



INTERNATIONAL SPECIALIZED EXHIBITION ASTANA 2017 "FUTURE ENERGY"

EIB support to Climate Action and Energy Projects

EU Energy Day
Clean energy solutions for the buildings of the future

Astana, Kazakhstan, 24 July 2017

The EIB Group



Providing finance and expertise for sound and sustainable investment projects



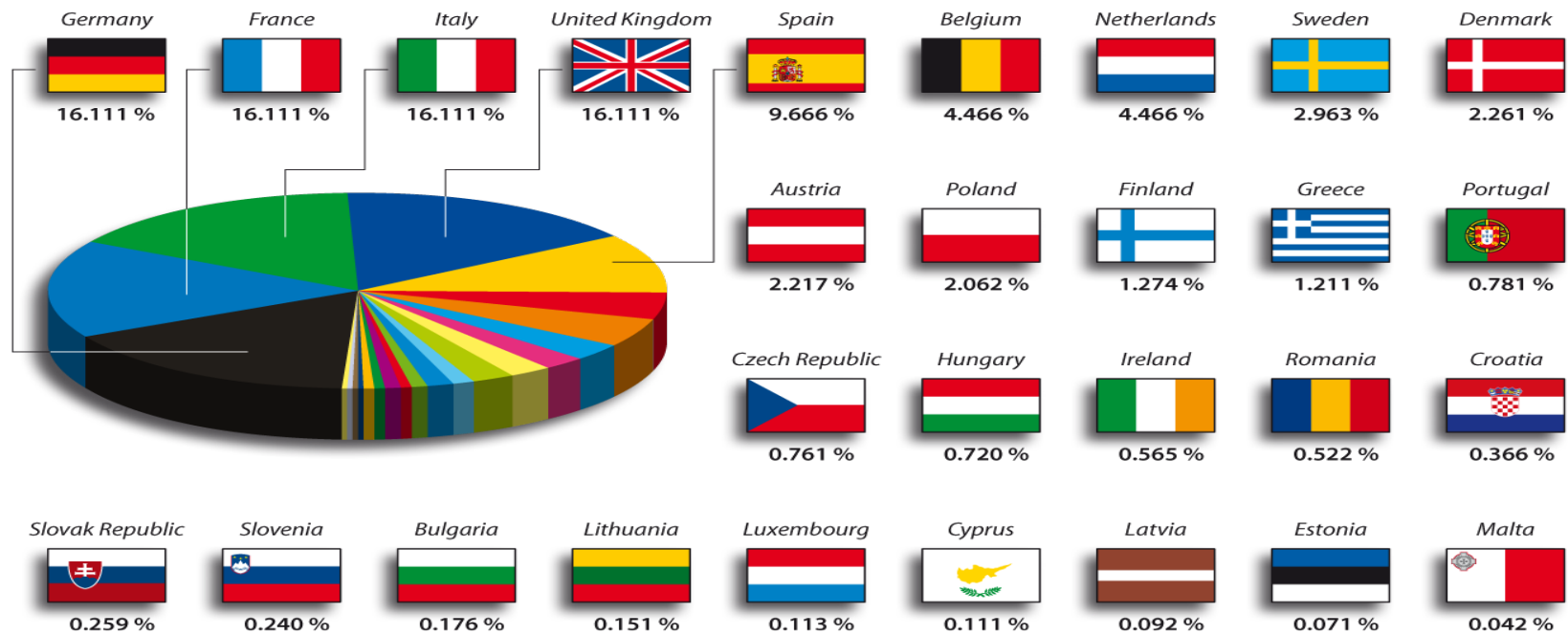
Leading developer of risk financing for innovative SMEs



- Natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Shareholders: 28 EU Member States

**Investing in
Europe's growth**

The EIB: capital breakdown



The EIB at a glance

- Largest multilateral lender and borrower in the world
 - We raise our funds on the international capital markets
 - We pass on favorable borrowing conditions to clients
- Some 450 projects each year in over 160 countries
- Headquartered in Luxembourg and has 40 local offices
- Around 3 000 staff:
 - Not only finance professionals, but also engineers, sector economists and socio-environmental experts
 - Almost 60 years of experience in financing projects

EIB Group financing in 2016



EUR **83.8bn**

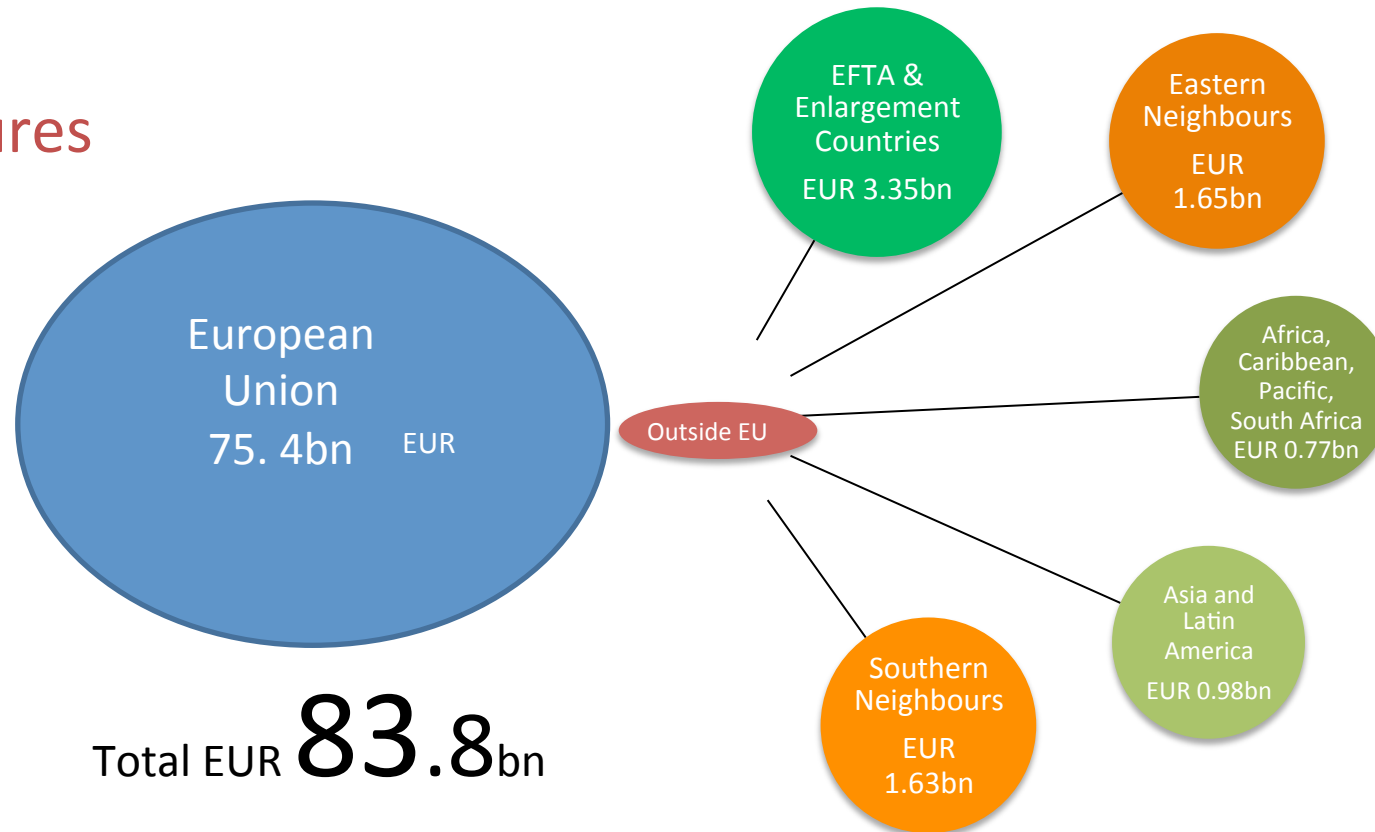


EUR **280bn**

Total investment supported

EIB Group financing in 2016: EUR 83.8bn

Signatures



Overview of EIB's climate strategy

EIB priorities



ENVIRONMENT



INFRASTRUCTURE



INNOVATION



SME

- EIB's financing supports **EU policy** priorities and objectives (climate change, infrastructure, energy, SMEs, regional development, etc.).
- **Climate action** is a horizontal objective, i.e. it is integrated in the other priority objectives.

Our priorities

Environment



EUR
 16.9bn

Infrastructure



EUR
 19.7bn


Innovation



EUR
 13.5bn

SMEs



EUR
 33.6bn

We deliver impact where it's needed



JOBS
4.4m jobs in small
businesses



HEALTH
10m people with access
to improved health
services



EDUCATION
890 000 students
benefiting from EIB
projects



WATER
25m people benefiting
from safe drinking water



TRANSPORT
960m additional
passengers



ENERGY
4m households powered
by EIB projects



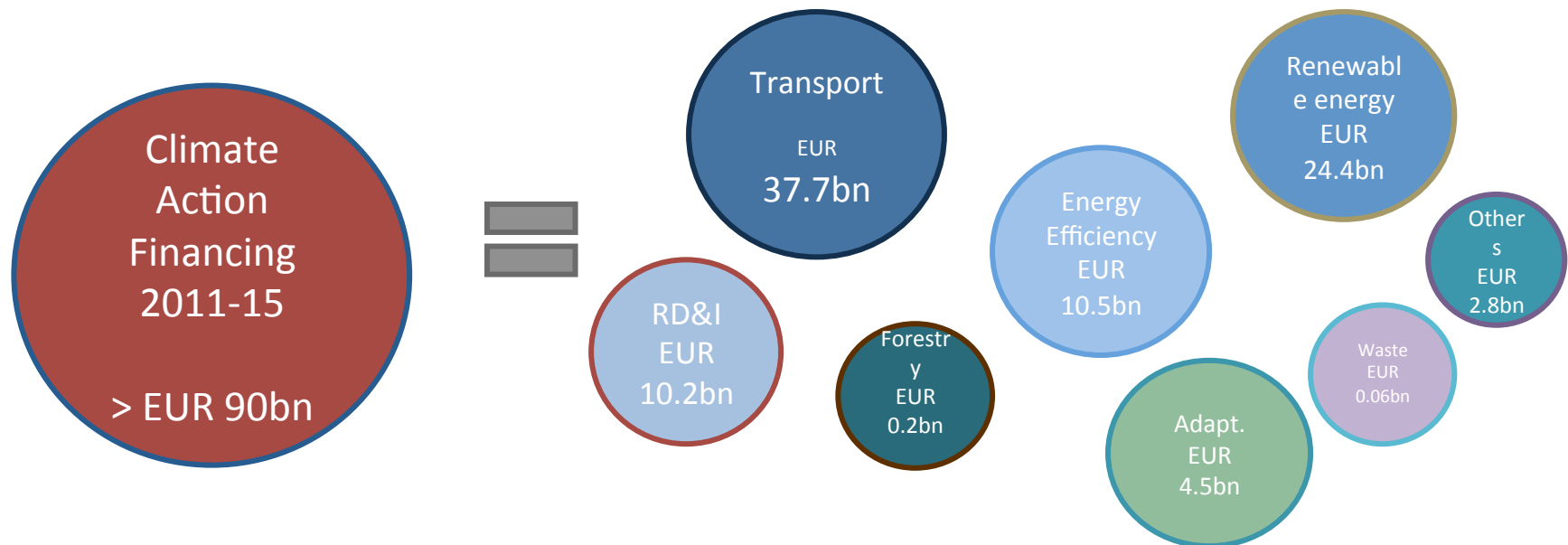
URBAN
120 000 households in
social and affordable
housing



DIGITAL
11m people with new or
upgraded connections

Overview of EIB's climate strategy

- EIB has a **25% target** towards climate action relative to its overall financing volume.
- EIB provided **>EUR 90bn** in climate finance over the last 5 years.

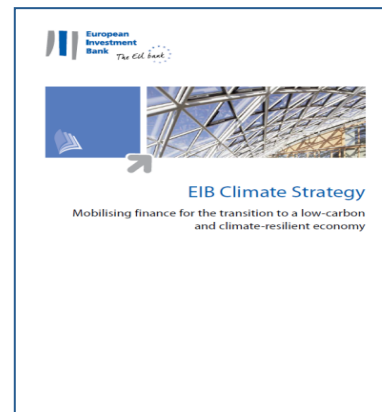
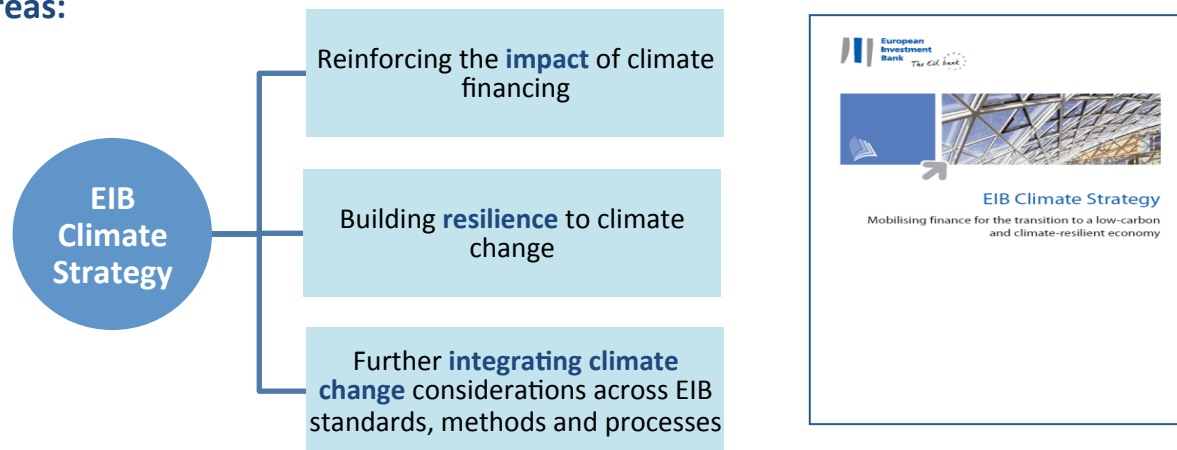


Overview of EIB's climate strategy

In 2015, EIB delivered EUR 20.7bn to specific climate action projects

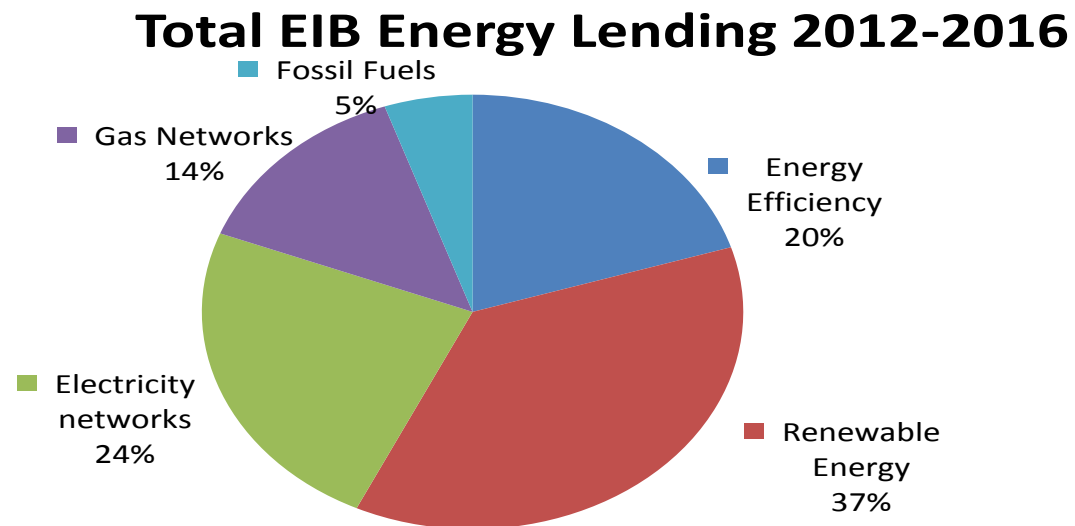
- › Exceeded the 25% financing target towards climate action.
- › Remained the largest MDB in terms of support to climate action.
- › EUR 2.2bn were channeled outside the EU.

Complementing EIB's volume-driven approach, EIB's 2015 Climate Strategy was approved, focusing on three key-areas:



<http://www.eib.org/infocentre/publications/all/eib-climate-strategy.htm>

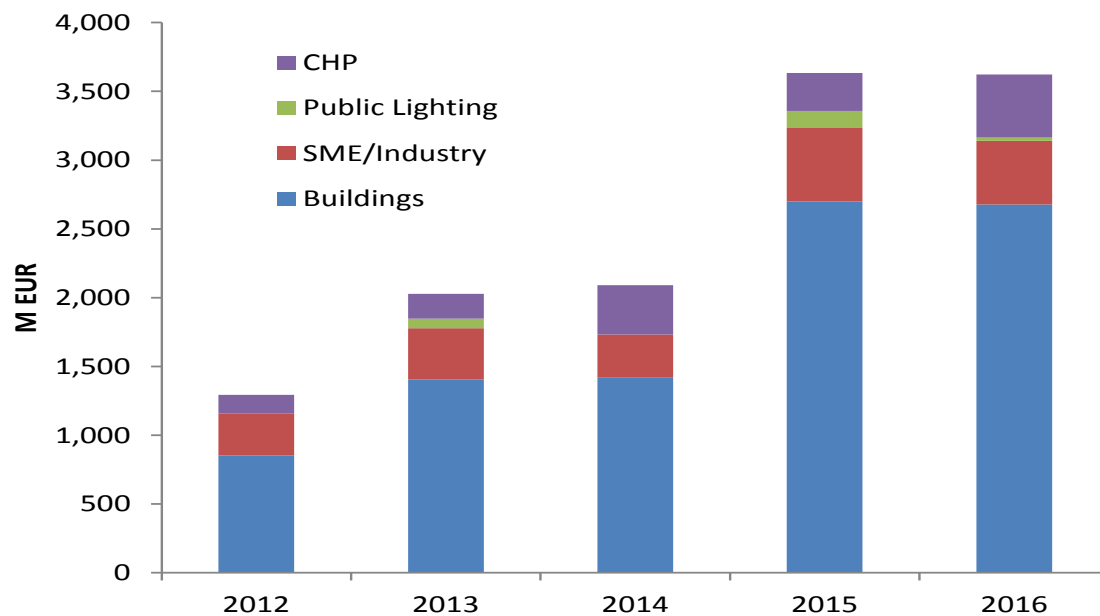
EIB Energy Lending



- ▶ Signatures 2012-2016: EUR 62.7 billion
- ▶ Sectors: Renewable Energy, Energy Networks, Security of Supply and Energy Efficiency
- ▶ Evolution over the last 5 years

EIB lending to Energy Efficiency (EE)

EE Lending Breakdown per year

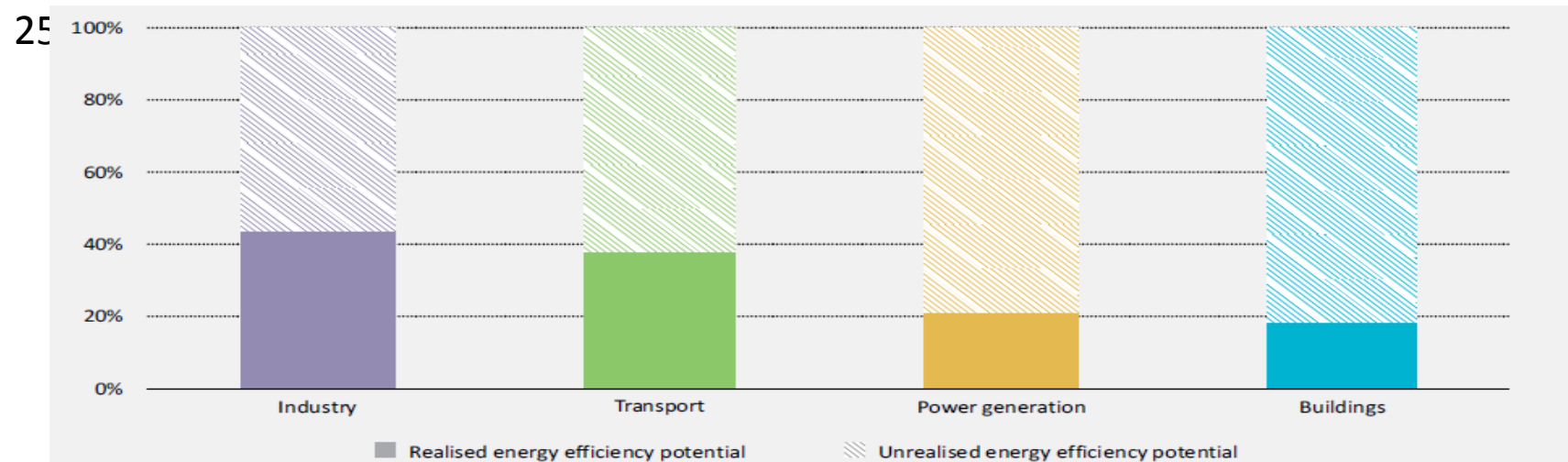


- ▶ Overall EE-lending increased by 3x since 2012
- ▶ 75% of EE-lending volume to Buildings

Why Energy Efficiency?

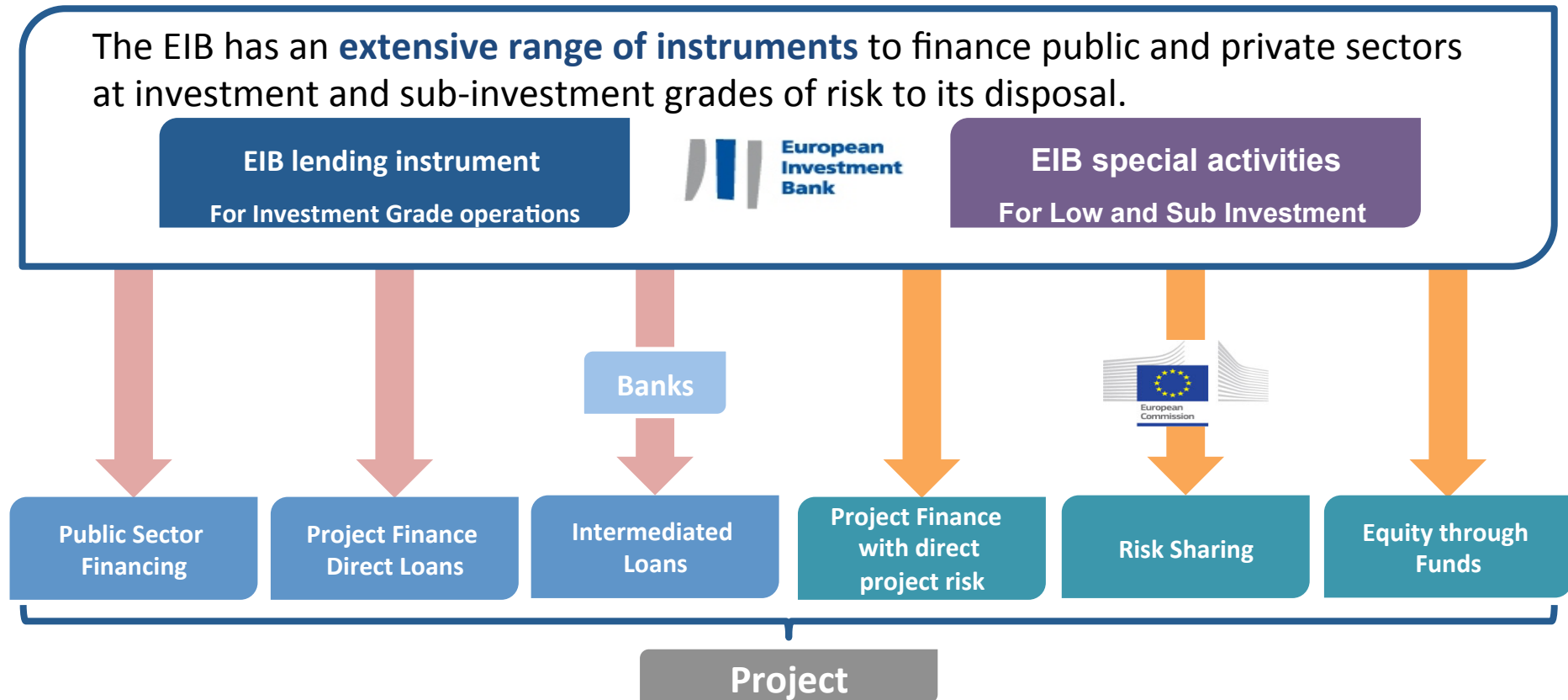
Huge investment needs EU

Energy-consuming sectors with untapped potential (particularly buildings): buildings account for 40% of EU final energy consumption, transport for 30% and industry for 25%

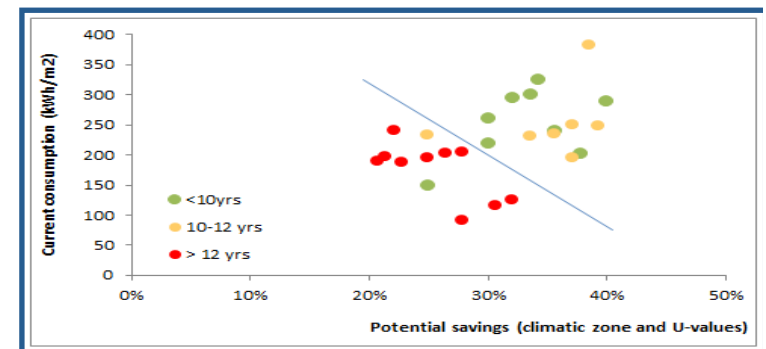
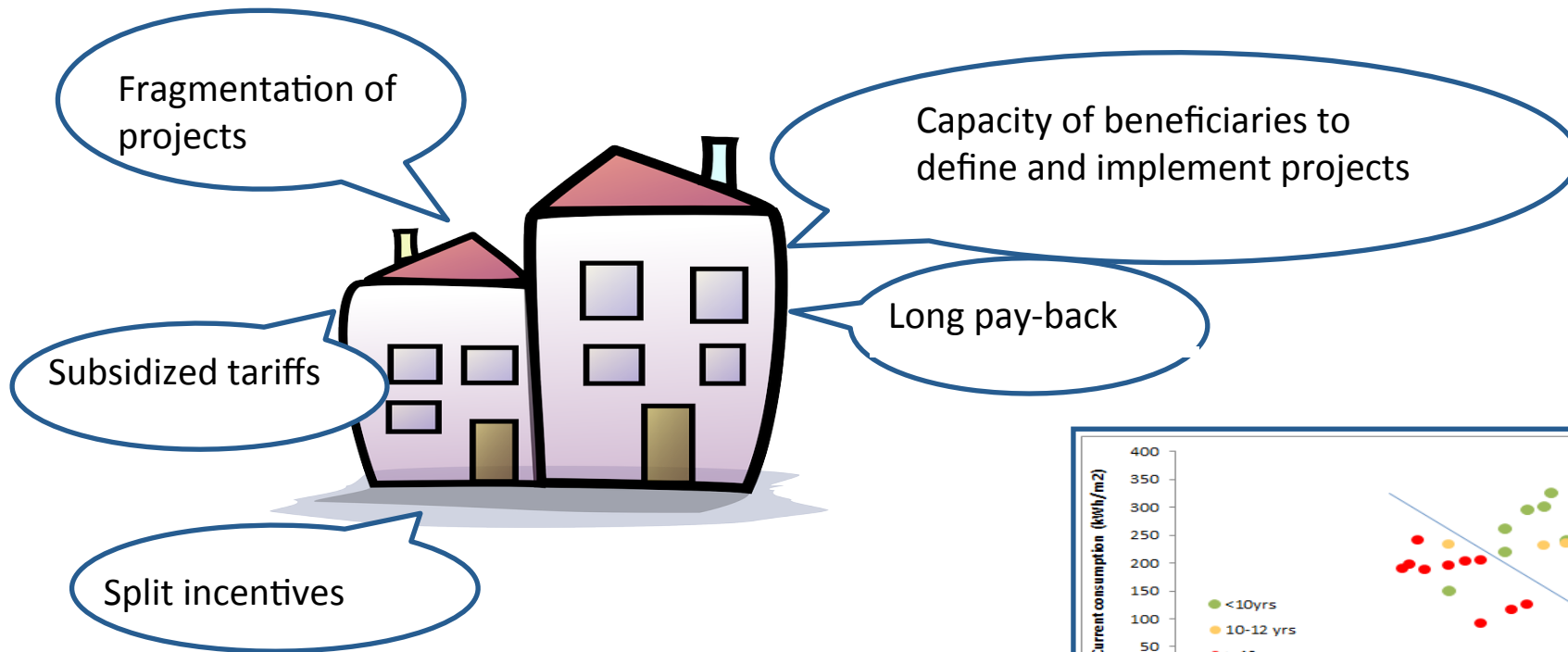


Range of Financing Instruments

The EIB has an **extensive range of instruments** to finance public and private sectors at investment and sub-investment grades of risk to its disposal.

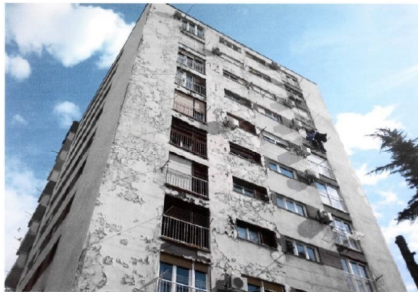


Typical barriers to delivering energy efficiency



Investment Loan – Private Buildings

Objective: Aggregation of Fragmentation



Residential building (Private)

CAPEX:	131720 EUR
Energy Savings:	342 MWh/y
Cost Savings:	24800 EUR/y
Simple Payback:	6/7 years depended on prices

Office building (Private)

CAPEX:	157000 EUR
Energy Savings:	155 MWh/y
Cost Savings:	7500EUR/y
Simple Payback:	21 years

Energy Efficiency Investment Loan



EE Private Housing (France)

Barrier: Fragmentation



Solution: Aggregation

- Refurbishment of residential buildings to decrease energy consumption by up to 75%
- Promoters will offer final beneficiaries a complete package, including technical assistance, implementation and monitoring. Financial assistance provided directly by the promoters (tiers-financement) or through financial intermediaries
- Total project cost of EUR 800m. Average investment of EUR 20,000

Conclusion: Unlocking EE investments

Huge investment needs and real potential to consume energy more efficiently

But...

- Fragmentation (small projects and high transaction cost)
- Split incentives (landlords vs tenants)
- Capital constraints
- Limited technical expertise **EIB's response**
- Aggregation (intermediated lending, investment Funds, etc.)
- Broad range of instruments : direct and intermediated operations
- Provision of TA: PF4EE, ELENA, MPSF, JASPERS, EIAH
- However, some barriers non-addressable by EIB (e.g. regulatory barriers, public sector limitations, subsidized energy costs)