



Promoting environmental sustainability

The European Investment Bank promotes environmental sustainability – as well as closely related social well-being – in support of the EU policy on sustainable development. The general approach of the Bank in this regard is described in the corporate strategy and plan, various documents on Corporate Responsibility and most recently in the latest revision of its Environmental and Social Statement, entitled “The EIB Statement of Environmental and Social Principles and Standards”¹. The Statement further develops the environmental and social requirements of the Bank applied to the projects it finances. Furthermore the new Statement gives special treatment to two of the greatest environmental challenges of the 21st Century: the need to mitigate and adapt to climate change and to tackle the degradation and unsustainable use of ecosystems and their associated biodiversity.

The EIB has three main objectives for defining its environmental and social responsibility: the first is to ensure that all the projects that it finances are compliant with EU environmental principles and standards. The second main objective for the Bank is to promote specific projects that protect and improve the natural and built environments and foster social well-being, in support of EU policy, as elaborated in the Sixth Environmental Action Programme (EAP) “Environment 2010: our future, our choice”. The EIB supports specific environmental investments that focus on: climate change, protecting nature and biodiversity, dealing with the links between environment and health, and promoting the sustainable use of natural resources and management of waste. Thirdly, the Bank seeks to manage its environmental footprint, not just in terms of “housekeeping” but also with regard to the projects that it finances.

Recent developments²

A number of environmental and social improvements were identified and implemented in 2009, among which were the following:

- After an extensive public consultation in February 2009 the Board of Directors approved “The EIB Statement of Environmental and Social Principles and Standards”.
- As a consequence of the previous point, the Environmental and Social Practices Handbook has been revised and updated.
- In 2009 lending for Renewable Energy was increased substantially and activities in support of Energy Efficiency were also stepped up.
- In May 2009, the EIB-KfW Carbon Programme II was launched. This is the second “tranche” of a programme established by the European Investment Bank and KfW for the purchase of carbon emission credits. The focus of this new programme is on projects located in the least developed countries (LDCs) and on Programmes of Activities (PoAs) better known as programmatic Clean Development Mechanisms (CDM). The EIB-KfW Carbon Programme II covers both pre-2012 and post-2012 carbon credits.
- Full operation of the *European Clean Transport Facility (ECTF)* approved by the Economic and Financial Affairs Council of the European Union (ECOFIN) on 2 December 2008. This financing programme support investments targeting research, development and innovation in the areas of emissions reduction and energy efficiency in the EU transport sector.
- In 2009, the Bank made significant progress in mainstreaming climate change into the operational practices of the Bank. It completed an initial set of carbon footprint methodologies based on best practice in international greenhouse gas accounting which were successfully tested on a representative sample of projects signed in the first half of 2009. The work of the Bank in this area will continue in 2010 and is expected eventually to lead to a better understanding of the role of the Bank in EU and international global mitigation efforts.

¹ <http://www.eib.org/about/news/eib-statement-of-environmental-and-social-principles-and-standards.htm>

² See also Briefing Note No°09 (The EIB supports EU energy objectives) and Briefing Note No°03 (The EIB’s action against climate change).



- The EIB invested up to EUR 30m in the new private equity fund Dasos Timberland Fund I, targeting timberland investments in Europe and emerging markets. The Fund's core philosophy is to enhance sustainable forest management by investing in forest management programmes that apply international sustainable development principles, including the Pan European Forest Process on Criteria and Indicators for Sustainable Forest Management and the Forest Stewardship Council Principles and Criteria.
- The Social Assessment Guidelines have been refined to make them more specific and unequivocal.
- Environmental and social issues have continued to be brought into the mainstream of the Bank's internal procedures through an extensive programme of staff training and awareness-raising.
- JESSICA (Joint European Support for Sustainable Investment in City Areas), the Cohesion Policy joint initiative established by the Commission and the EIB, with the support of the Council of Europe Development Bank, made considerable progress.
- Finally, a new team, known as the Environmental and Social Office (ESO) along with three inter-directorate working groups on the environment, social matters and climate change, were established at the beginning of 2009 in order to strengthen the Bank's capacity to deliver sustainable projects and to raise the visibility of the Bank's work in this field.

Environmental lending

In 2009, the EIB signed loan agreements for 176 environmental projects, amounting to EUR 25.3bn, which represents 32% of its total lending (2008: EUR 18bn for 150 environmental projects).

The bulk of environmental lending went to EU countries: in 2009 the EIB provided direct financing for 152 environmental projects for a total of EUR 23.6bn in the European Union. These figures do not include environmental components of projects where the overall objective is not directly related to the environment. This component is currently not recorded by the Bank. Within the EU, most of the funding went to climate change, environment and health and sustainable transport.

In the Enlargement Countries the volume of environmental protection projects was EUR 695m. In the Mediterranean partner countries, EUR 446m was advanced for environmental schemes. A further EUR 89m went to environmental projects in the ACP countries (including South Africa), EUR 410m to projects in Asia and Latin America, and EUR 18m to the Neighbourhood Partner Countries to the East.

Some examples of projects financed in 2009:

Egypt: the Integrated Water and Wastewater Services Programme (IWSP), concerning water supply and wastewater investments in four governorates in the Nile Delta, received a EUR 70m loan. The IWSP loan is essentially a single-sector framework loan, comprising about 100 sub-investments. The programme will contribute to improving the environment and living conditions of approximately 4 million people. By providing a safe and reliable water service and improving sanitation, it will reduce the incidence of water borne diseases, promote better hygiene conditions and improve environmental conditions.

Spain: a EUR 80m loan to GEMASOLAR 2006 SAU in Spain to finance the implementation of a small-scale concentrated solar power (CSP) system with a nominal electrical capacity of 17 MWe in "La Monclova", municipality of Fuentes de Andalucía. The new plant will represent the first commercial application of CSP technology and the only existing commercial-scale solar power demonstration project based on a central tower receiver and heliostat field and an innovative molten salt heat storage system. This project will provide 25 000 households with clean and secure energy, help reduce CO₂ emissions, and employ 1 000 workers for the construction of the plant.



The bank of the European Union



United Kingdom: with a GBP 182m (EUR 200m) loan, the Bank supports is helping the Greater Manchester Waste Disposal Authority to build and maintain an integrated waste management service for the treatment and disposal of municipal waste. One of the first examples of a partnership between public- and private partnership partners (PPP) in the waste sector, this project is expected to have a positive environmental impact on the communities living in and around Manchester allowing for the phasing out of by enabling the practice of landfilling untreated waste to be phased out. Moreover, by adopting an integrated waste management service, Greater Manchester aims to increase recycling and composting levels in the region, which have historically have been low compared to the national average.

Montenegro: a EUR 27 m loan in favour of the solid waste management sector aims at supporting the first phase of the creation of a national sustainable solid waste management system in line with EU standards and directives in Montenegro. The project consists of inter-municipal sanitary landfills, transfer stations, recycling facilities and the rehabilitation of some 30 dumpsites. With the creation of a nationwide solid waste management system, the investment is expected to help reduce water and soil pollution.

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

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