

EBRD Role in Developing Green Capital Markets

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European Bank
for Reconstruction and Development

Green Bonds: EBRD role



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The EBRD has established a **dedicated technical assistance programme** to accelerate green bond issuances in the EBRD region.

Issuing green bonds

The EBRD has **issued the first Green Bond in 2010** and cumulatively issued 124 green bonds totalling EUR 8 billion eq. as at Q3 2022.

Technical assistance for issuers

Investing directly and through funds

The EBRD is increasingly playing a role as a **Green Bond investor** (direct and through fund structures), such as the USD 68.5m participation in the Green Cornerstone Bond Fund in early 2018.

The EBRD is participating in the **Technical Expert Group on Sustainable Finance established by the European Commission**. The Group is tasked (among others) with assisting in development of the EU green taxonomy, Green Bond Standard, and climate risk disclosure.

Supporting regulatory developments

Setting best practice standards

The Bank has been a **member of the Executive Committee of the GBP**, currently co-chairing the **GBP Impact Reporting Working Group**. The Bank also participates the formulation of other relevant GB standards.

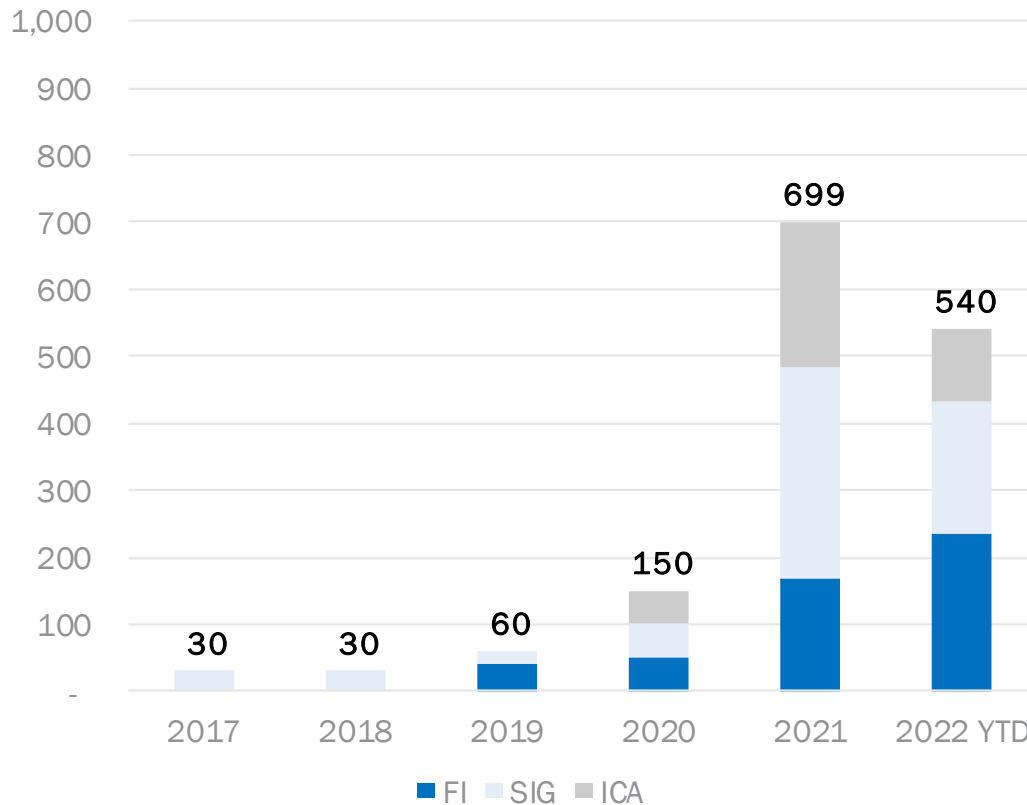
EBRD investments in Sustainable Bonds

EBRD surpassed EUR 1bn in GSS+ investments in 2022

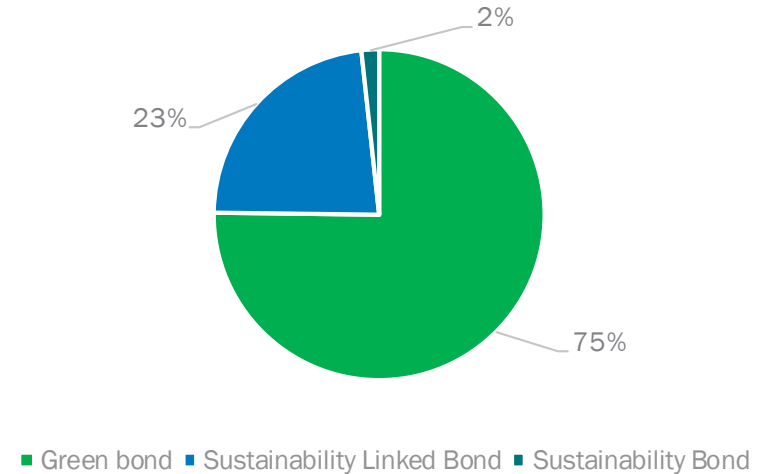


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ABI generated by GSS+ (as of Aug 2022)



Breakdown by Bond type (as of Aug 22)



- Green Bonds continue to dominate EBRD investments, with SLBs playing an important role for ICA / SIG investments

For the EBRD to invest, a green bond must meet the following requirements

- Full alignment with the relevant ICMA Principles
- Green Bond framework externally reviewed before issuance
- No assets on the EBRD's Environmental and Social Exclusion List
- Use-of-proceeds exclusively for activities in countries where the EBRD works
- Use-of-proceeds in line with EBRD criteria (i.e. GET Handbook)
- Annual green loan allocation and impact report
- Separate, bilateral Framework Agreement between EBRD and the issuer

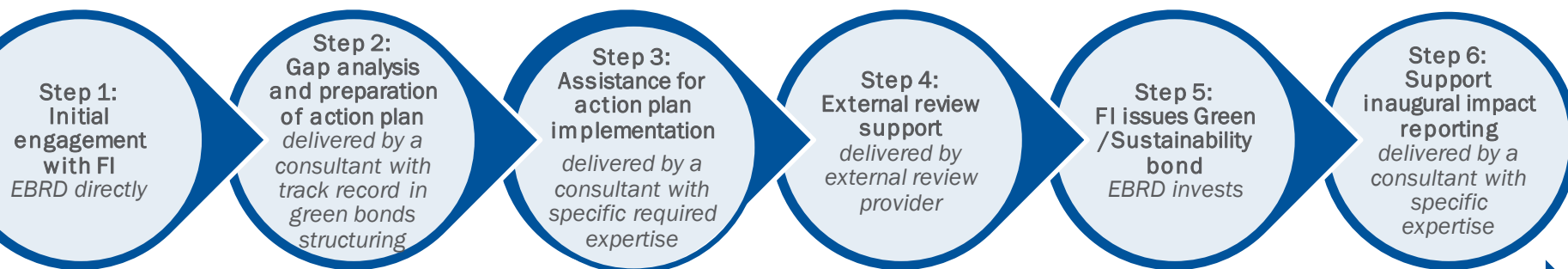
Objectives: Assist in the development and dissemination of best practice in the Green and Sustainability Bond market via technical assistance

Observations from early engagement with FIs :

- Lack of clarity on green investors expectations, in particular in terms of performance requirements and expectations on impact reporting
- Lack of dedicated technical assistance for working directly with FIs
- Lack of clarity on external review formats and providers

EBRD tools to support issuers:

- Gap analysis checklist to identify best practice gaps
- Energy performance criteria and exclusions for green bond use of proceeds categories
- External review toolkit to inform issuers on external review process



Illustrative Technical Assistance Implementation Process – support to individual FIs will not cover all the steps above

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