



EIB Green Intermediated Finance for SMEs, mid-caps and other priorities

Why, what and how for financial intermediaries

Who are we? Key facts about the European Investment Bank



**European
Investment Bank**

The lending arm of the European Union since 1958



Largest multilateral lender and borrower globally

- We raise our funds on the international capital markets
- We pass on favourable borrowing conditions to clients



Supports projects at home in Europe and around the globe

- Thousands of projects in over 160 countries
- Key priorities include: sustainability, innovation, security, cohesion



Headquartered in Luxembourg

- 3,500+ staff: Finance professionals, engineers, economists and socio-environmental experts
- 51 offices around the world

With a strong focus on **climate action & environmental sustainability**, the Bank is financing projects across various sectors



Innovation, digital and
Human capital



Sustainable energy and
natural resources



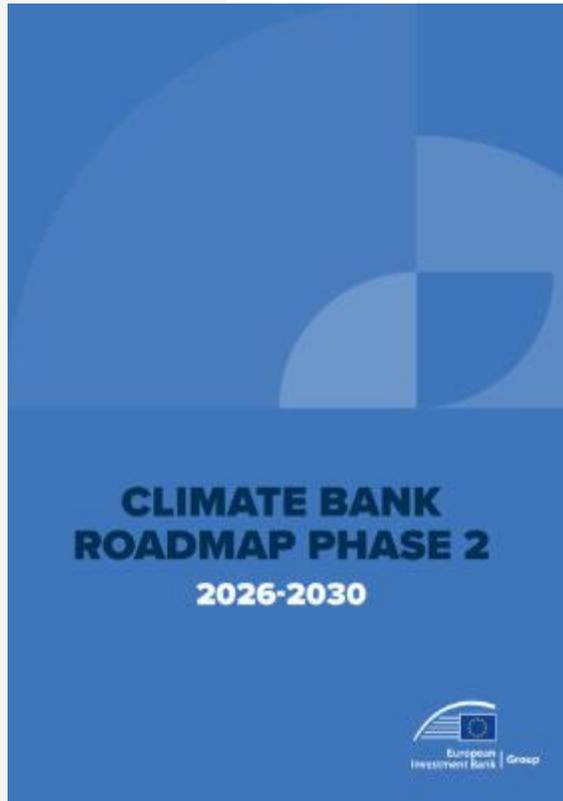
SMEs and Mid-cap
finance



Sustainable cities and
regions

- The EIB is a bank focused on **delivering projects contributing to four strategic Public Policy goals** (PPGs) whilst maintaining a substantial green orientation in its activities
- **PPGs** are ranging from innovation, digital and human capital to sustainable energy and natural resources including as well sustainable cities and regions and **support to SMEs and Mid-caps**.
- Projects must be **bankable** as well as aligned with the **Paris Agreement** to be **eligible** for EIB finance.
- In line with **its climate commitments**, the Bank is further **advancing its green agenda** by increasing continuously its finance towards **operations contributing to climate action and environmentally sustainable (i.e. green)** objectives.

The EIB's Climate commitment as the EU Climate Bank since 2019



EIB Group's climate and environmental sustainability targets

1. The EIB Group remains committed to dedicating **over 50% of its finance to climate and environmental objectives** – supporting at least **€1 trillion in green investment** this decade – and to the Paris alignment of all new operations;
2. The EIB Group is also introducing a **new target of €30 billion for climate adaptation finance for 2026-2030**, doubling its 2021-2025 volumes. Priority sectors include **agriculture, water, cities and vulnerable regions and communities**.
3. Phase 2 of the Roadmap consolidates the Group's position as the Climate Bank, focusing on three main levers:
 - Sharper focus on measures that will boost European competitiveness, energy security, and technological leadership, while lowering power prices for companies and households;
 - Doubling of our finance for adaptation;
 - Radical simplification, without gold-plating existing rules and established EU regulatory frameworks and standards.

Paris Alignment at the EIB

The EIB is the first MDB to align all its financing activities to the Paris Agreement

- The Paris Agreement is a **legally binding international** treaty on climate change adopted by 196 Parties at COP 21 in Paris in December 2015, which entered into force in November 2016.
- EU financing activities must be aligned with the Paris Agreement temperature and adaptation goals, promoting a pathway towards low-carbon and climate-resilient development.

EIB Implementation

- **2019:** EIB Board of Directors committed to align all financing activities with the principles and goals of the Paris Agreement.
- **2021:** All EIB projects must be Paris-aligned.
[The EIB Group Climate Bank Roadmap, November 2020](#)
- **2022:** The EIB Group PATH Framework ensures that EIB counterparties (including financial intermediaries) are taking steps towards decarbonizing their business activities and strengthening resilience to climate change.
[The EIB Group PATH Framework](#)



EIB's Climate Action and Environmental Sustainability Finance

Aligning to the EU Taxonomy: EIB's green intermediated product offer to banks and other financial institutions

- The EIB is gearing up the design of its green intermediated product offer with a view to support banks in applying **the EU Taxonomy criteria**.
- With the **EU taxonomy, a common classification system defining environmentally sustainable economic activities** has been set up to help companies, investors and policymakers scale up their sustainable investments, to shift capital to where it is most needed.
- The **EU Taxonomy Regulation entered into force in July 2020**, setting out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable.
- The **EIB green finance** approach is applying a robust set of green definitions, aligned to the substantial contribution criteria EU Taxonomy where applicable.

Why work with the EIB on green intermediated finance?



As the EU Climate Bank, the EIB is a leading provider of green finance.



The Bank has been pioneering the alignment of its finance activities with the Paris Agreement and the EU Taxonomy.



Thanks to its AAA rating, the EIB provides finance with attractive pricing and long tenors.



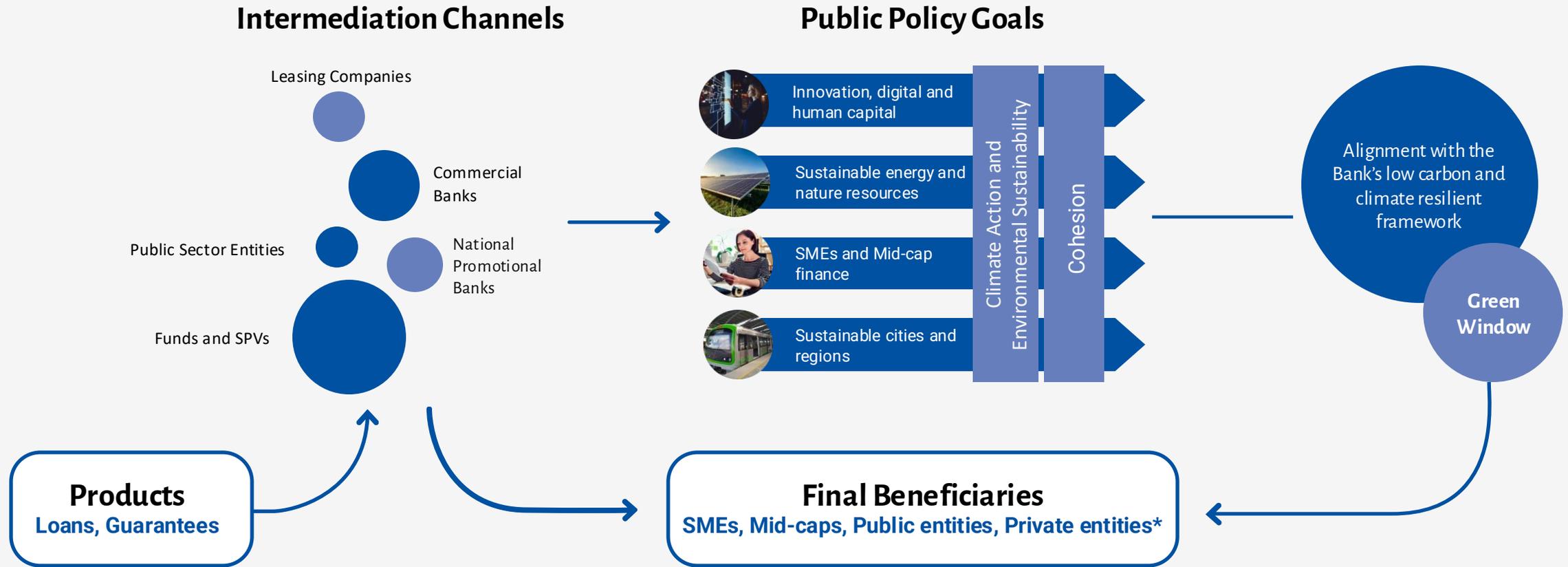
The Bank offers attractive products to support SMEs and Midcaps, in particular to finance green activities.



Financial intermediaries can benefit from tailored technical assistance support that facilitates their transition towards financing green activities.

How does EIB green Intermediated finance work?

Through its green window, the EIB supports hundreds of thousands of small and medium-size firms, with an increasing focus on climate and environmental sustainability



* Private entities include private individuals, housing / homeowner associations and similar borrowers for sub-projects related to the renovation and construction of residential buildings

The Bank offers a large range of intermediated products

EIB flagship intermediated product: MBIL

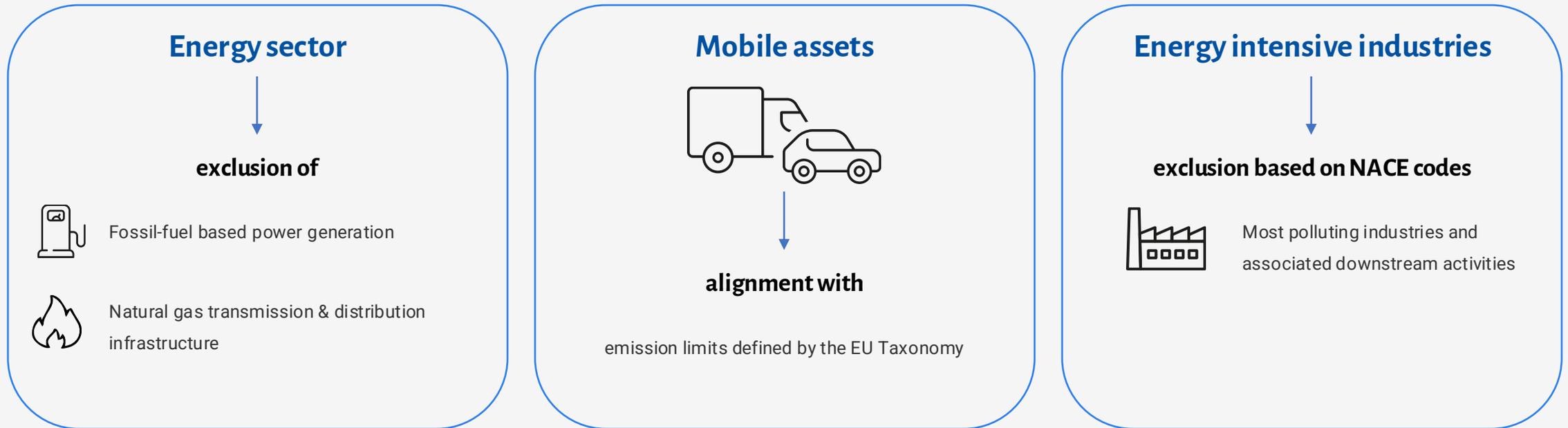
- **Loan for SMEs, Mid-Caps & other priorities** Multiple beneficiary intermediated loan (MBIL)
 - **Objective:** improving access to finance and financing conditions offered to final beneficiaries
 - **Eligible financial intermediaries:** commercial banks, national/regional promotional banks, leasing companies and other financial institutions
 - **Final beneficiaries:** SMEs (<250 employees in line with EC definitions), Mid-caps (>=250 employees and < 3000 employees in line with EC definitions), local authorities and public sector entities
 - **Eligible investments:** Investment in tangible and intangible assets, including purchase, leasing or renovation of assets, working capital, etc.

Snapshot of additional products

- **Other MBIL type loan products:**
 - MBIL - Covered bond
 - MBIL - Granular ABS senior tranche
 - MBIL - Granular ABS mezzanine tranche
- **Guarantees**
 - Non-granular portfolios guarantees
 - Risk-sharing (de-linked)
 - Risk sharing (linked with partial delegation)
 - Supply chain finance (risk sharing)
 - Trade Finance Facility (risk sharing)
 - Granular portfolios guarantees
 - ABS credit enhancement

Green windows define the contribution of EIBs intermediated products listed above to Climate Action and Environmental Sustainability objectives. Green investments are determined by eligibility criteria that form part of the contractual documentation between the EIB and the Intermediary. Green windows must be contractually earmarked.

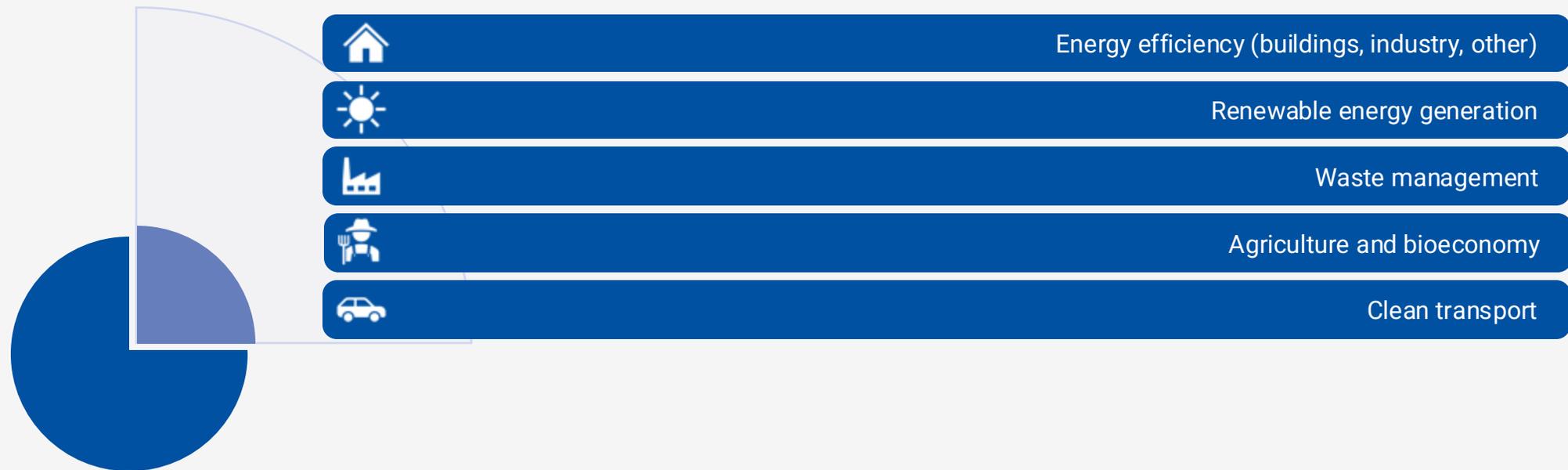
Paris Alignment of sub-projects under EIB intermediated finance



Where EIB intermediated finance contracts contain green windows, **sub-projects allocated to green windows must also be aligned with EIB green eligibility criteria.**

A potential green window under EIB intermediated finance product

Note: the full list of EIB green eligibility criteria can be found in the contractual agreement between EIB and the financial intermediary.



EIB Green Window: What CA&ES dimensions are reflected?

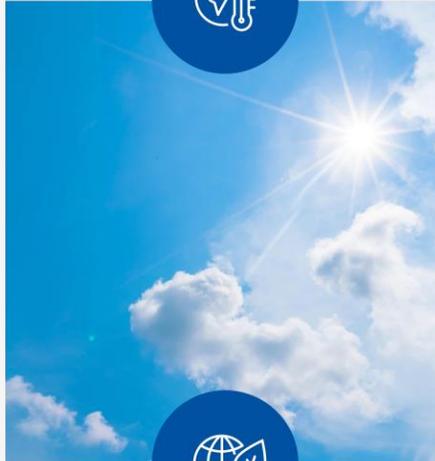
Climate change mitigation

Reducing or limiting emissions of greenhouse gases (GHG) or sequestering GHG through carbon sinks

Climate change adaptation

Reducing the negative impacts of changes in climatic conditions, e.g. through modifying a project to cope with current climate variability and future climate change.

Climate change mitigation



Climate change adaptation

Sustainable use of water and marine resources



Pollution prevention

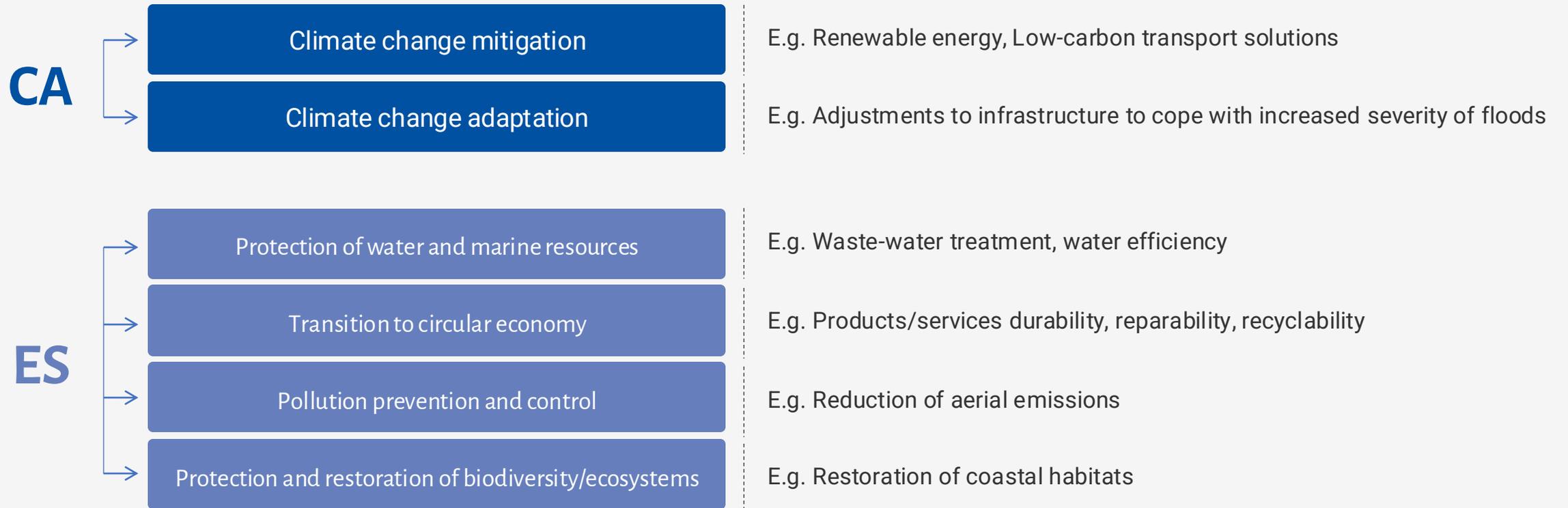
Healthy ecosystems



Circular economy

EIB Green Window: green contribution of sub-activities

Projects contributing to Climate Action and/or Environmental Sustainability



Please find the full list [here](#).

MBIL Green Window: Overview of green investment examples

Investment sector / area	Type of investments – Climate change mitigation
Energy sector	<ul style="list-style-type: none"> ○ Renewable energy projects such as solar power, wind energy or bioenergy projects ○ Electric heat pumps ○ Projects promoting from the use of waste heat (e.g. waste heat recovery systems) ○ Electricity & thermal storage facilities
Lower-carbon transport	<ul style="list-style-type: none"> ○ Zero direct emission public transport (buses, metros, trains, trams, etc.) ○ Zero & low emission cars, vans and trucks (please find specific examples here) ○ Zero and low-emission water vessels and vessel retrofitting ○ Infrastructure (including IT) for low carbon transport (e.g. electric charging stations, bicycle lanes, railways)
Agriculture, land use, forestry, & fisheries	<ul style="list-style-type: none"> ○ Agricultural energy efficiency and resource efficiency (e.g. machinery, irrigation, harvesting, storage) ○ Improving / maintaining carbon pools, manure treatment ○ Manufacture of biomass, biogas, biofuels (from advanced feedstock) ○ Production of proteins/other food ingredients with lower carbon footprint
Solid waste & wastewater management	<ul style="list-style-type: none"> ○ Segregated waste collection (e.g. collection vehicles, containers & bins, temporary storage, ICT applications) ○ Recycling facilities / bio-waste composting facilities / anaerobic digestion facilities ○ Waste-water treatment plants & sewage networks; improvement of water supply systems

Please find a more comprehensive list [here](#).

MBIL Green Window: Overview of green investment examples

Investment sector / area	Type of investments - Climate change adaptation
<p>Agriculture, land use, forestry, & fisheries</p>	<ul style="list-style-type: none"> ○ Drought / pest resilient crops ○ Crop storage for climate resilience ○ Aeroponic crop production ○ Weather and hydrological monitoring and forecasting ○ Pressurised irrigation technologies using sprinkler, drip or other high efficient drip systems ○ High precision laser land levelling ○ Temperature regulation for livestock ○ Digital and other applications related to the above
<p>Water supply</p>	<ul style="list-style-type: none"> ○ Water storage and harvesting technologies ○ Water saving technologies (e.g. smart water meters, pressure control technologies) ○ Water level monitoring ○ Hydrological modelling and forecasting ○ Digital or other applications related to the above.
<p>Coastal infrastructure</p>	<ul style="list-style-type: none"> ○ Early warning systems to reduce flood risks ○ Climate adaptation intelligence, analytics ○ Research for collection and provision of marine raw data ○ Climate risk mapping ○ Digital or other applications related to the above.

Please find a more comprehensive list [here](#).

MBIL Green Window: Overview of green investment examples

Investment sector / area

Type of investments - Environmental Sustainability

Agriculture, land use, forestry, & fisheries

- Biodiversity, water & pollution prevention:
 - Sustainable / organic primary crop production
 - Sustainable / organic animal and aquaculture production
 - Afforestation, reforestation, forest rehabilitation/restoration and Sustainable Forest Management
 - Sustainable fisheries
- Efficiency irrigation systems
- Collection of run-off water for later reuse / waste-water reuse / grey water treatment for later reuse
- Manufacture of water management, efficiency, reuse technologies
- Drainage / storm water / water runoff control and management improvements
- Investments aiming at preventing or reducing direct emissions of pollutants to air, water and land

Buildings

- Biodiversity :
 - Nature-based solutions in buildings e.g., green roofs

Services

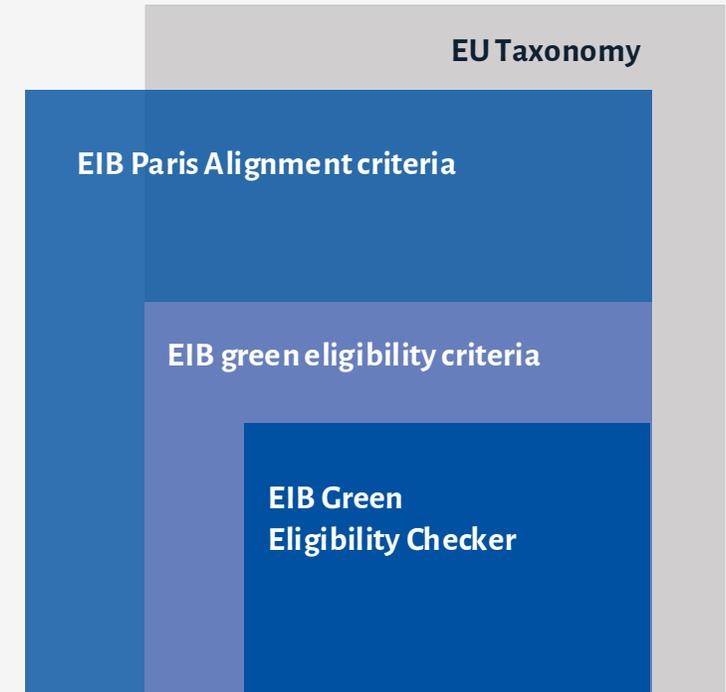
- Circular economy
 - Product-as-a-service, reuse and sharing models
 - Repair / repurposing / remanufacture of redundant or end-of-life products and movable assets that would otherwise be discarded

Please find a more comprehensive list [here](#).



Relation between EIB's Paris alignment requirements, Green Window investment criteria, Green Eligibility Checker and EU Taxonomy

- All EIB financing activities must be aligned with EIB's Paris Agreement criteria;
- EIB green (climate action & environmental sustainability) eligibilities for intermediated finance products define investment activities, which can fall under 'green windows' of EIB intermediated finance products;
- Green Eligibility Checker can help financial intermediaries assess the climate impact and the alignment of sub-projects with EIB's green eligibilities, with a focus on the eligibilities where climate impact estimation reporting is required;
- Sub-projects aligned with EIB green eligibilities (whether assessed by Green Eligibility Checker or otherwise), are aligned with the EU Taxonomy (substantial contribution principle), where applicable.



Green Gateway: Advisory program for for financial institutions



greengateway.eib.org



WEB-based operational tools

- EIB Group Green Checker
- EIF Green Guide for Fund Managers



WEB-based capacity building tools

- e-Learning
- e-Library



Green Gateway Helpdesk Portal

- Q&A ticketing platform
- Toolbox of supporting materials



Webinar trainings

- On-boarding trainings
- Thematic trainings

→ Available to financial intermediaries free of charge!

How can financial intermediaries determine green eligibility of an investment measure?

EIB Group Green Checker: an advisory web tool to help financial intermediaries to identify, assess and report on green investments under EIB intermediated finance products (<https://greenchecker.eib-group.org/>)



ORIGINATION

Confidence in project relevance

The Green Checker indicates which investments meet the EIB green criteria and thus aims to strengthen FI staff's confidence and ability to inform clients.



APPRAISAL

Confirmation of EIB green finance eligibility

By using the Green Checker, FI staff benefit from EIB green eligibility validation as well as from the streamlined, guided processes embedded in the tool.



REPORTING

Simplified climate impact estimation

The Green Checker estimates impact figures for EIB reporting and summarises them in the PDF report 'Green Checker Results'.



Green Gateway Helpdesk: Free to use, online platform providing guidance to EIB Group financial intermediaries in EIB green intermediated products and EIF's Sustainability Guarantee

The platform consists of three key components:

Helpdesk support



Contact form to submit questions to the Helpdesk team
Powered by Atlassian's Jira interactive ticketing system
Administered by EIB's internal (Advisory + PJ) and external consultancy experts

FAQ Library



Access to a live FAQs library about CA&ES topics
Regularly updated based on questions from users

Knowledge Base



Technical materials (trainings, guidance notes, webinar recordings, etc.) to enhance understanding of CA&ES requirements and possibilities

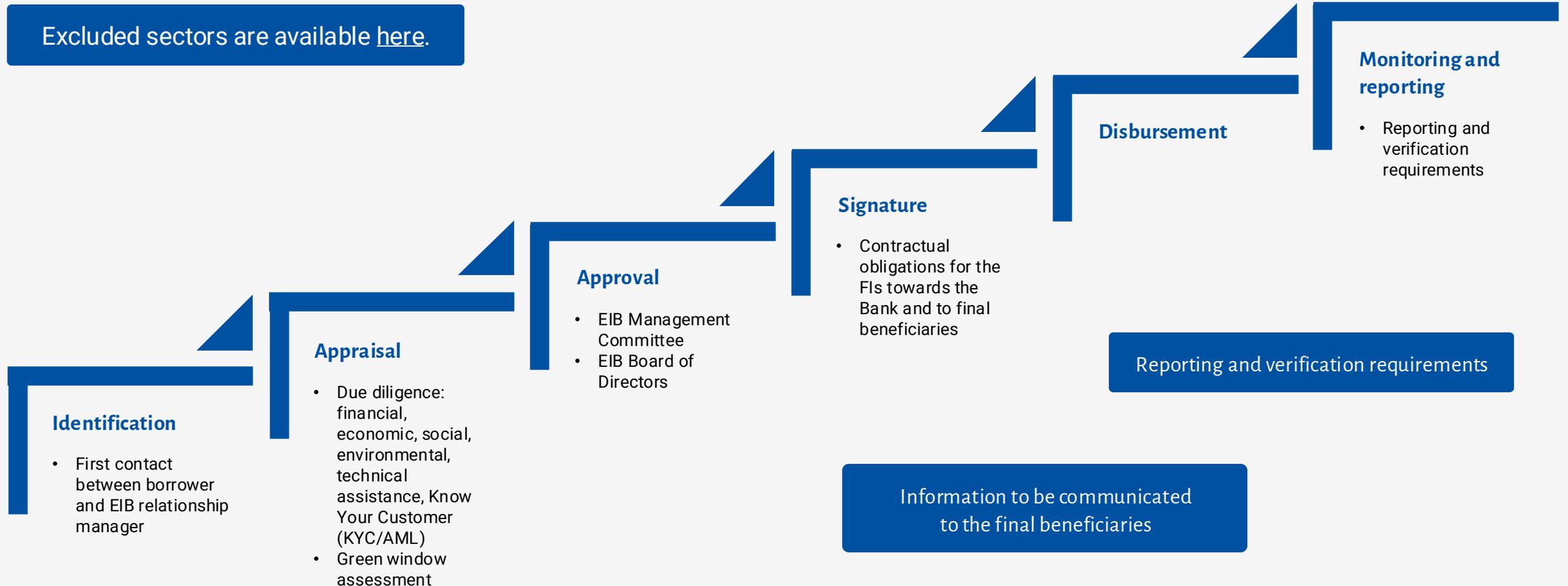
Data, documentation and reporting

Detailed criteria, reporting and verification requirements for EIB green intermediated finance are laid out in **contractual agreements** between EIB and the financial intermediary

Financial intermediaries must **keep evidence of the supporting information** for the fulfilment of the specific criteria and conditions in the loan file

Tools such as the EIB's **EIB Group Green Checker** can be used to assess compliance with EIB's green eligibility criteria and to estimate the climate impact, for reporting purposes

Steps and requirements to access EIBs intermediated finance





Contact your EIB relationship manager for more information

Thank you!

www.greengateway.eib.org