Early Warning System

EBRD-56287

GEFF - Azerbaijan

Quick Facts

Countries	Azerbaijan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Voting Date	2025-12-03
Borrower	Financial Institutions in Azerbaijan
Sectors	Energy, Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 100.00 million

Project Description

As stated by the EBRD, Green Economy Financing Facility - Azerbaijan is a USD 100 million (EUR 85.6 million) programme to support green financing of eligible Partner Financial Institutions (PFIs) in Azerbaijan over a five-year period. PFIs will utilize the Facility's proceeds to on-lend to eligible private sector sub-borrowers for investments in energy efficiency, renewable energy, resource efficiency, circular economy, and climate resilience.

The proposed Facility introduces a pilot Green Economy Financing Facility in Azerbaijan. Its primary objective is to drive the delivery of Green Economy Transition (GET) in Azerbaijan by supporting PFIs in financing green investments for eligible borrowers, including retail, MSMEs, and corporates. The Facility will provide both funding and technical expertise to financial intermediaries, enabling them to support green technologies and solutions while strengthening institutional capacity at the PFIs. Additionally, the Facility aims to address barriers to green lending and promote equal access to green finance for women and men. The Facility also seeks to build on Azerbaijan's growing green momentum, supported by active regulatory engagement and increased public awareness following the COP29 held in Baku, Azerbaijan, in November 2024.

The Facility will be supported by

1) a Technical Cooperation (TC) package of up to USD 3.0 million (EUR 2.8 million) for (i) overseeing the general management and operation of the Facility, (ii) origination, review and approval of sub- projects, and (iii) other activities including product design, marketing and training. The TC will be funded by various donors, including the Government of Azerbaijan, and SSF.

2) A Concessional Finance of up to USD 4 million (EUR 3.4 million) for Results Based Compensation payments to the PFIs. The Concessional Finance will be funded by various donors.

Early Warning System Project Analysis

The EBRD categorized the project environmental and social risks as 'FI'.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

Private Actors Description

As stated by the EBRD, borrowers under the Facility will be Financial Institutions in Azerbaijan, including banks, micro- finance institutions, and leasing companies, with a strong commitment to scaling green financing. Eligible PFIs will include existing partner banks in Azerbaijan and potentially new partners to be selected in line with the Bank's standard approach. The final beneficiaries of the Facility are MSME and corporate businesses and households in Azerbaijan.

Additional information on specific borrowers is not provided at the time of disclosure.

Contact Information

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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

Bank Documents

- PSD Translation (Azeri)