



European
Commission



European
Investment Bank



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

Why, what and how for financial intermediaries

Who are we? Key facts about the 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



Since 1958, over €1.5 trillion invested

- Over 14,000 projects in over 160 countries
- Crowding-in bank: € 4.5 trillion overall investment supported



Headquartered in Luxembourg

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

€65,1 billion

Finance signatures in 2022

58%

was dedicated to green finance



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



€**17.9** billion (2022)
Innovation, digital and
Human capital



€**20.9** billion (2022)
Sustainable energy and natural
resources



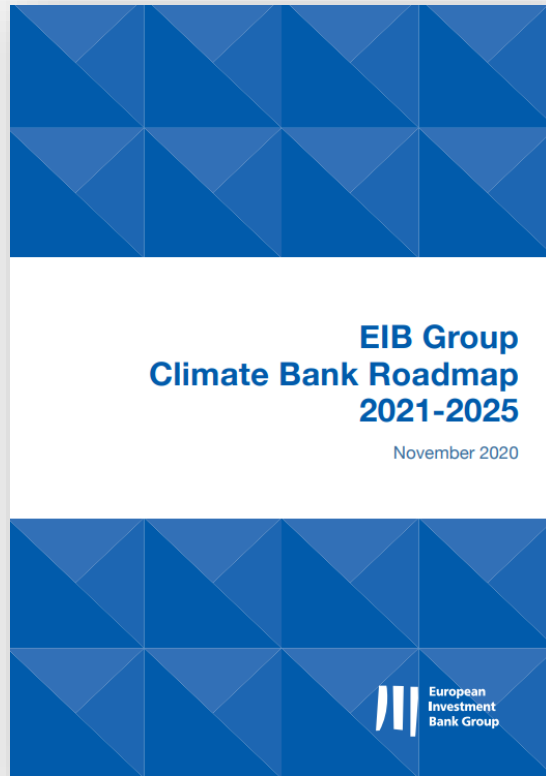
€**16.3** billion (2022)
SMEs and Mid-cap finance



€**17.3** billion (2022)
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 will increase investment in climate action and environmental sustainability to more than **50 %** of annual financing by **2025** and beyond;
2. The EIB Group will support **€1 trillion** of green finance over the critical decade **2021 to 2030**;
3. Align all new EIB Group activities with the Paris Agreement from **2021**.

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

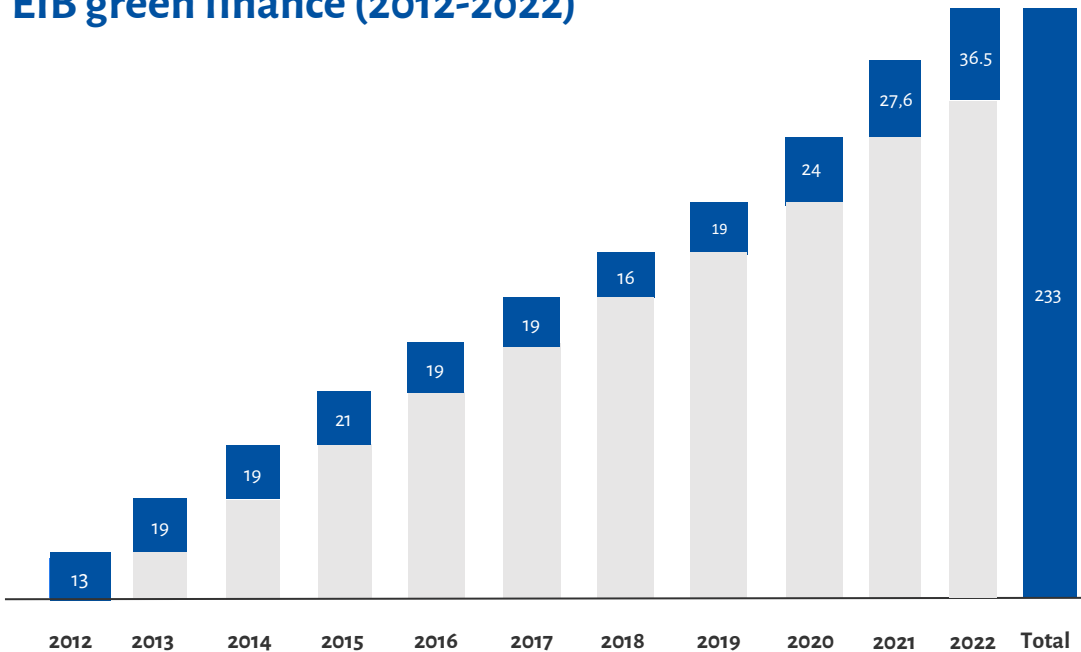
- **2019:** EIB Board of Directors **committed to align all financing activities** with the **principles and goals of the Paris Agreement**.
- **2021:** All EIB projects must be **Paris-aligned**.
[The EIB Group Climate Bank Roadmap, November 2020](#)
- **2022:** The EIB Group PATH Framework ensures 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

Since 2012, the EIB has provided €197 billion of finance* supporting over €670 billion of investment in projects that protect the environment, reduce emissions and help countries adapt to the impacts of climate change.

EIB green finance (2012-2022)



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.

* €171 billion focused on climate action and €26 billion dedicated to environmental protection

Why working with the EIB on green intermediated finance?



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



To accelerate the transition towards a green economy, the Bank has been pioneering both in the alignment of its finance activities with the Paris Agreement and the application of EU Taxonomy



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



Since 2011, intermediary banks have allocated some €16.1 billion of EIB finance through sub-loans to 53 800 SMEs and Midcap firms that together employed around 2.7 million people



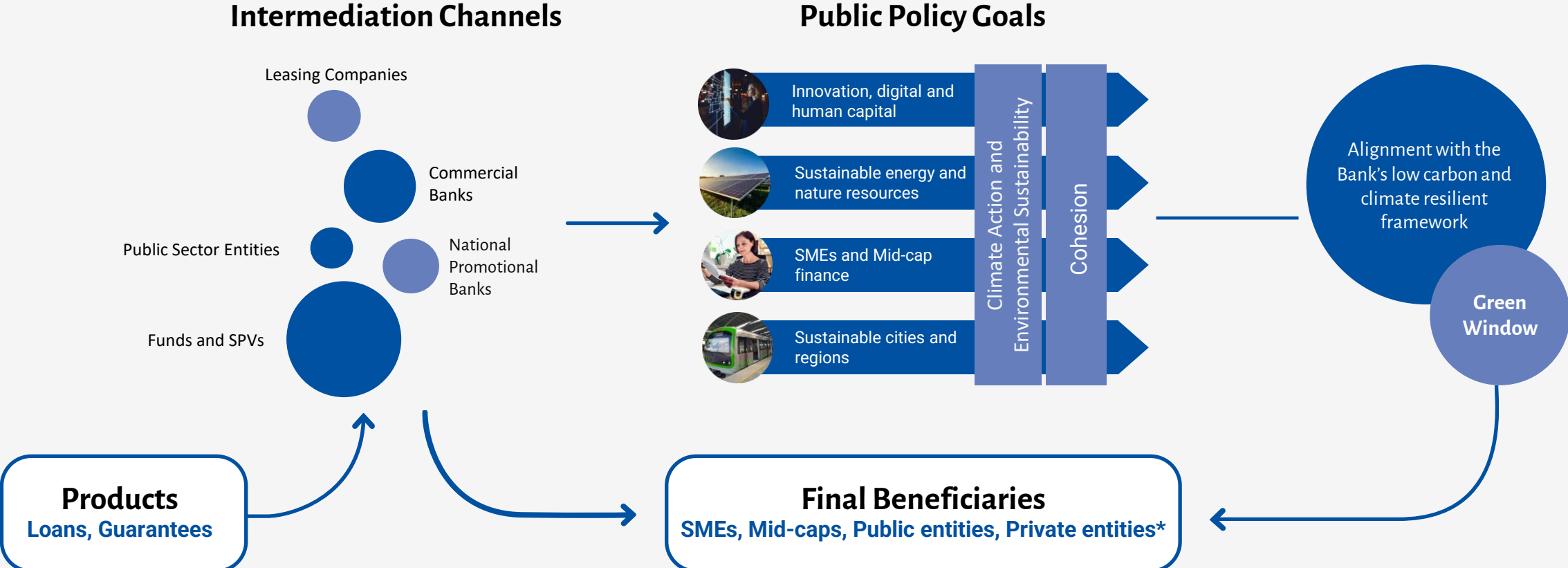
The Bank offers attractive products to support SMEs and Midcaps in particular to financing green activities



Financial intermediaries can benefit from tailored technical assistance support to facilitate 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

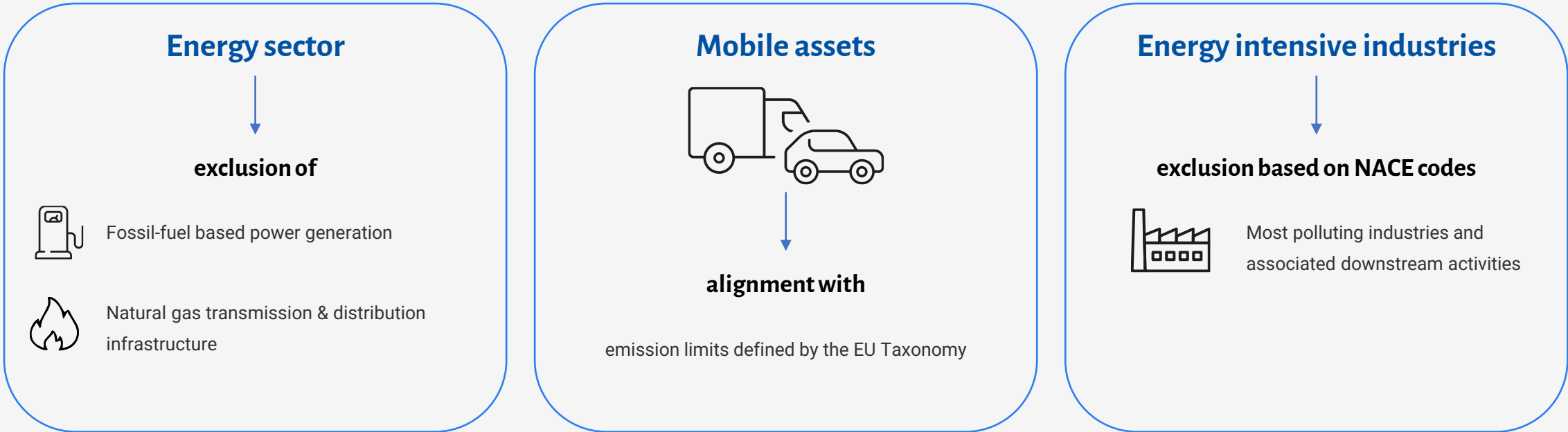
- **Loan for SMEs, Mid-Caps & other priorities** Multiple beneficiary intermediated loan (MBIL)
 - **Objective:** improving access to finance and financing conditions offered to final beneficiaries
 - **Eligible financial intermediaries:** commercial banks, national/regional promotional banks, leasing 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 have to be contractually earmarked.

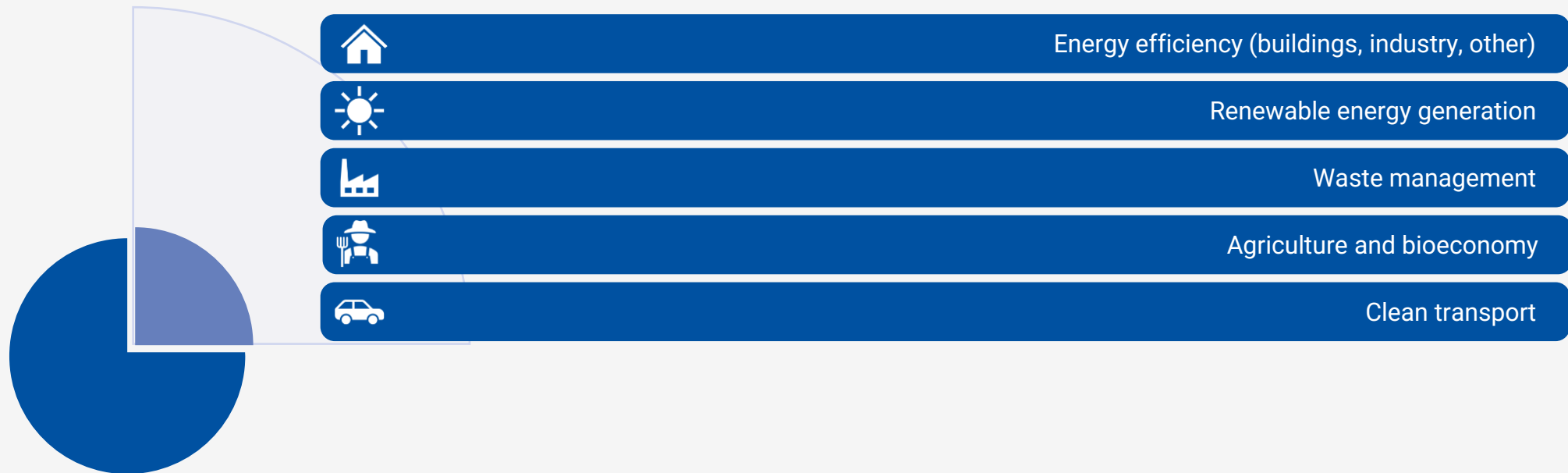
Paris Alignment of sub-projects under EIB intermediated finance



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 are we talking about ?

(CA&ES dimensions to be reflected)

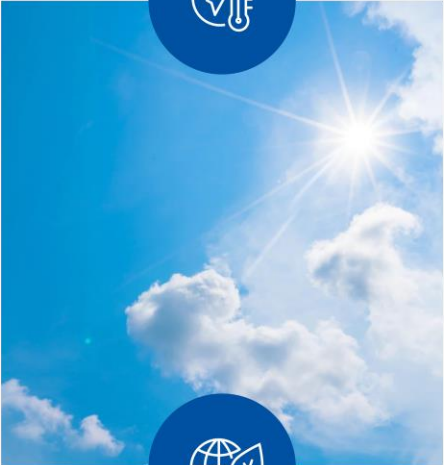
Climate Change Mitigation (CCM)

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

Climate Change Adaptation (CCA)

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 (CCM)



Climate Change Adaptation (CCA)

Sustainable use of water and marine resources



Pollution prevention

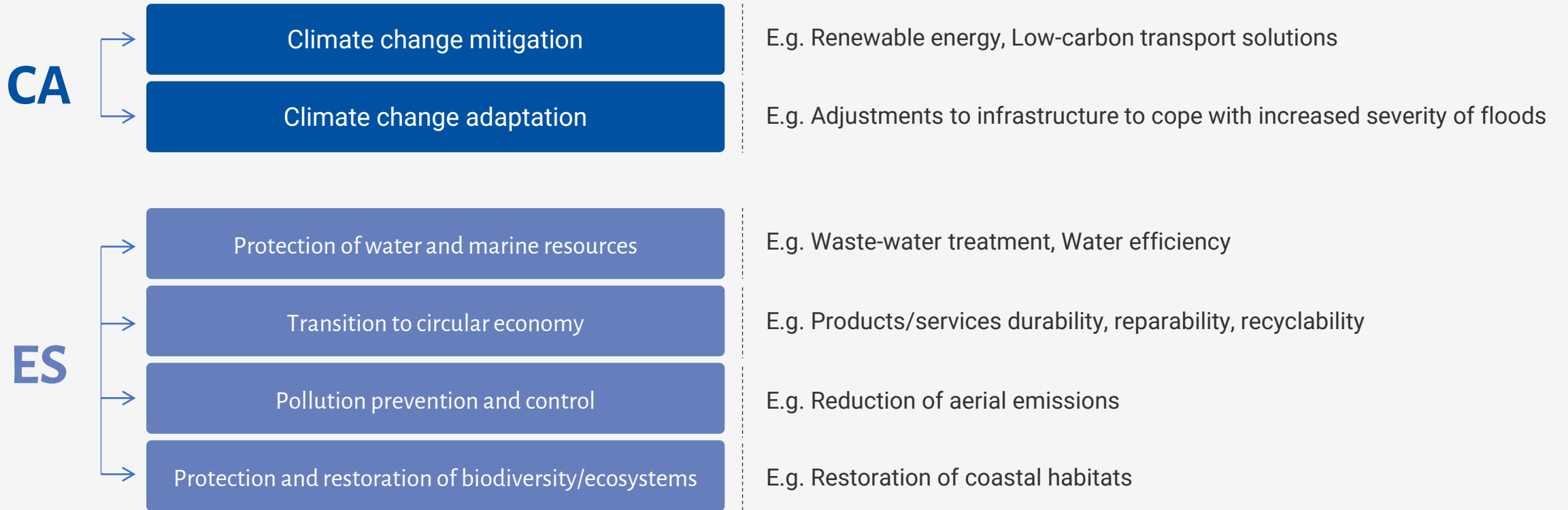
Healthy ecosystems



Circular economy

EIB Green Window = green contribution of sub-activities

Projects contributing to Climate Action and/or Environmental Sustainability



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

MBIL Green Window - Overview of green investment examples

Investment sector / area	Type of investments – Climate Change Mitigation
Energy and Energy Efficiency	<ul style="list-style-type: none">○ Renewable energy generation (e.g. solar / wind / bioenergy) and energy storage (batteries and other solutions)○ Energy efficiency in buildings: individual renovation measures, comprehensive renovations, new constructions○ Energy efficiency in industry & SMEs○ Manufacture of renewable energy equipment, energy efficiency equipment for buildings, low-carbon technologies
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)○ Infrastructure (including IT) for low carbon transport (e.g. electric charging stations, bicycle lanes, railways)○ Manufacture / repair of low carbon transport technologies (e.g. cars, vans, trucks, buses, trains, water vessels)
Agriculture & forestry	<ul style="list-style-type: none">○ Reforestation, afforestation, sustainable forest management (including equipment & machinery)○ 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)
Waste & waste-water	<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

Agriculture

- 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

Water resources

- 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.

Coastal infrastructure

- 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](#).

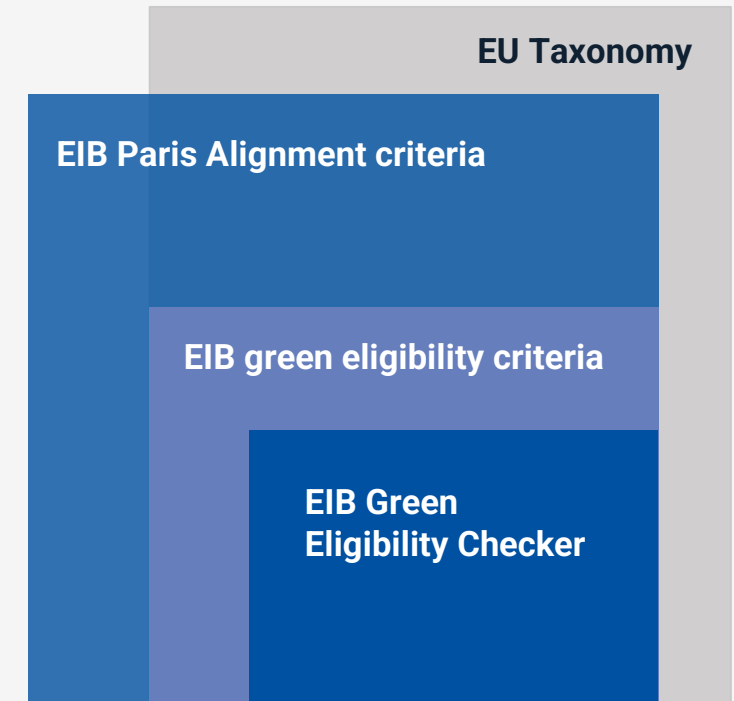
MBIL Green Window - Overview of green investment examples

Investment sector / area	Type of investments - Environmental Sustainability
Biodiversity	<ul style="list-style-type: none">○ Sustainable / organic primary crop production○ Sustainable / organic animal and aquaculture production○ Protection, development and promotion of natural heritage and ecosystem-based tourism○ Manufacture of biodiversity & ecosystem conservation products, biopesticides, biocatalysts, etc.
Water sector	<ul style="list-style-type: none">○ Water efficiency technologies in buildings / facilities / agriculture○ Collection of run-off water for later reuse / waste-water reuse / grey water treatment for later reuse○ Upgrade of water supply infrastructure○ Drainage / storm water / water runoff control and management improvements○ Manufacture of water management, efficiency, reuse technologies
Pollution prevention	<ul style="list-style-type: none">○ Technologies reducing emissions to air / water / soil (e.g. in agriculture, manufacturing, logistics, retails)○ Machinery reducing contamination○ Manufacture of pollution prevention technologies
Circular economy	<ul style="list-style-type: none">○ 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 - Advice for financial institutions

Advisory programme, funded under the InvestEU Advisory Hub, to increase the role of financial intermediaries in EU efforts to transition to a low-carbon and climate resilient economy.

Available to financial intermediaries free of charge!

<https://greengateway.eib.org/>

Green Gateway web portal

- Green Eligibility Checker
- Guidance & Knowledge
- E-learning programme (in development)



Tailored bilateral support

- Product development
- Project origination
- Impact reporting and monitoring
- EU Taxonomy support



Comprehensive advisory programme to facilitate financing of green investments by SMEs / MidCaps / Public entities / Private entities

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

Green Eligibility 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.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

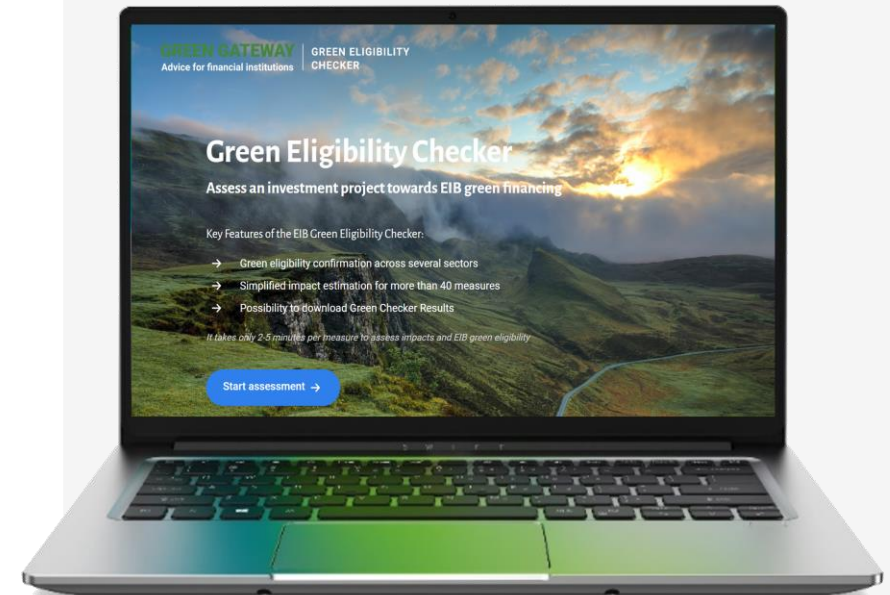
By using the Green Checker, FI staff benefit from EIB green eligibility validation as well as from the streamlined, guided processes embedded in the tool.



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 Guidance and Knowledge module

E-library with essential EIB green guidance materials:



EIB green eligibility guidelines



Case studies and best practice examples



Sustainable finance must reads

Please click here to [access the module](#).

EIB green eligibility guidelines

Learn to identify green investment opportunities in the market and in your portfolios



EIB green eligibility example list for intermediated debt products



Examples of EIB green and/or Paris-aligned vehicles

Bespoke advisory and technical assistance support to financial intermediaries in implementing green windows under EIB's intermediated finance products



Free of charge bespoke advisory support available to financial intermediaries to address specific capacity gaps related to green investments

Tailored bilateral support ranges from:

- **Product development** support to position climate finance as a new commercially viable line of business;
- **Project origination** and pipeline building support;
- **Guidance on eligibility, impact reporting** and monitoring;
- **Integration of Green Checker** into financial intermediaries' systems;
- Support in implementing **EU Taxonomy** and **Standard 11** on Intermediated Finance under EIB Environmental and Social Standards;
- Managing **climate related financial risks**;
- Marketing and capacity building support.

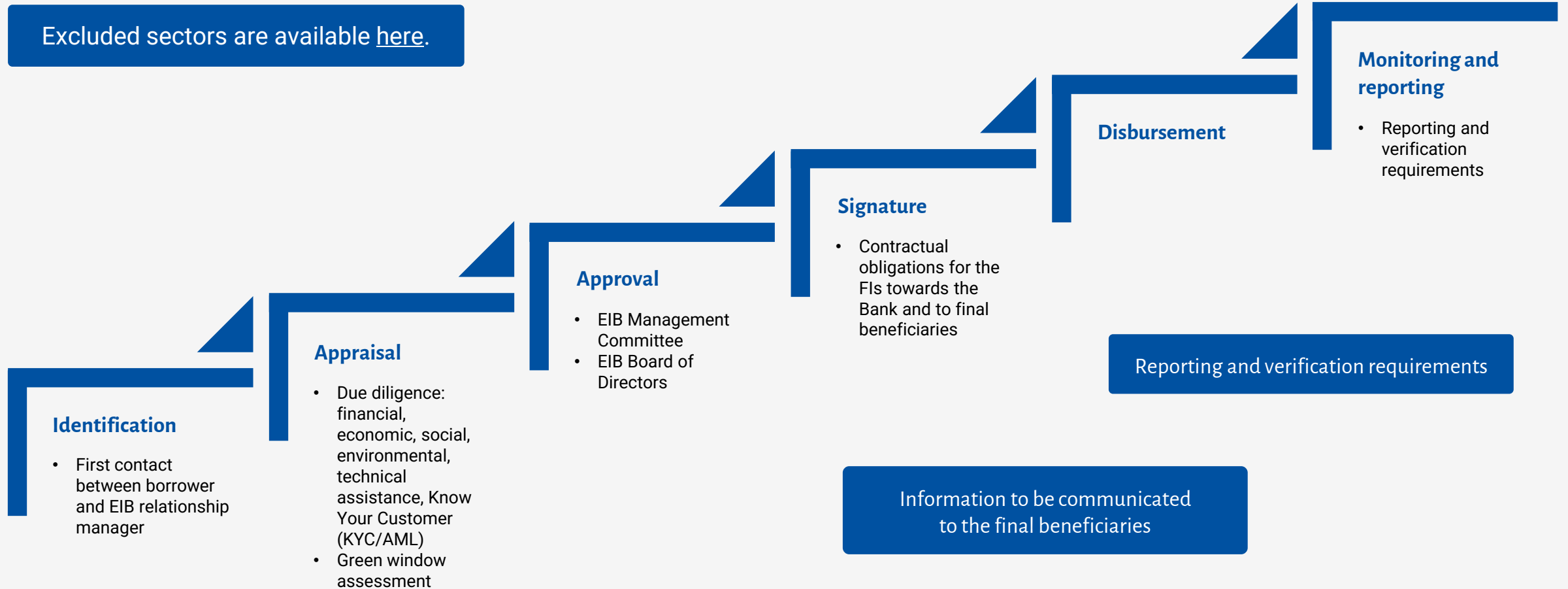
Data, Documentation and Reporting

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 **Green Eligibility 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





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Contact your EIB relationship manager for more information

Thank you!

www.greengateway.eib.org