10 per cent of committed financing over 2021-23 by YE 2023.

85. Whilst positioning adaptation as a priority, GET 2.1 is largely silent on what the Bank's adaptation role is. This omission is damaging, given the challenges that adaptation financing poses for the Bank in terms of identifying bankable projects following the EBRD's private sector-led business model. Interviewees gave a more accurate assessment – e.g. that EBRD "will never be an adaptation powerhouse" than that conveyed within the GET 2.1 Approach.

86. The GET 2.1 Approach highlights adaptation as critical but does not set how the EBRD will overcome well-known bankability challenges, nor does it consider the unique role that the EBRD could play. For example, one wider topic for discussion could be on whether the Bank should focus on supporting (primarily private sector) projects that are *adapted* versus (primarily public sector) projects that enable adaptation – effectively, should the Bank mainstream and embed adaptation throughout, or take a more systemic approach and prioritise enabling projects? This type of discussion, which could lead to operational changes, is absent, as is discussion on how to incentivize more adaptation finance.

Box 11: "Co-tagging" finance – a missed opportunity to incentivize more adaptation?

The EBRD allows co-tagging of GET financing, enabling the same dollar to be tagged as mitigation, adaptation, and environmental finance. The system avoids double counting when reporting overall GET figures, and the GET % can never exceed 100 per cent on any project.

- **MDBs do not take a consistent approach on co-tagging climate finance.** AfDB, AIIB, EBRD, IDB, and IsDB all use co-tagging. ADB, CEB, EIB, NDB, and the WBG do not.
- **One benefit to co-tagging is in inducing operational teams to think about different green dimensions and maximise input in each area.** However, this benefit depends on incentives tied to co-tagging. Currently, on EBRD projects where financing is already GET finance (e.g., under mitigation), there is little incentive for banking teams to co-tag. Co-tagging doesn't increase the GET %, is not included as ETI uplift, and there are no targets for neither adaptation or environmental finance to incentivize Banking teams. Internal interviewees did not think that co-tagging changes how projects are implemented under the current structure.

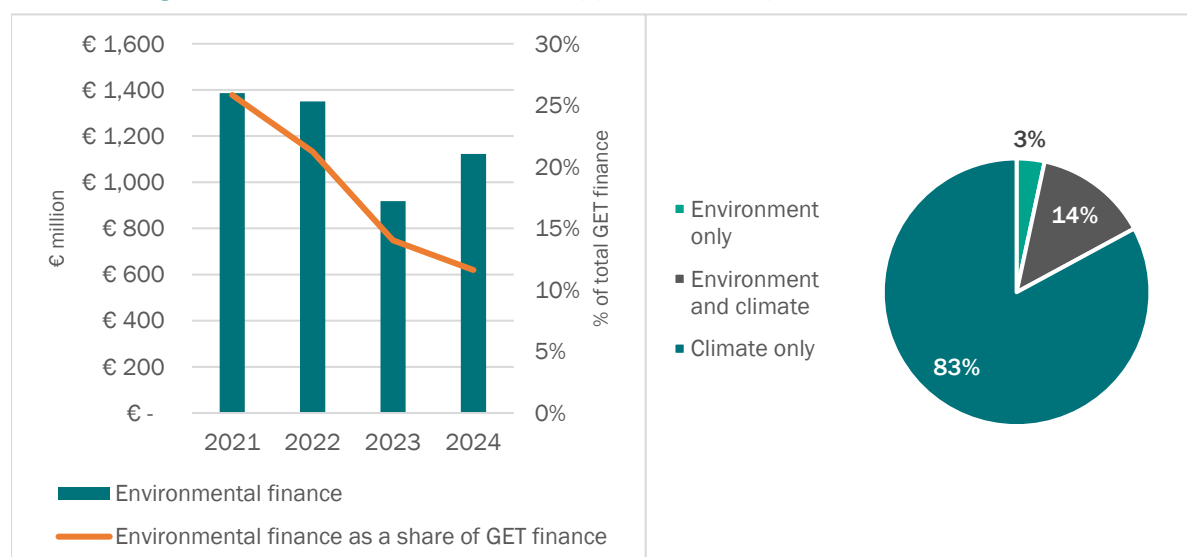
Box 11: “Co-tagging” finance – a missed opportunity to incentivize more adaptation?

This means that there are missed opportunities to incentivize more adaptation finance.

EBRD's co-tagging system enables Banking teams to co-tag projects as mitigation and adaptation finance, but there is nothing to encourage them to do so. As a result, opportunities to include adaptation components on mitigation projects are potentially being missed or underexplored.

87. The GET 2.1 Approach prioritised environmental financing, including with an emphasis on environmental financing distinct from climate financing. This focus has not translated into implementation; environmental financing has declined over the GET 2.1 period, whilst environmental financing distinct from climate financing accounts for just 3.4 per cent of GET financing.

Figure 10: The Bank has not succeeded in scaling up environmental financing, and nor has it identified significant environmental finance opportunities separate to climate finance.



Source: GET Database; IEvD analysis

88. One more question raised by this evaluation is whether it is helpful to track both environmental and climate finance under the same metric. Using GET to track both environmental and climate finance can reduce the visibility and incentives for environmental financing, contributing to the poor performance of the EBRD in committing environmental financing. In contrast, tracking climate finance and environmental finance separately would give more visibility to the latter and act as an incentive to combining climate financing with environmental financing.

Box 12: How do other stakeholders do it? Defining green finance

The EBRD's definition for GET finance covers both climate finance and environmental finance. Climate finance is defined in line with the joint MDB approach and reported as part of joint MDB climate finance reporting, whilst environmental financing is EBRD specific.

- The only other MDB which uses a similar definition for its green financing is the EIB, which has an environmental finance categorisation based on the EU taxonomy. Other MDBs use the narrower climate finance definition without the environmental component.
- In contrast, within the private sector, investors tend to use the nomenclature of green or sustainable finance. These definitions rely upon different standards, which range in robustness and criteria. One example that the EBRD has incorporated within its own processes is the International Capital Markets Association's Green Bond Principles.

89. Furthermore, the expanded GET definition arguably contributes to communication challenges. Both internally with Board Directors, and externally with the Bank's stakeholders, there has been misunderstanding what GET is, and how it compares to the climate finance definition.

"When I go to my capital, they don't know what GET finance is"

Board Director.

90. Finally, it is questionable methodologically to track two objectives which do not always align, using the same indicator. Climate finance addresses the global challenge of climate change. Environmental finance addresses local environmental issues, such as air and water pollution, biodiversity, and land degradation. Climate finance projects may have negative local environmental impacts³¹, whilst environmental finance projects may contribute to increased GHG emissions. Combining both within the same financing metric leads to less clarity on what this financing is doing and the overall statement of intent.

The EBRD has achieved ex-ante GHG emission reduction targets, but it is challenging to understand what that implies in terms of real change

91. By 2024, the EBRD had recorded a cumulative contribution of net GHG emissions reduction of 39.6 million tonnes based on ex-ante estimates. The target was 25-40 million tonnes by 2025. What is less clear is what this implies about the EBRD's performance. As highlighted previously, ex-ante estimates demonstrate a high level of uncertainty and vary in quality.

92. More fundamentally, the Bank's forecasts are not systematically scaled relative to the EBRD's financial contribution (Box 13). Large projects where the EBRD has contributed a small amount of financing distorts this calculation. 17 projects, accounting for 6 per cent of GET

³¹ E.g. Bankwatch has criticised EBRD-financed wind farms in Uzbekistan for having potentially negative environmental impacts: <https://bankwatch.org/project/zarafshan-bash-and-dzhankeldy-wind-projects-uzbekistan>

financing, constitute over half of the Bank's estimated emissions reduction, and across those 17 projects the Bank's total investment was just 13 per cent of Total Project Value (TPV).

Box 13: Scaling emissions for the EBRD's financing

IEvD understands from Management that the current agreed position amongst IFIs is to report *ex-ante* emission reductions for an entire project, rather than scaled for each MDB's financing.

This approach leads to double-counting of CO₂ emission reductions from projects co-financed by multiple IFIs. For example, both the EBRD and ADB report the 925,000 tons of CO₂ emission reductions from Bash Wind Farm, which received financing from both MDBs.

- **Some MDBs have also taken a more nuanced perspective to pro-rating.** For example, EIB calculates both total project emissions as well as emissions scaled to the EIB's financing.

Evidence of a comprehensive systemic approach is limited; however, there are instances where GET has led to systemic change, particularly in conjunction with policy dialogue and technical assistance.

93. The EBRD's capacity to demonstrate that it has taken a systemic approach to GET finance on a comprehensive basis is limited. As noted above, the GET ratio does not reflect systemic change, whilst ETI is only a weak proxy, and in any case is not used. Furthermore, the GET performance dashboard does not use systemic indicators, and there are major conceptual issues with one of the few indicators that does reflect a systemic component, GET Private Indirect Mobilisation.

94. Given the lack of data, a comprehensive assessment of systemic change from the Bank's €27.9 billion in GET 2.1 financing, with policy dialogue, is not feasible within the scope of this evaluation. However, extensive evidence from case studies and findings from previous evaluations show concrete examples of systemic change. These examples highlight how the Bank's engagement have not only mobilized significant financial resources but have also played a crucial role in shaping national and regional green policies, fostering market transformation, and driving sustainable change. This is despite weaknesses within the Bank's operationalisation of systemic change as described above.

95. Notable examples using different tools (Box 16) include:

- **Policy dialogue:** the EBRD's work on supporting renewable energy generation, including through facilitating renewable energy auctions. Auctions have helped create transparent, competitive markets for renewable power, driving down costs and spurring the adoption of clean energy technologies in regions where renewable capacity was previously limited. As of

March 2025, the Bank had provided policy support for the launch of renewable auctions in 8 countries, through which a total of 8.1GW of capacity have been awarded.

- **Technical assistance: introducing PFIs to climate-based lending and transition plans:** with many PFIs, the Bank's work has gone beyond a use-of-proceeds approach, with the EBRD's engagement instituting fundamental changes to how PFIs approach green finance as a business opportunity, incorporate climate risk into their investment decision-making processes, and greening the whole institution's balance sheet.
- **Demonstration and signalling effects: support for the development of capital markets for green bond issuances:** the EBRD's role as an anchor investor has played a catalytic role in the development of green bond markets, acting as a strong signal to other market participants, particularly for first-time green bond issuers. Through 2017-22, the Bank was an anchor investor in 42 of 90 non-sovereign green bond issuances in the Bank's CoOs, and out of the total of 29 individual green bond issuers that benefited from the Bank's investments, the EBRD's investment was part of their first ever green bond issuance for 90 per cent of them.

Box 14: EBRD's systemic approach to greener, more resilient energy system in Egypt

The EBRD has played a pivotal role in Egypt's transition to a greener, more resilient energy system. Its contribution went well beyond financing, shaping policy frameworks, strengthening infrastructure, and catalyzing private capital.

- EBRD acted as a catalyst for Egypt's renewable energy market transformation, entering early during a period of instability and deploying an integrated approach that combined investment, policy dialogue, and technical assistance. This helped shift the energy sector toward private-sector-led renewable generation.
- Through strategic policy engagement and close collaboration with national stakeholders, the EBRD provided critical support in advancing key reforms, such as transitioning from feed-in tariffs to competitive tenders and direct contracting. It supported the development of standardized, bankable project structures (e.g., PPAs, BOO models), enabling scale-up and replication across the sector, notably in landmark projects like Benban.
- As a catalytic investor, the **EBRD played a central role in crowding in both international and domestic private capital**, fostering market confidence, and diversifying the pool of renewable energy developers. Its blended finance instruments and equity investments helped unlock large-scale private investment, positioning Egypt as a regional renewable energy hub.

The GET finance to Financial Institutions (FI) remains wedded to a use-of-proceeds approach; therefore, there is not much evidence that the EBRD is actually increasing incremental green financing

96. The underlying mechanism for GET finance delivered through financial intermediaries has a common foundation through the use-of-proceeds approach. Partner financial institutions use EBRD financing (or commit to allocate an equivalent share of financing proportional to the EBRD's input) to green sub-loans that meet the criteria set out within the Green Policy Statement in loan agreements. Across all these tools, there are processes to ensure that clients are reporting on these commitments, and sub-loans meet the EBRD's criteria.

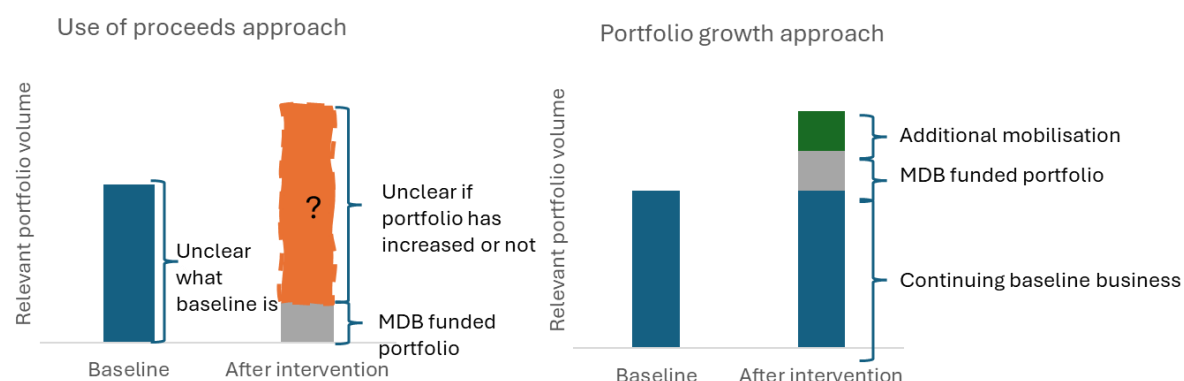
97. This model does not always provide confidence that the Bank is actually increasing incremental green financing provided by partner financial institutions. Meeting GET commitments alone on use-of-proceeds is not sufficient to conclude that the EBRD is supporting more (or better) green finance being delivered.

98. Even an increase in green sub-loans supported with EBRD finance is not a sufficient condition; this could reflect better identification of green sub-loans, or increased allocation of green sub-loans to EBRD facilities. Some clients interviewed by IEvD have confirmed that the Bank's engagement did not promote incrementally more green financing. They noted that financing provided by EBRD was used towards green investment opportunities that would have been financed in the first place; noting a more advanced status and understanding of green investment areas in relation to other local PFIs.

Box 15: Measuring results versus use of proceeds versus portfolio growth

Given the fungibility of funding, a self-selected list of projects does not ensure that PFIs increase financing in line with MDB policy objectives.

Focusing instead on portfolio growth sets expectations for PFIs that target financing should increase, and provides a much clearer data foundation for assessing the EBRD's contribution.



99. Prior research has also highlighted that utilisation of green lending may not sustainably increase green financing or change client behaviour. An IDB evaluation, for example, highlighted that “for the three green [credit] lines reviewed, it seems unlikely that the IDB intervention imposed a binding condition or otherwise changed FI behaviour....The conceptual link between the intervention and any expansion of the green portfolio was weak in all three cases, however, and it is unlikely that the FIs’ portfolios changed as a consequence of the IDB intervention”³². Similarly, the evaluation of MREL and Bail-Instruments highlighted examples where the EBRD supported GET-eligible bonds from institutions whose green lending programmes were declining.

100. The GET 2.1 Approach and the Financial Sector Strategy 2021-25 both recognised the limitation of a use-of-proceeds approach, but implementation continues to be use-of-proceeds based. Monitoring is based on whether the EBRD financing has been used in line with the Green Policy statement, rather than on how clients have scaled up green financing.

[The EBRD should] “evolve from a use of proceeds model to a comprehensive institutional capacity-building model to scale up green financing”

EBRD Financial Sector Strategy

101. Management have emphasised that their objective with the Bank’s GET FI products is to “green balance sheets” and to scale up PFIs’ green financing. However, without tracking whether the volume of green sub-loans made by PFIs has changed, the Bank has no data to assess how it has contributed to incremental new financing, and which tools are most effective for doing so.

102. The focus on use of proceeds contrasts with the approach that the Bank takes for supporting SMEs through financial institutions. These projects are also typically conducted on a use of proceeds basis, but in comparison with green finance the EBRD does track total PFI loans to SMEs, and targets increasing SME loans by a multiple of the Bank’s financing. Similarly, for Women-in-Business loans, the Bank tracks growth in the total loan portfolio.

Box 16: Highlighting the different approaches taken on GEFF and FIF

The recently signed GEFF and FIF projects with the same bank in Georgia³³ provide a practical illustration of the different approach taken.

- The monitoring indicator for the GEFF loan tracks the volume of sub-loans supported with the GEFF facility. There is no information on the baseline level of green financing, and no expectation within the monitoring approach that the PFI’s level of green financing should change as a result of the Bank’s engagement.

In comparison, the FIF facility targets an increase in the “Overall MSME portfolio of PFI to increase by 1.4x the EBRD loan” with a clear baseline as starting point.

This approach provides a much more robust mechanism whether PFIs have actually expanded their lending in line with the EBRD’s policy objectives.

³² Evaluation of IDB Group’s Work through Financial Intermediaries: Green Lending (2016).

³³ Client name removed for confidentiality reasons.

103. There also differences in how different use-of-proceed instruments expand green lending³⁴.

In the absence of data, as highlighted above, it is difficult to draw conclusive evidence on how different instruments support increased green lending, and which instruments are most effective.

104. However, based on documentation and client interviews, key variations include:

- **Presence of a subsidy:** a subsidy can catalyse additional lending by mitigating the perceived risks and improving the financial viability of green investments.
- **Targeted liquidity/longer-term financing:** Project designed to provide targeted liquidity offer banks access to funds specifically earmarked for green projects. Assuming financial institutions face wider liquidity constraints on expanding their lending, targeted lending can directly increase PFI green lending capacity and through doing so expand green financing.
- One client interviewed by IEvD as part of the Turkish financial sector case study described how their entry point to green financing was motivated by longer-term financing available from EBRD:

“For us, it started with the practical funding question. We could not find longer-term financing from elsewhere, and EBRD was only available if we set out how we would invest in sustainability”.

- **Training and capacity-building engagement:** Engagement through training and capacity-building initiatives plays a critical role in enhancing the ability of partner banks to identify, assess, and structure bankable green projects. Interviewees highlighted the importance of tailored technical support, which equipped them to understand and implement green finance criteria, in turn increasing the likelihood of generating incremental green lending.
- **Mobilisation of third-party investment for green sub-assets:** This mechanism leverages the credibility of the MDB's involvement to encourage co-investments, syndications, or capital market transactions that channel new funds into green sub-assets.

³⁴ Management have not always agreed with this view, e.g. as demonstrated by Management Comments on the MREL Evaluation.

Box 17: The EBRD's Green Technology Selector

One tool that the Bank has used to build capacity in the FI sector is the Green Technology Selector (GTS).

- Financial institutions can use the Green Technology Selector to assess whether a piece of machinery is GET-compatible. Through using the Green Technology Selector³⁵, PFIs can build their understanding of what constitutes green finance, and embed the tool within their own processes. The pre-approved technologies and vendors help facilitate private investments in sustainable technologies.

Based on IEvD's case study of the Turkish financial sector (Annex), there is a wide range of adoption of this tool.

- Some clients were not aware of it, and relied exclusively upon the GEFF Technical consultant for assessment of whether loans were GET-eligible; conversely, one client had included it within their loan appraisal processes for all their financing, not just the EBRD project, streamlining all green investments.

Box 18: Inducing additional demand through the Trade Facilitation Programme (TFP)

The TFP team have been exploring mechanisms to ensure that through the Bank's engagement, Partner Financial Institutions (PFIs) are scaling up their green financing.

- As a result, the TFP team have now launched a pilot in 7 countries (Egypt, Greece, Uzbekistan, Armenia, Georgia, Mongolia, and Serbia) by which PFIs receive a small pricing discount on green TFP transactions.
- The discount is expected to enable incremental business that would otherwise be turned down by PFIs, and as a result should lead to increases both within Green TFP ABI as well as green trade facilitation provided by PFIs.

The scheme will be assessed in 2026, and if successful will be extended to further markets.

105. Assessing whether these components apply to the EBRD's main instruments for GET intermediated finance provides an overview for how the Bank has supported incremental new green financing. This analysis highlights that there is nuance between different instruments, which is not currently reflected within the Bank's approach.

106. This analysis (table 3) suggests that GET-eligible bonds are less likely to lead to expanding green financing. This does not mean that GET-eligible bonds are not impactful, if as part of the transactions clients also agree to climate corporate governance improvements, but rather that

³⁵ The Green Technology Selector is an online platform developed by the European Bank for Reconstruction and Development (EBRD). It serves as a directory of pre-approved green technologies and vendors, aimed at facilitating private sector investment in sustainable technologies. These pre-approved technologies have undergone assessment and are automatically qualified for GVC financing through a participating financial institution. The financing can cover up to 100 per cent of the cost, with a maximum limit of €300,000 per selected equipment.

the use-of-proceeds approach (even with a multiplier) is not necessarily a convincing mechanism. This conclusion was summarised recently by management in response to Directors' Advisors' questions on a GET-eligible bond with a Hungarian bank: *"The project is built on demanding institutional commitments...of an ambitious and holistic Transition plan... these commitments far outweigh the narrower benefits from a green on-lending requirement of above 100%"*.

Table 3: Comparing different FI instruments

Instrument	Presence of a subsidy	Targeted liquidity	Training and capacity-building engagement	Mobilisation of third-party investment
Green bond	No; limited evidence of 'greenium' on EBRD green bond investments	Yes; proceeds are directed towards green sub-assets	Mixed; the green bonds evaluation highlighted that there was TC available, but that it was underutilised.	Yes; the whole issuance is allocated towards green sub-assets
GET-eligible bond	No; capital market issuance so the EBRD cannot provide a subsidy	No; proceeds are for general purpose	No; most GET-eligible bonds do not have a capacity building or training component	No
GEFF credit line	Sometimes; depending upon context and degree of market development	Yes; proceeds are directed towards green sub-assets	Yes; the standard GEFF model has capacity-building and TC inbuilt	No
Trade Facilitation Programme (TFP)	No; although TFP is piloting a subsidy for GET loans	No; TFP can be used for both GET and non-GET sub-transactions	Yes; the Bank provides capacity building as part of TFP, including on green trade finance	No

5. Insights and Recommendations

5.1. Evaluation insights

107. The GET 2.1 was significant for the EBRD, and overall, a success story. In challenging circumstances, the Bank has achieved the central objective of GET 2.1 of increasing green financing. The EBRD achieved the target of 50 per cent GET finance for each full year of GET 2.1 implementation, and in 2024 significantly exceeded this benchmark, with GET finance reaching 58 per cent. Portfolio analysis also illustrates the regional spread of GET finance, demonstrating the EBRD's capacity to provide GET finance in a range of different operating contexts.

108. Although GET 2.1 has had significant successes, this evaluation has identified crucial gaps and provided insights to improve the design and implementation of the next strategy iteration:

- **The ambitious systemic change approach that GET 2.1 introduced is visible in some areas, but not others,** and there is scope to further strengthen how systemic change considerations are integrated within operational processes.
- **At a high-level, there is a disconnect between the systemic change approach of GET 2.1, and the central target of the GET ratio, which does not have a systemic component.** Despite the intention to transition from a "mainstreaming to systemic approach," strategic documents indicate that "GET 2.1 delivered green mainstreaming" and that "in the current SCF period the Bank has mainstreamed a focus on green," while "in the next SCF period...the Bank will target systemic change." These statements align with IEvD's findings that some of the institutional framework surrounding GET 2.1 has not progressed beyond the mainstreaming approach.
- **Reporting systems are also not systems-based, meaning the EBRD does not have reliable data on where and how it has contributed to systemic change, and leaving it unable to communicate the narrative on what systemic change it has catalysed as well as to learn from previous implementation.**
- **The challenge that the EBRD now faces is not necessarily in continuing to expand GET finance, but instead to explore ways to make its GET finance more impactful.** The Bank has demonstrated its ability to embed and mainstream green considerations in how its financing is used. Where the Bank can continue to make progress is in designing its GET financing to catalyse wider systemic change and unlock additional green investment, whilst also ensuring that the right systems are in place to capture and monitor results and provide the foundation for learning on where the Bank has been most effective.
- **At the project level, IEvD summarises the EBRD's current approach as focused on the question, "How do we make this GET-eligible?"** This reflects GET 2.1's success in fostering internal cultural change. However, the Bank must now pivot toward a more ambitious query: "How do we maximise impact and catalyse additional green investment?"

5.2. Recommendations

109. During the SCF 2026-30 period, the Bank plans to support decarbonisation, resilience building and nature while tapping into the economic opportunities created by the green transition. The Bank aim to make a bigger impact by enhancing existing strategies and using investment and policy activities more effectively in order to increase the quantity and improve the quality of green finance.

110. Keeping in mind these two key dimensions of the forthcoming Bank's strategic directions aimed at enhancing both the volume and quality of the EBRD's green finance, the recommendations prompted by the findings of this evaluation are organized into strategic-level and operational-level directives.

A. Strategic-level recommendations

Recommendation 1 – Green Systemic Change

Issue(s)	Recommendation
- The GET 2.1 is built around an ambitious systemic approach but did not have embedded a meaningful Theory of Change identifying the impact pathways to achieve it nor supporting a solid narrative to tell the Bank's green impact story. - The focus on the GET ratio as the primary target, combined with no Theory of Change and a limited performance dashboard, meant that the performance management of GET 2.1 was limited. - One weakness in the systemic approach is that Green TQ/ETI has been applied primarily based on GET share of project – an input, with additional features added (e.g. policy) to assess and measure transition impact.	<i>To maximize the impact of its green finance, the EBRD should strengthen how systemic change is embedded within the new GET strategy, with a focus on developing the structures to learn from where GET finance has most effectively supported systemic change.</i> <i>To implement this recommendation, the new GET strategic approach should:</i> <i>Be based on an explicit Theory of Change identifying the impact pathways to achieve green systemic change and enabling a solid narrative of the Bank's green impact story.</i> <i>Enhance the complementarity and internal consistency of the 1) GET process; 2) PA alignment; 3) Green transition Impact assessment; 4) Climate related financial risk.</i> <i>Build on the Theory of Change to develop a complete and comprehensive performance dashboard which reflects systemic component (based on ETI/PTI process & related indicators)</i>

111. In order to improve the quality of its green finance, the new GET strategy should articulate clear impact pathway towards green systemic change including improving the complementarity

and consistency of the approach to GET, Paris Alignment determination, climate-related financial risk and Green ETI.

112. A meaningful “GET Theory of Change” should articulate how EBRD inputs contribute to green systemic change, including creation of green finance opportunities for other economic actors. This would entail redeveloping the thematic areas in GET 2.1 to better focus on systems and enable clearer prioritisation in areas where the Bank can deploy financing and leverage policy dialogue, as well as outlining what innovation means in this context. Accompanying the Theory of Change, and linked to its core components, should be a complete and comprehensive performance dashboard which reflects the systemic change approach. As the evaluation identified there is a disconnection between GET 2.1’s systemic change approach and how performance is monitored and that reduces the capacity of the EBRD to identify where it has been most effective, and to communicate the wider impact of its GET financing.

113. Finally, the EBRD needs to better articulate the role of Green TI in relation to GET finance and other related green assessments and identify where systemic change is incorporated within that architecture. Green ETI could be enhanced as a useful indicator. The two systems should be coherent, united under a common vision of how the Bank achieves green systemic change, and complementary, implying that each metric provides value without creating redundancy.

114. IEvD’s recommendation is in line with the current proposal under TOMS 2.0 to base Green ETI not primarily on the GET share of a project, but to better reflect both project-level and market-level outcomes. This would make Green ETI much more methodologically consistent than it is now, by basing it on outcome rather than input variables.

115. One challenge with this approach is to integrate processes for green project-level outcomes for GET projects which use Green TI versus GET projects which do not. For GET projects which use Green TI, green project-level outcomes calculated as part of GET attribution are captured within the ETI assessment and monitored via the TIMS system and the MRV system. For GET projects which are not green TI, green project-level outcomes are monitored via the MRV but not captured within TIMS. In reforming Green ETI, the Bank will have to consider carefully how these systems will work together, including with respect to their integration in practical processes such as Monarch.

POTENTIAL RISK FOR THE EBRD: *Without implementing this recommendation, the EBRD risks not having the ability and credibility to understand and communicate its green systemic change.*

In addition, the lack of understanding how green systemic change is achieved will also restrict the capacity of the Bank to learn from where it has been most effective.

Recommendation 2 – Adaptation and Environmental Financing (including Nature-Based Finance)

Issue(s)	Recommendation
- Adaptation and environmental financing are two distinct areas; each provides unique challenges for the EBRD. - Despite being listed as priorities under GET 2.1, the EBRD's performance in financing adaptation and environmental financing has been mixed. - As a share of GET finance, both these areas have declined over GET 2.1 compared to GET 1.0. - In conjunction with an explicit strategy, both adaptation and environmental financing (particularly nature-based financing) require specific expertise. - There is a clear lack of incentives (and specific targets) for these two distinct areas; in addition, for both adaptation and environment, financing is a limited proxy for impact.	<i>To increase the quantity and quality of its adaptation and environmental financing, the EBRD should clearly outline the challenges it has faced in these two distinct areas, articulate the role that the EBRD should play, and improve internal incentives.</i> <i>To implement this recommendation, the new GET strategic approach should:</i> <i>Be explicit about the challenges the Bank has faced, clearly separating between 1) adaptation and 2) environmental financing (including nature-based).</i> <i>Articulate clearly the role of the Bank in both adaptation as well as environmental financing (including nature-based); for instance, one key issue to consider is whether to focus on mainstreaming these components into primarily private sector financing, or target systemic investments in predominantly public sector projects.</i> <i>Identify the resources necessary to increase the quality and quantity of financing in these two distinct areas matching the EBRD's level of ambition.</i> <i>Identify explicit targets and incentive mechanisms for Banking teams to find opportunities for dual-purpose mitigation and adaptation or environmental (including nature-based) financing;</i> <i>For example, targets could also track number of projects as well as financial volumes, as well as exploring other outcome metrics.</i> <i>In addition, environmental financing should be tracked separately from climate financing rather than merged under the GET metric.</i>

116. Within the next GET Approach, the Bank should acknowledge the challenges it has faced in expanding both adaptation and environmental financing and identify financing barriers.

Prioritising adaptation or environmental finance without analysis of why the Bank has had limited success historically in either area is not the foundation for an effective strategy.

117. The new GET should better outline the role of the EBRD in financing adaptation and environment (including nature-based). One question the EBRD could consider in both areas is whether it aims to primarily mainstream these components into its financing package or instead target more systemic adaptation and environmental investments (likely requiring a stronger

public sector focus). Articulating the Bank's role could affect resourcing, target-setting, and internal organisation.

118. Evaluation evidence also highlights the importance of specialist expertise in expanding adaptation financing, and going forward to match the EBRD's ambition increased resourcing is likely to be required.

119. There is also scope to improve how adaptation and environmental financing is incentivised. Providing incentives to Banking teams to look for adaptation and environmental financing opportunities on projects which are already mitigation financing could open additional opportunities for investment, including via targets for adaptation financing and incentives. Tracking environmental financing separately rather than as part of the GET metric would provide more visibility to the former, whilst also recognising that conceptually environmental and climate financing objectives are not always aligned.

POTENTIAL RISK FOR THE EBRD: *Without implementing this recommendation, the EBRD risks that compared to 'easier' bankable mitigation projects, the share of EBRD financing going to these areas continues to decline.*

This would mean that the Bank is not addressing hugely significant issues within its CoOs, and raises reputational risks given the high priority on paper that the Bank has placed on adaptation and environmental financing.

B. Operational-level recommendations

Recommendation 3 – Green Financial Sector

Issue(s)	Recommendation
- Within the Bank's support for green finance in financial institutions, while early progress working for counterpart level impact through transition planning, the EBRD's approach broadly remains centred around use-of-proceeds. - Both GET 2.1. and the Financial Sector Strategy 2021-25 recognised the need to complement the use-of-proceeds approach with a stronger focus on expanding green finance at the counterpart-level and the Bank should continue to focus on this area.	<i>To enhance the impact of its green finance through partner financial institutions, the EBRD's engagement in the financial sector should be focused on expanding green finance at the counterpart-level, in addition to considering use-of-proceeds.³⁶</i> <i>To implement this recommendation, the new GET strategic approach should:</i> <i>Identify adequate mechanism to assess changes in partner financial institutions (PFIs)' levels of green financing, building on the current approach of monitoring whether EBRD financing is deployed as contractually agreed.</i>

120. While marked progress has been made, the Bank's engagement in the financial sector is not yet fully centred around whether the EBRD is contributing to expanding green finance at the counterpart level but is instead focused on the Banks own use-of-proceeds. Evaluation work conducted by EBRD (e.g. the Evaluation of the Transition Impact and Additionality of the EBRD's MREL and bail-in-able products)³⁷ as well as by other MDBs³⁸ have demonstrated that use-of-proceed instruments do not necessarily increase the quantity nor improve the quality of green finance provided by partner financial institutions.

121. Furthermore, monitoring is still largely use-of-proceeds based. This means the EBRD has very little data on where and how it has supported PFIs to scale up green financing. The evaluation acknowledges that in the last years there has been significant progress in the Bank's engagement with Financial Institutions, with the support on transition planning and climate corporate governance providing confidence that through its GET FI projects the EBRD can contribute to wider institutional changes with its Partner Financial Institutions (PFIs). IEvD also acknowledges that PFIs demonstrate different capacities for transition planning and climate corporate governance improvements, depending on the country and institutional context.

122. The new GET should help the Bank concentrate on the level of green financing provided by partner financial institutions, and where that data is not yet available, concentrate on building

³⁶ This recommendation builds on recommendation 2 that IEvD made as part of the evaluation of the transition impact and additionality of the EBRD's MREL and bail-in-able products, which was partially accepted by Management – see CS/ARC/24-40

³⁷ <https://www.ebrd.com/home/news-and-events/publications/evaluation/forging-resilience.html>

³⁸ i.e. [Evaluation of the EIB's Climate Awareness Bonds](#)

up capacity to establish a baseline. This emulates the approach that the EBRD employs on other FI products, such as SME or Women-in-Business credit lines. This is likely to require TC resources to support PFIs in building up these capabilities to track and report on their institution-wide levels of green financing.

123. Furthermore, there are important differences between different FI instruments and how the EBRD can expect them to support increased green lending. With respect to the Bank's approach, these instruments have largely been conflated, reflecting a focus on use-of-proceeds rather than if instruments are actually scaling up green financing provided by PFIs.

POTENTIAL RISK FOR THE EBRD: *Without implementing this recommendation, the EBRD risks a situation where it is not actually increasing the quantity nor improving the quality of the green finance provided by partner financial institutions.*

Currently, despite a long legacy of engagement in this area, the Bank's monitoring systems are not set up to assess how its engagement has incrementally changed PFI green financing.

Recommendation 4 – Green Data Driven Decision-Making

Issue(s)	Recommendation
- The current utilization of GET data is suboptimal and the quality and transparency of green forecasts vary. Scrutinising green forecasts is challenging due to limited information and accessibility. - Estimates of green outcomes are distorted by large projects where the EBRD has provided only a small portion of financing. - For example, 17 projects, accounting for 6 per cent of GET financing constitute over half of the Bank's estimated emissions reduction. Across those 17 projects the Bank's total investment was just 13 per cent of Total Project Value (TPV). - The credibility and utility of GET data to support effective decision-making and to drive accountability and learning is therefore weakened.	To improve the effectiveness and credibility of its GET finance results, the EBRD should strengthen the use of adequate data to support investment decision-making, performance management and learning. To implement this recommendation, the new GET strategic approach should aim to: <i>Improve the Bank's record-keeping and strengthening communication processes, for example, clearly identifying the final version of GET forecasts and storing them in a transparent and accessible way;</i> <i>Pro-rate ex-ante green forecasts reflecting specifically the Bank's financial contribution for internal learning purposes.</i> <i>Integrating project disbursement data into the GET performance management system alongside more effective use of outcome-level data.</i> <i>Build on recent redevelopments of the GET handbook, in particular incorporating guidance on calculating scope 3 emissions and estimating GHG emissions.</i>

124. Evidence clearly shows that the use of GET data for decision-making, performance management, and learning is still not being maximised. There continue to be weaknesses throughout the GET data life cycle that undermines the credibility and utility of GET data. To strengthen GET data the Bank should improve its record-keeping through prioritising the transition of GET calculation sheets onto Monarch (or alternatively saving them in project folders on plink) with a clear record of what the 'final' sheet is. Strengthening the processes around outlining core assumptions and the Green Assessments Annex to explain calculations would be additional steps forward (particularly for projects with both mitigation and adaptation financing).

125. Ex-ante green forecasts should be systematically pro-rated to reflect the EBRD's financial contribution, for internal learning purposes. This would provide a better assessment of the effectiveness of the Bank's financing, particularly for mitigation. Currently, ex-ante forecasts are distorted by large projects where the EBRD provides a small portion of financing. In addition, the Bank should consider ceasing generating ex-ante forecasts for Financial Intermediary (FI) projects, given the high levels of uncertainty and limited utility of such forecasts.

126. In addition, the EBRD does not currently track GET disbursements or use them as a proxy for delivery. This should be corrected, particularly because analysis of disbursements

demonstrates clear patterns in where the EBRD's financing is facing delays in reaching recipients on the ground. The EBRD should integrate project disbursement data into the GET performance management system to improve accuracy, accountability, and strategic decision-making, in addition to data on outputs and outcomes.

POTENTIAL RISK FOR THE EBRD: *Without implementing this recommendation, there may be reputational risks for the Bank. Externally there has been significant public scrutiny on how MDBs have determined both levels of climate finance as well as climate finance benefits.*

Continuing to strengthen the robustness and transparency of these calculations will help insulate the EBRD from the criticisms that have been levied at other MDBs.

Recommendation 5 – Green Mobilisation

Issue(s)	Recommendation
- The process for determining Estimated GET Private Indirect Mobilisation (PIM) based on approximations is in some cases not granular enough, leading to inconsistent and potentially inaccurate estimates. - There is limited scrutiny of PIM calculations, including of financing that was not actually committed or financing which was not private, stemming from the current MDB methodology EBRD is using.	<i>To improve the effectiveness and the credibility of its green mobilisation efforts, the EBRD should strengthen the process and methodology for estimating GET Private indirect mobilisation (PIM).</i> <i>To implement this recommendation, the new GET strategic approach should be aimed at:</i> <i>Reviewing the “estimated GET PIM” methodology with the aim to accurately reflect the green private indirect mobilisation triggered by the Bank and not estimations based on the GET percentage of the EBRD’s own finance applied to the whole co-financed project; this can be achieved, for example, by removing 1) PIM where the EBRD’s finance is GET but the rest of the project is not; and 2) PIM which is not actually committed by third-parties and/or where their commitment is withdrawn prior to EBRD signing.</i> <i>Inputting more resources to scrutinise and provide quality assurance for PIM, including through changing the guidelines on what constitutes public versus private mobilisation, and ensuring that PIM reflects commitments at the point of the EBRD’s signing.</i> <i>Externally, the EBRD should raise issues related to the definition of Climate PIM with other MDBs.</i>

127. The current methodology and process for calculating Estimated GET Private Indirect Mobilisation (PIM) requires addressing. The inherent assumption within the approach to calculating Estimated GET PIM is leading to significant overestimations of GET PIM. Furthermore, the threshold for what constitutes Private versus Public mobilisation is low and as applied does not appear to be in line with the agreed joint-MDB definition.

128. For a more accurate estimate, GET PIM needs to be based off an estimate of the GET percentage for total project value, not the EBRD’s own finance. Using this metric would require an additional step in the GET determination process examining total project value. The threshold for what constitutes public sector versus private sector financing may also need adjusting.

129. Currently, stemming from the joint MDB definition, the Bank’s position is that finance provided on commercial terms is private, regardless of source, which is in IEVD’s view is flawed. The Bank should also consider inputting more resources to scrutinise and provide quality assurance for PIM. Given that mobilisation is a key enabling factor in the new SCF, and the Bank is reporting indirect mobilisation as part of the new total mobilisation metric, this merits

additional attention. Externally, the EBRD should take a leadership role and raise with other MDBs issues within the joint definition of climate PIM; namely, that the definition is ambiguous, and the methodology flawed, and is being misinterpreted by stakeholders both inside and outside of MDBs.

130. IEvD has produced a revision for the amount of Estimated GET PIM in 2023 of €6.7 billion, compared to the reported figure of €20 billion. Removing “non-GET PIM” by identifying projects where the EBRD’s finance was GET, but the rest of the project was not, would reduce Estimated GET PIM in 2023 by €8.2 billion. IEvD also identified €4.4 billion of Estimated GET PIM which was not actually committed by third parties (and where their commitment was withdrawn prior to EBRD signing), as well as €672 million from organisations, which did not meet the criteria for counting as private finance. This would reduce the EBRD’s GET PIM in 2023 by an additional €5.1 billion.

Figure 11: IEvD’s revised calculation of Estimated GET PIM in 2023 – EUR Billion



Source: Green SCF Cornerstone, IEvD analysis

POTENTIAL RISK FOR THE EBRD: Without implementing this recommendation, there may be reputational risks for the Bank. The EBRD is prioritising indirect mobilisation as a core component of how it intends to deliver green finance at scale. However, the current methodology does not reflect the GET PIM definition.

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