Environment and Climate Investments: Implementation and Innovative Approaches

“The European Investment Bank Experience”

Athens, 13th May 2014
UfM Ministerial Meeting on Climate and Environment
The European Investment Bank

- The European Investment Bank is the bank of the European Union. Our shareholders are the 28 Member States of the EU.

- We are the world’s largest multilateral lender by volume, providing finance and expertise for sound and sustainable investment projects within and outside the EU.

- We provide finance and expertise for sound and sustainable investment projects which contribute to furthering EU policy objectives. Around 90% of our activity is focused on Europe, but we also support the EU's external and development policies.
Lending, blending and advising

- **Lending**: The vast majority of our financing is through loans, but we also offer guarantees, microfinance, equity investment, etc.

- **Blending**: Our support helps us unlock financing from other sources, particularly from the EU budget. This is blended together to form the full financing package.

- **Advising**: Lack of finance is often only one barrier to investment. We can help with administrative and project management capacity which facilitates investment implementation.
Pre-accession Countries include:
Candidate Countries: Iceland, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey. Potential Candidate Countries: Albania, Bosnia and Herzegovina, Kosovo*.
Climate Action lending (2008-2013)

Climate action lending target of >25% of overall lending
Operations in the Mediterranean Partner Countries
Operations in the Mediterranean Partner Countries

- **Support the modernization and opening up of economies**
  - Investment to support the private sector and create an investment-friendly environment
  - Operates through the Facility for Euro-Mediterranean Investment and Partnership (FEMIP), which brings together EIB’s toolkit for the region.

- **Considers climate action and environment as priorities**
  - Blending of loans and grants is used across the region in support of energy efficiency, renewable energy, transport, water and wastewater and solid waste.
  - Climate operations include both mitigation and adaptation actions
Operations in the Mediterranean Partner Countries

2002-2014: close to EUR 15bn

EUR m
- Energy
- Transport
- Telecommunications
- Industry
- Environment
- Human capital
- Credit lines
- Private equity
- Urban Development
- Credit lines
- Private equity
- Urban Development

European Investment Bank Group
FEMIP Trust Fund

- Technical assistance, upstream studies, targeted private equity operations
- Water, solid waste and the environment, energy, transport; research development and innovation, urban development and human capital
- New Climate and Environment Window under discussion
- National Appropriate Mitigation Action (NAMA) Potentials' study under development

Contributions from the donors as of 31 December 2012

<table>
<thead>
<tr>
<th>Donor</th>
<th>Total (EUR '000)</th>
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<tbody>
<tr>
<td>Austria</td>
<td>2,000</td>
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<tr>
<td>Belgium</td>
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<tr>
<td>Cyprus</td>
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<td>European Commission</td>
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<td>Finland</td>
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<tr>
<td>France</td>
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<tr>
<td>Germany</td>
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<tr>
<td>Greece</td>
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<tr>
<td>Ireland</td>
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<td>Italy</td>
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<td>Luxembourg</td>
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<td>Malta</td>
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<td>Netherlands</td>
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<tr>
<td>Portugal</td>
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<td>Spain</td>
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<td>Sweden</td>
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<tr>
<td>United Kingdom</td>
<td>3,016</td>
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<td><strong>Total</strong></td>
<td><strong>40,316</strong></td>
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Climate Operations in the Mediterranean Partner Countries “2008 – 2013”

Egypt
- Gulf of El Zayt Wind Farm, 2009
- Cairo Metro Line 3, 2012

Jordan
- Tafila Wind Farm, 2013

Lebanon
- Lebanon Energy Efficiency and Renewables GL, 2012

Tunisia
- Reseau Ferroviaire, Railway Lines, 2010

Morocco
- Fonds Capital Carbone Maroc, 2008
- Tramway Rabat, 2009
- Central Solaire de Quarzazate, Solar Power Plant, 2012
- Plan Maroc Vert PNEEI, National Irrigation Water Saving Program, 2012
- ONEE – Projet Eolien, Wind Farms, 2013

Israel
- Sorek Desalination Plant, 2011
- Mekorot Ashdod Desalination Plant, 2011
- Better Place Electric Vehicle Service, 2012
- Israel Chemicals LTD, IPP Combined Cycle Gas Turbine Power Plant, 2012
Case Studies
Ouarzazate Solar Power Plant – Morocco

- Initial capacity of 125-160 MW

- Avoid the generation of at least 250 000 tons of CO².

- Part of the Moroccan Solar Plan, the largest solar power plant in North Africa.

- With a EUR 200m loan from EIB, the total project volume is EUR 807m
Cairo Metro Line 3 – Egypt

- Reinforce the public transport system with a target of 119 kton CO2 saving per year
- Alleviating congestion and associated environmental problems, contributing to climate change mitigation
- Part of the Greater Cairo’s Transport Master Plan and is expected to greatly.
- A EUR 200m loan from EIB plus EUR 40 M contribution from the Neighborhood Investment Facility.
Horizon 2020

- EC-led H2020 initiative with an EUR 7.2M Technical Assistance programme led by the EIB
- FEMIP funded Mediterranean Hot Spots Investment Programme – Project Preparation and Implementation Facility (MeHSIP-PPIF)
- Identified high priority pollution reduction projects for a project pipeline and prepared four demonstration projects in different countries and sectors.
- EIB and EC plans for MeHSIP II:
  - Extend the scope to include water resources and waste management aimed at natural resource efficiency and climate action.
  - Target also areas that do not drain into the Mediterranean
  - Aim to maximise contribution to regional development, sustainable growth and job creation
Lake Bizerte – Tunisia

- An Integrated De-pollution Programme in Tunisia and one of the four MeHSIP demonstration projects.

- EIB approved a EUR 80 m loan that aims to:
  - Improve quality of lake waters and eco-system and create economic opportunities
  - Improve quality of coastal waters and reduce environmental stress on the Mediterranean
  - Improve quality of life through extended sanitation networks and better solid waste management
  - Industrial modernisation
Thank you