

The European Bank for Reconstruction and Development (EBRD) said that it will align all its activities with the Paris Agreement goals by the end of 2022.

The statement from the bank said that its Board of Governors approved the decision at the Bank's Annual Meeting 2021 with the aim of accelerating decarbonization across its regions, and supporting countries to reach net-zero emissions by 2050. The bank had already committed last year to raise the proportion of its green finance to more than 50 % by 2025.

EBRD President Odile Renaud-Basso said that holding the increase in the global average temperature to well below 2°C is a global imperative to safeguard our planet and protect ourselves from climate-related risks. With this commitment the EBRD will be at the forefront among multilateral institutions to ensure that our work is directed to helping countries achieve net zero by the middle of the century. By way of its multilateral shareholding and private sector focus, the EBRD will help its countries of operations the EBRD will help its countries of operations manage the political and economic challenges related to such an unprecedented transition.

The EBRD said that the changes would drive all future strategy, operations and client engagement. The projects will be screened to ensure that they are consistent with long-term progress to low-carbon development while physical climate risks are addressed using a methodology developed jointly with other multilateral development banks.

EBRD countries are 35 % more carbon-intensive than the world average with coal accounting for over 40 % of the primary energy supply in seven EBRD countries. Yet the EBRD regions are well positioned to benefit from the fast-growing transition to renewables, thereby reducing their reliance on fossil fuels, with excellent resource and growing capacity in wind, solar and hydropower. The bank will therefore increase financing for renewable energy and associated energy systems.

The bank will also finance its countries of operations to be digital, equal and sustainable and invest in helping communities affected by the closure of coal mines and other carbon-intensive industries.