

Stakeholder engagement on the EIB Group's Climate Bank Roadmap 2021-2025: Turning ambition into reality

Key questions

To structure and guide this engagement, the EIB Group is proposing several key questions, which are built around four topics:

- Aligning the EIB Group's activities with the goals and principles of the Paris Agreement;
- Increasing environmental sustainability investments and leaving no one behind;
- Leveraging private-sector finance and promoting financial innovation; and
- Measuring the long-term effect of the EIB Group's operations.

The topics and the key questions highlight the crucial issues that the EIB would like feedback on.

The development of the Climate Bank Roadmap 2021-2025 will be an iterative process.

Stakeholder contributions will inform this process over two key periods:

- Comments received by **24 April 2020** will inform the EIB's internal discussions and the presentation that will be made at the second stakeholder event at the end of May;
- Contributions received between 25 April 2020 and **12 June 2020** will inform the final stages of the internal discussions, before the Climate Bank Roadmap 2021-2025 is submitted to the EIB's governing bodies.

The questions should preferably be completed directly online, via the SmartSurvey available [here](#) or can be emailed to cbr2025@eib.org.

All contributions will be published on the EIB's website.

ABOUT YOU

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Type of organisation:

- Individual
- Large enterprise
- Micro, small or medium-sized enterprise (i.e. enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million).
- Financial institution
- Non-governmental organisation
- Trade/business/professional associations
- Public authorities (e.g. EU institutions, agencies and bodies, national/regional governments, local/municipal, chambers of commerce)
- Consultancy (e.g. professional consultancies, law firms)
- Research/think tanks (e.g. universities, research institutes)
- Other

Please specify:

ABOUT YOU (cont.)

How did you hear about this engagement exercise?

- EIB email
- EIB social media
- EIB website
- Press
- Colleague
- Other

Please specify:

By submitting my contribution to this transparent stakeholder engagement process, I consent:

- to the publication of my contribution on the EIB's [website](#);
- to the use of my personal data solely for the purpose of the EIB's internal processing of my contribution and for contacting me in relation to this stakeholder engagement. This does not entail the publication of my first name, surname and function in connection with my contribution (see below).

I give consent to the publication of my first name, surname and function in connection with my contribution.

Yes

No

TOPIC 1 – PARIS ALIGNMENT

Support for low-carbon development

The EIB Group will continue to support projects motivated by a wide range of public policy goals. Building on the EIB's Energy Lending Policy, the EIB Group will need to make sure that, going forward, that all its projects will be aligned with the temperature goals of the Paris Agreement and will be consistent with the transition to low-carbon development pathways.

In addition, in this context and given the limited resources it has at its disposal, the EIB Group will need to make choices in terms of the type of investments it wants to prioritise.

1. Outside of the energy sector, what type of financing and advisory activities should the EIB Group prioritise to most effectively support the transition to low-carbon development?

In principal, the leading principles for any of the EIB Group's activities should be additionality and subsidiarity in order to address market failure, market inefficiencies as well as sub-optimal investment situations. Market failures and inefficiencies should be measured by taking into account the knowledge and expertise of national and regional promotional banks and players.

Having said that, the focus of the EIB Group's activities should in particular lie on large projects of joint European interest – such as the pursuit of net climate neutrality.

Areas which should be prioritised in order to effectively support the transition to low-carbon development include in particular energy intensive industry sectors, infrastructure (in particular transport and mobility), circular economy, research, technological innovation and agriculture.

Support for climate-resilient development

The Paris Agreement also requires that financial flows support climate-resilient development. Going forward, the EIB Group aims to help strengthen climate resilience in and through the projects it supports.

2. What type of financing and advisory activities should the EIB Group prioritise to support climate-resilient development?

Prioritised areas should cover affected industry sectors, regions and infrastructure as well as agriculture and (waste) water systems.

TOPIC 1 – PARIS ALIGNMENT (cont.)

Support for clients' decarbonisation and climate resilience strategies

As the EU Climate Bank, the EIB Group wants to support its public and private sector clients to align their activities with the goals of the Paris Agreement, by helping them develop and implement decarbonisation and climate resilience strategies.

3. How and to what extent should the EIB Group help its clients transition to a low-carbon and climate-resilient pathway, in particular those that are highly exposed to the transition and physical risks (both acute and chronic) associated with climate change?

- The EIB Group should help its clients through advisory services in co-operation with regional and national institutions already active in the field.
- The EIB Group should help its clients through financial incentives (in particular most favourable financing conditions). The respective financial products should be elaborated in close co-operation with national and regional promotional banks.

4. What type of advisory support is most needed to help clients and promoters become Paris aligned?

Advisory services with regard to new / promising technologies as well as European examples of best practice in order to incentivise.

Paris alignment in the context of developing countries

With respect to Paris alignment, the role of the EIB Group as the EU Climate Bank also applies in the context of developing countries, in particular in Least Developed Countries and Small Island Developing States.

In fact, the EIB Group intends to play a leading role in extending the principles and objectives of the EU Green Deal beyond the borders of the EU.

5. Should a different approach towards Paris alignment be applied in the context of developing countries, in particular in Least Developed Countries and Small Island Developing States? If so, why and for which type of activities?

For reasons of consistency and ensuring a level playing field, we are in favour of applying the same approach. Only by applying the same approach and standards, you can prevent companies from transferring production to countries that are less strict about emissions.

(- With regard to the social dimension of sustainability, the implementation of social standards should be endorsed and monitored as part of EIB Group's activities in developing countries.)

TOPIC 2 – INTEGRATED APPROACH ON CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY, INCLUDING ON SOCIAL ASPECTS

Increasing environmental sustainability investments

By adopting new ambitious targets, the EIB also intends to increase the share of EIB's financing dedicated to environmental sustainability distinct from climate action (e.g. water quality, circular economy, pollution prevention and biodiversity).

6. In which types of projects are there likely to be natural synergies for environmental sustainability and climate action? In which cases might there be potential trade-offs?

This question can best be answered by other stakeholders.

Leaving no one behind

The transition to low-carbon and climate-resilient pathways will have significant socio-economic implications, in particular for clients and communities highly exposed to the transition and physical risks associated with this transition.

Recognising this challenge, the EIB Group intends to leverage synergies between climate action and sustainable development to ensure a socially-fair transition, particularly for vulnerable groups.¹

7. Which type of climate action and environmental sustainability projects are likely to have strong social benefits?

This question can best be answered by other stakeholders.

TOPIC 3 – SUSTAINABLE FINANCE

Leveraging private-sector finance and promoting financial innovation

The EIB Group has a strong track record in terms of “crowding in” other sources of finance, particularly from the private sector, for climate action and environmental sustainability investments.

However, going forward, the EIB intends to increase this leveraging effect to attract public and private-sector financing and to promote financial innovation for such investments.

¹ It should be noted that the European Commission (EC) is running a public consultation on its legislative proposals related to the EU Green Deal, including on the Just Transition Mechanism. The consultation on a just and socially-fair transition, as part of the EIB Group Climate Bank Roadmap 2021-2025, does not pre-empt the outcome of the EC's wider public consultation on this topic.

8. What new types of financing instruments should the EIB Group seek to develop to have a high catalytic effect on other sources of public and private sector finance?

- A high catalytic effect can best be reached through close co-operation with national and regional promotional banks (through joint expertise and creativity).
- In general, we recommend higher risk taking from the EIB Group (for debt products as well as equity products).
- Furthermore, we suggest to recommend facilitations of state aid rules towards the European Commission (from which national and regional promotional banks can also benefit).
- Finally, we suggest to examine in close consultation with national and regional promotional banks the possibility of combining grants and loans.

TOPIC 4 – IMPACT MEASUREMENT

Measuring the long-term effect of EIB's operations

The EIB Group would like to enhance the assessment of the long-term effect of its operations, including the environmental and social benefits.

9. How can the impact of climate action and environmental sustainability activities be best measured?

- First of all, we are in favour of an approach which allows for the gradual development of the corresponding objectives, criteria, measurement methods, monitoring and reporting requirements.

- When it comes to the question of measurement, we furthermore see the necessity of a consistent approach which applies to all financial institutions equally and which is in line with the EU Sustainable Finance Taxonomy and the rules being formulated for the sustainability proofing and climate tracking under InvestEU.

Furthermore, we see the necessity to elaborate an approach which is practical and as unbureaucratic as possible (for the financial intermediaries as well as for the final beneficiaries).

10. How should the EIB Group tackle the measurement of impact when investing indirectly through financial intermediaries?

- In general, financial intermediaries should apply the same standards as the EIB Group in order to ensure consistency.

- We suggest to integrate the impact measurement at programme level and not at individual funding level.

- For reasons of feasibility, efficiency and proportionality, we highly recommend to work with thresholds. Above a certain threshold, higher standards should be applied.

END