

EBRD ENERGY AND CLIMATE ACTION

ACCELERATING THE GREEN ECONOMY TRANSITION IN ROMANIA



European Bank
for Reconstruction and Development

EBRD is a multilateral development bank that has supported the transition to market economies since 1991



Who we are

Capital base €30 billion	Portfolio size €52.5 billion	Delivered €13.1 billion of investments in 2022	Owned by 71 countries as well as the EU and EIB
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Our transition qualities

Competitive	Well-governed	Inclusive	Resilient	Integrated	Green
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Where we invest



Central Europe & Baltic States

1. Croatia
2. Czech Republic
3. Estonia
4. Hungary
5. Latvia
6. Lithuania
7. Poland
8. Slovak Republic
9. Slovenia

South-eastern Europe

10. Albania
11. Bosnia and Herzegovina
12. Bulgaria
13. Kosovo
14. Montenegro
15. North Macedonia
16. Romania
17. Serbia

Eastern Europe & the Caucasus

18. Armenia
19. Azerbaijan
20. Belarus*
21. Georgia
22. Moldova
23. Ukraine

Central Asia

24. Kazakhstan
25. Kyrgyz Republic
26. Mongolia
27. Tajikistan
28. Turkmenistan
29. Uzbekistan
30. Greece
31. Turkey
32. Russia*

Southern & Eastern Mediterranean

33. Egypt
34. Jordan
35. Lebanon
36. Morocco
37. Tunisia
38. West Bank and Gaza

*In April 2022, the EBRD's Board of Governors decided to suspend access to the Bank's resources by Russia and Belarus in response to the invasion of Ukraine

EBRD supports the green transition in 36 economies



FINANCED

2,700+

green projects since 2006

COMMITTED

€50 billion

of green financings since
2006

MOBILISED

€1 billion

of estimated GET AMI in
2022

REDUCING

124 million

tonnes of CO₂ annually
since 2006

SAVING

468 million

m³ of water
annually since 2013

AVOIDING

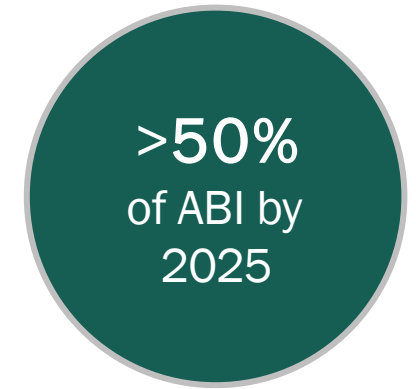
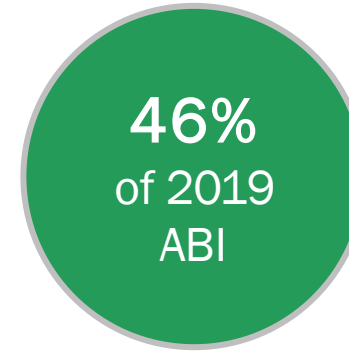
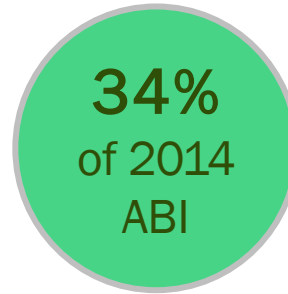
3.7 million

tonnes of material use
annually since 2013





The EBRD has delivered €50 billion in >2,700 green projects since 2006



1994 - 2005

2006 - 2012

2013 - 2014

2015 - 2020

2021 - 2025

EBRD was the first MDB to establish an **energy efficiency banking team**

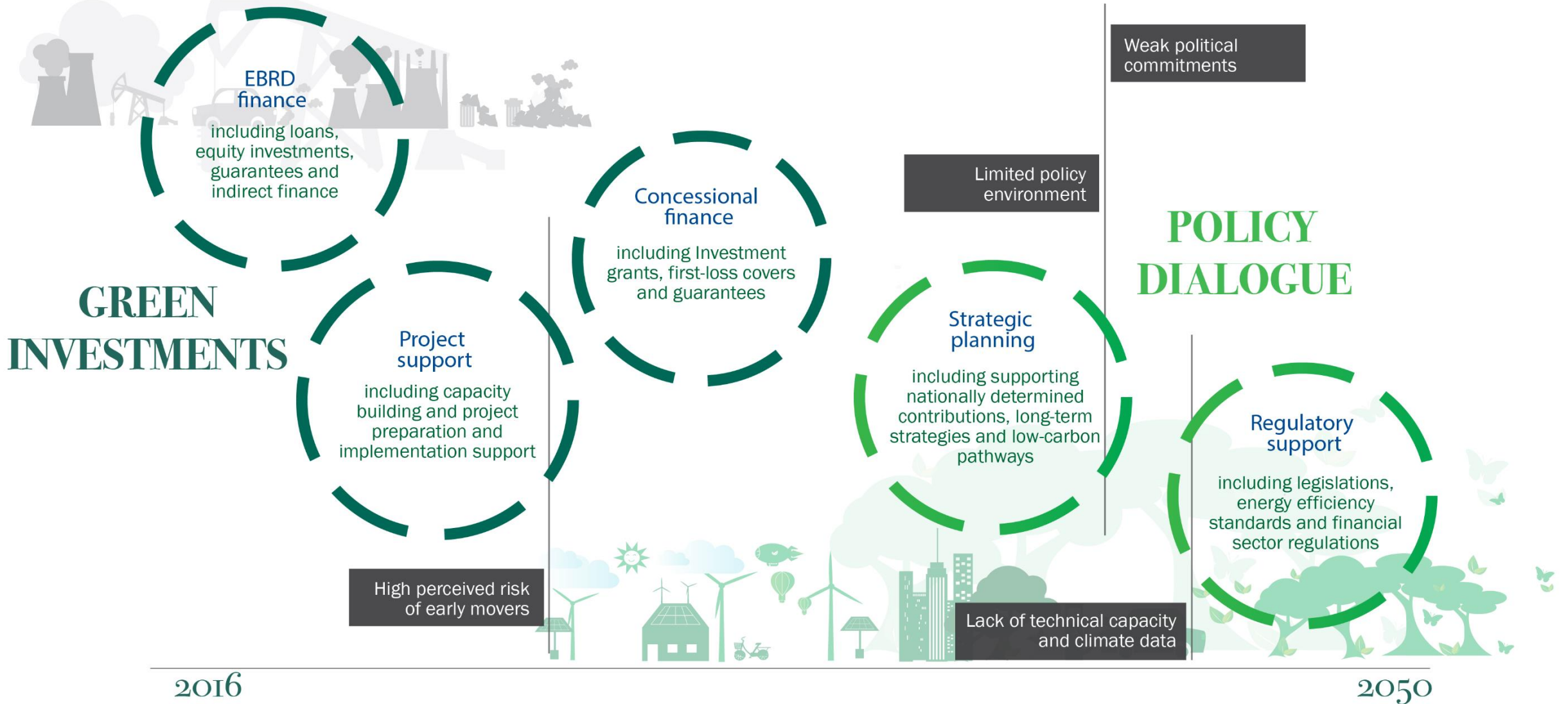
Under the Sustainable Energy Initiative (SEI), **E2C2 becomes the Bank's centralised function on climate finance/policy** to scale up energy investments

Sustainable Resource Initiative (SRI) **expands the Bank's focus to include climate resilience and resource efficiency**

Green Economy Transition (GET) approach increases the Bank's focus on green financing and policy

GET 2.1 introduced a systemic approach that involves **Paris alignment, low-carbon roadmaps, and green finance innovation**

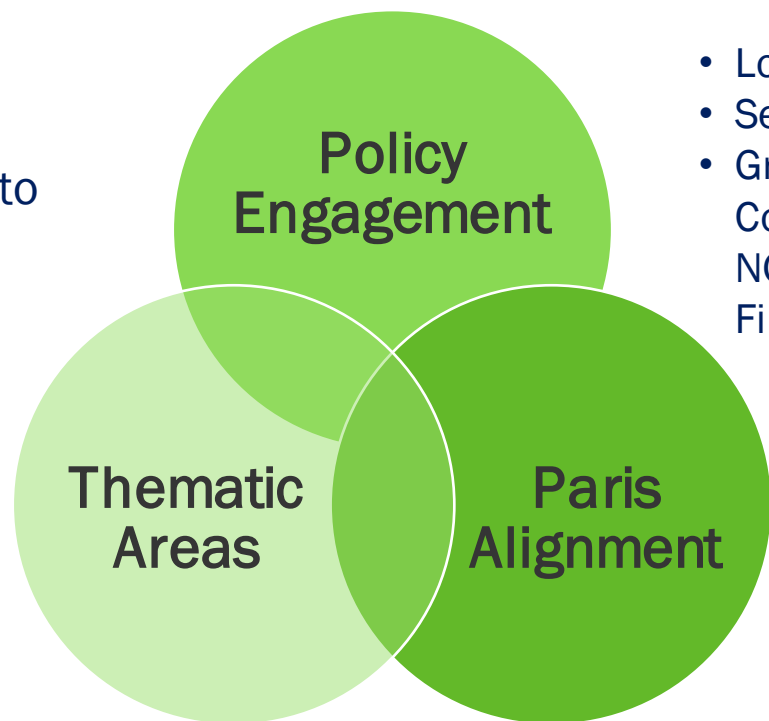
EBRD's approach provides investments and policy dialogue





Through GET, the EBRD aims to **accelerate the transition to a green, low-carbon, resilient economy** and to contribute to achieving a net zero carbon world by 2050

By 2025, EBRD committed to reach a **green finance ratio > 50% of the Bank's annual investments** and at least 25 million tonnes of GHG emissions avoided (2021- 2025 cumulatively)



- Green Financial Systems
- Industrial Decarbonisation
- Sustainable Food Systems
- Energy Systems Integration
- Cities and Environmental Infrastructure
- Sustainable Connectivity
- Green Buildings
- Natural Capital

- Long Term Strategies/NDCs
- Sectoral decarbonisation pathways
- Greening financial systems incl. collaboration with Coalition of Finance Ministers for Climate Action, NGFS, the International Platform for Sustainable Finance, TCFD, local banks and clients

- Screening all investments to ensure they are in line with Paris Agreement
- Increasing capacity to support countries, regions and sectors develop low-carbon climate resilient strategies
- Scaling efforts to mobilise climate finance
- Just transition approaches for countries, communities, sectors and workers

We support decarbonization across the entire economy



- Agriculture
- Energy
- Financial Sector
- Manufacturing and Services
- Municipal Infrastructure
- Natural Resources
- Transportation

Renewable Energy Auction Program

We help local authorities enhance legal, regulatory and technical frameworks to implement renewable energy auctions that attract credible bidders.

High Impact Programme for the Corporate Sector

With GCF, we provide concessional finance and technical assistance for the uptake of low-carbon technologies in energy-intensive industries, agribusiness.

Green Cities

Green City Action Plans (GCAPs) create a tailor-made list of investments and policy actions to address urban environmental challenges.

Green Economy Financing Facility

Through a network of local financial institutions, GEFF provides loans and technical support to small businesses to invest in green technologies.

Corporate Climate Governance Facility

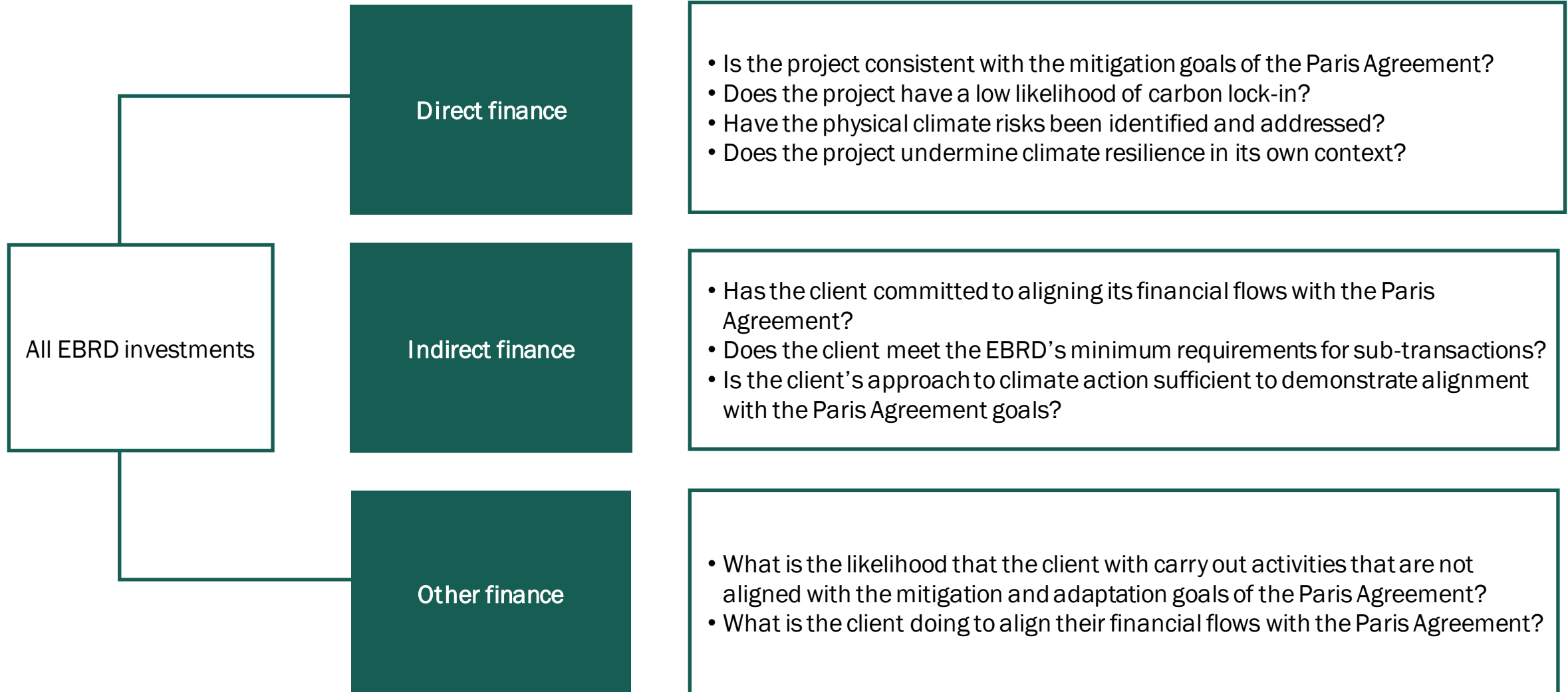
We help corporate and municipal clients develop transition plans that incorporate climate information into their governance and risk management structures



2016

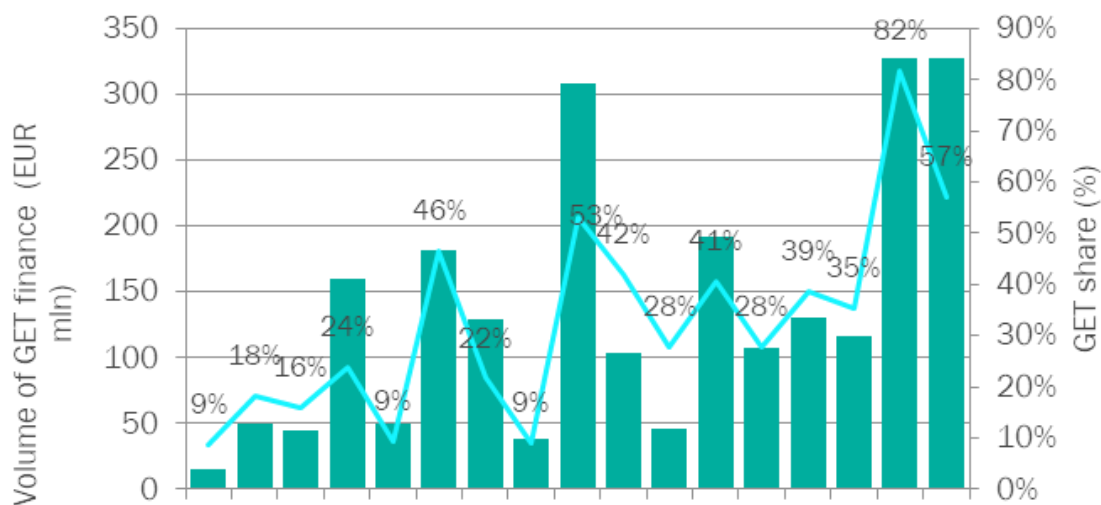
2050

Paris alignment assessment covers all EBRD projects across three categories





Annual Green finance commitments 2006 - 2022



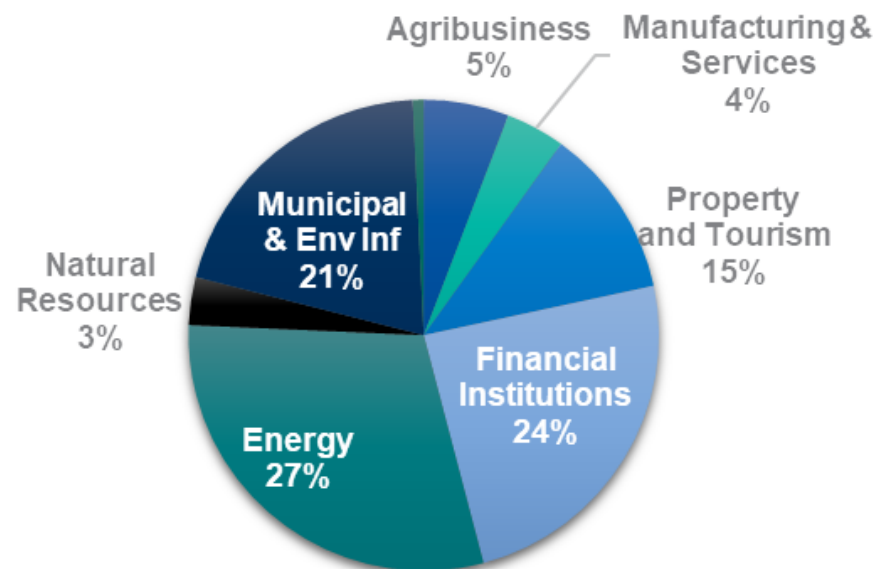
GET investments by business area 2006 - 2022 (in € million)

Business Sector	Total
Agribusiness	124
Manufacturing & Services	87
Property and Tourism	349
Financial Institutions	554
Energy	635
Natural Resources	70
Municipal & Env Inf	492
Telecommunications, Media and Technology	16
Total	2,327

€2.327 billion invested in

141 GET projects

3.7 million tonnes of CO₂ eq. reductions per year



Sectoral breakdown of GET Investment



EXAMPLES OF GREEN BUSINESS DEVELOPMENT TOOLS

RESOURCE EFFICIENCY AUDITS
CLIMATE RESILIENCE ASSESSMENTS
CORPORATE CLIMATE GOVERNANCE

Audits are used to enhance EBRD green investments by analysing the production facilities or built assets of companies with resource efficiency potential. Audits identify priority investments based on returns from energy efficiency or better use of resources; recommended measures are often added-on to larger investment packages.

Corporate Climate Governance: Climate Risks & Reporting
EBRD supports clients enhance corporate climate governance and align business operations with low-carbon and climate-resilient pathways in line with emerging best practices.

On circular economy, support to clients is provided for implementation of specific CE technologies and processes as well as development of circular economy roadmaps and business strategies.

POLICY
DIALOGUE

Working with governments, authorities and regulators to strengthen the institutional and regulatory context and create optimum conditions for green development, including capital market development.

Examples include:

- Development of draft legislation, strategies and action plans.
- Sector-specific low-carbon pathways.
- Participation in voluntary initiatives such as NGFS, ICMA Green Bond Principles.
- Assisting in shaping up regulatory environment within EU through participation in the DG FISMA TEG and the Sustainable Finance Platform.
- End of Waste Criteria study with the Ministry of Environment in Turkey.



Resource Efficiency Audits

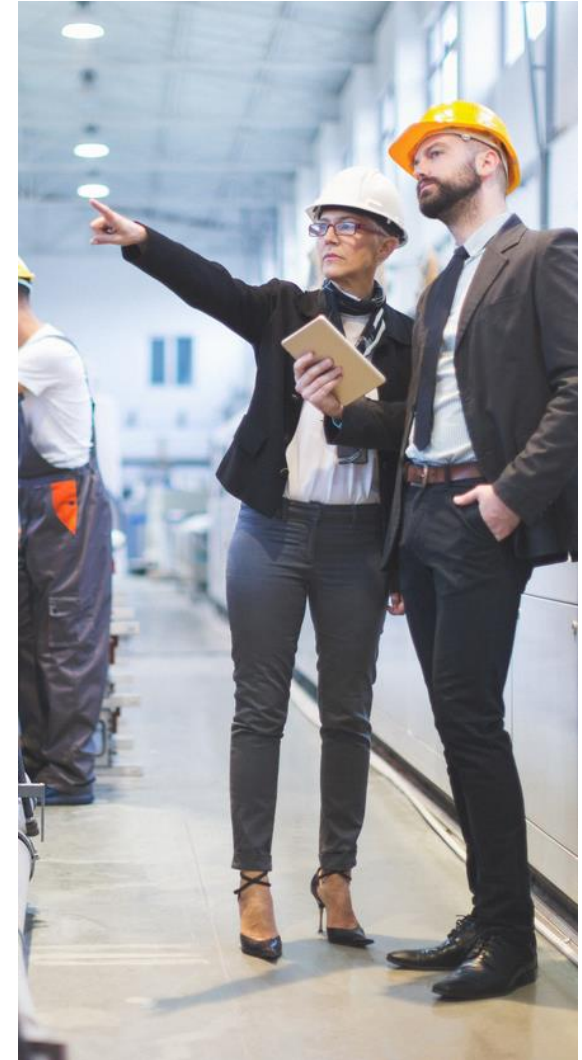
- 4 stage process for identifying resource and cost savings opportunities in companies:
- Risk Assessment - assessment of resource efficiency-related risks
- Benchmarking Analysis - qualitative and quantitative comparison with sector benchmarks to identify bottlenecks, inefficiencies and investment opportunities
- Investment Appraisal - identification and analysis of investments
- Impact Analysis - comparison of the current scenario with the project scenario

Low Carbon Pathways at Corporate Level

- Review and analysis of the existing investment plans and decarbonisation roadmaps.
- Developing a LCP consistent with the Paris Agreement objectives:
 - Different decarbonisation scenarios
 - Identify and select the corresponding mitigation measures to be implemented
- Establish a roadmap containing detailed Action Plan to achieve the decarbonisation
- Provide training and upskilling to a group of employees that can support and oversee the implementation of the actions identified.

Circular Economy

- Circularity audits, CE roadmaps and business strategies
- Circularity design trainings
- Technical assistance to facilitate secondary raw material use



Examples of on-going and planned policy engagement



Frameworks for Renewables	<ul style="list-style-type: none"> • BG: Supporting an enabling regulatory framework for deployment of RES • RO: Implementation of Contracts for Difference (CfD) Support Scheme for RES • WB: Support for the Implementation of Renewable Energy Auctions
Energy / Industrial Decarbonisation	<ul style="list-style-type: none"> • REG: Support improvement of regulatory framework for biogas/biomethane • TR: Low Carbon Pathways for hard to abate industries • WB: Just Transition Diagnostic
Green Cities & Sustainable Infrastructure	<ul style="list-style-type: none"> • REG: Developing Green Cities Action Plans under EBRD Green Cities Framework • REG: Feasibility study on green and sustainability-linked bonds for municipalities
Green Buildings	<ul style="list-style-type: none"> • REG: WB REEP+ programme: transposition and implementation of EED & EPBD • HR: Recommendations for legislative changes to support green reconstruction of earthquake-affected buildings
Greening the Financial System/ Green Capital Markets	<ul style="list-style-type: none"> • EE, LV : EU Taxonomy Implementation and Sustainable Finance Roadmap • CZ: Prague Stock Exchange - ESG Reporting Guidelines
E-mobility/ Circular Economy	<ul style="list-style-type: none"> • REG: Battery Recycling Initiative for Central and Eastern Europe – a partnership with Innoenergy to establish an EV battery recycling ecosystem BRICEE - European Battery Alliance (eba250.com)
Mobilising climate finance, accelerating absorption and leveraging EU Funds	<ul style="list-style-type: none"> • RO: Ex-ante market study for a financial instrument to support energy and resource efficiency and on-site RES in enterprises

We help design and implement regulations to conduct auctions for renewable energy



EBRD SUPPORT

Addressing gaps in existing legislation and regulations and supporting broader electricity sector reforms.

Designing the auction process
– including risk allocation and site selection.

Increased capacity for local authorities to implement international practices in scaling up RE development and integration into the energy sector.

Preparing all tender related documentation
– such as bidding rules and grid connection agreement.

Providing technical, financial and legal assistance during the
– including evaluating bids, supporting negotiations with bidders.

Enhanced contractual, legal and regulatory frameworks.

POLICY OUTCOMES

More credible bidders
– enabling greater competition, lower prices, and minimized non-delivery risk.

Renewable energy auction program

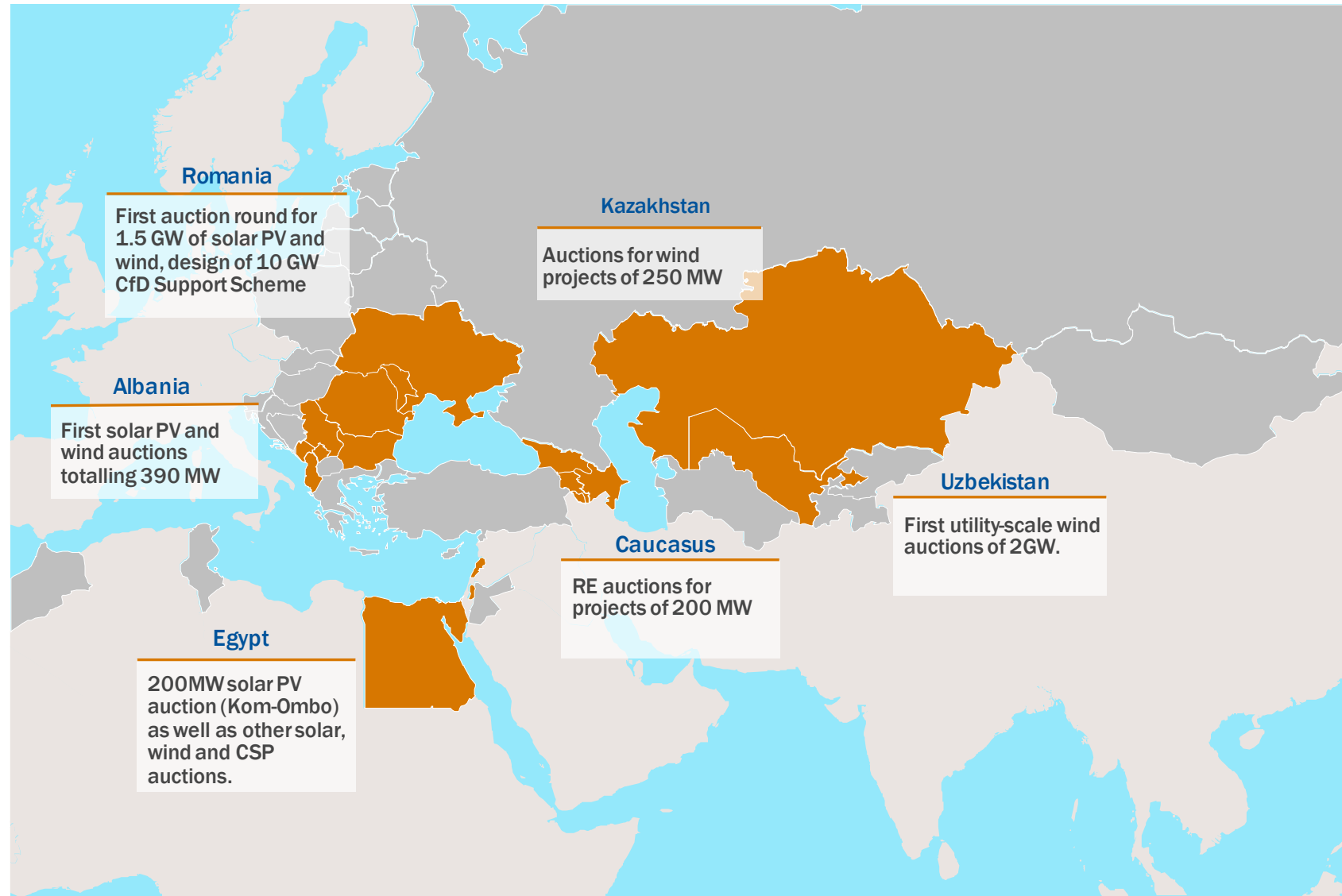


16
countries
with active engagements

€30 Million
technical assistance
program

5.5 GW+
of expected renewable
energy capacity

€6 Billion
of expected total
investments





GREEN ECONOMY FINANCING FACILITIES

EBRD credit lines and risk-sharing facilities (in partnership with local financial institutions) provide green finance to businesses, households and municipalities. Consultancy services bring marketing, training and engineering expertise to help originate and optimise investment opportunities.

Blending EBRD funding with donor (including national) resources (concessional finance, end-beneficiary grants, guarantees or the cost of consultancy services) helps address market barriers & accelerate impactful deployment

GREEN CITY ACTION PLANS & MUNICIPAL SUPPORT

EBRD Green Cities financing framework supports cities identify, benchmark, prioritize and invest in measures to improve urban environmental performance.

Investments are supported with financing and technical assistance (structuring and tendering support).

Green City Action Plans (GCAPs) promote low-carbon urban development via integrated assessments of environmental gaps and priorities for upgrading services and infrastructure.

TECHNOLOGY TRANSFER & INNOVATION SUPPORT

EBRD Green Innovation Programme facilitates green R&D and innovation activities for clients willing to invest in low-carbon and resource efficient technologies.

Grant support can be offered to a beneficiary as a combination of technical assistance projects and CAPEX investments (to overcome affordability and first-mover barriers) associated to EBRD financing.

EBRD & EC Horizon 2020 support for green innovation



EBRD is running a **pilot facility** supported with funds from Horizon 2020 programme to facilitate green R&D and innovation activities with SMEs and midcap clients in **Bulgaria, Latvia and Romania.**

Supported activities:

- new technologies, new products or new business models;
- concern R&D, launching to market or early commercialisation /adoption stages;
- have benefits in terms of climate change mitigation, adaptation, pollution abatement or for the promotion of a circular economy.

Benefitting companies:

- committed to working towards a financing agreement with the EBRD, or work alongside the supply chain of an EBRD client
- SMEs or mid-caps; an SME has max. 250 employees and annual turnover or balance sheet of max. €50m or €43m respectively.
- A mid-cap has up to 3,000 employees (incl. linked and partner enterprises, as per EC Recommendation 2003/361).

Support of up to €1 million can be offered to a beneficiary as a combination of:

- ▶ **Technical Assistance** delivered via EBRD selected consultants, or company's own innovation focused staff or by company selected consultants; beneficiaries expected to share 15% of costs
- ▶ **Grant co-financing** deployed to complement EBRD financing for green innovation investments; grant sizing will depend on the level of innovation, green benefits and market impacts of the project and will be paid upon verification of the project implementation.



Beneficiary

Innovative company established in 2014 in Romania by 2 young horticulture entrepreneurs:

- the first producer of micro-plants (microgreens)
- since 2018 owner of its proprietary hydroponic vertical farming system in retail stores, named Microsera - available in 11 locations (9 in Romania and 2 In Bulgaria), as remote green hubs - a farming-as-a-service innovative solution
- In October 2022, it launched **the very first vertical farm** in Romania (1,250 sqm production area).
- another approx. 7,000 sqm vertical farm, fully automated will be opened in Q1 2024.

Support instrument: A Technical Assistance allocation of €54,400 to a Romanian IT company to develop an innovative automation software solution for automated vertical farming facilities.

Objective: The work is part of Fresh Microgreens' effort to build large and sustainable vertical farming facilities, designed to be replicated in different countries and potentially operated remotely. The final aim is to have an extensive integrated Production Management Software that commands planning, procurement and production in vertical farming facilities.



Photo credits Fresh Microgreens

Status and Impact

The solution developed is mapping all the processes, consisting in working spaces, operations, time, working personnel, orders from clients and orders to suppliers. The software is flexible and capable to provide planning and management of any vertical farming facility, independent of premises setup and growing technology used; it uses a “lego-like” logic, with a friendly interface. The company is in the process of attracting a strategic investor to scale up the vertical farming operations.

EBRD & Horizon 2020 support for green innovation

VGP Romania – a pan-European owner and developer of logistics & industrial real estate



Beneficiary

VGP owns, manages and develops high-quality logistics and light industrial parks. Founded in 1998 as a Belgian family-owned real estate developer in the Czech Republic, VGP has ca. 380 employees and today owns and operates assets in 13 European countries. The company is committed to achieve carbon neutrality by 2025 and to reduce its scope 1 and 2 GHG emissions by 50% by 2030.

Support instrument

A Technical Assistance allocation of €74,950 to work on the scope 3 GHG emissions; consultant Arup Germany.

In 2021, EBRD subscribed to a VGP EUR 74 million ticket as part of an inaugural eight-year EUR 607 million green bond issuance.

Objective

To develop an innovative circular and low carbon design framework to support reduction of embodied scope 3 GHG emissions in the company's supply chain and identify a shortlist of practical and impactful measures that can be implemented.



Photo credits and more information
<https://www.vgpparks.eu/en/>

Status and Impact

Based on consultations with local suppliers and circular design experts, the study identified a number of technical alternatives that achieve important GHG emissions reductions: replacements of concrete structure for engineered timber, reducing concrete volumes and changing the roof insulation. The study supports the company in the development of the Science Based Targets Initiative (SBTi), especially on scope 3 GHG emissions.



EBRD GREEN CITIES .com



€5 billion financing framework to support cities to identify, benchmark, prioritise and invest in Green City measures to improve urban environmental performance through:



Delivery of strategy and policy support
Green City Action Plan (GCAP)



Facilitating and stimulating Green City infrastructure investments

Urban Transport

Water & Wastewater

Solid Waste

Renewable Energy

Smart solutions

District Heating

Building Energy Efficiency

Distribution network

Street Lighting

Climate Change Resilience

Nature Based Solutions



Building capacity of city administrators and key stakeholders



Supporting access to green finance

EBRD is an InvestEU Implementing Partner

PROGRAMME

InvestEU programme aims to mobilise public and private investments in the EU through the unfunded budgetary guarantees supporting operations contributing to EU policy objectives.

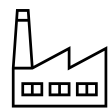
INSTRUMENTS

As an InvestEU Implementing Partner EBRD will deploy **EUR 450m** of first-loss guarantees supporting its **debt operations** in EU CoOs*.

BASIC TERMS

Loans with investEU guarantees may have a longer maturity (up to 20 years). The benefits of the guarantee will be reflected in the competitive blended pricing.

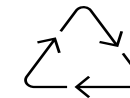
Selected eligible areas under Sustainable Infrastructure Window



Energy Efficiency, Clean Energy and Low Carbon Innovation in Industry



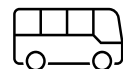
Just transition



Circular economy



Energy generation and grids & REPowerEU



Municipal & Environmental Infrastructure



Areas of strategic importance

*EBRD EU-12 Countries of Operation Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia

EBRD InvestEU Green Uncapped Portfolio Guarantee for EE and RE in Buildings Sector and Sustainable Transportation (PNRR)

- EBRD instrument for sustainable energy and energy efficiency improvements in buildings and sustainable mobility..
- EBRD will work with Partner Financial Institutions (PFIs) and will cover/ guarantee up to 80% of newly generated loans to final beneficiaries such as: individuals and private enterprises (incl. MSMEs, mid-caps, housing associations, relevant service providers (incl. ESCOs), companies which either invest in or construct buildings) and public entities which own or manage buildings.
- Full credit delegation to the PFI, approval based on pre-defined eligibility criteria.
- The financial instrument will be accompanied by dedicated technical assistance for PFIs and final beneficiaries to support product implementation.
- **Current status:** The framework was approved and legal documentation was finalized. EBRD has engaged in discussions with potential PFIs to deploy the instrument.

Concept Financial Instrument for Energy and Resource Efficiency and RE (for own use) in enterprises (ESIF)

- Funded financial instrument (comprising loans and grants) via Participating Financial Institutions.
- Credit delegation to PFIs, approval based on pre-defined eligibility criteria.
- Will be accompanied by dedicated technical assistance to support implementation and verification.
- **Current status:** Under preparation/structuring phase. EBRD working closely with MIPE and EC to define and agree the product structure.

