

Ex-post evaluation of the EIB's Energy Lending Criteria, 2013-2017

The European Investment Bank approved its Energy Lending Criteria (ELC) on 23 July 2013.

The ELC document sets out:

- what types of energy projects are consistent with the EIB's objectives;
- how energy projects will be assessed and prioritised by the Bank; and
- how the Bank supports EU energy policy.

The objectives of the evaluation of the ELC were:

- assess to what extent the ELC were relevant and effective with respect to the EIB selecting projects that:
 - supported EU Energy Policy and the highest policy priorities;
 - supported sub-sectors with the highest investment needs; and
 - met the EIB's standards in terms of quality and soundness.
- assess to what extent the EIB transparently consulted stakeholders on the design of the ELC and transparently informed stakeholders about their application.

The evaluation should serve as an input into the EIB's review of the ELC launched in January 2019 to reflect relevant market and policy developments.

Main conclusions

Over the 2013-2017 period, 90% of the EIB's approved energy-related financing was in sub-sectors identified in the ELC as having the highest investment needs (energy networks, renewable energy and energy efficiency).

Energy efficiency is underrepresented in the EIB's portfolio, as despite it being the sub-sector with the highest investment needs, it ranked as the third sub-sector in terms of total EIB approved financing during the 2013-2017 period. Nevertheless, investments in energy efficiency during the period did increase.

The ELC has been highly consistent with the EU Energy Policy and innovative in its approach to assessing projects from an economic standpoint with the introduction of the Energy Performance Standard, and of the distinction between mature and emerging technologies for projects in the renewable energy sector.

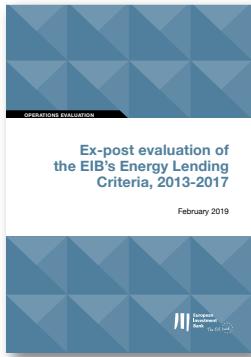
The ELC document has been a major step forward for the EIB:

- it consolidated various key EIB documents relating to the energy sector;
- it improved the clarity of the EIB approach to screening projects with an energy component;
- it drew on a public consultation to review the EIB approach for engaging in the energy sector, thereby enhancing transparency.

Recommendations

Building on the above conclusions, the evaluation identifies areas of improvement to enhance the next document succeeding the ELC (the next ELC). It is recommended that the EIB should:

- further develop its processes and procedures for categorising its key documents, such as the ELC;
- decide upon the purpose and target audience of the document succeeding the ELC, before determining what type of document it should be;
- report on the application of the next ELC in order to keep stakeholders informed. Furthermore, the EIB should provide short updates on significant market and policy developments to supplement the next ELC whenever warranted;
- further elaborate on the types of financial and non-financial contributions that the EIB can bring to projects, as well as to the development of the energy sector as a whole;
- strive to enhance the outreach, participation and the traceability of stakeholder contributions in its public consultation relating to the document succeeding the ELC.



The ex-post evaluation of the EIB's Energy Lending Criteria drew on a variety of data, including a literature review of relevant EU Energy Policy documentation; a review of developments in global and EU energy markets in 2013-2017, with a particular focus on investment needs; a portfolio review of the EIB's approved energy-related financing during 2013-2017; a desk review of 60 projects within the portfolio of which ten were subject to site visits; two online surveys (for internal and external stakeholders); and 45 interviews with a variety of internal and external stakeholders.

The full report can be accessed at:

<http://www.eib.org/en/infocentre/publications/all/evaluation-elc.htm>