



# EIB-NGO Workshop, Berlin, 26 October 2006

## Environment and Climate Change

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## Environmental Management in the EIB



- ✓ EIB applies enviro P and P based on the approach of the EU
  - ⇒ European Principles for the Environment
- ✓ EIB weighs up the acceptability of projects in environmental terms
  - includes screening and rating
- ✓ Now specifically includes a social dimension
- ✓ There are also related internal arrangements for environmental strategy, project quality assurance and financing
- ✓ And there are various other internal and external environmental checks and balances, e.g. EV, European Ombudsman
- ✓ Environmental housekeeping has taken hold



# EIB Environmental Policies, Practices and Activities



- ✓ The EIB and its Contribution to SD (2002)
- ✓ Environmental Statement (2004)
- ✓ EIB Environmental Procedures (2004)
- ✓ European Principles for the Environment (2006)
- ✓ Social Assessment of Projects Outside the EU (2006)
- ✓ Public Disclosure Policy (2006)
- ✓ Corporate Responsibility Report (2005)
- ✓ ⇒ twin approach of lending + safeguards



## EIB Social Assessment



- ✓ Objective
- ✓ Genesis - drivers
- ✓ Source - EU, other MFIs, other guides to international good practices, international law
- ✓ Scope - investment projects outside EU
- ✓ Content - public statement + internal guidance notes
- ✓ Status: internal training and awareness; social expert; working with others



# EIB Approach to Climate Change



- ✓ Strategy approved by CA in 2000; today part of the COP
- ✓ Multiple drivers - notably, EU policy alignment (ECCP, EU ETS, etc.); project enhancement; risk management; CR + SD considerations
- ✓ Working on both sides of the carbon market
- ✓ 3 dedicated financial instruments - CCFF, CCTAF and carbon funds; also strong push on EE and RE
- ✓ Mainstreamed, e.g. through assessing impact and scope for mitigation; carbon credit potential; effect on fin. and econ. viability; and, need to adapt
- ✓ Working in partnerships
- ✓ New instruments under consideration

⇒ Economic Price of Carbon



## Some EIB Challenges in the Field of Climate Change



- ✓ Policy and regulatory uncertainty
- ✓ Poorly informed project promoters
- ✓ Gaps in scientific and socio-economic models
  
- ✓ Internal awareness raising and training
- ✓ Analytical techniques, based on rates of return calculations - dilemmas and trade offs
- ✓ Mitigation vs. adaptation