

EIB GROUP EVALUATION

THE EIB ENERGY LENDING POLICY

INDEPENDENT EVALUATION INSIGHTS

JULY 2025



**European
Investment Bank | Group**

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The EIB Energy Lending Policy: Independent evaluation insights

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EXECUTIVE SUMMARY

CONTEXT

The EIB Energy Lending Policy (2019) marked a major shift in the Bank's support for energy, making it a cornerstone of its overall climate ambition. Setting a precedent among international finance institutions, the policy formalised the EIB Group's decision to phase out support for energy projects reliant on unabated fossil fuels. It outlined the EIB's approach to advancing EU energy objectives.

The evaluation insights conducted by the EIB Group's Evaluation function is an accelerated assessment of the Energy Lending Policy. It is designed to draw lessons from the Bank's support for the EU energy transition and provide timely inputs to inform the upcoming Energy Sector Orientation, due to be approved in late 2025.

KEY FINDINGS

- I. **The Energy Lending Policy provided a solid yet sufficiently flexible framework, reflecting the EIB's strong commitment to the EU energy transition.**

The framework set by the Energy Lending Policy is closely aligned with EU policy and served the EIB's vision well. It reflects the EU vision for climate neutrality and supports the priorities of the European Green Deal, so that Europe can deliver on its climate and energy targets for 2030. The policy also laid the groundwork for the [EIB Group Climate Bank Roadmap](#), which set out the Group's climate ambitions for 2021-2025.

The policy provided a clear framework, yet it did not fully capture the breadth of EIB energy-related activities. The policy provided a solid strategic framework – including eligibility criteria – to structure EIB energy operations. Nonetheless, some energy investments, for example those related to research, development of new energy technologies and the manufacturing of batteries, fall outside the scope of the policy. This limits its ability to provide a comprehensive view of the EIB's energy-related portfolio and to ensure consistent reporting on investments across the energy value chain.

The Energy Lending Policy provided the EIB with sufficient flexibility to adapt to a rapidly changing context. The policy enabled the Bank to respond to the energy crisis triggered by Russia's full-scale invasion of Ukraine, notably by supporting the European Union's REPowerEU plan¹ and scaling up investments in clean energy and infrastructure. While its objectives remain relevant, other EU priorities have gained prominence.

The EIB's energy lending is aligned with current EU policy priorities, such as competitiveness, energy affordability, energy security and resilience, but demonstrating how it contributes to these objectives is methodologically complex. This is due to the many external factors beyond the Bank's control, such as geopolitical developments and global energy market dynamics. Defining measurable intermediate objectives² to which EIB operations can contribute – and which the Bank can effectively communicate and report on – would help to address the issue.

¹ REPowerEU is a European Commission plan aimed at reducing the European Union's dependence on Russian fossil fuels by accelerating the green transition and diversifying energy sources.

² These could include for example the EIB's contribution to EU production of clean energy, increased cross-border connection capacity, energy savings from EIB-financed operations, etc.

II. The EIB significantly increased and accelerated energy lending, responding to substantial investment needs in the European Union.

Leveraging its experience and client base, the EIB significantly scaled up its lending for the EU energy transition.

Under the Energy Lending Policy, the EIB has become a key financier of the European green transition. This surge in energy lending reflects substantial investment needs. It was driven by the ambitions set by the EIB Group Climate Bank Roadmap and REPowerEU packages, which led to significant business development efforts to boost the delivery of EIB investments.

EIB support to decarbonise the energy supply has predominantly focused on mature technologies, such as solar photovoltaic and wind power, crucial for the energy transition. The Bank's energy portfolio under the Energy Lending Policy has remained stable since 2019, with a strong focus on solar photovoltaics and onshore and offshore wind. Despite policy ambitions, market uncertainties limited investments in green hydrogen and carbon capture and storage. The Bank's drive to achieve high climate action-related lending volumes, reduce time to market and manage risk contributed to its focus on large operations in mature sectors over investments in new and less mature technologies.

The EIB supported enabling energy infrastructure by investing in transmission and distribution networks, with a strong focus on electricity grids. EIB lending in enabling energy infrastructure was highly concentrated in a few EU countries and with large operators. The EIB has in some instances extended its exposure limits with large clients, reflecting the structural concentration of grid operators in some countries.

The EIB supported emerging technologies – such as floating offshore wind – albeit modestly due to limited market opportunities and its focus on large operations. These investments involve trade-offs, such as limited scalability, longer time to market and higher risk. Their contribution to energy lending is difficult to quantify as these investments are often categorised under the theme “supporting innovative technologies and new types of energy” or the “innovation, digital and human capital” public policy goal.

III. The EIB's financial product and advisory services offer was well suited to its existing client base.

The EIB's standard toolkit has proven fit for purpose to support the Bank's energy lending due to its focus on existing clients. The Bank's energy lending has to a large extent relied on investment loans and framework loans. To broaden its reach, the Bank also used other instruments, notably intermediated lending for small and medium-sized enterprises (SMEs), guarantee products and venture debt. Despite this range of products and the broad eligibility criteria, financing digitalisation and manufacturing remained challenging. Digital investments tend to have shorter economic lifespans that constrain the EIB's ability to offer long-term financing. Manufacturing generally fell outside the EIB's direct eligibility scope – with exceptions for innovative production – until REPowerEU temporarily broadened the eligibility criteria.

Demand for project-related advisory support remained limited due to the Bank's focus on large and experienced clients. Most clients receiving EIB energy financing were already familiar with the Bank's procedures and had a solid track record in their industries. They thus rarely needed advisory support from the Bank. Reaching new, smaller and/or less experienced clients may require more extensive advisory engagement.



LESSONS

The evaluation insights point to **three lessons for the upcoming EIB Group Energy Sector Orientation**:

1. **Preserve flexibility in the Energy Sector Orientation** by (i) setting broad eligibility criteria that enable the Bank to support the energy transition and stay the course on its climate and environmental ambitions; and (ii) providing technical guidance separately.
2. **Consider a comprehensive EIB support for energy value chains** by investing strategically in key elements of energy value chains to allow a comprehensive, well-structured response that addresses market gaps and advances EU strategic priorities.
3. **Ensure the Energy Sector Orientation can be operationalised** by (i) setting a framework that enables the Bank to provide a complete overview of its support for the energy transition; and (ii) defining measurable intermediate objectives for EIB investments to enhance reporting and effectively communicate the EIB's full contribution to high-level EU policy objectives.

1. INTRODUCTION

1.1 THE EIB'S ENERGY LENDING POLICY: SUPPORTING THE CLEAN ENERGY TRANSITION

In late 2019, the European Commission launched the European Green Deal, with the aim of making Europe the first climate-neutral continent by 2050. The Green Deal builds on the 2015 Energy Union and the European Union's Paris Agreement commitments and includes ambitious climate and energy targets for 2030.

In support of the Green Deal, the EIB Group positioned itself as the EU climate bank. In November 2019, it announced increased ambitions for climate action and environmental sustainability and committed to three high-level objectives:

- i) for the EIB Group to support €1 trillion of investment in climate action and environmental sustainability between 2021 and 2030;
- ii) for the EIB to increase the share of its annual financing allocated to climate action and environmental sustainability to 50% by 2025 and beyond;
- iii) for all new EIB Group operations to be aligned with the principles and goals of the Paris Agreement from 2021 onwards.³

The same month, the Bank approved the Energy Lending Policy, which served as a stepping stone for the EIB Group's Climate Bank Roadmap. The Energy Lending Policy marked a major strategic shift for the EIB, making it the first international finance institution to commit to phasing out support for unabated fossil fuel projects. A year later, in December 2020, the EIB Group adopted a [Climate Bank Roadmap](#), which set out the Group's climate ambitions for 2021 to 2025.

The Energy Lending Policy outlines how the EIB intends to support EU energy policy objectives. It applies across all EIB activities, including finance, blending, advisory and technical assistance, and extends to sectors beyond energy, such as construction, mobility and innovation. The Energy Lending Policy is structured around four themes that reflect the EIB's key priorities in supporting the clean energy transition (see [Table 1](#)).

Table 1: EIB Energy Lending Policy themes and priority areas

Energy Lending Policy themes	Key priority areas
Unlocking energy efficiency	The EIB promotes energy efficiency investments, with a strong focus on buildings – a sector where significant financing gaps persist. It encourages innovative financing solutions, such as mortgage-based lending. Through the European initiative for building renovation, the Bank also aims to mobilise private capital for large-scale building renovations. These efforts are designed to increase renovation rates, ensure high energy performance in new buildings, and boost energy efficiency investments by small and medium businesses and the industrial sector.
Decarbonising the energy supply	To meet the 2030 targets, the EIB focuses on promoting renewable energy and technologies needed to decarbonise the energy supply, including: <ul style="list-style-type: none">• expanding renewable electricity generation and integrating low-carbon gases such as hydrogen and biogas into the energy mix;

³ This includes new, direct and intermediated financing operations (including lending, guarantees, securitisation and equity) and advisory assignments approved from 1 January onwards. It also includes treasury operations.

Energy Lending Policy themes	Key priority areas
	<ul style="list-style-type: none"> • promoting regional cooperation and market integration to enhance the efficiency and resilience of energy systems; • scaling up investments in renewables and sustainable raw materials, supported by tailored advisory services to accelerate project development and implementation.
Supporting innovative technologies and new types of infrastructure	<p>The EIB focuses on:</p> <ul style="list-style-type: none"> • The development and deployment of innovative low-carbon solutions to strengthen the European Union’s industrial leadership. This includes investments in: <ul style="list-style-type: none"> ▪ innovation, from research to early commercial deployment, fostering new business models and consumer participation in the energy transition in line with the EU Strategic Energy Technology Plan research; and ▪ securing a sustainable supply of critical raw materials essential for clean energy systems. • Supporting new types of energy infrastructure, by investing in emerging infrastructure such as battery storage, demand response systems and decentralised energy sources. These technologies are key to enabling a flexible, resilient energy system that can integrate increasing shares of renewable energy.
Securing the enabling energy infrastructure	<p>The EIB no longer supports unabated fossil fuel projects, shifting its focus to clean energy alternatives and carbon capture technologies. The Bank aims to strengthen electricity networks, promote cross-border interconnections, transition to low-carbon gas infrastructure and expand and rehabilitate heat networks.</p>

Source: Evaluation Division based on the EIB Energy Lending Policy.

1.2 ABOUT THE EVALUATION INSIGHTS

These evaluation insights are an accelerated evaluative assessment of the EIB's Energy Lending Policy, undertaken by the EIB Group's Evaluation function to provide timely inputs for the upcoming EIB Group Energy Sector Orientation. The evaluation insights assess how the EIB supported the clean energy transition following the Energy Lending Policy's approval in 2019 and how well the policy has guided the Bank's energy lending in a rapidly evolving context (Box 1). The evaluation insights supplement the [Evaluation of the Climate Bank Roadmap](#), published mid-2025.

Box 1: Key features of the evaluation insights on the EIB Energy Lending Policy

- ✓ It is an evaluative assessment completed on an accelerated timeline.
- ✓ It focuses on selected themes of the Energy Lending Policy.
- ✓ Evaluation processes were streamlined to enable faster delivery of findings.
- ✓ It focuses on extracting lessons learnt rather than issuing formal recommendations.

The evaluation insights cover:

- EIB operations in the European Union signed since the approval of the Energy Lending Policy (November 2019) until December 2024.
- EIB activities undertaken under the policy, including lending and advisory activities linked to EIB operations and REPowerEU packages (from 2022 until the end of 2024).

The evaluation insights focus on two of the four themes of the policy: *“decarbonising the energy supply”* and *“securing the enabling infrastructure”*. The “energy efficiency” theme was not included in the assessment, as it was recently reviewed by EIB staff. While prominently featured under the “innovative technologies and new types of infrastructure” theme, the EIB's support for innovation was examined as a cross-cutting topic across other themes, reflecting the Bank's broader commitment to fostering innovation throughout its energy-related operations.

Methodologically, the evaluation insights drew on documentary reviews, a portfolio analysis, interviews and focus group discussions with EIB staff as well as evidence from the Climate Bank Roadmap evaluation. The assessment draws its findings and lessons from a variety of sources, including a review of EU policy and EIB operation-level documentation, a portfolio analysis and interviews with EIB staff. It also considered findings from recent reviews undertaken by EIB Group staff, including the [Mid-term review of the Energy Lending Policy](#) and the [EIB Group Climate Bank Roadmap Mid-term Review](#). Additionally, it incorporated findings from the Climate Bank Roadmap evaluation completed by the EIB Group Evaluation Division in mid-2025.

2. KEY FINDING 1 – THE ENERGY LENDING POLICY PROVIDED A SOLID, YET SUFFICIENTLY FLEXIBLE FRAMEWORK, REFLECTING THE EIB’S STRONG COMMITMENT TO THE EU ENERGY TRANSITION

2.1 THE FRAMEWORK SET BY THE ENERGY LENDING POLICY IS CLOSELY ALIGNED WITH EU POLICY AND SERVED THE EIB’S VISION WELL, BUT DOES NOT FULLY CAPTURE THE BREATH OF EIB ENERGY ACTIVITIES

The Energy Lending Policy sent a strong signal of EIB support for the EU energy transition with its commitment to phase out support for unabated fossil fuel. The policy is closely aligned with the priorities of the European Green Deal and reflects the EU vision for climate neutrality by 2050. Its objectives and four thematic areas⁴ are aligned with the EU principles for a clean energy transition, focusing on a secure and affordable EU energy supply, fully integrated, interconnected and digitalised EU energy markets, prioritising energy efficiency and boosting renewable energy, thus directing EIB activities towards the European Union’s climate and energy priorities and supporting the broader green transition.

The Energy Lending Policy established a clear framework of EIB support. The policy provides a clear strategic framework aimed at reducing greenhouse gas emissions, increasing energy efficiency and promoting the use of energy from renewable sources. It clearly defines which investments are eligible for EIB financing, and the technical annexes outline the eligibility criteria across the policy’s four themes to structure EIB support for the clean energy transition.

Yet, this framework does not fully capture the breadth of EIB energy activities along energy value chains. The Energy Lending Policy covers only those EIB activities that fall within the “sustainable energy and natural resources” public policy goal (Box 2). This leaves some EIB energy investments outside the scope of the policy, especially innovation projects that include energy-related activities. For example, several operations financed under the InnovFin Energy Demonstration Projects Facility or the European Growth Finance Facility support energy-related investments such as battery production, but they are recorded under the “innovation, digital and human capital” public policy goal and thus fall outside the scope of the Energy Lending Policy.⁵ This partial coverage limits the policy’s ability to provide a comprehensive overview of the EIB’s energy-related portfolio and to ensure consistent communication and reporting on investments across the energy value chain.

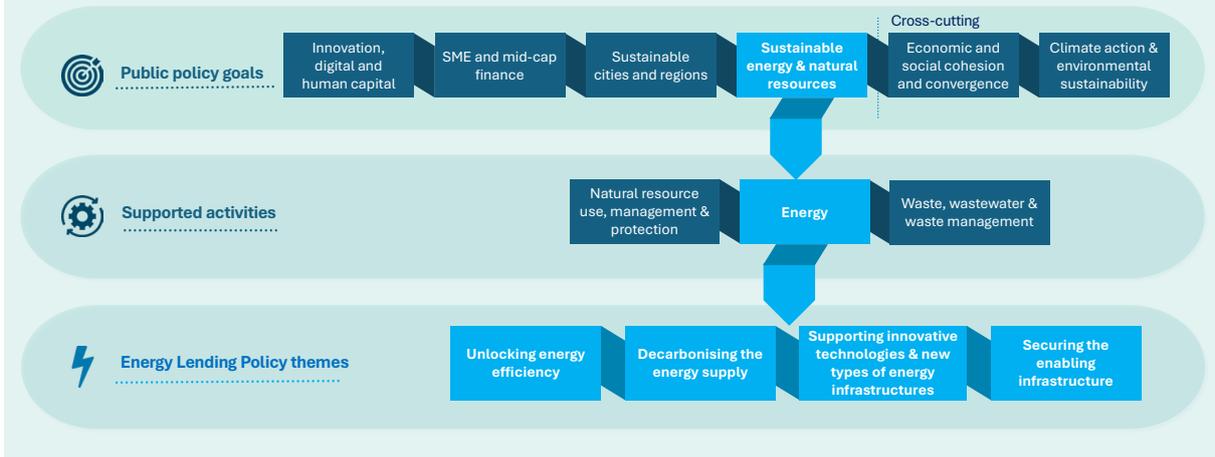
⁴ Unlocking energy efficiency, decarbonising the energy supply, supporting innovative technologies and new types of infrastructure, and securing the enabling infrastructure.

⁵ In line with the policy, the evaluation insights have not assessed such activities, even if related to energy.

Box 2: Energy lending and the EIB public policy goals

The EIB Group's public policy goals guide its financing activities through four primary objectives: (1) innovation, digital and human capital, (2) SME and mid-cap finance, (3) sustainable cities and regions and (4) sustainable energy and natural resources; plus, two additional cross-cutting goals: economic and social cohesion and convergence and climate action and environmental sustainability. These goals align operations with EU priorities and ensure consistent business planning and impact assessment.

EIB investments under the Energy Lending Policy fall under the sustainable energy and natural resources public policy goal, as highlighted in green in the figure below. The Bank's investments under either of the policy's four themes – energy efficiency, decarbonising the energy supply, innovation and enabling infrastructure – are classified under this public policy goal. However, other activities that also contribute to the objectives of the policy, such as the manufacturing of batteries for electric vehicles or energy-efficient investments for small and medium businesses, sometimes fall under another public policy goal – such as innovation, digital and human capital or SME and mid-cap finance – and are thus not included in the energy lending portfolio.



Source: Evaluation Division.

2.2 THE ENERGY LENDING POLICY PROVIDED SUFFICIENT FLEXIBILITY TO ENABLE THE EIB TO ADAPT TO A RAPIDLY CHANGING CONTEXT

The Energy Lending Policy was implemented during a period marked by multiple crises. This included the COVID-19 pandemic, Russia's full-scale invasion of Ukraine in 2022 and the resulting energy crisis and inflation shocks. These events prompted the European Union to introduce several policy and legislative initiatives to raise its clean energy ambitions, prioritising energy security and the diversification of the energy supply in its emergency measures.

The Energy Lending Policy demonstrated sufficient flexibility to enable the Bank to adjust to a rapidly evolving context. It proved adaptable to the changing policy and market environments. While aligned with the EIB Group's high-level climate objectives, the relatively broad eligibility criteria set in the Energy Lending Policy provided the Bank with some flexibility to respond to an evolving international landscape. For instance, when the European Commission launched the REPowerEU plan in 2022 with the intention of phasing out fossil fuel imports from Russia by 2027 and accelerating the clean energy transition, the EIB Group was able to support the plan with the approval of two subsequent REPowerEU packages in 2022 and 2023 (Box 3).

Box 3: The EIB Group's REPowerEU package

REPowerEU package (2022): The EIB Group committed to deploy an additional €30 billion to support the European Commission's REPowerEU plan to reduce the European Union's dependence on fossil fuel imports by 2027 and to accelerate the clean transition. This additional lending aimed to support investments in energy efficiency, sustainable energy and the energy transition, and innovation (including grids, storage, electric vehicle infrastructure and breakthrough technologies).

This additional EIB Group financing was accompanied by a set of **enabling measures** to offer greater flexibility, thereby accelerating the pace of new investments and maximising their impact with a wider range of clients. These enabling measures included:

- higher upfront disbursements;
- longer tenors;
- increased co-financing rates, covering up to 75% of total project investment costs;⁶
- a temporary extension of the exemptions to the [EIB Group's Paris Alignment for Counterparties \(PATH\) framework](#) for highly innovative projects to include all renewable energy projects and electric vehicle charging infrastructure;
- flexibility to exceed client exposure limits.

REPowerEU+ package (2023): The EIB Group increased the financing targets for REPowerEU to €45 billion by 2027 and broadened the scope of eligible sectors to align with the European Commission's Green Deal Industrial Plan and Critical Raw Materials Act and boost financing for:

- manufacturing in state-of-the-art net-zero technologies and products in support of the European Commission's Green Deal Industrial Plan;
- the extraction, processing and recycling of critical raw materials, as identified in the Critical Raw Materials Act;
- the upskilling and reskilling of the EU workforce needed for the green energy transition.

The deployment of the REPowerEU+ package is split between the EIB (90%) and the EIF (10%). The EIB share of €41.5 billion is expected to support an aggregate investment volume of €88 billion by 2027.

In operational terms, the EIB's additional investment contributing to REPowerEU packages has been treated as a "top-up" to the estimated baseline of annual lending of €10.1 billion. Accordingly, all energy lending exceeding the €10.1 billion baseline has been considered as contributing to REPowerEU.

Source: Evaluation Division based on EIB policy documents.

The objectives of the Energy Lending Policy remained relevant despite the energy crisis having brought new EU priorities to the forefront. As a result of the energy crisis, new EU policy objectives – competitiveness, affordability, resilience and energy security – have gained prominence. In this context, the EIB has been tasked with accelerating investments, including along value chains, and with leveraging private investment in support of these objectives. As noted above, the policy acknowledges the need to ensure energy security and affordability, although affordability was not explicitly stated as an objective. In this context, the 2023 mid-term review of the Energy Lending Policy concluded that no changes to the policy were necessary, resulting in only relatively minor revisions to technical annexes.

⁶ The EIB typically covers up to 50% of a project's total cost.

2.3 EIB ENERGY LENDING IS ALIGNED WITH NEW EU PRIORITIES BUT DEMONSTRATING THE BANK'S CONTRIBUTION TO THOSE PRIORITIES IS METHODOLOGICALLY COMPLEX

The Energy Lending Policy is aligned with recent EU policy priorities, which emphasise competitiveness, energy affordability, security and resilience, but demonstrating the Bank's contribution to these objectives will be methodologically complex. The Clean Industrial Deal (2025) stresses the need to enhance the European Union's competitiveness, ensure energy affordability and support security and resilience. Importantly, multiple factors affect the achievement of such objectives. They include external elements, such as geopolitical developments and global energy market dynamics, as well as internal factors, such as the Bank's strategic priorities, business model and resources. For instance, external factors such as gas prices and the level of EU grid integration influence the effectiveness of the Bank's investments in renewable energy and electricity grids with respect to energy prices.

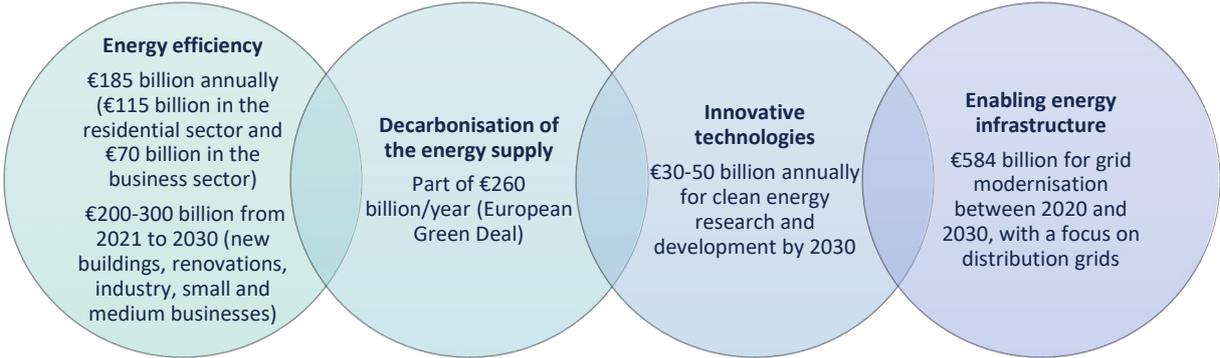
This makes it challenging to isolate and report on the specific impact of EIB investments on energy affordability and supply security. To demonstrate how the EIB contributes to these objectives, it will be necessary to: (i) clarify the scope of the Bank's remit; (ii) establish causal links to explain how EIB investments are expected to contribute to these high-level priorities; and (iii) define measurable intermediate objectives that EIB operations can contribute to, and that the Bank can communicate and report on.

3. KEY FINDING 2 – BUILDING ON ITS CLIENT BASE, THE EIB SIGNIFICANTLY INCREASED ENERGY LENDING, RESPONDING TO SUBSTANTIAL INVESTMENT NEEDS IN THE EUROPEAN UNION

3.1 THE EIB SIGNIFICANTLY SCALED UP LENDING FOR THE EU ENERGY TRANSITION

Substantial investments are needed in the European Union to support the green transition (Figure 1). The European Green Deal estimated investment needs amounting to €522 billion from 2021 to 2030, including €392 billion for climate and energy. The REPowerEU plan estimated that an additional €210 billion in investment would be needed by 2027. To meet these needs, it is critical to leverage public funds to attract private capital.

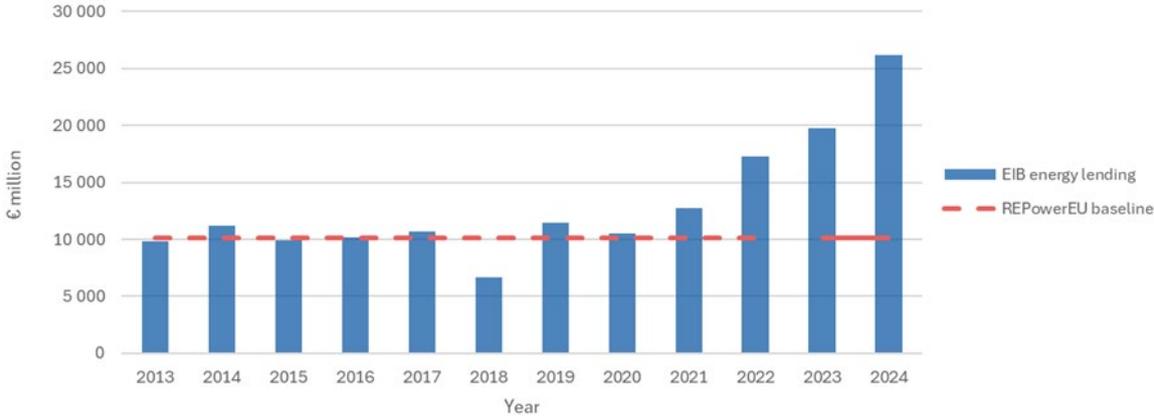
Figure 1: Estimated investment needs for the EU clean energy transition, broken down by the four Energy Lending Policy themes



Source: European Commission documents, including the European Green Deal Investment Plan, the EU Action Plan for Grids and the Energy Efficiency Directive (2021).

Responding to these needs, EIB energy lending has surged since the approval of the Energy Lending Policy (Figure 2). EIB energy lending reached a record high of more than €25 billion in 2024, up from €11.6 billion in 2019, and made up 28% of the Bank’s 2024 annual lending volume. The share of operations within the overall EIB portfolio that contribute to energy lending has also increased significantly since 2021. This surge in EIB energy lending was primarily driven by a steady and significant increase in support for decarbonisation, with 2024 also witnessing a notable rise in support for energy infrastructure. Additionally, support for energy efficiency has shown a consistent, albeit more moderate, increase between 2021 and 2024.

Figure 2: Evolution of the EIB’s annual energy lending within the European Union (2013-2024, € million)

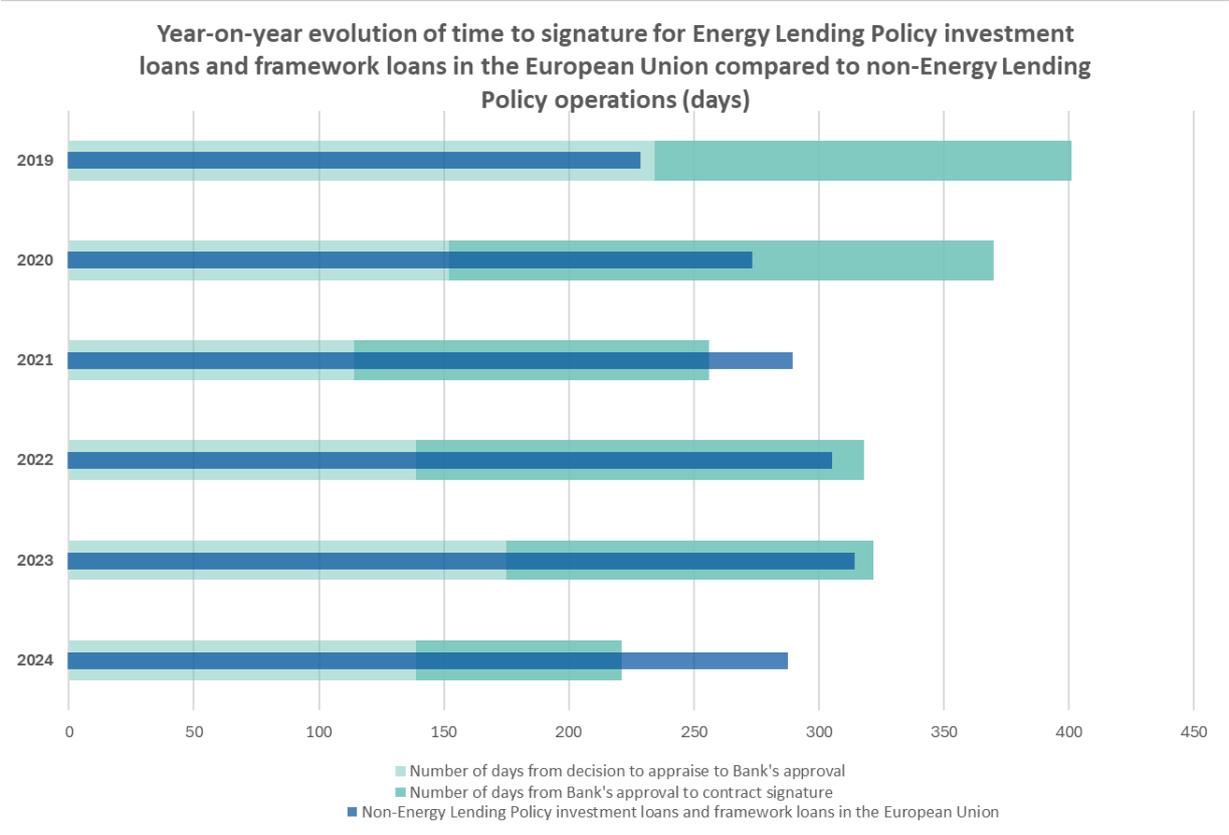


Source: Evaluation Division based on EIB portfolio data.

The ambitions set by the Climate Bank Roadmap and the REPowerEU packages provided the impetus for the EIB to significantly boost its energy lending. Under the Climate Bank Roadmap and the REPowerEU packages, the EIB committed to significantly increase energy lending in support of the EU energy transition. This resulted in strong business development efforts across the Bank’s services. By the end of 2024, 60% of the Bank’s annual signed volumes contributed to climate action and environmental sustainability, with the energy sector accounting for 36% of this green financing (up from 21% in 2020). By 2024, the EIB had achieved 71% of the expected €41.5 billion signatures under REPowerEU.

The REPowerEU packages helped accelerate EIB investments for the EU energy transition, both in terms of volumes and delivery speed. Between November 2019 and the end of 2024, the time required for direct lending (investment loans and framework loans) was reduced from over 400 days to 221 days (Figure 3). During interviews, EIB staff reported that REPowerEU enabling measures (Box 3) had contributed to the expansion of the energy lending portfolio.

Figure 3: Year-on-year evolution of time to signature for Energy Lending Policy investment loans and framework loans in the European Union compared to non-Energy Lending Policy operations (November 2019--December 2024)



Source: Evaluation Division based on EIB portfolio data.

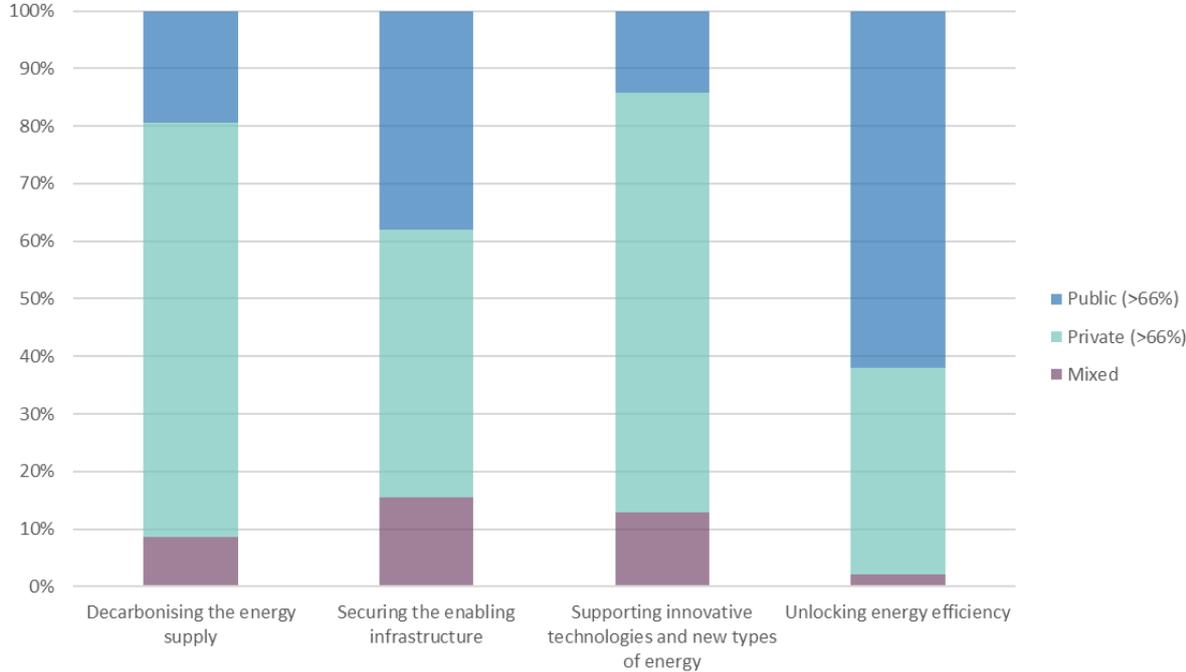
Monitoring the specific contribution of REPowerEU to the policy’s objectives and expected results has not been possible. REPowerEU packages have been implemented as a top-up mechanism, whereby all energy lending exceeding a predefined annual baseline (€10.1 billion) is counted towards the REPowerEU target. As a result, operations supported by REPowerEU cannot be distinguished from the rest of the EIB’s energy lending portfolio. The EIB thus did not collect specific data on REPowerEU operations. In addition, the Bank did not systematically track the use of exemptions or specific measures under the initiative, making it impossible for the evaluation team to conduct an analysis of their results and impact.

3.2 THE EIB LEVERAGED ITS EXPERIENCE AND BUILT PRIMARILY ON ITS EXISTING CLIENT BASE TO RAMP UP ENERGY LENDING

The EIB built on its existing client base to scale up energy investments under the Energy Lending Policy. High-volume delivery has been primarily channelled towards known clients, who accounted for 81% of signed lending between November 2019 and December 2024. Over half of the EIB’s energy lending over the same period was channelled towards the private sector (53%), with financial institutions accounting for 27%. The type of clients differed across the policy’s four themes (Figure 4): the highest shares of private promoters were recorded under

the themes of innovation (73%) and decarbonisation (72%), whereas support for energy efficiency was predominantly channelled through publicly owned promoters (62%).

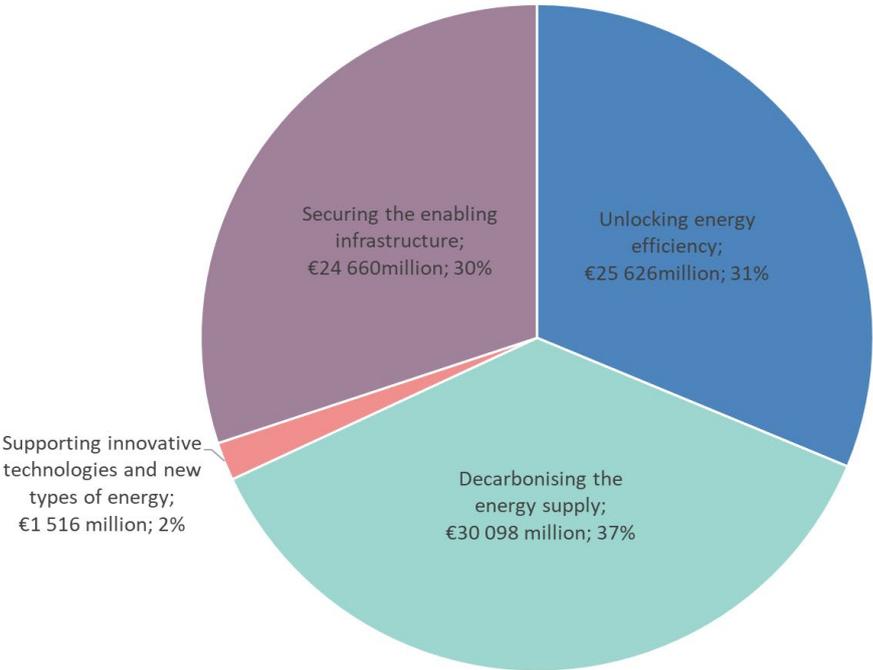
Figure 4: Client type per Energy Lending Policy theme (November 2019-December 2024)



Source: Evaluation Division based on EIB portfolio data.
 Note: Client type is determined by the borrower’s ownership structure. If a borrower is more than 66% owned by one or more public entities, it is classified as public. If it is more than 66% owned by one or more private entities, it is classified as private. If neither public nor private entities own it by more than 66%, it is classified as mixed.

The composition of the EIB’s investment portfolio has remained stable during the implementation of the policy. The Bank prioritised investments to decarbonise the energy supply, promote energy efficiency and secure enabling infrastructure (Figure 5). EIB lending for innovation and less mature technologies has remained more limited due to several factors, such as the higher risk profile of operations, the shorter asset lifetime, which constrains the EIB’s ability to offer long-term financing, and uncertain demand. Additionally, EIB staff reported that in some cases due diligence requirements and the added complexity of the project approval processes discouraged them from explicitly including innovation components in broader energy projects (for example, smart meters in larger infrastructure projects). In some cases, such innovation components were included in large projects but not flagged as “innovative” in the EIB’s internal systems, resulting in some of the Bank’s support for innovation going unrecorded and not being included in the monitoring and reporting of energy-related investments.

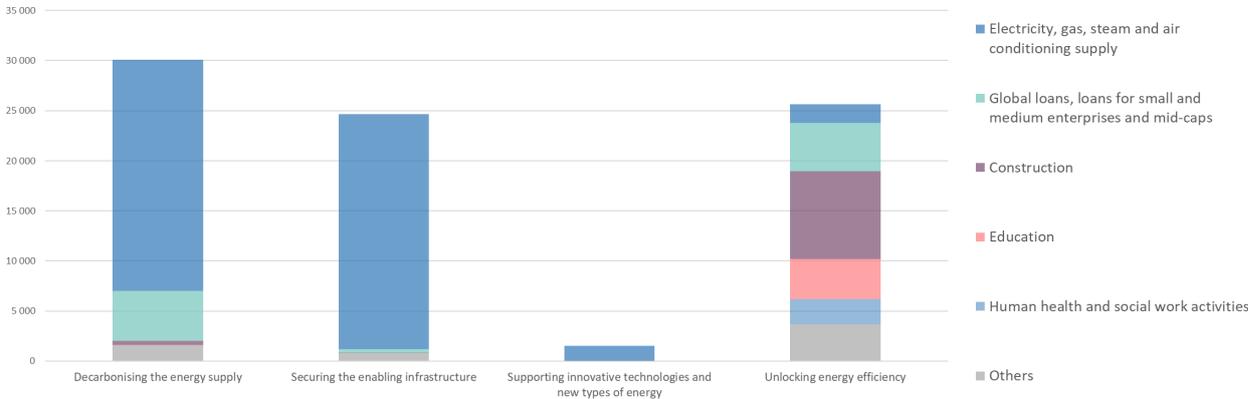
Figure 5: Share of each of the four Energy Lending Policy themes in energy lending (November 2019-December 2024)



Source: Evaluation Division based on EIB portfolio data.
 Notes: Support for innovative technologies includes operations supporting floating offshore, the digitalisation of grid networks and energy storage projects.
 Activities falling under the “innovation, digital and human capital” public policy goal are not covered by this evaluation, even if related to energy.

EIB energy lending, particularly for energy efficiency, has supported a broad range of sectors (Figure 6). Overall, the EIB’s energy lending primarily supported investments in electricity, gas, steam and air conditioning supply, reflecting both the scale of energy sector investment needs and the strategic importance of decarbonising the energy supply and developing enabling infrastructure. Financing in support of energy efficiency has been multi-sectoral, reflecting the Bank’s efforts to incorporate energy efficiency more broadly across operations, as noted in the evaluation of the EIB Group Climate Bank Roadmap. This included investments in construction (34%), global loans for small and medium-sized enterprises and mid-caps (19%) and education (16%). In addition, the Bank has also expanded intermediated lending in support of climate action, targeting both the decarbonisation of the energy supply and improvements in energy efficiency.

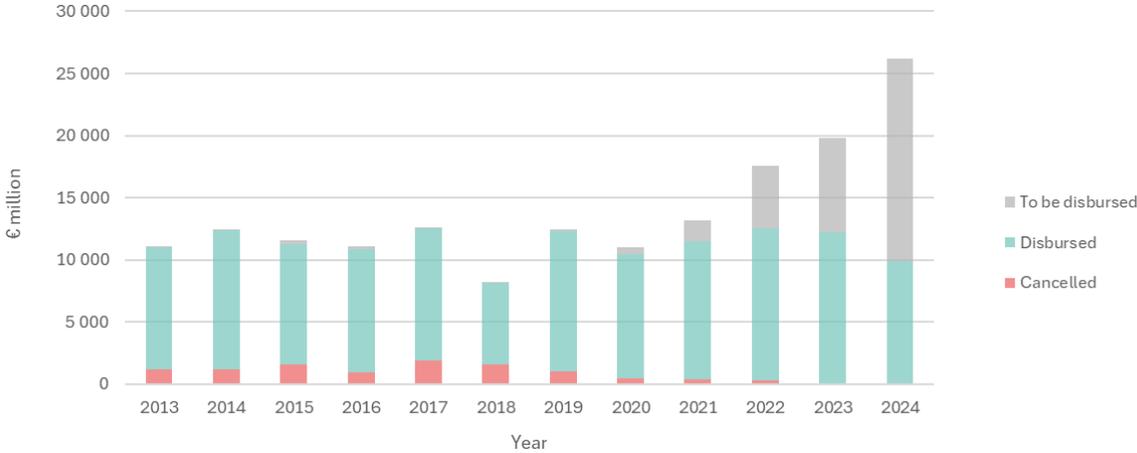
Figure 6: Sectoral split of energy lending per theme (November 2019 --December 2024, € million)



Source: Evaluation Division based on EIB portfolio data.

Cancellations and disbursements within the energy lending portfolio have remained in line with the overall EIB portfolio (Figure 7).⁷ At the time this assessment was undertaken, no pattern indicating potential issues related to high cancellations or slow disbursements have emerged. However, cancellations might not yet have had the time to materialise, as the portfolio under review is predominantly composed of recently signed operations.

Figure 7: Status of annual energy lending portfolio (2013-2024, € million)



Source: Evaluation Division based on EIB portfolio data.

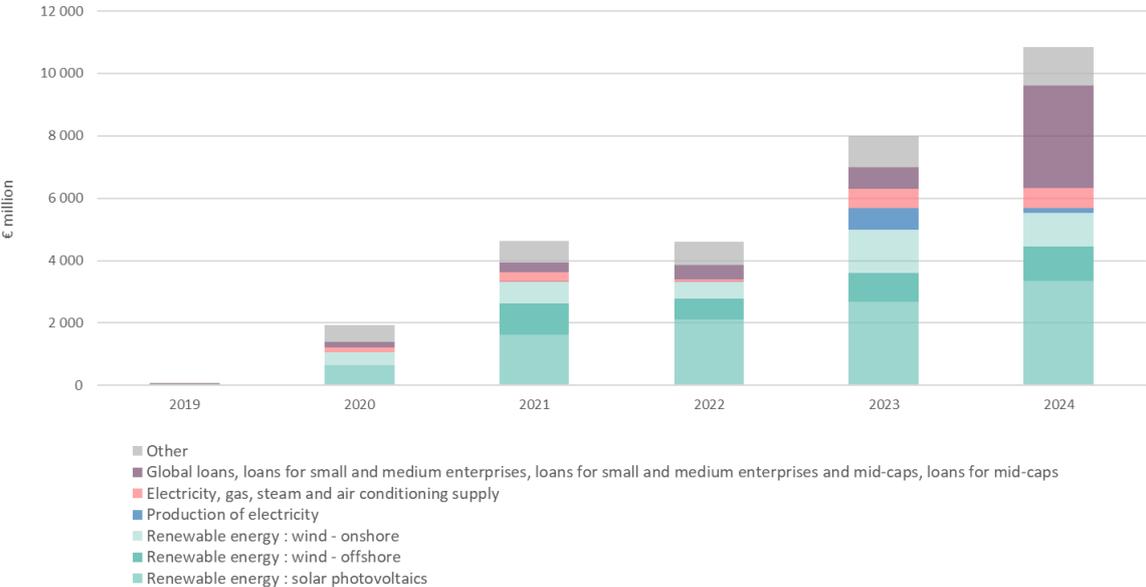
Note: The graph is based on contracts' signature year

⁷ The evaluation compared the energy lending portfolio with EIB operations in the European Union that did not contribute to the Energy Lending Policy under the same period.

3.3 EIB SUPPORT FOR DECARBONISING THE ENERGY SUPPLY FOCUSED ON MATURE TECHNOLOGIES, CRUCIAL FOR THE ENERGY TRANSITION

The EIB’s support for decarbonising the energy supply has helped to accelerate the deployment of renewable energy in Europe, focusing on mature technologies. EIB lending for decarbonisation has largely been directed to mature technologies, such as solar photovoltaics and onshore and offshore wind. Taken together they account for over 61% of lending for decarbonisation.

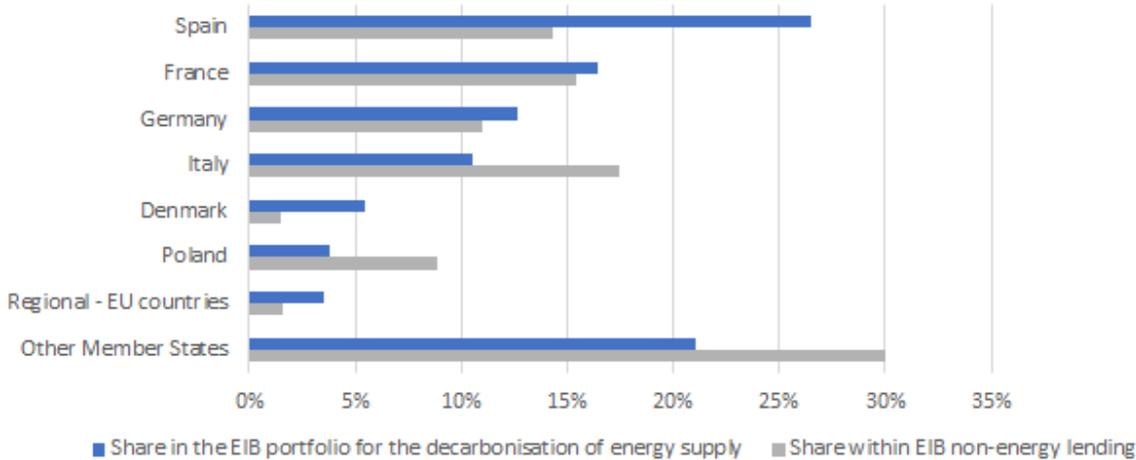
Figure 8: Type of activity financed under the policy theme “decarbonising the energy supply” (November 2019-December 2024)



Source: Evaluation Division based on EIB portfolio data.

EIB lending for decarbonisation is geographically concentrated (Figure 9). Large western and southern European countries – Spain (27%), France (16%) and Germany (13%) – have been the main recipients of EIB decarbonisation financing. According to EIB staff, this concentration reflects differences in the client base, regulatory environments and the availability of alternatives sources of finance.

Figure 9: Member States’ share in the EIB’s non-energy lending portfolio and lending portfolio in support of decarbonising the energy supply (November 2019-December 2024)



Source: Evaluation Division based on EIB portfolio data.

3.4 THE EIB HAS INVESTED IN ENABLING ENERGY INFRASTRUCTURE WITH A STRONG FOCUS ON THE DEVELOPMENT OF TRANSMISSION AND DISTRIBUTION NETWORKS

The EIB has invested significantly in enabling infrastructure, primarily through the development of transmission and distribution networks. EIB lending for energy infrastructure predominantly targeted the electricity grid, making up 89% of lending under the infrastructure theme of the Energy Lending Policy. The remaining 11% supported a range of other infrastructure investments, including for example digitalisation (see Box 4).

Box 4: Supporting digitalisation in infrastructure

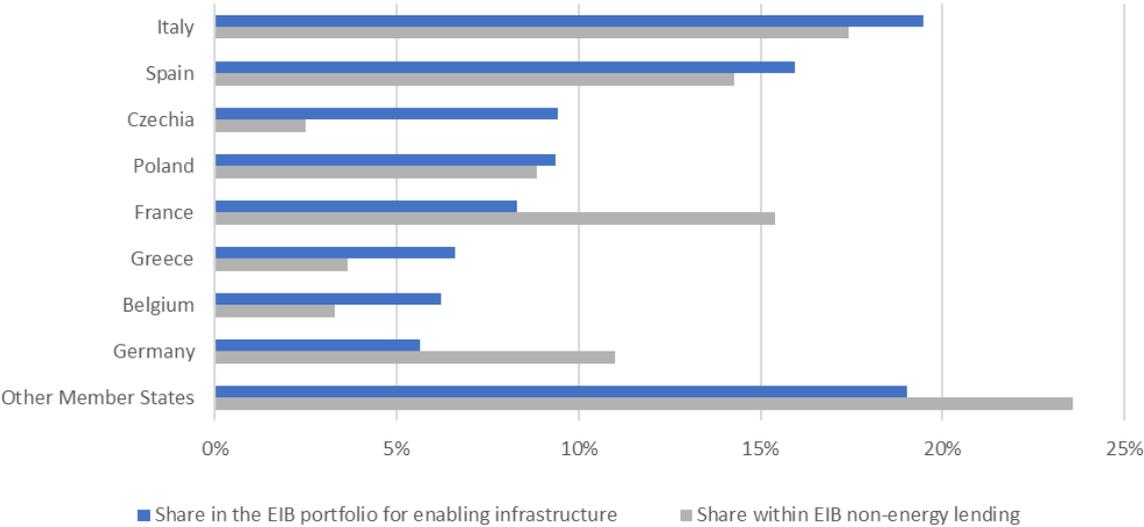
Some EIB operations contribute to the digitalisation of distribution networks through the installation of smart meters. These smart meters enable customers to access their consumption data, increasing awareness of their energy use habits and potentially encouraging more efficient and sustainable behaviours. Additionally, they enable personalised electricity tariff structures that better suit different consumer habits, offering dynamic and flexible pricing. Depending on the generation of smart meters installed, these operations are recorded under either the Energy Lending Policy’s “securing the enabling infrastructure” theme or the “supporting innovative technologies and new types of energy” theme.

Source: Evaluation Division based on EIB project documentation.

EIB lending opportunities are also shaped by the diverse and fragmented structure of the electricity distribution and transmission markets across the European Union, which vary significantly in terms of decentralisation among distribution system operators.

EIB lending for enabling energy infrastructure has thus been concentrated both geographically and with large clients. Seven countries – including Italy, Spain, Czechia and France – together accounted for over 75% of the enabling infrastructure portfolio (Figure 10). This geographical concentration is mirrored at the client level, where EIB lending for energy infrastructure is predominantly directed to a limited number of majors players in the European Union. This underscores the complex, costly and time-consuming nature of electricity grid investments. The four largest clients represent 33% of the total energy infrastructure lending, while the top 15 account for 64%. To accelerate investments in EU electricity grids, the EIB has, in some cases, extended its exposure limits with large clients, as grids are often developed and operated by a small number of large companies.

Figure 10: Member States’ share in the EIB’s non-energy lending portfolio and lending portfolio in support of enabling infrastructure (November 2019-December 2024)



Source: Evaluation Division based on EIB portfolio data.

3.5 THE EIB SUPPORTED EMERGING TECHNOLOGIES, ALBEIT MODESTLY, DUE TO LIMITED MARKET OPPORTUNITIES AND ITS FOCUS ON LARGE OPERATIONS

The Bank also invested in emerging technologies, albeit on a smaller scale. The EIB supported some emerging technologies, such as floating offshore (Box 5). Such investments involve trade-offs in terms of scalability, time to market and risk. However, providing a comprehensive overview of the Bank's financing for energy-related innovative or emerging technologies is challenging. Many operations are classified under the policy's theme "supporting innovative technologies and new types of energy" or do not count towards energy lending, falling instead under the "innovation, digital and human capital public policy goal (Box 2).

Box 5: Pioneering support in floating offshore

The EIB has been a strong supporter of floating offshore wind projects in the European Union. It has notably partnered with the French Environment and Energy Management Agency to support three large floating offshore wind farm projects, each utilising different floating technologies. The Bank leveraged the full range of its financial capacities, including taking on increased risk through mandates and offering strong financial support, while aligning financing terms with the expected economic life of the assets.

Source: Evaluation Division based on EIB project documentation.

The EIB's support for certain priority areas of the Energy Lending Policy was limited due to a lack of investment opportunities in some markets and the Bank's focus on large operations. Despite policy ambitions, regulatory challenges and market uncertainties constrained investment opportunities in green hydrogen and carbon capture and storage technologies. Support for biofuels is gradually gaining traction, driven by increasing technology maturity. Temporary exemptions to the EIB Group PATH framework under REPowerEU (Box 3) also provided some flexibility⁸ to the Bank to invest in biofuels, with recent projects focussing on biomethane production and biogas. EIB staff also reported that the need to achieve lending volumes, reduce time to market and manage risk contributed to a focus on large operations in mature sectors over investments in new technologies.

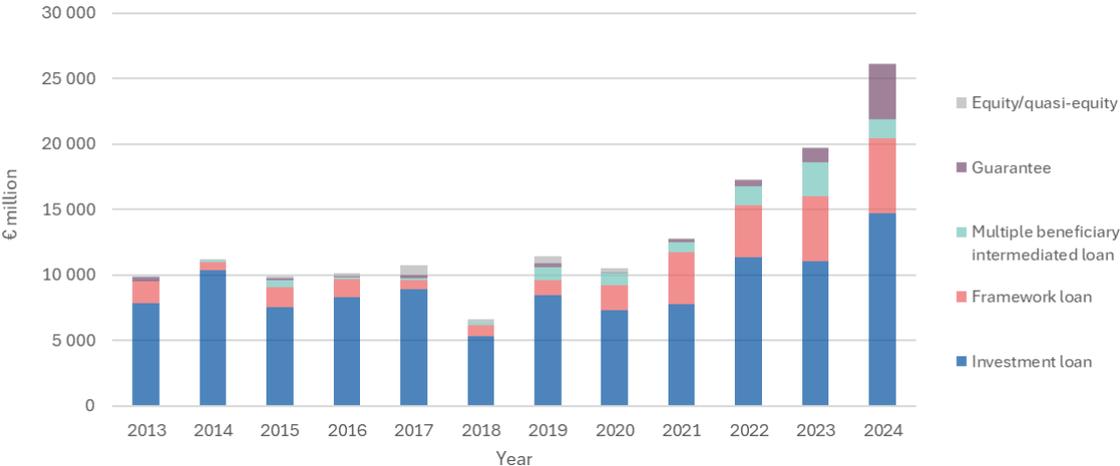
⁸ Fossil fuel producers were very active in the biofuel sector and the EIB could initially not collaborate with them, as they did not comply with the PATH framework requirements.

4. KEY FINDING 3 – THE EIB’S FINANCIAL PRODUCT AND ADVISORY SERVICES OFFER WAS WELL SUITED TO ITS EXISTING CLIENT BASE

4.1 THE EIB’S TOOLKIT HAS PROVEN FIT FOR PURPOSE TO SUPPORT THE BANK’S ENERGY LENDING DUE TO ITS FOCUS ON EXISTING CLIENTS

To support energy projects, the EIB primarily used its standard toolkit – investment loans, framework loans and intermediated products (Figure 11). Investment loans accounted for 60% of total energy investments, while framework loans represented 23%. In addition, the Bank expanded support for small and medium businesses through intermediated products, backed, among others, by Green Gateway advisory support. According to interviews with frontline staff, the EIB’s added value lies in its strong reputation, terms and conditions and signalling effect in the market.

Figure 11: Annual energy lending contract signatures broken down by product type (2013-2024)



Source: Evaluation Division based on EIB portfolio data.

Note: In 2021, support for climate and infrastructure funds in the European Union was transferred to the EIF following the revised equity strategy.

Alongside its standard product toolkit, the Bank broadened its reach by increasing the use of other financial instruments, notably guarantee and venture debt products. Since 2023, the Bank has significantly increased the use of guarantees, including support for energy projects led by private individuals, homeowner associations, small and medium-sized enterprises and mid-caps. In parallel, the EIB established a €5 billion counter-guarantee scheme under the European Wind Power Package to address investment bottlenecks for wind sector manufacturers and related supply chain companies. Venture debt operations also enabled the EIB to support innovation and smaller companies during this period.

Box 6: Combining grants and venture debts

Through the [EU-Catalyst partnership](#),⁹ the EIB supported the Energy Dome project aimed at developing a demonstration plant for innovative energy storage technology. The operation was financed using venture debt, enabling the project to proceed on favourable terms while limiting shareholder dilution. The project also benefited from product development support under the European Commission's Innovation Fund.

Source: Evaluation Division based on EIB project documentation.

Despite the wide range of products on offer and the broad eligibility criteria, digitalisation and manufacturing have remained challenging areas to finance. Digital investments are often constrained by their shorter economic lifespans, restricting the EIB's ability to provide long-term financing. Manufacturing generally fell outside the EIB's direct eligibility scope – except where it involved the manufacturing of innovative products. Under REPowerEU the eligibility criteria were temporarily broadened to include the financing of manufacturing activities that meet current technological standards, even if not highly innovative.

4.2 DEMAND FOR PROJECT-RELATED ADVISORY SUPPORT REMAINED LIMITED DUE TO THE BANK'S FOCUS ON EXISTING CLIENTS

EIB advisory support has increased since the adoption of the Energy Lending Policy. Most of the EIB advisory support for energy is delivered through assignments financed under mandates for the European Commission, such as the InvestEU Advisory Hub or the European Local ENergy Assistance (ELENA) initiative and are not necessarily linked directly to EIB operations.¹⁰ However, these advisory activities often aim to accelerate the identification and preparation of projects in new markets or innovative technologies.

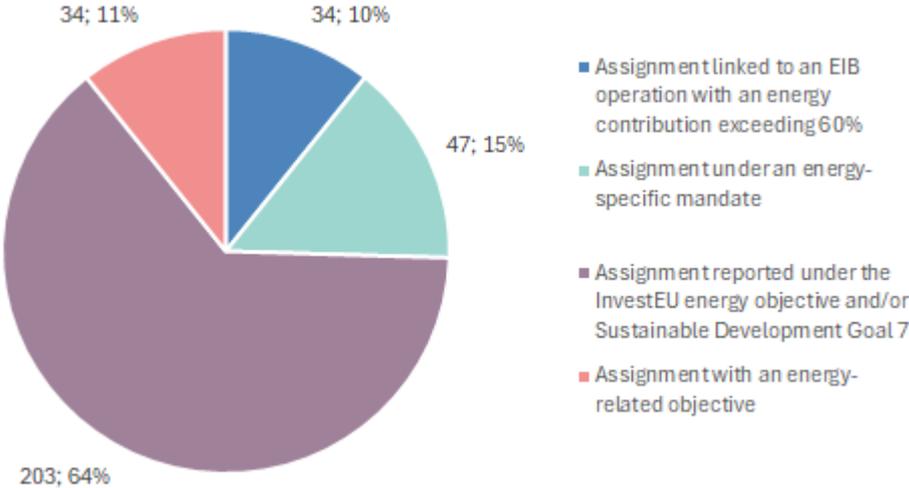
Existing clients' extensive sector experience and familiarity with EIB procedures limited the need for project-related advisory support. As outlined in Section 3.2, most promoters within the decarbonisation and enabling infrastructure portfolio have extensive sector experience and are already familiar with EIB procedures. As shown in [Figure 12](#), only a small fraction of assignments is directly linked to an EIB operation. They typically include assistance for public promoters in the appraisal and implementation of energy efficiency investments, capacity-building activities, and support for financial intermediaries (for example, through the Green Gateway initiative).

Reaching new, smaller and/or less experienced clients is likely to require more extensive advisory engagement, as these clients often need tailored guidance to navigate EIB procedures and to meet the EIB's requirements and standards.

⁹ Approved in 2021, the EU-Catalyst partnership blends EU funding from Horizon Europe and the Innovation Fund under InvestEU with private and philanthropic capital to support large-scale green tech projects, bringing together the European Commission, the EIB and Breakthrough Energy Catalyst, a programme launched by Bill Gates. The EIB acts as implementing partner, deploying EU funds and appraising selected projects.

¹⁰ The evaluation covers "approved" or "completed" advisory assignments with a status that either (1) have a direct link to an EIB operation with an energy contribution exceeding 60%; (2) are carried out under an energy-specific mandate; (3) are reported under the InvestEU energy objective and/or Sustainable Development Goal 7 (affordable and clean energy); or (4) have an energy-related objective.

Figure 12: Type of energy advisory assignment (November 2019-December 2024, number; share of assignments linked to an EIB operation)



Source: Evaluation Division based on EIB data.

Box 7: Supporting an efficient organisational and governance structure

The EIB provided €1.5 million in advisory support for the Vasilikos Energy Centre in Cyprus to help establish an efficient organisational and governance structure for several existing infrastructure projects co-financed by the EIB and the European Commission. This support aims to ensure the centre’s safe operation and strengthen the security of energy supply, while also supporting the preparation and financing of future energy transition investments in Cyprus.

Source: Evaluation Division based on EIB project documentation.

5. CONCLUSIONS AND LESSONS

5.1 CONCLUSIONS

The EIB's Energy Lending Policy has proven to be a strategically solid and operationally flexible framework, enabling the Bank to support the European Union's clean energy transition amid a rapidly evolving policy and market landscape. By aligning closely with EU climate and energy objectives, the policy positioned the EIB as a key financier of the green transition, notably through its early commitment to phase out support for unabated fossil fuels. The Bank's ability to scale up energy lending, particularly in response to the REPowerEU initiative, underscores the policy's relevance and adaptability in times of crisis and shifting priorities.

At the same time, these evaluation insights highlight areas where the policy's scope and structure could be refined to better reflect the breadth of EIB energy-related activities and to enhance the Bank's ability to demonstrate its contribution to high-level EU objectives. Lessons drawn point to the importance of preserving flexibility in future strategic documents, adopting a more comprehensive approach to energy value chains, and setting measurable intermediate objectives to improve communication and accountability. These insights aim to inform the upcoming Energy Sector Orientation and support the EIB Group in maintaining its leadership role in financing Europe's energy transition.

5.2 LESSON 1 - PRESERVE FLEXIBILITY IN THE ENERGY SECTOR ORIENTATION

The flexibility built into the Energy Lending Policy enabled the EIB to adapt to evolving policy and market developments during a period of pronounced volatility, characterised by the economic disruptions of the COVID-19 pandemic and geopolitical tensions and energy price shocks following Russia's full-scale invasion of Ukraine in 2022.

To preserve this flexibility going forward, the Energy Sector Orientation could:

- set broad eligibility criteria to enable the EIB to support the energy transition and stay the course on its climate and environmental ambitions;
- outline technical guidance separately, allowing for more targeted and regular updates.

This lesson echoes a recommendation put forward in the evaluation of the Climate Bank Roadmap calling for the second phase of the roadmap to be a short, strategic document, outlining operational and technical frameworks separately.

5.3 LESSON 2 – CONSIDER A COMPREHENSIVE EIB SUPPORT FOR ENERGY VALUE CHAINS

Overall, the EIB supported a range of activities in the energy sector under the Energy Lending Policy, covering infrastructure development as well as research, development and innovation. While the focus was on large investments in mature technologies, the Bank also financed small, riskier and/or innovative projects, albeit to a lesser extent.

Going forward, to support EU priorities in competitiveness, security and energy affordability, the EIB could consider strategically investing in key elements of energy value chains. This value chain approach involves supporting all major stages of a technology's lifecycle, from raw material sourcing and manufacturing to

deployment and end-of-life management. Adopting such an approach would enable the EIB to provide a well-structured and comprehensive response to address both market gaps and EU strategic objectives. Moreover, it would enable the EIB to invest not only in final energy infrastructure, but also in upstream segments such as component production and industrial capacity, thereby reinforcing the European Union's strategic autonomy and industrial competitiveness.

5.4 LESSON 3 – ENSURE THE ENERGY SECTOR ORIENTATION CAN BE OPERATIONALISED

The structure of the Energy Lending Policy around four themes worked only partially for communicating the EIB's support for the EU clean energy transition. This structure did not fully capture the breadth of EIB energy activities, including along energy value chains (for example, research, development and innovation, and manufacturing of batteries are sometimes recorded under the "innovation, digital and human capital" public policy goal).

Going forward, the strategic framework of the Energy Sector Orientation should provide a complete overview of the EIB's support for the energy transition. This would reinforce communication and reporting, ensuring the EIB's full contribution to the energy transition is clearly conveyed.

EIB investments are aligned with high-level EU priorities, such as competitiveness, energy affordability and energy security and resilience, but demonstrating the Bank's contribution to these priorities is methodologically complex, as many elements are beyond the EIB's remit (such as policy and regulatory frameworks).

Going forward, defining measurable intermediate objectives for EIB investments would help communicate and demonstrate their contribution to high-level EU policy objectives. These intermediate objectives¹¹ would serve as practical proxies that link individual EIB investments to broader policy goals, enhancing transparency and accountability.

¹¹ These could include, for example, the EIB's contribution to EU production of clean energy, increased cross-border connection capacity and energy savings from EIB-financed operations.

THE EVALUATION DIVISION OF THE EIB GROUP

The Evaluation Division of the EIB Group conducts independent evaluations of the EIB Group's activities. It assesses the relevance and performance of these activities in relation to their objectives and the evolving operating environment. It also helps the EIB Group draw lessons on how to continuously improve its work, thereby contributing to a culture of learning and evidence-based decision-making.

Evaluation reports are available from the EIB website: <http://www.eib.org/evaluation>

THE EIB ENERGY LENDING POLICY

INDEPENDENT EVALUATION INSIGHTS

JULY 2025



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