

Climate Resilience in project evaluation and financing

Western Balkans Regional Conference on Financing Climate Proofing and Green Infrastructure, 13 April 2022



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Background to the EBRD



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Organisation

Established in 1991

Operating across three continents, from the Southern and Eastern Mediterranean, to Central and Eastern Europe, to Central Asia.

Basic principles

Sound banking

Transition Impact

Environmental Sustainability

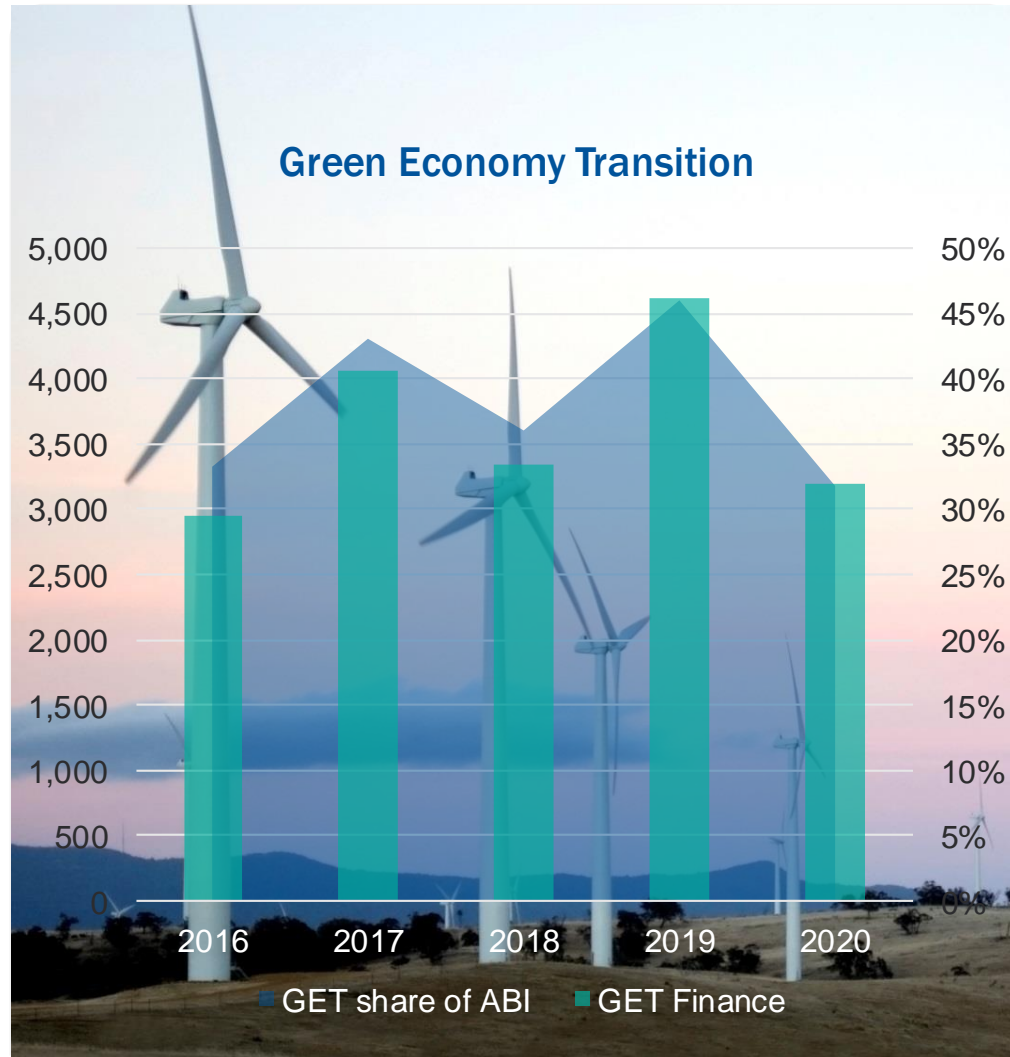
Key stats

€30 billion capital base

€155+ billion net cumulative investment since 1991

Climate

World leaders in climate finance. All our activities will be aligned with the Paris Agreement from the end of 2022 and we plan to be a majority green bank by 2025.



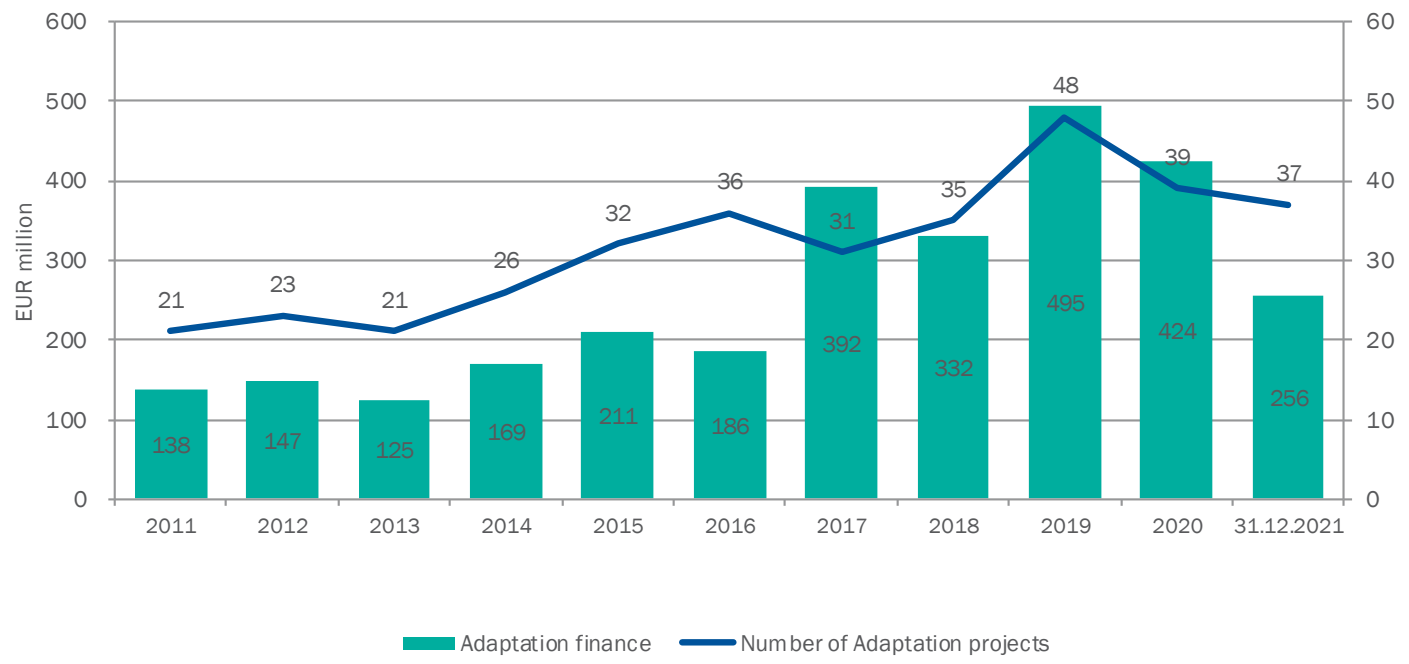
Preserving and improving the environment are central features of a modern, well-functioning market economy and therefore key goals of the transition process that the EBRD was set up to promote.

Building on a decade of successful green investments, the EBRD seeks to increase the volume of green financing to 50 per cent by 2025.

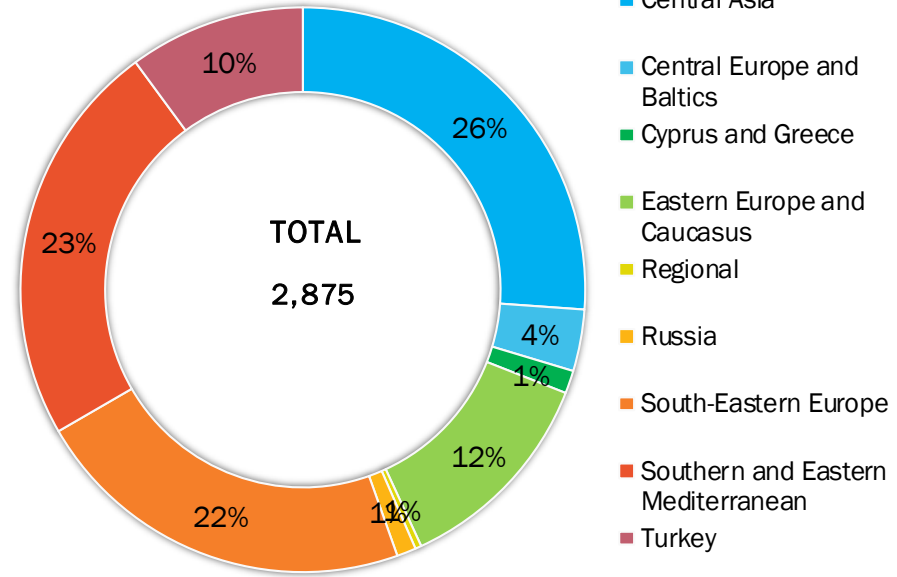
Climate adaptation and resilience is a key component of our sustainable finance. Investing in climate resilience, results in quantifiable positive outcomes to our clients businesses and to the wider economy and society.

EBRD's adaptation finance – key figures

Adaptation finance commitments, 2011 – 2021



Total adaptation finance commitments by regions (2011 - 2021)



€2,875 million since 2011 invested in dedicated GET adaptation finance.

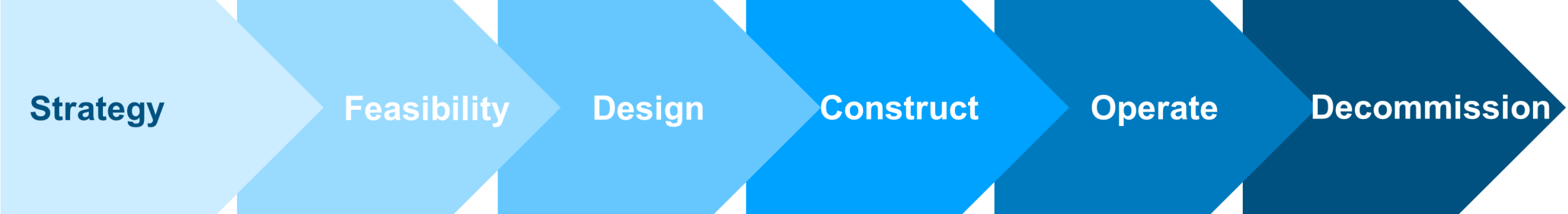
Over 350 projects signed with

more than €10 billion of total ABI made more climate resilient

Integrating climate resilience in project development



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Integrating climate resilience in EBRD operations and investments: road infrastructure example



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Climate change risk: Identifying vulnerability

Example CC impacts

- Increased occurrence of extreme weather events (i.e. flooding, prohibitive snow fall)
- Increased heat stress
- Increased stress induced by cold temperatures
- Increased erosion and landslides



Potential impact on infrastructure

Example impacts on infra

- Road closures due to flooding and intense snowfall
- Infrastructure damages (pavement, bridges, tunnels) due to flooding
- Faster corrosion of pavement
- Unsettling of grounding of road
- Stronger abrasion of infrastructure
- Road closure due to landslides and rock fall



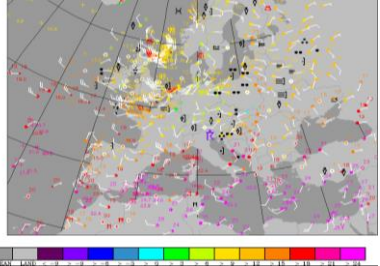
Adaptation measures to improve resilience

Structural measures

- Drainage designed with climate change
- More resilient materials
- Reinforcement of slopes, bridges and tunnels

Non-structural measures

- Improved hydromet usage and forecasting
- Identification of vulnerable road sections
- Re-routing traffic flows
- Improved maintenance and monitoring



Benefits of climate resilient infrastructure

Direct financial benefits

- Avoided road closures due to extreme weather
- Reduced repair & maintenance costs related to climate impacts

Wider economic benefits

- Ensuring better connectivity for rural/peripheral regions
- More reliable trade and supply chains



Guidance and standards to reduce transaction costs and improve replicability



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Process Guidelines



For Example:
EUFIWACC guidelines,
JASPERS guidance,
European Commission

Industry-led Best Practice



For Example:
PIARC, CEDR, IRF guidance
and frameworks

Standards

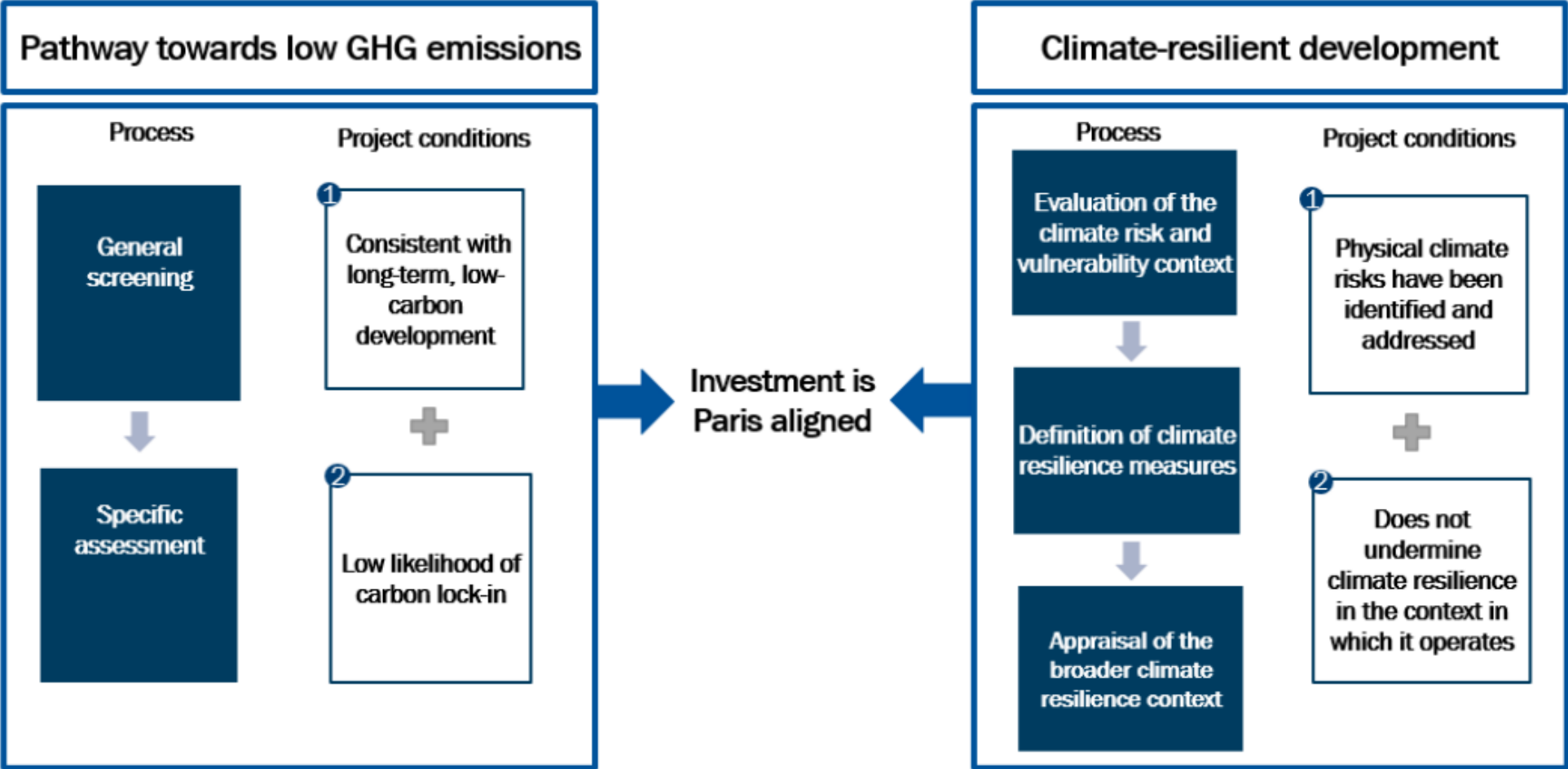


For Example:
ISO 14090,
CEN/EN technical standards

Climate resilience and Paris Agreement alignment



Methodology to determine the Paris Agreement alignment of EBRD investments



Climate change adaptation and EBRD's Green Economy Transition (GET)



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3 Categories of GET

Climate change mitigation

Climate change adaptation

Other environmental areas



Climate Change Adaptation Finance

Adaptation finance is calculated using the joint MDB adaptation finance tracking approach. An activity is considered to qualify as climate change adaptation if its intention is to reduce the vulnerability of human or natural systems to the impacts of climate change and climate related risks, by maintaining or increasing adaptive capacity and resilience. Activities can be considered as climate change adaptation if they:

1. set out a **context of climate vulnerability**
2. include a **statement of purpose or intent** to address or improve climate resilience
3. articulate a **clear and direct link** between the climate vulnerability context and the specific project activities.

GET Adaptation finance is then estimated taking into consideration the **climate resilience outcomes** that the project delivers.

Having more climate resilient road infrastructure **reduces costs associated with weather-related damage to road infrastructure assets**. Directly benefiting infrastructure owners, operators and investors by protecting investment returns. More climate resilient infrastructure assets and systems increases the reliability of the network, making it more robust in the face of climate change. This **reduces the costs of weather-related disruption** from partial or complete road closures. This benefits populations by reducing their vulnerability to climate shocks and disruptions, and safeguarding their access to resources and services.

Climate resilience Road project examples in the Western Balkans



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FBIH Roads - Flood Repair and Upgrade

€65 million loan provided to the Bosnian Roads Company for the repair and upgrade of 34 road sections that were heavily damaged by the unprecedented floods of 2014. Co-financed with EIB and World Bank



Serbia Route 7

€85 million loan to support the construction of a road section to semi-motorway standard, approximately 39.4 km in length between Nis and Plocnik. Co-financed with EIB and WBIF



Montenegro Main Roads Reconstruction

€40M loan for the reconstruction of three road sections in Montenegro. Also included the development of a climate resilience strategy for Montenegro's roads sector.



North Macedonia Corridor VIII

€110 million loan to PESR for the design and construction of a 10.7 kilometres-long road section running from Bukojchani to Kichevo, integrating climate resilience and developing a ongoing strategy. Co-financed with WBIF

Contacts



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