Early Warning System

EBRD-23617

Financial Institutions Programme: building advanced E&S risk management capacity for large project financing

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Quick Facts

Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Regional
Sectors	Climate and Environment, Finance, Technical Cooperation
Investment Type(s)	Grant

Project Description

According to the Bank’s website, this Technical Cooperation (TC) project will support selected Partner Financial Institutions (PFIs) in the region so they can meet the European Bank for Reconstruction and Development (EBRD) Environmental and Social Policy (ESP) 2024 requirements when issuing green bonds and financing larger projects, including where Category A subprojects are possible or probable. It will do this by helping PFIs put in place strong Environmental and Social Management Systems (ESMS) that align with EBRD Environmental and Social Requirements (ESRs) 1-8 and 10.

The upgraded ESMS will allow the EBRD to finance green bonds and related lending products in line with: ESP 2024; ESRs 1 10; the International Capital Market Association (ICMA) Green Bond Principles; and the EU Taxonomy Do No Significant Harm (DNSH) criteria.

In addition to enabling transactions that may include Category A subprojects, these ESMS upgrades will make due diligence, monitoring, and reporting more consistent and efficient for larger project financing. This should strengthen PFIs ability to compete in sustainable finance markets, attract more private capital, and support the green transition in the PFIs countries of operation (subject to final PFI selection).

The proposal is based on an assessment of common gaps in PFIs environmental and social risk management. Without this TC, EBRDs green bond pipeline may continue to exclude issuances where proceeds could fund larger renewable energy and green infrastructure projects that require more advanced environmental and social risk management. With targeted support, more PFIs should be able to meet the required ESMS standard, which would expand the pipeline.

Early Warning System Project Analysis

Although the bank does not categorize this TC project, its objective is to enable the funding of more Category A projects, especially to fund larger renewable energy and green infrastructure projects.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Investment amount not available at the time of disclosure.

Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

You can request information by emailing: 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 or you can submit a complaint online using an online form at: 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