



European
Investment
Bank

The EIB bank



EUROPEAN
INVESTMENT
FUND

National Roundtable on financing
Energy Efficiency in Hungary:
EIB financing for climate investments

1. The European Investment Bank

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At glance



Improving quality of life in Europe and beyond



It is the bank of the European Union



The world's largest multilateral lender and probably the largest lender to climate investments



It is a public bank, owned and governed by the EU Member States



More than 12,000 projects in over 160 countries



Comprised by the European Investment Bank and the European Investment Fund

Around 3,400 staff: In addition to finance professionals, we have engineers, economists and socio-environmental experts

It is based in Luxembourg but with 50 offices around the world

1. The European Investment Bank

Objectives

INNOVATION



ENVIRONMENT



INFRASTRUCTURE



SMALL AND MEDIUM-SIZED ENTERPRISES



EIB is a not-for-profit policy driven Bank.

EIB financing focusses on four sectoral objectives: Infrastructure, Environment, Innovation and SMEs.

There are two cross-sectoral objectives also pursued by EIB financing, namely, averting climate change (Climate Action) and enhancing EU territorial cohesion.

All investments financed by EIB shall be:

- Technically sound,
- Economically sustainable,
- Financially viable,
- Environmentally respectful,
- Socially acceptable and
- Fully compliant with EU and national laws and regulations

1. The European Investment Bank

EIB Group Financing in 2019

INNOVATION



€ **14.44**
billion

ENVIRONMENT



€ **16.52**
billion

INFRASTRUCTURE



€ **15.74**
billion

SMALL AND MEDIUM-SIZED ENTERPRISES



€ **25.52**
billion



€ **72.3** billion



1. The European Investment Bank

Our impact in 2019



JOBS

4.4 million jobs sustained
in small businesses



HEALTH

improved health services for
12 million



WATER

Safer drinking water for
10 million



TRANSPORT

631 million additional
annual trips made on EIB
financed public transport



ENERGY

Power for **7.4 million**
households



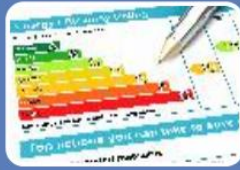
DIGITAL

Improved mobile services:
117 million

2. Climate Finance at EIB

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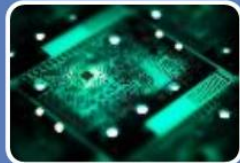
Climate action strategy



Unlocking energy efficiency



Decarbonising energy supply



Supporting innovative technologies
and new types of energy infrastructure



Securing the enabling infrastructure

http://www.eib.org/attachments/strategies/eib_climate_strategy_en.pdf

2. Climate Finance at EIB

The European Climate Bank

THE EUROPEAN INVESTMENT BANK IS EUROPE'S CLIMATE BANK

€1 trillion for climate action and the environment unlocked by 2030

50 % of total financing to climate action and the environment by 2025 (current level: 30%)

2020 Fully aligned with the Paris agreement by the end of the year

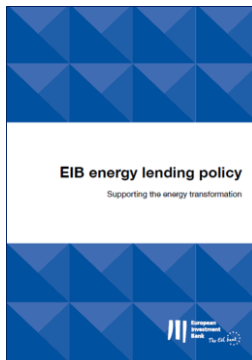


2. Climate Finance at EIB

New energy lending policy

EIB reviewed its energy lending policy in 2019

Under the new energy lending policy, EIB will exclude from its financing:



Energy production from unabated fossil fuels

Extraction, production, transformation, storage and distribution of fossil fuels

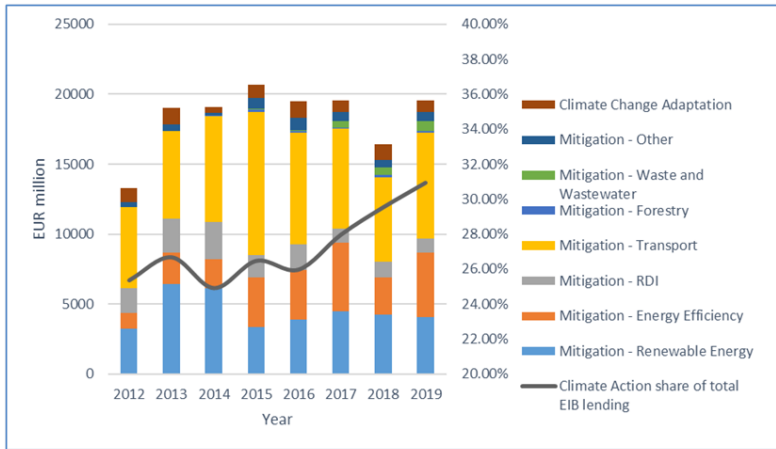
Electricity or heat generation leading to emissions above 250grCo2/Kwh

Construction of new buildings facilities with an energy efficiency equal or above to the higher energy efficiency category in the relevant country

<https://www.eib.org/en/projects/sectors/energy/energy-lending-policy-at-a-glance.htm>

2. Climate finance at EIB

EIB Climate financing in numbers



EIB probably the largest climate financier in the world.

The EIB has provided financing in excess of €150bn to climate projects since 2012 (of which €20bn outside EU).

In 2019, the EIB has lent €19.3bn to climate projects, which represent 31% of its annual lending activity.

Some 40% of the financing to climate projects was for low-carbon transport, 23% for RE and 20% for EE.

EIB was the first issuer of green bonds and it is the world largest green bond issuer (€23bn since 2007)



CLIMATE CHANGE ADAPTATION
€ 0.8 billion



RENEWABLE ENERGY
€ 3.9 billion



RESEARCH, DEVELOPMENT AND INNOVATION
€ 1.0 billion



ENERGY EFFICIENCY
€ 4.6 billion



LOWER CARBON TRANSPORT
€ 7.6 billion



OTHER CLIMATE CHANGE MITIGATION
€ 1.4 billion

3. EIB activity in Energy Efficiency

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Activity areas

Financing

- Direct financing to EE investments promoters
- Indirect financing through financial intermediaries to EE investments
- Financing by investing in EE equity funds

Blending

- Combining debt and grant financing
- Combining financing and advisory services

Advising

- Providing technical assistance or advisory support to energy efficiency promoters and financiers.

3. EIB activity in Energy Efficiency

Financing

Areas

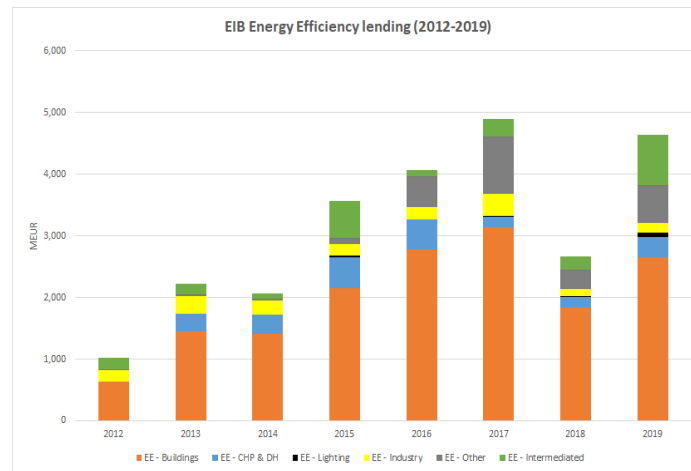
Built environment:

- Renovation. Investments that improve the energy performance of existing buildings;
- New constructions. New buildings exceeding highest regulatory standards and contributing to wider public policy goals such as urban regeneration, education, public research or the provision of healthcare services;

Other areas:

- Investments in public lighting, industrial facilities and SMEs motivated by energy efficiency.

Results



- Some EUR 26bn in the period 2012-19, with an average annual lending of aprox. EUR 4bn in the last 5 years.
- Buildings largest subsector with more than 60%

3. EIB activity in Energy Efficiency

Blending

Areas

Combining grants with EIB financing

- EIB provides financing to projects that receive EU grants to ensure lowest possible financing costs for the promoters.

Combining guarantees with EIB financing

- EIB provides financing to financial intermediaries to be on-lent to EE investments and EU funded guarantees for losses on EE loans.

Combining advisory services with EIB financing

- EIB provides advisory services for financial intermediaries who want to engage in energy financing with the support of EIB financing.

Results

- Large financing facilities to **public sector borrowers** for the co-financing EE investments together of ESIF funds (e.g. EU Structural Funds co-financing Hungary – € 1.5bn / €90m EE).
- Specific products developed to provide funding, risk-sharing guarantees and advisory for **financial intermediaries** (e.g. Private finance for Energy Efficiency (PF4EE) and Smart Finance for Smart Buildings (SF4SB)).

<https://pf4ee.eib.org/about>

https://ec.europa.eu/info/news/smart-finance-smart-buildings-investing-energy-efficiency-buildings-2018-feb-07_en

3. EIB activity in Energy Efficiency

Advising

Areas

Technical Support

- Definition of investment programmes
- Procurement strategies
- Technical specifications
- Review of proposals for EU co-financing

Financial support

- Design and structuring on financial instruments.
- Financial modeling assistance
- Bankability advisory

Results

- **ELENA.** Technical support funded by EU and managed by EIB for EE and RE project preparations at local level. More than 100 investment programmes supported with €180m during 11 years.
- **JASPERS.** Technical support to prepare / review proposals for EU ESIF in all areas eligible for EU support, including EE. More of 500 projects assisted since 2005 with project cost exceeding €80bn.
- **European Investment Advisory Hub.** Support to identify, prepare and develop investment projects, including support to the development of financial instruments for EE.

<https://www.eib.org/en/products/advising/elena/index.htm>

<https://jaspers.eib.org/index.htm>

<https://eiah.eib.org/>



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Thank you!

More information at: www.eib.org
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