



The European Investment Bank (EIB): Finance for climate action

Clean Energy Conference 2017 Trinidad and Tobago





EIB: the bank of the European Union

- **Established in 1958** by the Treaty of Rome. The shareholders of the Bank are the EU's Member States.
- The largest multilateral lender and borrower in the world (Balance sheet total of EUR 512bn).
- The Bank raises its resources by borrowing on the capital markets and it passes on its **favourable borrowing terms** (thanks to its AAA rating) to its customers.
- Some 440 projects are financed each year, in over 160 countries, with a **EUR 77bn in new loans signed** in 2016.



The EIB is the EU's long-term lending institution. The EIB's remit is to contribute towards the integration and economic and social cohesion of the EU Member States. Since 1963, the EIB has also carried out operations outside the EU in support of the EU's external policies.

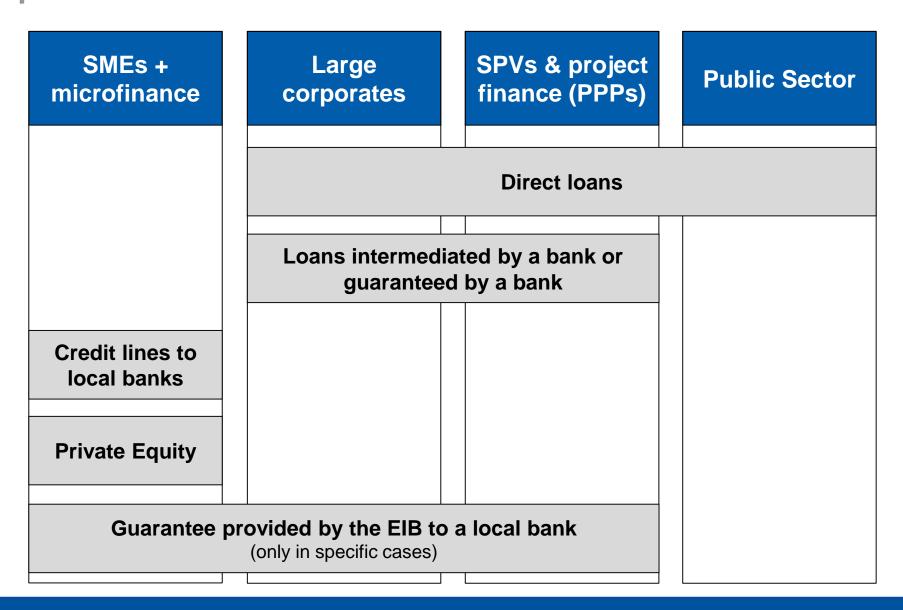
III EIB helps catalyse new investments

In 2016, EIB provided over **EUR 19 billion** specifically to help mitigate climate change and adapt to its impact around the world.

| LENDING | BLENDING | ADVISING |
|--------------------|--|------------------------------|
| Loans | Combining EIB finance with EU budget grants | Prepare & implement projects |
| But also: | | , , |
| | Higher risk projects for | Support for public / |
| Guarantees | innovation and high social / economic impact | private partnerships |
| Equity investments | · | |
| | | |

Attracting funding for long-term growth

What kind of financing and for whom?



Requirements and advantages of EIB funding

The project must:

- be eligible under the OCT mandate objectives
- be technically viable and economically profitable
- comply with social and environmental standards, and the EIB procurement guidelines
- represent an acceptable credit risk to the EIB

EIB can offer:

- favorable margins
- signaling effect: evidence of a project's quality
- long maturity loans + grace period on capital repayments
- sector and product expertise
- blending: combination of EIB financing and EU grants

EIB finances **up to 50% of project costs** with a minimum EIB loan size of about EUR 15M or equivalent (smaller loans on an exceptional basis)

Climate action island impact (I)

Fighting drought on the Seychelles

The EIB loaned EUR 26 million to upgrade and expand water systems to improve efficiency and increase their resilience to climate change by diversifying water sources and increasing storage capacity.



Solar micro-grids in the Maldives

The EIB is co-financing a project to install solar photovoltaic plants and energy storage systems. The systems will be mounted 3-4 meters high so as not to be affected by sea level rise.



Climate action island impact (II)

Solomon Islands forestry

With substantial illegal deforestation of the natural rainforest on the islands, the EIB provided funding to replant close to 3750 hectares of poor quality tropical hardwoods, certified by the Forest Stewardship Council.



Vanuatu retractable wind turbine

As cyclone Pam approached, the EIB financed turbines were folded over and lashed to the ground. After the storm passed, the operators could directly resume with electricity production.



Cooperation with the Caribbean Development Bank

- **USD 175 million EIB subsidized loans** to the Caribbean Development Bank to finance climate change adaptation projects such as:
 - Road rehabilitation in Belize to reduce congestion, reduce climate change vulnerability and improve transport safety;
 - Water supply & irrigation in Saint Lucia with the upgrade of water infrastructure and rehabilitate a dam;
 - A small 1 MW solar PV plant in Anguilla;
 - Water supply projects in Bahamas and Barbados, including PV plants to reduce energy costs;
 - Energy efficient street lamps in Saint Lucia and Antigua.
- The EIB loan is complemented with a **grant of EUR 4 million** to support capacity building and
 climate change vulnerability risk assessments.
- Relevant for the Regional Members of the Caribbean Development Bank



Caribbean Investment Facility 2015-2020

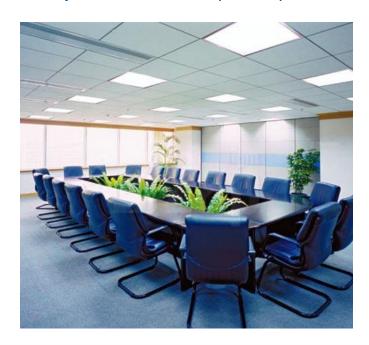
- Expected to leverage around €800 to €1,2 billion in investments.
 So far:
 - EUR 69M allocated in grants,
 - combined with EUR 191M in loans,
 - for projects with a total budget of EUR 535M.
- Eligible sectors include:
 - Sustainable Energy
 - Climate Change adaptation
 - Sustainable transport infrastructure and interconnectivity

Caribbean Investment Facility - Project example

Sustainable Energy for the Eastern Caribbean (SEEC):

- SEEC will reduce dependency on imported fossil fuels in OECS countries through renewable energy and energy efficiency.
- Total budget of around EUR 21 million, of which EUR 4.25M in CIF grants, implemented by the Caribbean Development Bank (CDB).
- A key emphasis is energy efficiency improvements and renewable energy interventions in government buildings.





| Electrifi - Electrification Financing Initiative

- EUR 118M to support private sector investments, electrifying underserved areas, aiming to ensure access to sustainable energy for all.
- Flexible funding to high risk, early stage commercial ventures.
- Phase I: EUR 40M Electrifi contribution for EUR 200M in projects, leading to an estimated 1.2M new connections.





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