

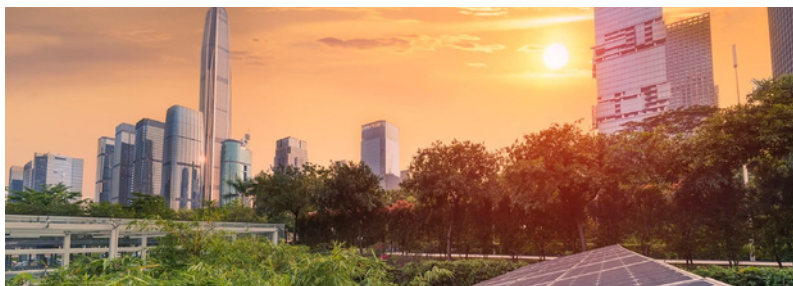
EBRD GREEN TFP

Supporting sustainable trade



European Bank
for Reconstruction and Development

APRIL 2024



The Green Trade Facilitation Programme (TFP) was set up in 2016 to promote investments that improve sustainability and deliver environmental benefits across the economies where the EBRD invests. By combining short-term finance instruments supported by the TFP with medium-term and long-term investment financing through [Green Economy Financing Facilities](#), our partner banks can finance the export, import and local distribution of high-performance green technologies and materials.

Under the Green TFP, guarantees are provided to international commercial banks to cover the risks of transactions undertaken by participating banks. Since 2016 the EBRD has supported more than €2.6 billion in green trade financing, with more than 1,750 transactions in 27 countries across south-eastern Europe, Central Asia, eastern Europe and the Caucasus, and the southern and eastern Mediterranean (SEMED).

Green TFP provides a range of facilities to participant banks, including:

- cover for a broad range of trade finance instruments
- unconditional guarantees for up to 100 per cent of the face value of the trade finance instrument, payable on first written demand
- uncommitted trade finance lines and transaction approval for a maximum of five years
- a fast and simple approval procedure to issue guarantees
- short-term loans to selected local banks for on-lending to local exporters and importers.

Green TFP portfolio by country, 2023 (by number of transactions)



Green TFP portfolio by sector, 2023 (by number of transactions)



In numbers

as of December 2023

Number of transactions

1,750

Total transaction value

€2.6 billion

Effect on environment

Energy savings:

13,504 GWh

equal to annual electricity consumption of approx. 3.6 million households

Water savings:

1.8 million m²

equal to annual water consumption of 13,900 households

Emissions savings:

7,264 kilotonnes of CO₂

equal to annual CO₂ emissions of more than 4.65 million passenger cars

Contact

European Bank for Reconstruction and Development
Five Bank Street
London E14 4BG
United Kingdom
www.ebrd.com/tfp

Group-TFPOps@ebrd.com

Nana Khurodze
Email: khurodzn@ebrd.com

Alberto Rais
Email: raisa@ebrd.com

Green TFP: leading by example

The EBRD's ground-breaking Green TFP has won a number of prestigious awards for its significant contribution to sustainability in trade:

- the Sustainable Trade Finance Award in the Trade Finance Global (TFG) International Trade Awards 2022
- *Global Trade Review's* "FI that has made a significant contribution to sustainability" at its Leaders in Trade Awards 2020



- *Global Finance's* "Innovators 2017 - Trade Finance" for product innovation.

"We are delighted that the EBRD has won these prestigious awards, which recognise the achievements of our partner banks who have successfully utilised TFP facilities for financing green trade finance transactions."

Rudolf Putz, Head of the TFP

Which sectors do we work in?

Green TFP supports the trade of high-performing technologies in the following sectors:*

- **sustainably sourced materials:** wood and certified paper products
- **sustainably sourced foods:** certified foods and commodities such as raw sugar cane, cocoa and coffee
- **circular economy:** steel scrap and equipment for scrap metal processing
- **water sector:** steel pipes and transport systems for alternative water supply
- **transport sector:** hybrid and electrical passenger vehicles, planning and implementation of railway investments
- **renewable energy:** hydro, solar and wind technologies
- **energy efficiency:** equipment for food production and processing
- **agriculture:** drip irrigation, greenhouses, sustainable land management.

Other examples of green trade include sustainably sourced materials and commodities certified by internationally accepted schemes that meet the EBRD's Green Economy Transition (GET) approach: [Forest Stewardship Council \(FSC\)](#), [Programme for the Endorsement of Forest Certification \(PEFC\)](#), [Rainforest Alliance](#), [Fairtrade International Climate Standard](#), [LEAF Marque Standard](#), [EU Ecolabel](#), [Nordic Ecolabel](#), [Bonsucro](#), [Global G.A.P](#) and [Better Cotton](#).

All trade in products on the [Green Technology Selector](#) can be assessed as Green TFP.

*All transactions should be reviewed and assessed by the EBRD on a case-by-case basis.

Case study: Supporting plastic recycling in Greece

In Greece, most plastic waste ends up in landfill due to challenges with waste collection and management. And with only 8 per cent of waste being recycled, Greece's economy loses an estimated €26 million a year due to plastic pollution.

A Greek leasing company wanted to tackle this issue by importing special equipment to produce 100 per cent post-consumer recycled plastic sheeting and make it available on the local market through leasing. Equipment from Austria was imported via two letters of credit, issued by a Greek bank under the TFP. The TFP guarantees covered 100 per cent of the political and commercial payment risks in favour of an Austrian confirming bank.



Case study: Promoting sustainable forest management

A Romanian supplier of interior and exterior construction items was looking to import wooden doors from Italy that are certified by the Forest Stewardship Council (FSC) – one of the world's most trusted sustainable forest management solutions.

A Romanian bank issued letters of credit with deferred payment, which allowed the Romanian supplier to import the products under favourable financing terms. The EBRD issued guarantees to cover 100 per cent of the political and commercial payment risks in favour of an Italian confirming bank.

