EIB investment in energy efficiency programmes

17 March 2021
The EU’s Climate Bank

- Nov 2019 – EIB Board approved the ELP and a new set of targets for climate action and environmental sustainability:

**CLIMATE BANK ROADMAP 2021-2025**

Global targets >25% (currently 30%) - 50% by 2025 - € 1 trillion by 2030 - fully Paris aligned by 2020

**ENERGY LENDING POLICY**

Phasing-out fossil fuels - Focusing on energy efficiency and decarbonisation - The same lending policy applies outside the EU - Regional Focus on Neighborhood
Climate action investments: € 19.3 billion in 2019

- LOWER CARBON TRANSPORT: € 7.6 billion
- ENERGY EFFICIENCY: € 4.6 billion
- RENEWABLE ENERGY: € 3.9 billion
- OTHER CLIMATE CHANGE MITIGATION: € 1.4 billion
- RESEARCH, DEVELOPMENT AND INNOVATION: € 1.0 billion
- CLIMATE CHANGE ADAPTATION: € 0.8 billion
Energy Efficiency Lending & Target Areas

- Lending doubled between 2014 and 2017
- Drop in 2018 related to overall decrease in Bank’s lending
- Average EUR3.7bn per year

**Target Areas**

- Buildings main area of focus

**Total: EUR22bn**
- inside EU: ~94%
- outside EU: ~6%
## Current Activities - Ukraine

**PIC: €407m**

**LOAN: €326m**

**TA: €20m**

**IG: €16.4m**

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
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<th>Loan Amount</th>
<th>Technical Assistance</th>
<th>IG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine Higher Education</td>
<td>EE 15 universities in two phases (+7 financed by NEFCO).</td>
<td>160</td>
<td>120</td>
<td>NIP: EUR 2.9m EPTATF: 250.000</td>
<td>E5P: EUR 10m</td>
</tr>
<tr>
<td>Ukraine Municipal Infrastructure Programme</td>
<td>District Heating in 3 cities</td>
<td>75.6</td>
<td>63</td>
<td>TA for the whole Programme: EIB: EUR 4m NIP: EUR 7.37m EPTATF: EUR 2.4m</td>
<td>E5P: EUR 6.4m</td>
</tr>
<tr>
<td>Ukraine Municipal Infrastructure Programme</td>
<td>EE Public buildings in 6 cities</td>
<td>87.9</td>
<td>73.2</td>
<td></td>
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</tr>
<tr>
<td>Ukraine Municipal Infrastructure Programme</td>
<td>Public lighting in 4 cities</td>
<td>83.7</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukraine Early Recovery (partially EE)</td>
<td>280 small-size projects - internally displaced people - includes EE / buildings refurbishment.</td>
<td>200</td>
<td>200</td>
<td>EPTATF: EUR 3m</td>
<td></td>
</tr>
</tbody>
</table>
Current Activities - Moldova, Armenia

**PIC: €40m**  
**LOAN: €17m**  
**TA: €0.9m**  
**IG: €5m**

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<tr>
<td>Chisinau Building Energy Efficiency</td>
<td>Public buildings (~30) public buildings including schools and hospitals</td>
<td>25</td>
<td>10</td>
<td>0.45</td>
<td>MPSF+ EPTATF</td>
</tr>
<tr>
<td>Yerevan Building Energy Efficiency</td>
<td>15 kindergartens to be fully renovated and up to 69 kindergartens for horizontal (short-payback) measures</td>
<td>15</td>
<td>7</td>
<td>0.45</td>
<td>MPSF+ EPTATF</td>
</tr>
</tbody>
</table>

**MPSF+ EPTATF**
Examples of initiatives managed and/or initiated by EIB related to the EE sector

- **EPTATF** – Eastern Partnership Technical Assistance Trust Fund
  - EIB-managed trust fund.
  - TA to improve the quality and development impact of the operations
  - Fully allocated

- **MPSF** - Municipal Project Support Facility (TA to cities EaP)
  - Managed by EIB and a steering committee (EIB, EC, EBRD and KfW)
  - Approved TA of EUR 11.8m.
  - MPSF II Under discussion

- **ERI** – Economic Resilience Initiative (S. Neighborhood & WB) → **NDICI** - Neighborhood, Development and International Cooperation Instrument

- **GGF** - Green for Growth Fund

**Other tools**

- **E5P** - The Eastern Europe Energy Efficiency and Environmental Partnership
- **NIP** - Neighbourhood Investment Platform
- **GCF** – Green Climate Fund
ELP - Unlocking energy efficiency

Key priorities:

- Energy efficiency first principle
- Financing up to 75% of costs
- Focus on building rehabilitation
  - New European Initiative for Building Renovation
  - Development of new sources, e.g. mortgage-based lending
## Planned Activities - Ukraine

**PIC: ~€878m**  
**LOAN: €800m**  
**TA: €24.4m**  
**IG: €2m**

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</table>
| **Ukraine Energy Efficiency in Public Building** | Public buildings small and medium size cities, targets 1000 public buildings - kindergartens, hospitals, schools, cultural buildings... (ca. 2,500,000 m²). | 407  | 300          | Phase I  
E5P: EUR 3 m  
NIP: 4.2m | Phase I:  
E5P: EUR 1m  
NIP: EUR 1m |
| **Vocational Education and Training (partially EE)** | EE 10 vocational schools. The project will make a significant contribution to climate action through the use of EDGE certification | 130.6 | 58          | NIP: EUR 8.5m  
& EUD: 0.2MEUR | NIP: EUR 8.5m  
& EUD: 0.2MEUR |
| **Ukraine Recovery Programme (partially EE)** | Support internally displaced people. Significant EE component in buildings | 340  | 340          | NIP: EUR 7m | NIP: EUR 7m |
| **Ukraine Street Lighting** | Public lighting system in Ukrainian cities (est. 200,000 lighting points). | TBD  | 100          | EPTATF: EUR 1.5m | EPTATF: EUR 1.5m |
Planned Activities - Moldova, Armenia

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<tr>
<td>Moldova Energy Efficiency</td>
<td>Thermal rehabilitation of Public buildings (1.1 million m²) with Energy Efficiency Agency. Potentially residential buildings</td>
<td>80</td>
<td>58</td>
<td>2.80</td>
<td>12.40 NIP</td>
</tr>
<tr>
<td>Yerevan EE Phase II</td>
<td>Municipal Polyclinics, kindergartens</td>
<td>20</td>
<td>12</td>
<td>0.25</td>
<td>5.00 NIP</td>
</tr>
<tr>
<td>Armenia Public Entities Modernisation</td>
<td>Universities (Intermediated)</td>
<td>30</td>
<td>12</td>
<td></td>
<td>5.00 NIP</td>
</tr>
</tbody>
</table>
### Planned Activities - OTHER

<table>
<thead>
<tr>
<th>Geography</th>
<th>Programme/Activity/Initiative</th>
<th>Description</th>
<th>Amount</th>
<th>Source of funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional</td>
<td>Financing Energy for Low-carbon Investment Cities Advisory Facility (FELICITY II)</td>
<td>TA for preparation of urban climate action infrastructure in EaP (Ukraine, Georgia) &amp; Central Asia, countries</td>
<td>20</td>
<td>BMU IKI</td>
</tr>
<tr>
<td>Regional</td>
<td>Climate Action Support Facility for Southern Neighbouring countries and WB</td>
<td>Framework consultancy</td>
<td>4.5</td>
<td>ERI</td>
</tr>
<tr>
<td>Regional</td>
<td>Municipal Project Support Facility II</td>
<td>TA for preparation and implementation of climate action municipal projects in EaP</td>
<td>10 to 15</td>
<td>NIP</td>
</tr>
<tr>
<td>BiH &amp; NMK</td>
<td>Feasibility study for a financing programme between EIB and Habitat for Humanity International</td>
<td>Development a feasible financing model/programme for residential EE retrofitting in BiH and N. Macedonia</td>
<td>0.25</td>
<td>ERI</td>
</tr>
<tr>
<td>BiH</td>
<td>Potential Investment Loan (TBC)</td>
<td>EE public buildings at sub-national level</td>
<td>TBD</td>
<td>EIB Loan</td>
</tr>
<tr>
<td>Kosovo</td>
<td>Kosovo Energy Efficiency Fund - Potential participation of EIB</td>
<td>Preliminary talks with GIZ and KEEF</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>
ELENA - European Local ENergy Assistance

- Managed by EIB; funded by EU budget (H2020 programme)
- To support public and private bodies with TA.
- Project development support EE; local RE; clean urban transport
- EU + H2020

Strict Rules
- Min. investment EUR 30m, up to 90% of costs
- First come, first served (EUR 30m – 50m per year)
- Obligation of investment implementation - LF: 20 for sustainable energy projects and 10 for residential buildings and urban transport

JASPERS - Joint Assistance to Support Projects in European Regions

- Partnership between the European Commission EIB
- Mandated to work under Specific Grant Agreements for all IPA countries
- Helps with the absorption of funds available under IPA.

Example Serbia
In the field of energy efficiency, JASPERS has been working on advisory activities for projects concerning public buildings (e.g. education and healthcare buildings) in Belgrade, for investments of EUR 10-20 million.
City Climate Finance Gap Fund

- Managed by EIB and WB in partnership with GIZ
- Developing and emerging countries
- Climate action potential (e.g. EE and small RE, building retrofits, street lighting, district heating and cooling)
- Urban dimension
- Project preparation


https://www.citygapfund.org/
# Financing options

<table>
<thead>
<tr>
<th>LENDING</th>
<th>BLENDING</th>
<th>ADVISING</th>
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</thead>
<tbody>
<tr>
<td>• Project Loans</td>
<td>Combining EIB finance with EU budget and co-</td>
<td>Prepare, evaluate and support the implementation of projects</td>
</tr>
<tr>
<td>• Intermediated Loans</td>
<td>financing with other IFIs</td>
<td></td>
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<tr>
<td>• Equity Participation</td>
<td></td>
<td><strong>ELENA, JASPERS, MPSF, FELICITY</strong></td>
</tr>
<tr>
<td>• Guarantees</td>
<td></td>
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<td></td>
<td>Attracting FUNDING for long-term growth</td>
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</tbody>
</table>
Local offices in EaP and WB

Albania • Bosnia and Herzegovina • Serbia • Moldova • Ukraine • Georgia

https://www.eib.org/en/infocentre/contact/offices/index.htm
Thank you for your attention!

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