Sustainable transport, renewable energy & RDI represent the bulk of the EUR 98bn climate action lending 2008-13
EIB Instruments for Climate Action

- Direct and Intermediated
- Senior and subordinated
- Corporate loans and project finance

- Fund products
  - Equity funds
  - Layered debt funds (e.g. GGF, EEEF)
  - Fund of funds (e.g. GEREEF)
  - Carbon funds
- Risk-sharing debt products (e.g. RSFF, Project Bonds, PF4EE)
- Fixed income products (e.g. CAB)
- Other tailor-made (e.g. NER 300)

- Technical Advisory (e.g. Jaspers, ELENA)
- Financial Advisory (e.g. EPEC, Jessica)
Experience in ETC Region

- EIB lending to climate change mitigation through Sovereign loans in Georgia and Armenia
- Sectors covered include water supply and wastewater management (reduction of maintenance costs and increase in operational efficiencies, as well as increase of energy efficiency by reducing NRW and average water consumption per capita, thus reducing pumping needs)
- Substantial Technical Assistance required to ensure proper project planning and implementation
- Large amounts mobilised as the sovereign governments have ability to borrow from EIB for long maturities at attractive rates
- Limited private sector involvement
- No innovative financing structures

Very few projects that meet EIB criteria
Moving forward in the ETC Region

- Role of the Governments will remain to support the deployment of climate technologies through legislation, financial support and as a promoter => to ensure the ”bankability” of the projects
- To supplement EIB sovereign lending to support climate change mitigation, more structured lending products will be introduced, including loans to private sector entities and project finance
- Private sector involvement through dedicated intermediated loans through local banks to support climate change mitigation and adaptation
- **Example:** The Green for Growth Fund, Southeast Europe (GGF) made its first investment in Azerbaijan with a USD 15 million energy efficiency senior loan to AccessBank (more details on GGF in next slide)
Example layered fund: GGF

- The Green for Growth Fund (GGF) public-private partnership with a layered risk/return structure, to enhancing energy efficiency and fostering renewable energies in the Southeast Europe region including Turkey.
- Initiated by the EIB and KfW and supported by the European Commission, GGF works predominantly through the provision of dedicated financing to businesses and households directly or through partnerships with financial institutions.

Issuance of different share tranches (A, B, C and later Notes) offers investors different risk-return profiles.