



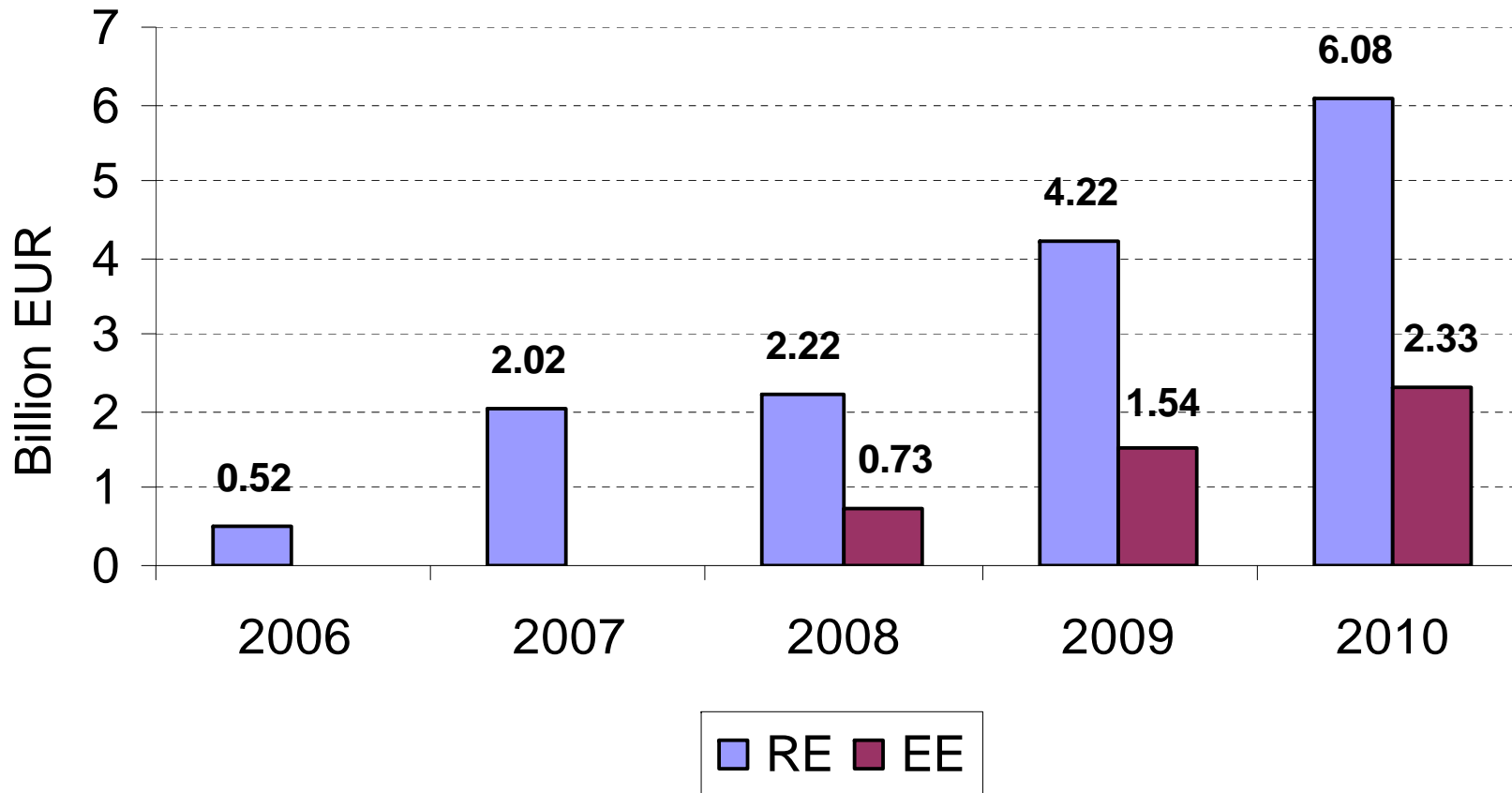
## **EIB Financing of Renewable Energy and Energy Efficiency ... and a few thoughts on investment risks based on this experience**

*Dr. Sophie Jablonski, Engineer and Renewable energy expert  
European Investment Bank (Luxembourg)*

**3<sup>rd</sup> Annual Meeting - International Research Network for Low Carbon Societies (LCS-RNet)**

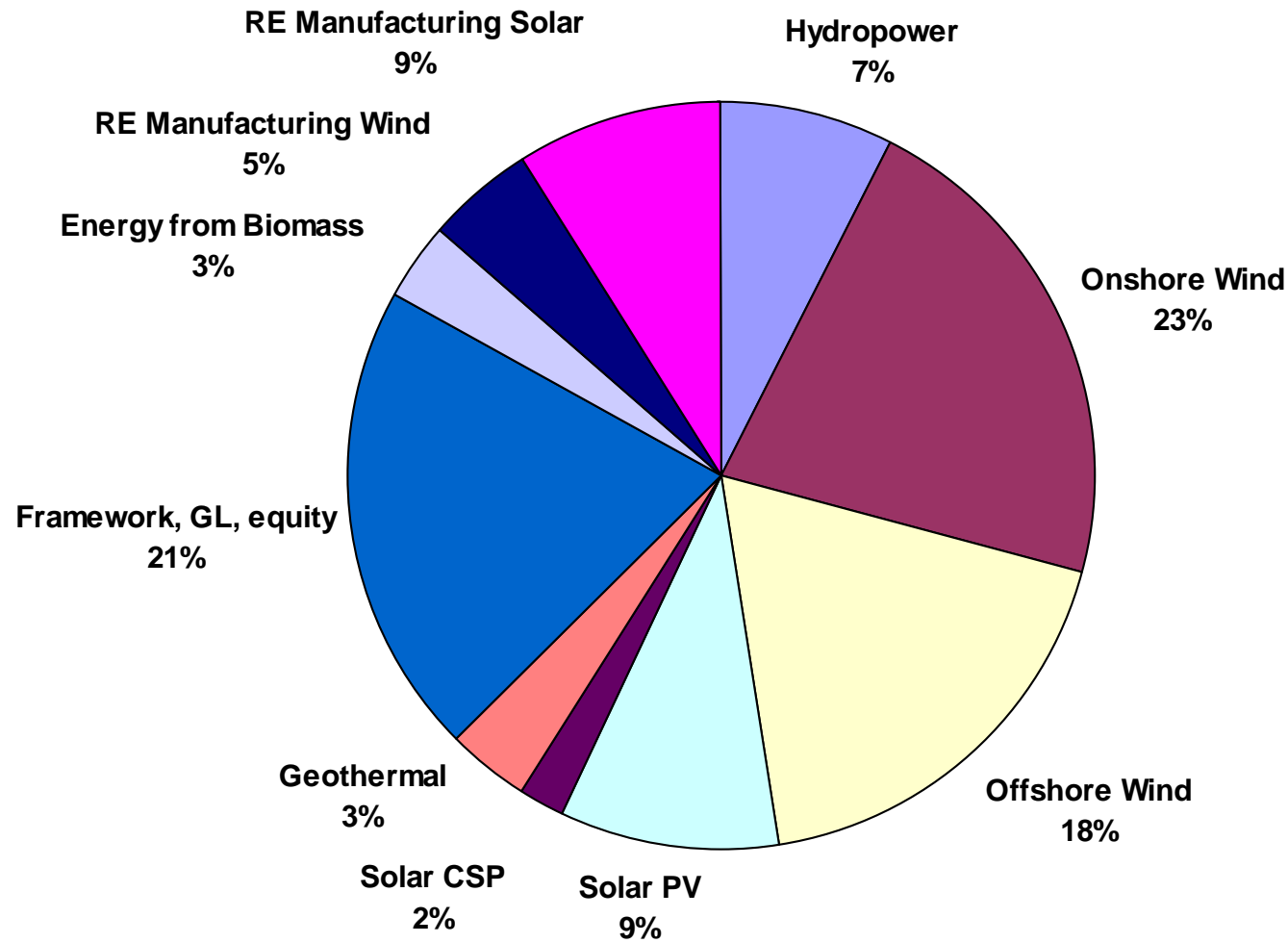


## EIB financing of RE and EE – a growing trend 2006-2011





# Renewable Energy lending by technology 2008-2010





## The European Investment Bank (EIB)

Long-term finance promoting European objectives



- ❖ EIB is EU's long-term lending bank since 1958
- ❖ EIB is a not-for-profit, policy driven institution
- ❖ EIB is 100% owned by the 27 EU MS
- ❖ EIB is AAA rated by rating agencies
- ❖ EIB funds itself on the capital markets
- ❖ EIB signed loans amounting to EUR 72 bn in 2010
- ❖ EIB is the largest multilateral financing institution



## Key financing instruments for energy efficiency and renewable energy



- Large range of financing instruments
  - From senior loans to equity inside & outside the EU
  - Intermediated lending, including framework loans (FIs, specialised agencies or ESCOs)
  - Indirect financing through investment funds
- Technical assistance & advisory programmes
  - Support of project preparation and operation
  - E.g. ELENA (European Local ENergy Assistance)
  - Mediterranean region (FEMIP), Western Balkans and ACP countries



## EIB Projects Eligibility Criteria



- ❖ Be relevant to EU energy objectives
  - ❖ renewable energy, energy efficiency, security of supply, external mandates
- ❖ Be technically sound
- ❖ Comply with EIB's procurement policy
- ❖ Comply with EIB's E&S standards
- ❖ Be economically and financially viable



## A few key issues discussed



- Technology maturity
  - Emerging vs. mature technologies
  - Economic criteria (96 EUR/MWh in Europe)
- Grid integration
  - Intermittent vs. firm sources
  - Overall grid penetration levels
- Regulation and permitting system
  - Stable regulation... not rigid
  - Clear and transparent permitting process
  - RE support systems: FIT vs. GC, also tenders etc.



## Cross cutting issues: procurement and environmental & social



- Procurement
  - Open process/ competition
  - Transparency / traceability
  - Economic price / safeguard public benefit
- Environment & social
  - EIA
  - Natural habitats (& forestry)
  - Cultural heritage
  - Public consultation
  - Involuntary resettlement (& indigenous people)
  - Climate change





For more information...



<http://www.eib.org/>

[info@eib.org](mailto:info@eib.org)

Tel: (+352) 43 79 - 22000

Fax: (+352) 43 79 - 62000



## Key EIB-managed facilities relevant to renewable energy in Europe



- ❖ **ELENA** – European Local Energy Assistance via grants to prepare investment programmes in sustainable energy at the local level
- ❖ **JESSICA** – Joint European Support for Sustainable Investment in City Areas for investment in sustainable urban development
- ❖ **NER 300** – New Entrants Reserve to provide finance for installations of innovative renewable energy technology and CCS in the EU (via 300 million carbon emission allowances)
- ❖ **[JASPERS** – Joint Assistance to Support Projects in European Regions to prepare projects supported by EU Structural and Cohesion Funds]