

# Conclusions

## **EBRD Framework for Sustainable Transition INVEU-ICR-0010-2023 – Sustainable Infrastructure Window**

### **Short description of the financing or investment operation and its objectives**

Name of financial intermediaries	N/A
Type of the final recipients	The Framework will target medium and large private sector entities, focusing on sustainable and environmental investments.
Countries of implementation	EBRD 12 EU Countries of Operations: Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia (“EU12 CoOs”).
Implementing partner	European Bank for Reconstruction and Development (EBRD)

The Framework aims to accelerate the green transition, while fulfilling the other important and related objectives of improving the competitiveness and socio-economic convergence in the EU, supporting the recovery from the Covid-19 crisis and helping address the impact of the war on Ukraine.

Typical projects, which are expected to be funded under the Framework, include energy efficiency in industries and commerce, circular economy and recycling initiatives, green buildings and building renovation, battery value chain, sustainable food products, renewable energy (wind, solar), advanced climate technologies (e.g. energy storage, low carbon and renewable fuels), sustainable mobility, grid enhancement, water and wastewater, street lighting, rail projects, intermodal logistics, low carbon and urban transport.

### **Global Assessment and rationale for approval**

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 24 March 2023 for the above-mentioned operation.

The Framework addresses common market failures in the selected countries such as high energy intensity, high upfront cost and accessibility of advanced and environmentally friendly technologies, lack of incentives for sustainable solutions and limited consideration of climate risks (transitional risk and physical risks).

Additionality of sub-projects under the Framework will be multi-faceted and its sources may vary, depending on market failures and needs of clients pursuing the relevant policy objectives. Firstly, including the guarantee in financial structures will offer the possibility of achieving greater financial flexibility by shifting the financing profile towards longer term financing (extended maturities) and lower interest rates which will make it more viable for clients to invest

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in low carbon, climate resilient and other green measures, and ultimately to undertake more ambitious projects.

Secondly, the InvestEU guarantee will allow supporting operations that carry a higher risk profile than the risk generally accepted by EBRD.

Furthermore, the use of the guarantee may result in more favourable conditions for borrowers, mitigating market failures and/or helping EBRD to convince clients to increase the ambition of their climate and environmental investments, creating financing opportunities not existing in EU12 COOs otherwise.