



The EIB's action against climate change

The European Investment Bank recognises the major threat posed to the welfare of nations and sustainable economic growth by climate change. The EIB is fully engaged in supporting the European Union's leading role in the global fight against climate change through the full weight of its lending and human resources, and a diverse range of financial instruments and products. In doing so the Bank is committed to global efforts to keep long-term atmospheric concentrations of greenhouse gases within safe levels.

In 2009 the European Investment Bank lent EUR 16.9bn for climate change initiatives¹, a 73% increase on 2008 when EUR 9.8bn went to climate change lending. The increased support focused on sustainable transport projects (EUR 5.5bn), renewable energy (EUR 4.2bn), energy efficiency (EUR 1.5bn) and research and development (EUR 4.7bn).

Confronting the challenge of climate change, the EIB has coordinated action across seven key areas.

1) Reinforcing alignment of the Bank's corporate objectives and standards in line with European Union climate change policy and relevant best practice

The EIB's Corporate Operational Plan enables the ongoing integration of climate change considerations into the Bank's policies, practices and activities. In 2009 the Bank established appropriate measures and designed systems to enable the attainment of climate change goals to be reported to its governing bodies as well as to civil society.

The EIB made a formal commitment to make its lending portfolio more climate friendly by promoting renewable energy and optimising energy efficiency in all projects, as covered in the Bank's Statement of Environmental and Social Principles and Standards.

Climate change mitigation and adaptation projects, including renewable energy and energy efficiency can benefit from up to 75% financing, compared with the usual 50% limit.

2) Emphasising reduction of greenhouse gas emissions through improved energy efficiency

Recognising that energy efficiency is the most cost-effective way to reduce emissions and improve the security of energy supplies, the Bank now screens projects to identify energy efficiency opportunities using best available technologies. In 2009 lending for projects involving energy efficiency reached EUR 1.5bn.

3) Providing technical assistance for renewable energy and energy efficiency

To stimulate energy efficiency and renewable energy schemes at the municipality level the EIB works with the European Commission to provide EUR 15m in grant aid for urban environment projects.

4) Financing development and early commercialisation of cost-effective low-carbon technologies

Research and development that assists the fight against climate change is essential, and the Bank supports innovative low-carbon technologies in the early stages of commercialisation. Eligible sectors include photovoltaic, offshore wind, concentrated solar power, second generation biofuel, and low-emission engines.

¹ Projects under the new climate change heading, may also deliver benefits under other main indicators and could therefore be reflected in the figures of such main indicators: Energy objective (renewable energy, energy efficiency), Environment objective (sustainable transport, tackling climate change) as well as Innovation.



5) Increased climate change adaptation lending

The Bank is engaged in efforts to pass on experience gained in stand-alone adaptation projects. Key projects include climate proofing the entire Dutch coastline under the Netherlands Delta Programme, the largest climate change adaptation project in the EU, protecting Venice from sea level rise under the Moses scheme and support for the Czech National Flood Prevention Strategy.

6) Mobilising and leveraging private sector finance for low-carbon growth in developing countries and support for post-2012 carbon markets

It is essential that measures in the EU to combat climate change are coupled with initiatives to promote low-carbon growth in the developing world. The Bank's Facility for Energy Sustainability and Security of Supply (ESF) will use EUR 3bn to finance projects in the developing world.

The EIB continues to expand its support for the carbon market, in close collaboration with CdC, EBRD, KfW and the World Bank. These include the EIB-World Bank Carbon Fund for Europe, Fonds Capital Carbone Maroc, EIB-EBRD Multilateral Carbon Credit Fund and the Post-2020 Carbon Fund.

The Bank will continue its strong engagement in global carbon markets post Copenhagen and seek to promote strong, liquid international and regional carbon markets post-2012.

7) EIB's leading role in stimulating and demonstrating climate change best practice in Copenhagen

As an official observer of the UN-FCCC discussions in Copenhagen the Bank was able to present the broad range of initiatives and interests in the field of climate change. This included stimulating discussion amongst business leaders, policymakers, scientific experts and NGOs and working closely with other European bodies, Member States and IFIs to contribute to improved understanding of what can make a difference.

For further information on the EIB, visit its website www.eib.org

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