



**European
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The EIB bank



**EUROPEAN
INVESTMENT
FUND**

EIB Policies and Financial Instruments for the Energy Sector

Nikolay Danev, Sr Economist, Energy Efficiency & Advisory Division, EIB

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EIB Group goals for the critical decade



All financing aligned with Paris Agreement by the end of 2020



End support for traditional fossil fuels by end 2021



More than 50% of our financing goes to climate action and environmental sustainability by 2025



Support €1 trillion in investment for climate action and environmental sustainability by 2030

EIB's Board approved the **Climate Bank Roadmap** in Nov. 2020

<https://www.eib.org/en/press/all/2020-307-eu-member-states-approve-eib-group-climate-bank-roadmap-2021-2025>

New EIB Energy Lending Policy

Supporting the Energy Transformation

Supports the EU Clean Energy for All Package and the Green deal

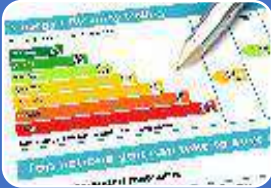
Focus on areas where EIB can provide added value

Phasing-out lending to fossil fuels energy projects

Engagement with Member States and clients



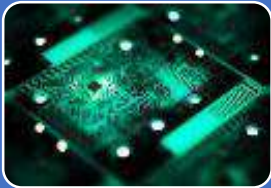
Themes of the Energy Lending Policy



Unlocking energy efficiency



Decarbonizing energy supply



Supporting innovative technologies
and new types of energy infrastructure



Securing the enabling infrastructure

Bulgaria investment needs 2021-2030

CONSUMPTION SECTOR



€ **27500**
million

ELECTRICITY GENERATION



€ **12900**
million

ELECTRICITY NETWORKS



€ **1600**
million

STORAGE, COGENERATION AND HEAT



€ **770**
million

Source: Bulgaria NECP

The bulk of Bulgaria investment need is eligible for EIB financing up to 75% of the project costs according to the Energy Transition Package providing further support to 10 Member States (incl. Bulgaria).

Possible areas for EIB support in Bulgaria

- **Energy Efficiency**: EE investment program in buildings (e.g. residential buildings)
- **District Heating**: rehabilitation and expansion of networks
- **Renewables**: including PF schemes to attract and maximize usage of private finance (e.g. PPAs), cross-border renewable financing instrument
- **Energy Storage and hydrogen**: Battery storage and hydrogen expected to play an increasing role to support the integration of renewables
- **Electricity networks**: transmission network investments, Projects of Common Interest (PCIs), roll out of smart meters
- **Hydropower**: rehabilitation or repowering of existing hydro power plants, new hydropower plants including pump storage

Modernization Fund

- An EU program to support 10 Member States (MS) to meet 2030 energy targets by helping **to modernize energy systems and improve energy efficiency.**
- MS are: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia
- Duration: 10 years from 2021 to 2030
- Legal Basis: ETS Directive - 2003/87/EC – Article 10(d)
Commission Implementing Regulation - 2020/1001
- Target RES, EE, Storage, Energy Networks, Just Transition
Investments: In carbon dependent regions

Modernization Fund (2)

- The MS is the driver of the MF in their respective countries
- Selection and submission of proposals is fully the responsibility of the MS
- EIB assessment – impartial mediator as per legislation – ring fenced from normal Bank lending activities to avoid conflict of interest
- Bank ELP does not apply: Investments eligible under the MF are not required to be eligible under EIB policies
- EIB Transparency and Complaints Policies apply
- Co-financing – EIB is not excluded

Synergies with other instruments

MS can use other national funds and/or European instruments:

- InvestEU program
- Connecting Europe Facility, including its energy projects (PCI)
- European structural and investment funds (ESIF), including the Cohesion Fund (CF) and the European Regional Development Fund (ERDF)
- Just Transition Fund

Co-financing from private and public entities is possible, as long as:

- State aid rules are respected
- No double funding: the same costs are not already funded by another EU or national instrument

Innovation Fund

- An EU program to support **highly innovative low-carbon technologies** in all MS till 2030. Fund grants can cover up to 60% of the additional capital and operational costs of innovation.
- Project Development Assistance (PDA) support provided by the EIB via PDA agreement; IF may finance up to 100% of PDA;
- Not all projects receive PDA; depends on needs:
 - improvement and development of a project documentation, or of components of the project design, to ensure sufficient maturity of the project;
 - assessment of the feasibility of the project, including technical and economic studies;
 - advice on the financial and legal structure of the project;
 - capacity building of the applicant;
 - not for technological advancement.
- Award criteria are set out in the call for proposals document
- Focus on: low-carbon technologies; carbon capture, utilization, and storage; innovative RE generation and storage;
- Over 50% of the calls cover: hydrogen, biofuels, (bio)refineries, intra-day electricity storage, other energy storage, and CO2 transport and storage;

Just Transition Mechanism

The EIB will support all three pillars of the JTM, which will unlock at least € 150 billion of investment within or near the territories most affected by the transition, through lending, blending and advising.

- Pillar 1 (Just Transition Fund): EIB supporting the national co-financing obligations through our well-tested Structural Program Loan offer;
- Pillar 2 (a dedicated JT scheme under InvestEU): EIB will implement 75% of the InvestEU program; private and public sector entities; financial products proposed by implementing partners, incl. EIB;
- Pillar 3 (public sector loan facility): Public sector counterparts obtaining EIB loans for investment projects addressing the transition challenges may obtain an EU investment grant of up to 20% of the EIB loan amount under certain conditions.

Project advisory will be available on all three pillars – from JASPERS and the Advisory Hub.

- Help design policies and projects; projects (pre-)appraisal;
- Implementing NECPs compatible with EU emissions targets; and
- Matching the JT investment programs with the appropriate EIB product.

TARGET

- In November 2021, a new TA TARGET (Technical Assistance for Regions Undergoing a Green Energy Transition) joined other TA facilities managed by the EIB.
- Expected until the end of 2027 to support just energy transition of the EU regions dependent on coal, peat or oil shale production.
- The complementarity to other TA instruments is that it will focus on the early on/upstream support for identifying and preparing clean energy and energy efficiency projects.
- Jointly developed by the EC and the EIB; flexibility to assist public or private entities projects for clean energy and EE.
- No link to any specific funding source; help get projects off the ground or develop a pipeline of projects
- Managed by the Energy Efficiency & Energy Advisory (Enea) division of the Energy department of the EIB
- Simplified application procedure to allow easy access to support; already opened for applications

European **L**ocal **E**nergy **A**ssistance provides TA for energy efficiency and RE investments targeting buildings and innovative urban transport.



21 projects submitted
(EUR 36.8m grant amount)

12 signed contracts
(EUR 24.7m grant amount)



Currently 74 ongoing project

- Eligible projects: EE in buildings, building-integrated renewables (solar panels), public lightning, DH, smart grids;
- Area of support: technical studies, energy audits, business plans, financial advisory, tendering procedures preparation, legal advice, project management;
- As of end of 2021, EUR 225m of ELENA grant is supporting EUR 7.4bn worth of investments

Advisory support to Cohesion through JASPERS

- JASPERS is the largest advisory initiative of the EU Cohesion Policy

- EC / EIB partnership



co-financed EC (REGIO & MOVE) & EIB

Key assets:



Long term relation

Ongoing advisory initiative since 2006

Close relation and collaboration with Managing Authorities and Beneficiaries in MS



Local presence & knowledge

5 external offices (Bucharest, Brussels, Vienna, Sofia) + Luxembourg

Deep country knowledge and understanding



Sector specialisation

Engineers, economists, sector experts..

Sectors: circular economy, digital, energy, environment, social, mobility, RDI, innovation, urban...

Horizontal topics: environment, climate, state aid ...



Large pool of experts

123 EIB specialized staff



Direct support through project experts

Direct Support through EIB staff

Multi country expertise
Project experience



2019 Recognised for Excellence Award to JASPERS
European Foundation for Quality Management



Networking & Competence Centre

JASPERS Energy Advisory

JASPERS works free of charge with local authorities, project developers and managing authorities to help them **prepare strategies and sustainable projects, and to build their own capabilities**, covering **all aspects of project development, implementation support and capacity building** in sectors of activity in line with Cohesion priorities.

- Support to ESIF (ERDF & CF), JTF, CEF
 - **ERDF and CF**: JASPERS work across most EU MS, with a focus on Cohesion MS
 - **JTF** - Just Transition Fund: Already working in 5 MS and expanding support (PL, CZ, SK, GR, RO); no more fossil fuels or gas infrastructure; priorities are EE, RE, DH, smart grids, and clean gases
 - **CEF** - Connecting Europe Facility: Extended support to TEN-T
- **JASPERS supports cohesion lending**
 - When there is EU funding expected from ESIF or CEF
 - For projects not yet mature or in need of a TA
 - Need to review project quality, screening of project pipelines, facilitating the establishment of project pipelines, reviewing ex-ante quality of projects
 - For counterparts, which may need capacity building or horizontal support in relation to projects



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*For energy related issues
contact me at:
danev@eib.org*

More information at: www.eib.org
info@eib.org

Thank you!
