

# What makes successful projects in transition regions

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**European Bank**  
for Reconstruction and Development

# PRESENTATION STRUCTURE



**European Bank**  
for Reconstruction and Development

Who we are

Existing experience in EBRD

Principles of successful transition

## Who we are

- **Supranational Institution** founded in 1991 owned by 65 countries, plus the European Union and the European Investment Bank

## Our mission

- **To promote transition to open, market-based economies in our countries of operation** – we work in over 30 countries from central Europe to central Asia and the southern and eastern Mediterranean

## What we do

- **Support projects, mainly carried out by private sector clients**, in areas that are of interest and within the scope of the Bank. Annual Business Volume of the EBRD in 2017 was EUR 9,670 million, 412 projects signed, 71 per cent with private clients.

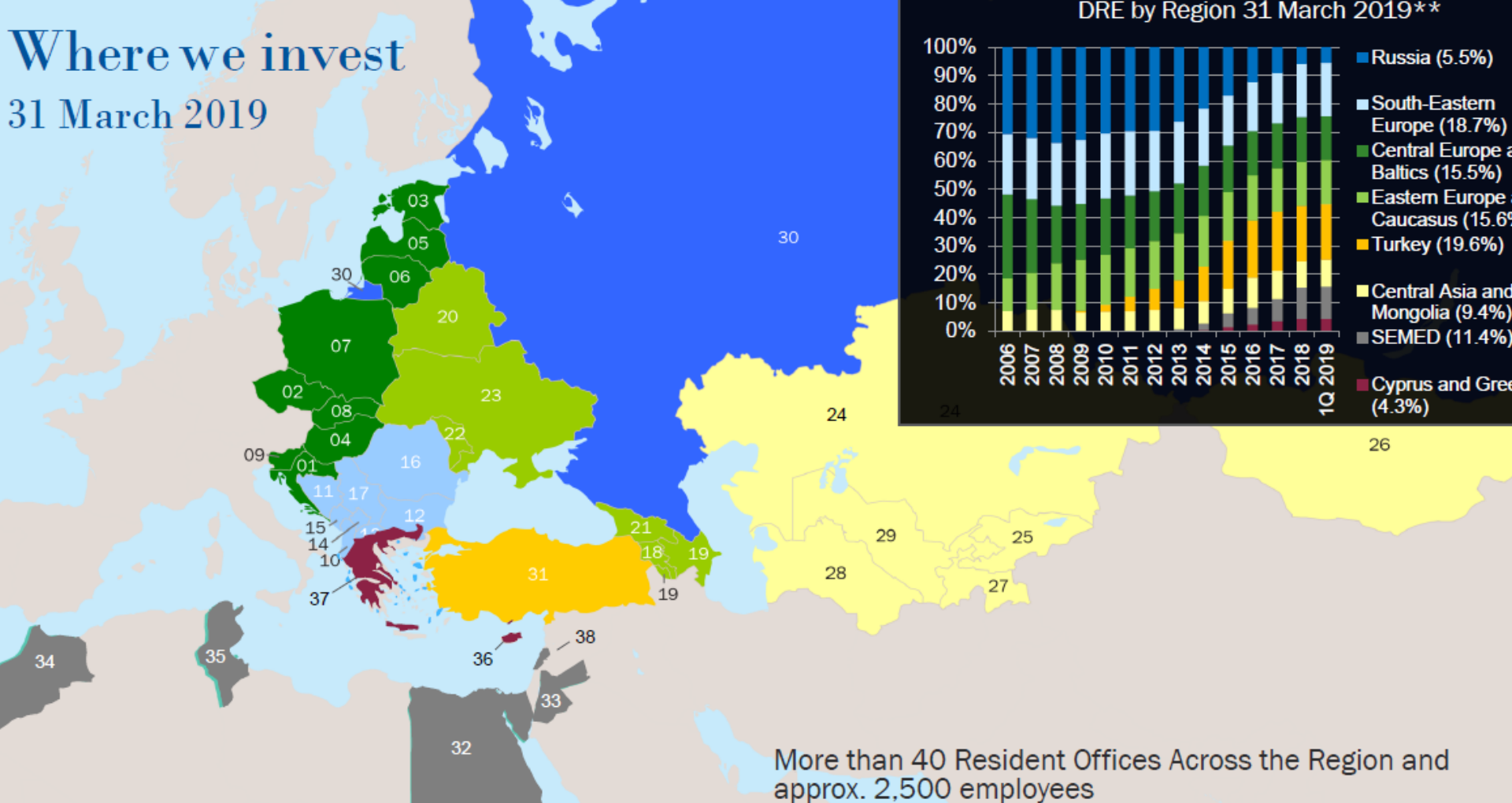
To foster open, market-oriented economies and support private initiative in the EBRD's countries of operations through investments based on:

- **Promoting transition:** Through projects that expand and improve markets, and help build the institutions that underpin the market economy
- **Sound banking principles:** Ensuring the project returns are commensurate with the risks
- **Additionality:** Financing projects which would not solely be funded by commercial banks
- **Sustainability:** Ensuring socially and environmentally sound development

As part of this approach, the EBRD has introduced a new transition concept based on **six key qualities of sustainable market economies** – **competitive, well-governed, green, inclusive, resilient and integrated**. Projects and policy dialogue supported by the EBRD must make a significant contribution to one or more of the six qualities.

# Where we invest

31 March 2019



More than 40 Resident Offices Across the Region and approx. 2,500 employees

## WHERE WE INVEST

### Central Europe and the Baltic States

- 01 Croatia
- 02 Czech Republic\*
- 03 Estonia
- 04 Hungary
- 05 Latvia
- 06 Lithuania
- 07 Poland
- 08 Slovak Republic
- 09 Slovenia

### South-eastern Europe

- 10 Albania
- 11 Bosnia and Herzegovina
- 12 Bulgaria
- 13 North Macedonia
- 14 Kosovo
- 15 Montenegro
- 16 Romania
- 17 Serbia

### Eastern Europe and the Caucasus

- 18 Armenia
- 19 Azerbaijan
- 20 Belarus
- 21 Georgia
- 22 Moldova
- 23 Ukraine

### Central Asia

- 24 Kazakhstan
- 25 Kyrgyz Republic
- 26 Mongolia (2006)
- 27 Tajikistan
- 28 Turkmenistan
- 29 Uzbekistan

### 30 Russia

- 31 Turkey (2009)

### Southern and eastern Mediterranean

- 32 Egypt (2015)
- 33 Jordan (2013)
- 34 Morocco (2013)
- 35 Tunisia (2013)

### 36 Cyprus (2014)

- 37 Greece (2015)
- 38 Lebanon (2017)

\* As of the end of 2007, the EBRD no longer makes investments in the Czech Republic  
 \*\* DRE - Development Related Exposure

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Just Transition relates to “the transition towards a climate-resilient and low-carbon economy that maximises the benefits of climate action while minimising potential negative impacts on workers and communities.”

The topic of Just Transition is an important one for the EBRD given that a number of its countries of operation are large fossil fuel exporters and therefore vulnerable to asset stranding, with a potentially negative impact on their fiscal balance and growth potential.

More broadly, workers and communities in carbon intensive sectors (heavy industry, car industry) may feel threatened by the emergence of the green economy and the parallel decline of traditional activities.

The EBRD supports the Just Transition through a number of means, including:

- **Environmental and Social Action Plans** for companies
- **Vocational training and development of skills linked to green economy sectors** and away from declining sectors.
- **Climate resilient investments** and investments that support economic diversification and infrastructure development in vulnerable

The Bank is working on a Just Transition initiative, which will build on and expand this range of actions, to be published later in the year, ahead of the next Conference of the Parties on Climate Change



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According to the UN International Labour Organization and other institutions, common features of successful transitions include:

- **Early implementation of policies and strategies** to enable a managed decline of industries, supported by a long-term vision to support the growth of new industries;
- **Close collaboration and social** dialogue between central governments, local government authorities, businesses and labour unions, to ensure procedural justice and buy-in from the major transition stakeholders;
- **Social protections** such as wage guarantees, pension rights, healthcare benefits, cash transfers and early retirement packages to mitigate workers' economic losses in the short-term;
- **Government and business investment in infrastructure, skills and retraining** for affected workers and establishment of alternative industries to prevent industrial decline over the medium term;
- **Government and business investment in education and innovation**, to support new industries that contribute to long-term regional growth and prosperity.