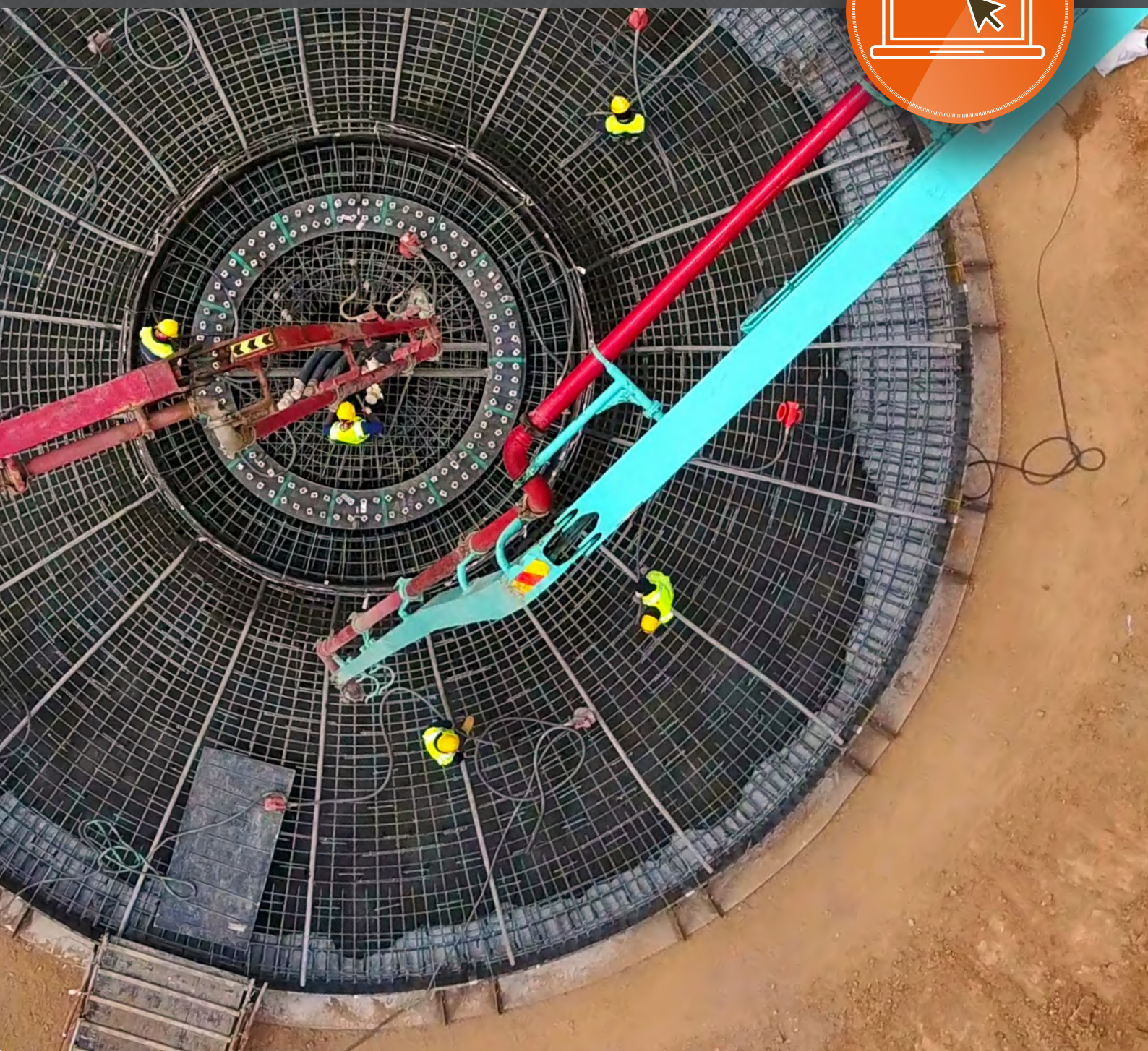




European Bank  
for Reconstruction and Development

# ANNUAL REVIEW 2019



## About the EBRD

We invest in changing people's lives by creating open markets and promoting sustainable growth in 38 economies, from Morocco to Mongolia. Across three continents, we finance projects that strengthen the private sector and help make economies more competitive, well-governed, green, inclusive, resilient and integrated. We also support the transition to a well-functioning market system in places on the path towards democracy by engaging in policy reform and by providing donor-funded technical assistance and advisory services. Donor funds play a vital role\* in ensuring the success of the EBRD's activities and act as a catalyst for our investment.

Our projects deliver a market-based financial return while having a measurable economic, social or environmental impact. From our headquarters in London and our network of Resident Offices, we work mainly with private clients, although we also finance public companies and municipal entities in support of projects that deliver essential infrastructure and services. EBRD loans and equity investments follow sound-banking principles, ensuring that the returns are commensurate with the risks, and finance projects that would not be funded solely by commercial banks.

Founded in 1991, we are owned by 69 countries, as well as the European Union and the European Investment Bank.



This document is a summary of our activities in 2019.

Visit [ar-ebrd.com](http://ar-ebrd.com) and [www.ebrd.com](http://www.ebrd.com) for details of our projects and more on the people and places who benefit from them.

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+ \* More information about the crucial contribution that donors make to the EBRD's work is available at [www.ebrd.com/who-we-are/our-donors.html](http://www.ebrd.com/who-we-are/our-donors.html)



## President's message

Multiple records were broken in 2019, making it a stellar year for the European Bank for Reconstruction and Development. The Bank increased its impact in the 38 economies where it operates, putting in the best performance in an almost 30-year history.

The figures tell the story: record investment (exceeding €10 billion), an unprecedented number of operations (452) and our highest level of investment in the green economy (46 per cent of EBRD financing in 2019, underscoring our robust support for the global climate agenda).

When you dig deeper into the results, you find that we also reached new levels in our local currency and capital markets projects, as well as in work on gender and inclusion and with small and medium-sized enterprises. We more than honoured our pledge to shareholders to raise the quality and quantity of EBRD investments across the three continents where we are active.

Little of that success would have been possible without the work on policy reform that underpins much of our impact. Part of what makes the EBRD so effective is our unique combination of investment and policy expertise in our regions. Examples include reforming procurement processes to attract private investors in renewable energy, strengthening the investment climate in Central Asia and improving policies and institutions to enhance the skills of women, young people and refugees in the southern and eastern Mediterranean region. Another key achievement was the launch of the new EBRD good governance policies developed with our partners – the Environmental and Social Policy, Access to Information Policy and Project Accountability Policy. These guidelines help shape and inform our investments. I could mention many other such efforts, so extensive is the Bank's engagement.

No look back at 2019 would be complete without acknowledging the skill and dedication of EBRD staff, in Headquarters and across our regions, without whom such results would not have been possible.

In addition to our operational achievements, the Bank is in a strong financial position. We mobilised a record €757 million from donors to support our projects, of which €378.5 million came from the EU and a cumulative €194.5 million from the Green Climate Fund, the Climate Investment Funds and the Global Environment Facility. We also made a net profit of more than €1.4 billion – our best outcome since 2007 and one that reaffirms the EBRD's financial sustainability.

These results, and our history as a successful development bank dedicated to building open-market economies, stand us in good stead as we take on the challenges of a world impacted by Covid-19. Our shareholders will be adopting the next five-year Strategic and Capital Framework (SCF), which will set the high-level agenda for EBRD operations in 2021-25. Our mission – fostering sustainable and inclusive transition by harnessing the private sector – is more relevant than ever. Global development goals cannot be reached without drawing in private sector investment, an EBRD speciality. The new SCF will enable us to update the way that we fulfil that mission and support our countries as they restore economies hit by the current crisis.

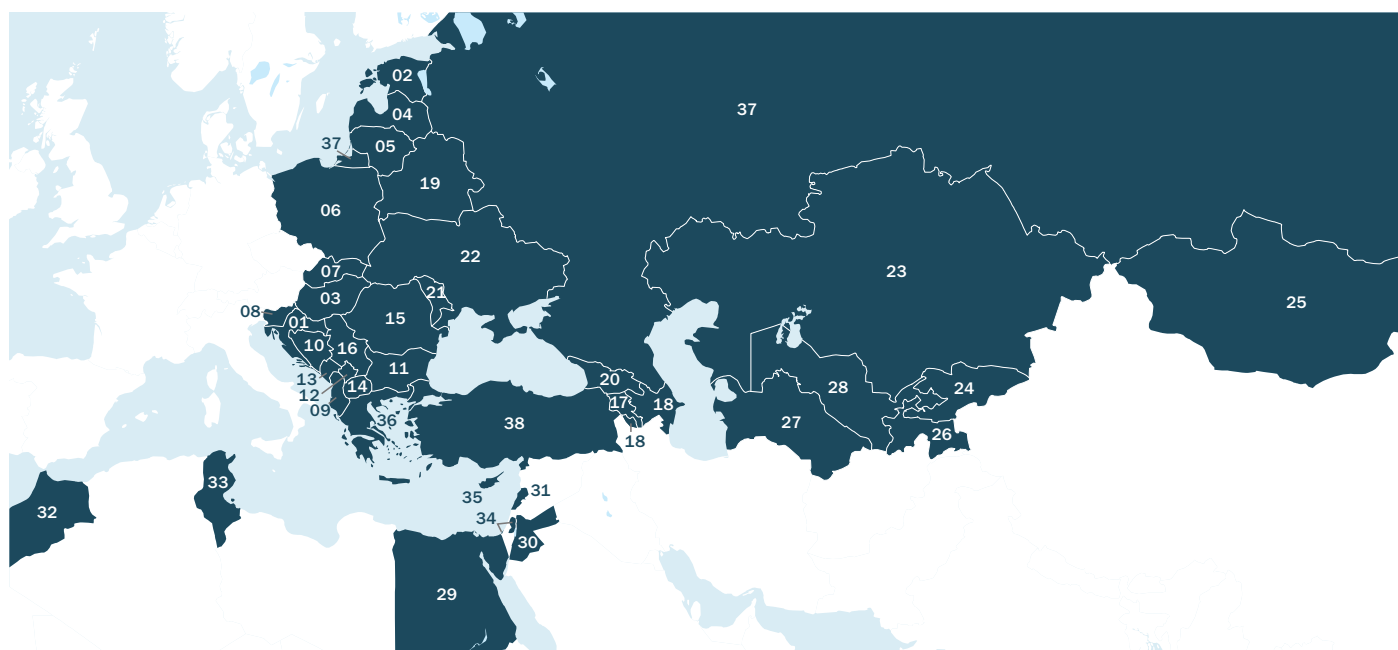
As I approach the end of my second and last term as President of the EBRD, I am proud of the institution that I have had the honour to lead for eight years. That feeling has been reinforced by the achievements of 2019. I am sure that my successor will find the Bank in excellent shape and ready to embrace future challenges with confidence.



A handwritten signature in black ink that reads "Suma Chakrabarti". The signature is fluid and cursive, written in a professional style.

Suma Chakrabarti  
President, European Bank for Reconstruction and Development  
June 2020

# EBRD Annual Bank Investment<sup>1</sup> by economy and by region, 2019 (€ million)



## Central Europe and the Baltic states (CEB)

Map ref.	Economy	2015	2016	2017	2018	2019	Cumulative to end-2019	Active portfolio
01	Croatia	198	311	124	171	123	3,883	867
02	Estonia	48	1	3	54	36	711	152
03	Hungary	79	127	118	124	63	3,158	656
04	Latvia	61	3	3	42	85	770	251
05	Lithuania	8	2	85	141	64	906	316
06	Poland	647	776	659	556	833	10,256	3,009
07	Slovak Republic	87	165	108	101	145	2,591	571
08	Slovenia	77	53	59	77	118	1,152	361
	<b>Total</b>	<b>1,204</b>	<b>1,438</b>	<b>1,159</b>	<b>1,267</b>	<b>1,467</b>	<b>24,640<sup>2</sup></b>	<b>6,238</b>

## South-eastern Europe (SEE)

09	Albania	10	178	22	284	148	1,397	722
10	Bosnia and Herzegovina	138	199	128	195	315	2,545	1,239
11	Bulgaria	82	621	140	185	38	3,904	920
12	Kosovo	56	47	80	52	118	484	373
13	Montenegro	99	6	33	30	38	608	351
14	North Macedonia	158	19	49	164	160	2,022	876
15	Romania	260	201	546	443	372	8,695	1,896
16	Serbia	478	304	382	396	517	5,730	2,241
	<b>Total</b>	<b>1,282</b>	<b>1,576</b>	<b>1,381</b>	<b>1,749</b>	<b>1,705</b>	<b>25,384</b>	<b>8,617</b>

## Eastern Europe and the Caucasus (EEC)

17	Armenia	138	63	64	70	118	1,391	361
18	Azerbaijan	269	63	456	304	17	3,298	1,342
19	Belarus	53	124	163	360	391	2,869	933
20	Georgia	116	248	271	267	296	3,631	995
21	Moldova	98	86	131	23	111	1,377	597
22	Ukraine	997	581	740	543	1,125	14,542	4,206
	<b>Total</b>	<b>1,671</b>	<b>1,166</b>	<b>1,825</b>	<b>1,567</b>	<b>2,058</b>	<b>27,107</b>	<b>8,434</b>

## Central Asia (CA)

Map ref.	Economy	2015	2016	2017	2018	2019	Cumulative to end-2019	Active portfolio
23	Kazakhstan	709	1,051	586	472	685	8,383	2,734
24	Kyrgyz Republic	48	111	33	38	46	780	197
25	Mongolia	467	152	149	96	98	1,773	790
26	Tajikistan	166	45	57	54	18	690	390
27	Turkmenistan	12	9	29	11	11	288	54
28	Uzbekistan	0	0	69	397	517	1,855	965
	<b>Total</b>	<b>1,402</b>	<b>1,369</b>	<b>923</b>	<b>1,067</b>	<b>1,376</b>	<b>13,770</b>	<b>5,130</b>

## Southern and eastern Mediterranean (SEMED)<sup>3</sup>

29	Egypt	780	744	1,413	1,148	1,214	6,084	4,244
30	Jordan	163	403	158	296	87	1,428	1,085
31	Lebanon	N/A	N/A	N/A	244	164	558	341
32	Morocco	431	158	292	198	204	2,007	1,088
33	Tunisia	82	61	324	100	177	937	705
	<b>Total</b>	<b>1,456</b>	<b>1,367</b>	<b>2,187</b>	<b>1,985</b>	<b>1,847</b>	<b>11,014</b>	<b>7,462</b>

N/A = not applicable

## Cyprus

35	Cyprus	33	64	41	64	66	451	184
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## Greece

36	Greece	320	485	614	846	571	3,223	1,653
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## Russia<sup>4</sup>

37	Russia	106	0.5	0.1	0.2	0.0	24,924	1,587
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## Turkey

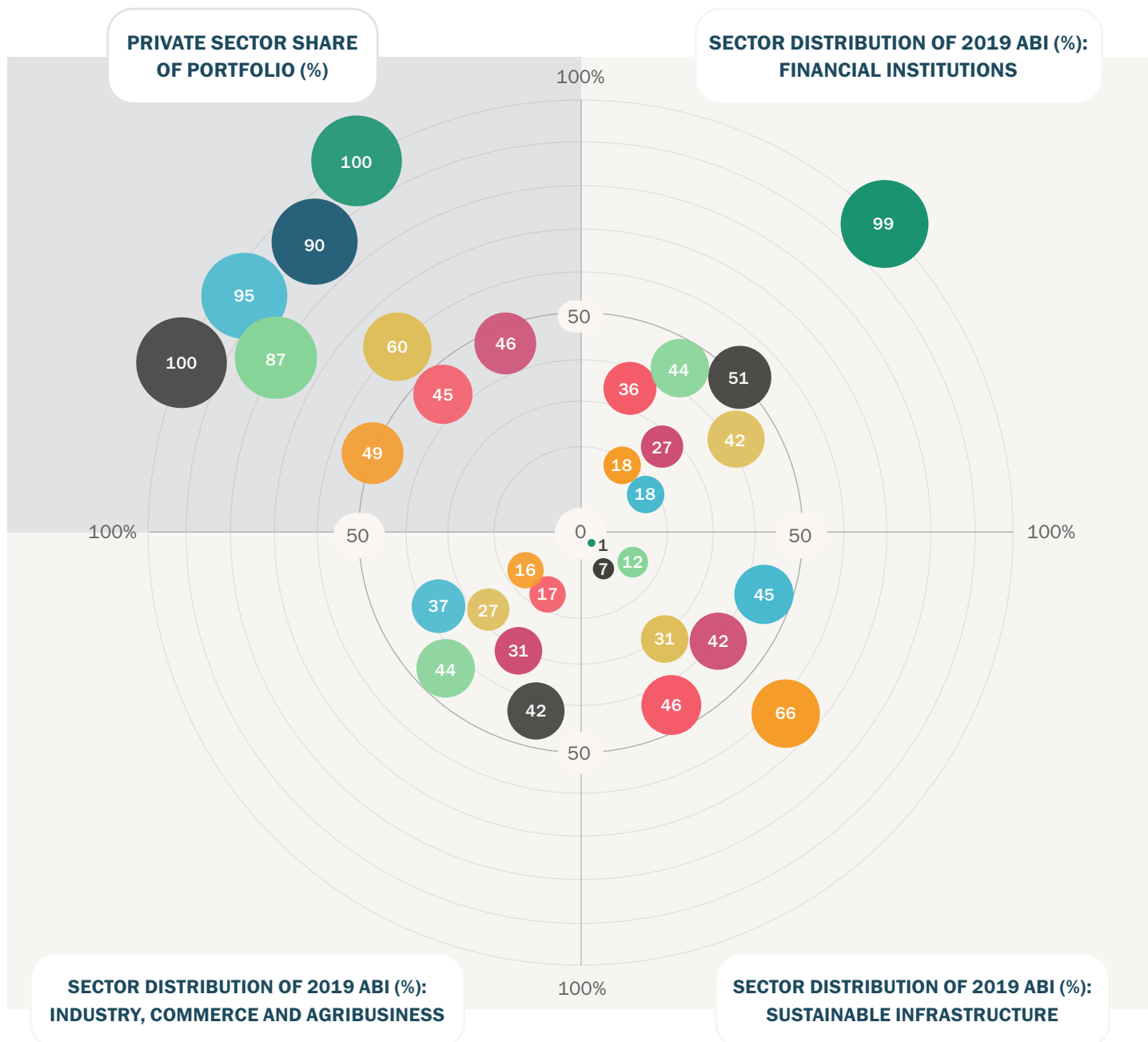
38	Turkey	1,904	1,925	1,540	1,001	1,002	11,966	6,746
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<sup>1</sup> Annual Bank Investment (ABI) is the volume of commitments made by the Bank during the year. This includes: (i) new commitments (less any amount cancelled or syndicated within the year); (ii) restructured commitments; and (iii) amounts issued under the Trade Facilitation Programme (TFP) during the year and outstanding at year-end.

<sup>2</sup> This figure includes investments totalling €1,213 million made in the Czech Republic before 2008.

<sup>3</sup> This table does not include investments in the West Bank and Gaza (map reference 34), which began in 2018 and are financed through a trust fund. For 2019, these investments totalled €2.1 million.

<sup>4</sup> In accordance with the 2014 guidance from a majority of Directors not to engage in new business in Russia, the Bank made no investments in new projects there during 2019.



- Key:**
- Central Europe and the Baltic states
  - South-eastern Europe
  - Eastern Europe and the Caucasus
  - Central Asia
  - Southern and eastern Mediterranean
  - Cyprus
  - Greece
  - Russia
  - Turkey

## Glossary

ABI	Annual Bank Investment (see footnote 1)
The Bank, the EBRD	The European Bank for Reconstruction and Development
CA	Central Asia
CEB	Central Europe and the Baltic states
EEC	Eastern Europe and the Caucasus
GET	Green Economy Transition
SEE	South-eastern Europe
SEMED	Southern and eastern Mediterranean
SMEs	Small and medium-sized enterprises

**Note:** Terms and names used in this report to refer to geographical or other territories, political and economic groupings and units, do not constitute and should not be construed as constituting an express or implied position, endorsement, acceptance or expression of opinion by the European Bank for Reconstruction and Development or its members concerning the status of any country, territory, grouping and unit, or delimitation of its borders, or sovereignty.

### Exchange rates

Non-euro currencies have been converted, where appropriate, into euros on the base of the exchange rates current on 31 December 2019. (Approximate euro exchange rate: US\$ 1.1227.)

# The EBRD in numbers 2019

## Operational results 2015-19

	2019	2018	2017	2016	2015
Number of projects <sup>5</sup>	452	395	412	378	381
Annual Bank Investment (€ million)	10,092	9,547	9,670	9,390	9,378
Annual mobilised investment <sup>6</sup> (€ million)	1,262	1,467	1,054	1,693	2,336
of which private direct mobilisation	460	1,059	669	1,401	2,138
Total project value <sup>7</sup> (€ million)	34,884	32,570	38,439	25,470	30,303

Number of projects: **452 ▲**

Annual Bank Investment: **€10.1 billion ▲**

Gross annual disbursements: **€7.2 billion** (no change)

Private sector percentage of ABI: **74% ▲**

Portfolio of operations, including undisbursed commitments: **€46.1 billion ▲**

Number of investments supporting women, young people or people in less-developed regions: **72 ▲**

## Financial results 2015-19

€ million	2019	2018	2017	2016	2015
Net profit before transfers of net income approved by the Board of Governors	1,432	340	772	992	802
Transfers of net income approved by the Board of Governors	(117)	(130)	(180)	(181)	(360)
Net profit after transfers of net income approved by the Board of Governors	1,315	210	592	811	442
Realised profit before impairment <sup>8</sup>	819	606	634	649	949
Paid-in capital	6,217	6,215	6,211	6,207	6,202
Reserves and retained earnings	11,613	10,068	9,961	9,351	8,504
Total members' equity	17,830	16,283	16,172	15,558	14,706

For more information on the EBRD's financial results, see the [Financial Report 2019](#).

Up to **2.87 million** people to benefit from improved water and wastewater services

More than **1.24 million** passengers per day expected to benefit from improved urban transport

**€43 million** provided through Women in Business programmes to partner financial institutions in support of on-lending to women-led enterprises

Around **30 million** subscribers served by EBRD-financed communications companies

**5,291 beneficiaries** of EBRD agribusiness advisory services

Number of investments supporting local capital markets: **29**

Number of investments in local currencies: **139**

**2,017 trade deals** completed under the Trade Facilitation Programme

<sup>5</sup> The number of projects to which the EBRD made commitments in the year.

<sup>6</sup> Annual mobilised investment is the volume of commitments from entities other than the EBRD made available to the client due to the Bank's direct involvement in mobilising external financing during the year.

<sup>7</sup> Total project value is the total amount of finance provided to a project, including both EBRD and non-EBRD finance, and is reported in the year in which the project first signs. EBRD financing may be committed over more than one year, with Annual Bank Investment reflecting EBRD finance by year of commitment (see footnote 1). The amount of finance to be provided by non-EBRD parties is reported in the year the project first signs.

<sup>8</sup> Realised profit before impairment is before unrealised fair value adjustments to share investments, provisions, loan write-offs, other unrealised amounts and net income allocations.

## Green Economy Transition

The EBRD plays a strong role in international efforts to increase energy and resource efficiency and build resilience to the effects of climate change. Under our Green Economy Transition (GET) approach, we invest in projects that help economies achieve the emission reductions pledged at the 2015 United Nations Climate Conference in Paris. We also support operations that reduce pollution levels and create a cleaner, safer environment for people living in our regions.

**Total investment in the GET: €4.6 billion**

**GET activities as percentage of ABI: 46%**



**Finance for climate change mitigation activities: €3.8 billion**

**Finance for adaptation to effects of climate change: €495 million in 48 projects**

**Finance for other environmental activities: €1.1 billion<sup>9</sup>**

**Estimated annual reduction expected in CO<sub>2</sub> emissions: 4.8 million tonnes**

Details of the EBRD's support for the UN Sustainable Development Goals are available in the *Sustainability Report 2019*, at [sr-ebrd.com](http://sr-ebrd.com). See also the "Green" section of this *Annual Review 2019*.

## Potential transition impact of new project signings

For information about the transition impact of EBRD projects signed in 2019, visit [ar-ebrd.com](http://ar-ebrd.com)

<sup>9</sup> The numbers for mitigation, adaptation and other environmental activities add up to more than €4.6 billion as some projects have multiple benefits.

# Our transition qualities and the Sustainable Development Goals

Through investment projects, policy engagement work and donor-funded activities, the EBRD promotes the transition to a well-functioning, modern market economy. In particular, the Bank seeks to make the economies where it operates competitive, well-governed, green, inclusive, resilient and integrated. These are the EBRD's six transition qualities.

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

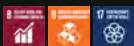
The work of the EBRD contributes to 14 of the 17 goals. The Bank provides particular value through its support for Goal 5 (Gender Equality), Goal 6 (Clean Water and Sanitation), Goal 7 (Affordable and Clean Energy), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, Innovation and Infrastructure),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

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

## How the EBRD aligns with the SDGs

Six EBRD qualities of a sustainable market economy

### COMPETITIVE



### INCLUSIVE



### WELL-GOVERNED



### RESILIENT



### GREEN



### INTEGRATED



Three EBRD sector groups

### INDUSTRY, COMMERCE AND AGRIBUSINESS



### SUSTAINABLE INFRASTRUCTURE



### FINANCIAL INSTITUTIONS





## Building sustainable market economies across our regions

This section demonstrates how the EBRD's focus on six transition qualities – competitive, well-governed, green, inclusive, resilient and integrated – is helping to build modern, open-market economies and support the Sustainable Development Goals across the EBRD regions.



# COMPETITIVE

The notion of a competitive economy lies at the centre of the transition process. The EBRD promotes market structures that ensure competition between firms, aid innovation and incentivise private enterprise, including in the SME sector. This encourages economic diversification, widens choice for consumers and improves the quality of goods and services at fair prices.

## New financing for reformed Moldovan banks

Moldova-Agroindbank (MAIB) and Victoriabank obtained loans worth €12.5 million and €2.5 million respectively and EU grant-based funding under the EU4Business-EBRD credit line, which helps local companies do business with EU countries. The financing followed big improvements to the corporate governance and ownership transparency of both banks. The EBRD also extended trade finance lines to MAIB and Victoriabank to facilitate international trade by Moldovan firms.

### SDG



## Egyptian agribusiness firm grows local talent

Using a €2.1 million EBRD loan and a €313,000 EU investment grant, Farm Fresh will build a modern factory in Alexandria with a view to increasing its competitiveness. Support from Italy will assist the frozen produce exporter in recruiting and retaining skilled young workers and in providing them with work-based learning opportunities.



## Georgian building materials maker expands

GRC, a leading supplier to the construction industry in Georgia, used a loan equivalent to €1.9 million to establish a new production line for structural steel goods. The loan was split evenly with TBC Bank, a local financial institution, under the EBRD's Risk-Sharing Framework, which increases access to finance for small and medium-sized enterprises (SMEs) like GRC and boosts their competitiveness.



## Ukrainian pharmaceutical company combats cancer

Yuria-Pharm Group will use an EBRD loan to launch new production lines and increase access to affordable care for cancer sufferers. It will do this by enabling healthcare establishments and patients to buy smaller and cheaper doses of specialised medicines that many Ukrainians would otherwise struggle to afford.



## EBRD and EU support Armenian equity fund

The Bank, with the support of the EU, provided the US dollar equivalent of up to €15 million to support the launch of the Amber Capital EU-Armenia SME Fund, a private equity fund seeking to raise the US dollar equivalent of a total of €70 million for investments in Armenia. The Fund will aim to enhance the competitiveness of beneficiary SMEs.



<sup>10</sup> This project also contributes to SDG Target 3.b (“Support the research and development of vaccines and medicines for ... communicable and non-communicable diseases...”)

### Travel app shines in Turkish technology sector

The developers of oBilet, a leading app for intercity bus tickets in Turkey and provider of software to bus operators, secured the US dollar equivalent of €3.6 million in equity financing under the EBRD's Venture Capital Investment Programme (VCIP), which targets highly innovative, technology-based SMEs. The VCIP II facility was extended by €50 million in 2019, bringing its total value to €150 million.



### Better roads and lighting for Armenian city

Gyumri will use an EBRD loan to upgrade its roads and streetlights, many of which have not been repaired since the devastating 1988 earthquake. The municipality, the second-largest in Armenia, will launch competitive tenders for reconstruction and maintenance contracts, thereby increasing private sector participation in the sector. As part of the project, a Green City Action Plan will be developed.



### Bright outlook for Uzbek cheesemaker

Tillo Domor is set to expand its cheese production with the help of a loan from local financial institution Hamkorbank. The EBRD is sharing part of the risk of the loan under a risk-sharing facility signed between the two banks. The Global Environment Facility Trust Fund financed a grant to support the project.



Read more about how the EBRD is helping economies to be more competitive:



[www.ebrd.com/transition/competitive.html](http://www.ebrd.com/transition/competitive.html)



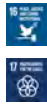
# WELL-GOVERNED

Improving the quality of state and private sector institutions and ensuring that they work well together is an essential element of the transition to a well-functioning market economy. The EBRD fosters good governance through investment projects and engagement with partners on policy reform.

## Reforming Ukraine's public institutions

In partnership with the EU, the EBRD delivers the Ukraine Reform Architecture programme aimed at improving the quality of reform delivery and state institutions in the country. Established in 2016, the initiative develops local expertise within public institutions in order to foster a behavioural shift that yields long-term change.

SDG



## Tariff reform for Kyrgyz water networks

The Bank financed four projects aimed at improving water and wastewater systems and making them more competitive. The EU and the EBRD Shareholder Special Fund (SSF) provided capital grants worth a total of €12.4 million and technical assistance grants worth €5.2 million in support of these operations. Projects included work in the city of Jalal Abad to rehabilitate the water and wastewater network and improve its management, including through tariff reform.



## Turkish renewables firm enhances governance

The renewable energy arm of Turkey's IC Energy Holding, which specialises in hydropower, will expand into wind and solar power with the help of an EBRD equity investment worth the equivalent of €91 million. The company will also improve its corporate governance by reviewing board practices and management systems and by introducing a shareholders' agreement.



Read more about how the EBRD is fostering good governance in our regions:



[www.ebrd.com/transition/well-governed.html](http://www.ebrd.com/transition/well-governed.html)





**Ukraine strengthens power grid and energy sector**

National energy company Ukrenergo will invest an EBRD loan of up to €149 million in improving its transmission infrastructure and corporate governance. The project will facilitate integration of the Ukrainian electricity grid with European networks, thus making it more transparent, competitive and attractive to investors, and is expected to cut annual CO<sub>2</sub> emissions by 20,500 tonnes.



**Croatia raises corporate governance standards**

The Zagreb Stock Exchange and HANFA, the Croatian securities markets regulator, introduced a new code of corporate governance for listed companies. The revised regulatory framework meets the best European standards for corporate accountability, gender diversity and transparency and was developed with support from the EBRD, whose contribution was led by the Bank's Legal Transition Programme (LTP).

N/A



**Turkey adopts crowdfunding legislation**

Legal experts from the LTP led Bank support for Turkey's Capital Markets Board in the development of secondary regulation for equity-based crowdfunding. This technology-based, alternative source of financing facilitates access to capital at competitive rates for businesses, especially SMEs, while also representing good value for investors.



# GREEN

The EBRD plays a strong role in international efforts to increase energy and resource efficiency and build resilience to the effects of climate change. Under our Green Economy Transition (GET) approach, we invest in projects that help economies achieve the emission reductions pledged at the 2015 United Nations Climate Conference in Paris. We also support operations that reduce pollution levels and create a cleaner, safer environment for people living in our regions. Donors help to finance many Bank projects that promote this transition quality.

## Support for the green economy in Morocco

BMCE Bank of Africa benefited from a €10 million loan, including a €2.5 million contribution from the Green Climate Fund (GCF), to finance on-lending for sustainable energy projects. The EBRD also extended a €50 million risk-sharing facility to the Moroccan bank to facilitate access to finance for local businesses.



## Windfarm investment marks return to Polish renewables

The EBRD provided a loan in Polish zloty equivalent to some €49 million to finance the construction of the Potęgowo wind farm. With a total installed generation capacity of 220 MW, it is expected to be one of the largest in Poland and will help the country reduce its reliance on coal as a power source.



## Investing in research and development in Slovenia

The Slovenian subsidiary of MAHLE, a German supplier to the automotive industry, will invest in research and development focused on creating motor components for electric vehicles. The EBRD provided financing for this work by investing €25 million in MAHLE's issuance of a Schuldschein, a type of capital market instrument.

### SDG



Read more about how the EBRD is helping economies to be environmentally sustainable:



[www.ebrd.com/transition/green.html](http://www.ebrd.com/transition/green.html)

## EBRD backs first green property fund in Baltic states

The Bank made a €30 million equity investment in Usaldusfond EftEN Real Estate Fund 4, which was founded to invest in commercial property across Estonia, Latvia and Lithuania. The fund is the first in the Baltic states to adopt climate priorities and green objectives as integral aspects of its operational mandate.

## Two EBRD issuances under Green Bond Programme

The Bank launched a climate resilience bond (CRB) to raise funds for EBRD climate adaptation investments, with a particular focus on critical infrastructure. It also inaugurated a green transition bond (GTB) to finance decarbonisation and resource efficiency investments by the Bank in key sectors that rely heavily on fossil fuels. Both inaugural issues had a maturity of five years. The CRB issued in US dollars for US\$ 700 million (€624 million equivalent at end of year exchange rates), in contrast to the €500 million GTB.



### Trolleybuses to cut emissions in Moldovan city

Balti, Moldova's second-largest city, will buy 10 energy-efficient trolleybuses and rehabilitate the power supply infrastructure for the city's trolleybus fleet, with the aid of a €2.5 million loan. The Eastern Europe Energy Efficiency and Environment Partnership (E5P) multi-donor fund, to which the EU is the largest contributor, provided a €1.2 million grant to support the project. The city will also receive assistance in developing a Green City Action Plan.



### Small Tunisian cities to get better sewage treatment

Thirty-three rural towns across Tunisia will benefit from the construction of 24 wastewater treatment plants and other upgrades to sanitation infrastructure that the EBRD is jointly financing with the African Development Bank. The improvements will help to alleviate soil contamination and water pollution in these municipalities, which have a combined population of some 200,000.



### Wind farm bolsters Egyptian green energy plan

A US dollar loan equivalent to €74.7 million to finance a 252 MW onshore wind farm in the Gulf of Suez will support an ambitious programme that aims to reduce Egypt's reliance on fossil fuels. The privately owned facility is expected to avoid more than 450,000 tonnes of CO<sub>2</sub> emissions annually and generate energy at a lower cost than conventional power.



### Blended finance for solar project in Jordan

The EBRD and the multi-donor Clean Technology Fund co-financed the construction of three privately owned solar power plants that are supplying energy to telecommunications operator Orange Jordan. The project is the largest private-to-private solar venture yet in Jordan. Two commercial banks also contributed to the financial package worth a total of US\$ 34.5 million (€30.7 million equivalent).



### Skopje tackles pollution with cleaner buses

A €10 million loan will help the bus company of North Macedonia's capital to purchase 35 compressed natural gas buses that are expected to cut CO<sub>2</sub> emissions and improve air quality by replacing diesel-powered vehicles. Donor funding will help Skopje, one of Europe's most polluted urban centres, to develop an environmental action plan under the EBRD Green Cities programme.

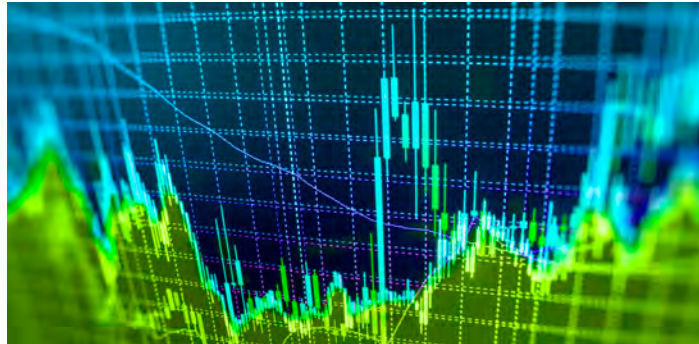


# GREEN



## Debut EBRD green covered bond investment

The EBRD invested the Polish zloty equivalent of €11.7 million in the issuance by Poland's PKO Bank Hipoteczny of green covered bonds. They will help the mortgage bank to finance residential buildings that reduce greenhouse gas emissions, fund green mortgages and diversify its investor base. The project also promotes capital market development in Poland. A second investment for the same amount was made later in 2019.



## Kazakhstan solar power surges ahead with blended finance

The Bank invested the equivalent of €122 million in five new solar power plants, bringing total EBRD-financed solar energy capacity in Kazakhstan to date to 572 MW and the associated forecast of CO<sub>2</sub> emissions savings to 700,000 tonnes per year. The GCF jointly financed four projects and pledged to support a €300 million extension of the EBRD Kazakhstan Renewables Framework.



## First Kosovo wind farm helps cut coal use

The privately owned Kitka wind farm, financed by an €18-million EBRD loan, will curb Kosovo's heavy dependence on energy imports and on two polluting and unreliable coal-fired power plants. The project benefits from intensive EBRD policy engagement that fostered the development of a more commercially viable framework for renewable power in Kosovo.

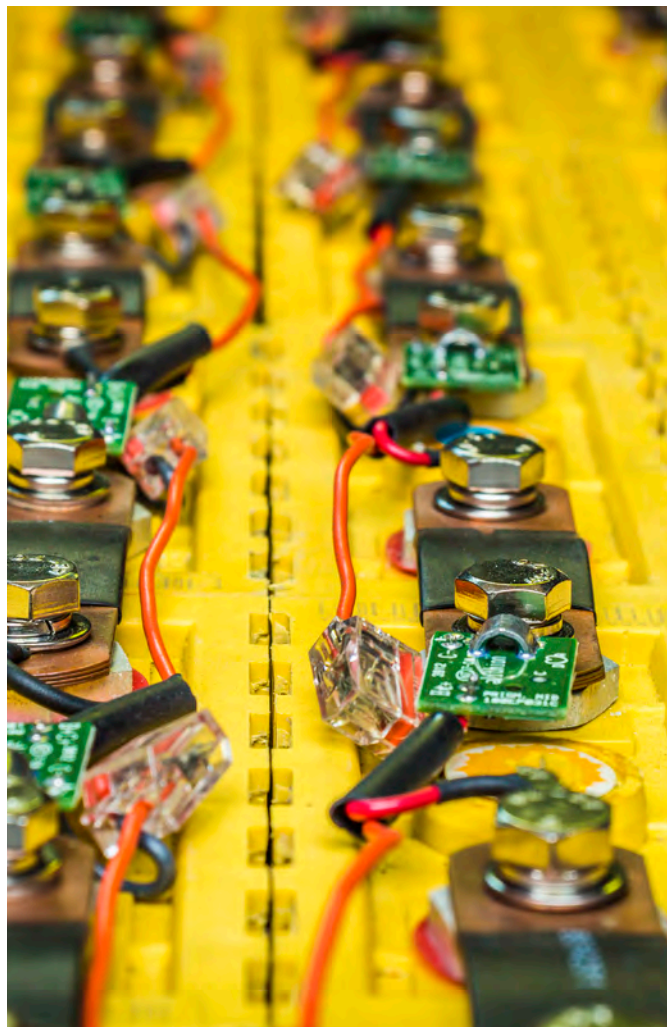
### SDG





### Polish factory to power electric car revolution

A loan of €250 million will help international chemical group LG Chem finance the construction of a factory in western Poland capable of producing lithium-ion batteries for up to one million electric vehicles per year. The batteries are expected to reduce annual CO<sub>2</sub> emissions by around 155,000 tonnes.



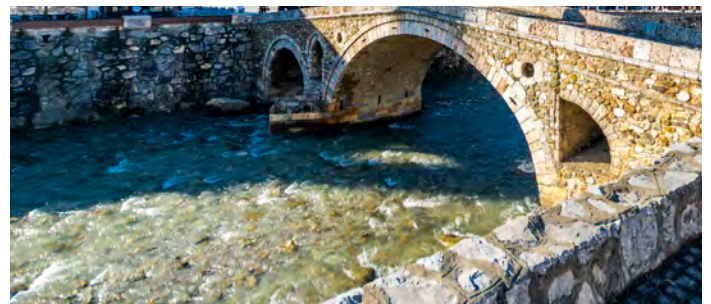
### Renewable energy powers ahead in Ukraine

The Bank provided loans worth a total of €173 million to finance a wind farm and nine solar power plants with a combined generation capacity of 498 MW. Together, the facilities are expected to avoid or reduce CO<sub>2</sub> emissions by 590,383 tonnes annually and enhance Ukraine's energy security. Financing partners supported the projects, with loans worth an additional €237 million.



### Cleaning up Kosovo's rivers

A new wastewater treatment plant will significantly reduce the amount of raw sewage entering two local rivers that flow into the Danube. The EBRD provided a €10 million loan to help finance the facility in the city of Gjilan, which will also improve sanitation standards for approximately 110,000 people in the area.



### Cutting food waste in Greece and Turkey

The EBRD's Legal Transition Programme developed and published guidelines for Greece and Turkey on tackling food loss and waste, aimed at identifying and promoting sustainable policies and regulatory and business practices for the supply and retail sectors. The initiative also looks at integrating the circular economy approach – which minimises waste and makes the most of resources – into the food supply chain.



# INCLUSIVE

In order for a modern market economy to thrive, it must be inclusive. The EBRD helps to open up economic opportunities to previously under-served social groups so that anyone, regardless of their gender, place of birth, socioeconomic environment or age, can enjoy access to work, skills and services. Donors provide critical support for Bank projects that seek to promote economic inclusion.

## Egyptian bank invests in youth and skilled labour

EBRD financing worth the US dollar equivalent of €44.5 million will enable the National Bank of Egypt, the country's biggest bank, to provide loans to SMEs led or owned by young people and to high-growth SMEs committed to investing in training for workers, particularly young employees. The projects seek to promote youth entrepreneurship and address the skills mismatch in Egypt's labour force by financing and introducing work-based learning programmes.



## Bosnian construction sector reaches out to women

A loan of up to €210 million will finance the construction of a 14-km stretch of the Corridor Vc motorway, bypassing the town of Dobojo in northern Bosnia and Herzegovina. The project, which will also help the beneficiary motorway companies to promote equal opportunities, is the first under the new EBRD Equal Opportunities for Women in Construction programme.

## Financing for women entrepreneurs in Ukraine

The first project of the EBRD Women in Business programme in Ukraine saw Bank Lviv obtain a local currency loan worth the equivalent of €4.45 million. Supported by donor funds from the EU and Sweden, the operation will widen access to finance, know-how and technical advice for women-led micro, small and medium-sized enterprises in western Ukraine, and promote long-term local currency lending in the country.



### SDG



Read more about how the EBRD is helping economies to become more inclusive:



[www.ebrd.com/transition/inclusive.html](http://www.ebrd.com/transition/inclusive.html)

### Turkish agribusiness firm fosters inclusion

Turkey's leading fruit and nut exporter, Işık, will invest in measures aimed at increasing its production capacity with the support of a €16 million loan, including €1.5 million provided by the Clean Technology Fund. As part of the project, Işık will train farmers in Turkey's rural regions and take steps to promote equal opportunities within the company on the basis of gender.

### Cairo shopping mall to help young jobseekers

The owner of the City Centre Almaza retail and entertainment complex in the Egyptian capital is using a US dollar loan equivalent to €136 million to implement high standards of energy and water efficiency in its development and operation. Furthermore, an on-site learning facility will improve access to training and employment opportunities for young women and men.



### Training opportunities for young Romanians

Three loans worth a total of €16 million will help TeraPlast Group expand its production of roof tiles in Romania and steel panels at sites in Serbia and elsewhere. As part of the project, the firm will introduce vocational training opportunities for young people at its tile-making plant in Romania.



### Promoting gender equality in Turkey's power sector

The EBRD assisted Turkish efforts to generate more renewable energy by contributing the US dollar equivalent of €53 million to financing for the expansion of Efeler, the country's largest geothermal power plant. The owner, Gürış Holding, has committed to providing more career opportunities for women in this traditionally male-dominated sector.



# RESILIENT

Through its investments and policy reform work, the EBRD strengthens the ability of economies and market-supporting institutions to resist shocks. It promotes a strong financial sector, macroeconomic stability, energy and food security and economic diversification. Developing capital markets is important for building the resilience of financial systems.

## Risk-sharing instrument launched in Bosnia and Herzegovina

The EBRD introduced its portfolio risk-sharing product in a project with UniCredit Bank Mostar. The instrument provides a financial guarantee worth the equivalent of €10 million that allows the partner bank to free up capital and lend more to SMEs. Norway supported the project with a €1 million grant to cover first losses.

### SDG



## Fostering resilience through work on covered bonds

Efforts to develop the covered bond market in central Europe and the Baltic states included support for legislative reform and awareness-raising initiatives among potential investors. The work contributed to increased covered bond issuance in the Slovak Republic, the first green covered bond issue in Poland and Romania's first covered bond issuance. The EBRD participated in all of these issuances.



## Landmark investment strengthens Uzbek power sector

A loan worth the US dollar equivalent of €214 million, representing the biggest EBRD investment in Uzbekistan to date, will help finance the installation of modern, efficient combined-cycle gas turbines at the Talimarjan power plant. The project is expected to make the energy supply in Uzbekistan more efficient, reliable and resilient to the effects of climate change.



Read more about how the EBRD is helping economies to strengthen their resilience:



[www.ebrd.com/transition/resilient.html](http://www.ebrd.com/transition/resilient.html)

## Bond investment promotes modern cities in Egypt

The EBRD is investing the Egyptian pound equivalent of €84 million in a bond issued by a special-purpose vehicle established by the Egyptian government's New Urban Communities Authority. As well as creating modern infrastructure for the country's citizens and helping to generate new jobs, the project will foster the development of the local-currency bond market in Egypt.



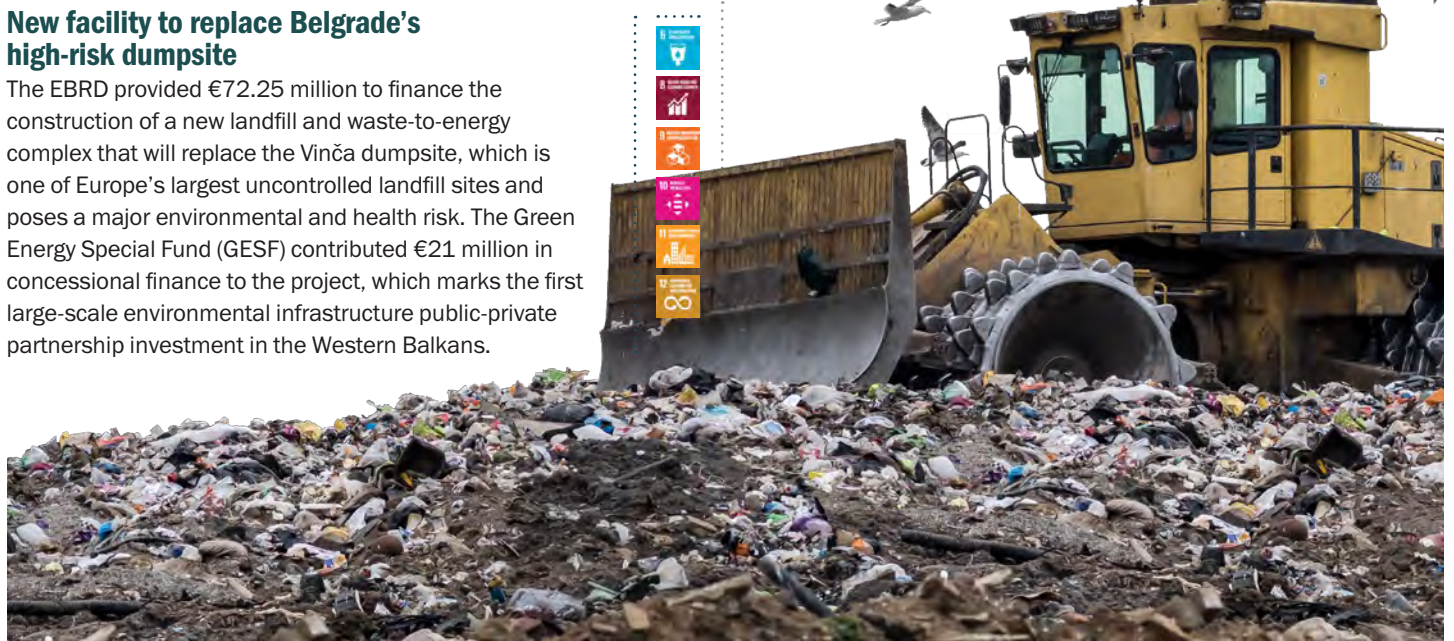
## Clean-up for contaminated lagoon in Jordan

The EBRD is financing work to drain a heavily polluted lagoon that has formed on the outskirts of the capital, Amman. The refugee crisis has placed additional pressure on wastewater networks, leading to more sewage leakages into the lagoon. A new system of water tunnels will restore the original stormwater flow and prevent the lagoon from re-forming.



### New facility to replace Belgrade's high-risk dumpsite

The EBRD provided €72.25 million to finance the construction of a new landfill and waste-to-energy complex that will replace the Vinča dumpsite, which is one of Europe's largest uncontrolled landfill sites and poses a major environmental and health risk. The Green Energy Special Fund (GESF) contributed €21 million in concessional finance to the project, which marks the first large-scale environmental infrastructure public-private partnership investment in the Western Balkans.



### Helping Moldova secure winter gas supplies

The EBRD agreed to issue a letter of credit of up to US\$ 50 million (€44 million equivalent) to guarantee the payment obligations of Moldovan state energy importer Energocom. The arrangement was designed to enable Energocom to buy one month's supply of natural gas from Ukraine in case of winter disruption to its Russian gas imports.



### Radiation levels drop at Russian nuclear site

Following the removal of spent nuclear fuel assemblies from Building 5 at Andreeva Bay in north-western Russia, radiation levels at the site fell by 40 per cent. The work was funded by the EBRD-managed Nuclear Window of the Northern Dimension Environmental Partnership, an international donor fund that seeks to address the legacy of the former Soviet Northern Fleet.



### Long-term financing for Ukrainian bank

State-owned Ukreximbank will use a €80 million syndicated loan arranged by the EBRD to finance renewable energy and energy efficiency projects implemented by private investors. The unsecured loan, half of which was from the EBRD's own account, promotes sustainable green investments and boosts the bank's resilience by providing it with long-term funding and by diversifying its funding base.



# INTEGRATED

Well-integrated economies benefit from good energy, information technology and transport networks, strong internal markets and institutions that are aligned with international norms. By promoting integration, the EBRD helps the economies where it operates to grow and create jobs.

## Road upgrade bolsters links in Kazakhstan

A loan equivalent to €190.4 million will finance the reconstruction of a 217 km stretch of road between the western city of Atyrau and the Russian border. The project will also increase private involvement in the state-dominated sector through the introduction of performance-based maintenance contracts.



## Financing for technology in agriculture

A loan to Ukrainian company Kernel Grain marks the first EBRD project to support the substantial uptake of digital technologies in primary agriculture, for example through the use of satellite imagery or precision farming, storage and logistics. The investment is expected to increase the productivity of small and medium-sized farming communities, including some in remote areas.



## Model law puts people first in PPP projects

The EBRD's Legal Transition Programme cooperated with the UN Economic Commission for Europe in drafting a model law on "people-first" public-private partnerships (PPPs). The main goal of the model law is to assist governments seeking to create or develop regulatory frameworks of their own for public-private partnership projects that promote the UN Sustainable Development Goals and PPP international best practice.

### SDG



## Revamp of transport infrastructure in Belarus

The EBRD provided €259 million as part of a two-stage loan to finance the reconstruction of 12 regional bridges in urgent need of repair and the modernisation of a section of road linking the capital, Minsk, with the north-eastern city of Vitebsk. The project also includes measures to improve governance within the road sector, road asset management and road safety standards.



## Tajikistan invests in safer air navigation

This mountainous Central Asian country, whose citizens rely heavily on air travel, will use an EBRD loan to upgrade its air navigation system, thereby increasing the safety and capacity of Tajik airspace. Donor funds from the EBRD SSF will support the introduction of performance-based navigation, an internationally recognised methodology that reduces CO<sub>2</sub> emissions by maximising efficiency.



## Logistics hub promotes greener cargo in Turkey

Turkey's first privately run inland rail cargo terminal, or Railport, will help companies switch to using low-carbon rail transport to move their goods, instead of trucks that run on fossil fuel. The EBRD provided the US dollar equivalent of some €25.5 million to help finance construction of the logistics hub in north-western Kocaeli province.



### Ukrainian Railways bond funds track upgrade

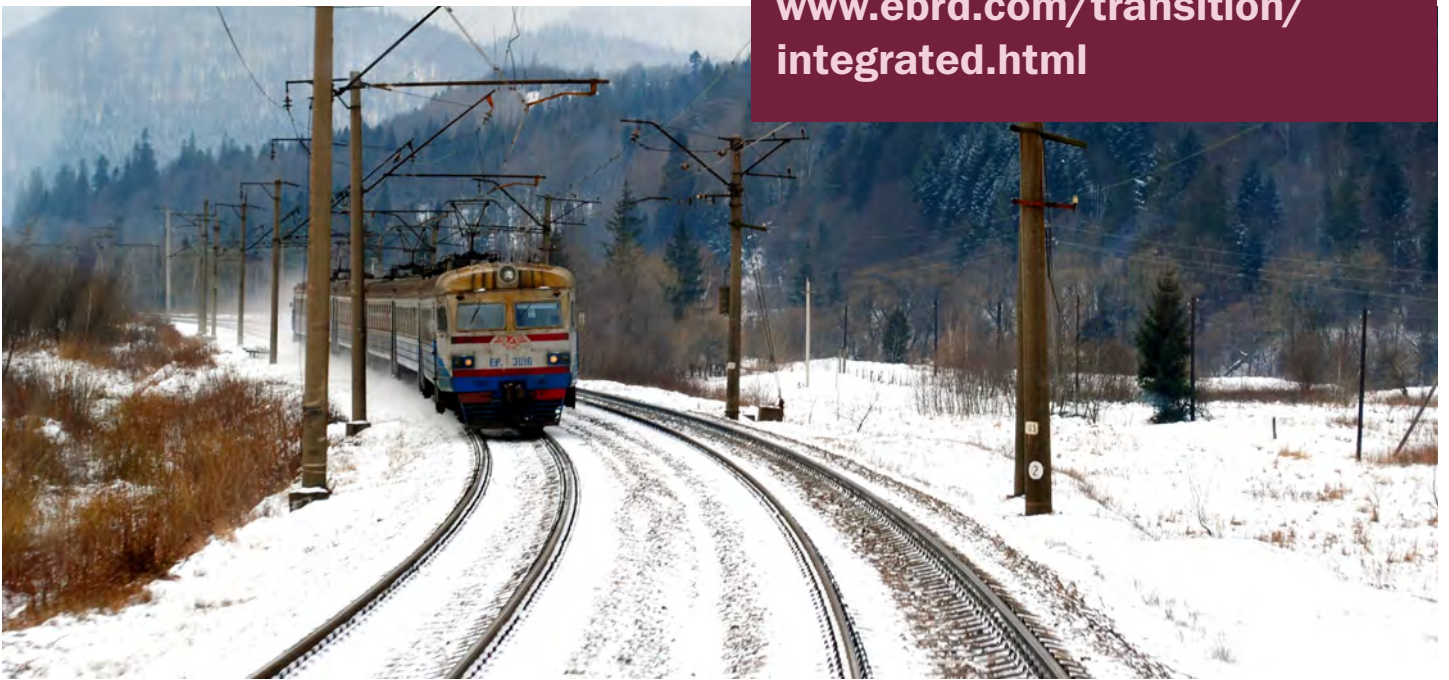
The EBRD invested the US dollar equivalent of €85 million in bonds issued by national transport company Ukraine Railways (UZ), which will use the funds to rehabilitate priority railway lines. Track improvements will lead to energy efficiency gains and emission reductions on lines that currently face speed and capacity restrictions.



Read more about how the EBRD is helping economies to improve their integration:



[www.ebrd.com/transition/integrated.html](http://www.ebrd.com/transition/integrated.html)



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