



Early Warning System

EBRD-18515

Cross Regional: Market Feasibility Study to evaluate the potential of leveraging Green and Sustainability-linked Bonds for municipalities in Croatia, Czech Republic, Estonia, Latvia, Lithuania, Poland



## Quick Facts

Countries	Croatia, Czech Republic, Estonia, Latvia, Lithuania, Poland, Romania
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Sectors	Climate and Environment, Energy, Finance, Infrastructure, Law and Government, Technical Cooperation



## Project Description

According to the EBRD, almost all cities and their municipalities in EBRD's EU Countries of Operations face significant investment needs to build more sustainable infrastructure, to increase levels of environmental protection and improve climate resilience. These challenges necessitate municipalities and other sub-national governments to increase their investments in green infrastructure and leverage innovative ways to finance the development gap. One of the key measures to address this gap is to expand the sources of financing for these sub-sovereign entities. Capital markets financing instruments like Green bonds and Sustainability-Linked bonds can serve as a catalyst to mobilise and allocate financing together with EU's scarce public funds to finance climate-related activities.

The main objective of this project is to evaluate the market potential and feasibility of implementing Green and Sustainability-Linked bonds for municipalities within Croatia, Czech Republic, Estonia, Latvia, Lithuania, Poland and Romania. This project will help to identify the existing market and legal barriers preventing municipalities from leveraging capital markets, including eligibility requirements for accessing capital markets via bond issuance processes, capacity needs for tapping the debt capital market instruments, pipeline development of underlying Green and Sustainability-Linked projects, green awareness in the local industries; and setting up the Green and Sustainability-Linked Frameworks and processing of third party opinion processes for an issuer. In view of the above, this project will explain how tapping the Green and Sustainability-Linked bond market would provide key benefits to municipal issuers and will develop a Green and/or Sustainability-Linked bond pilot to be issued by a municipality, including the mapping of environmental/climate eligible projects, leveraging EU Cohesion Policy funds and subject to demand on a best-efforts basis.



## Investment Description

- European Bank for Reconstruction and Development (EBRD)



## Contact Information

### EBRD general enquiries:

Phone: +44 20 7338 7168

Email: [projectenquiries@ebrd.com](mailto:projectenquiries@ebrd.com)

### ACCESS TO INFORMATION

You can request information by emailing: [accessinfo@ebrd.com](mailto:accessinfo@ebrd.com) or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

### ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: [pcm@ebrd.com](mailto:pcm@ebrd.com) or you can submit a complaint online using an online form at:

[http://www.ebrd.com/eform/pcm/complaint\\_form?language=en](http://www.ebrd.com/eform/pcm/complaint_form?language=en)

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>