



European Investment Bank

The EU bank

Financing CCS

European Investment Bank in short

- ▶ Not-for-profit, long-term lending institution owned by the member states of the EU
- ▶ Objectives driven by EU-policies. EIB leading priority is to promote European economic development and integration
- ▶ EIB finances eligible projects, meaning a clear link with the to-be-built assets that address policy objectives
- ▶ Governance
 - ▶ Board of Governors: finance ministers of the member states
 - ▶ Board of Directors: representatives of the member states + 1 of the EC
 - ▶ Management Committee: President and 8 VPs for day-to-day running of EIB
- ▶ EIB's lending activities are mainly funded via bond issuance on the international capital markets – ca. EUR 60bn per year. • No use of tax payers' money
- ▶ EIB website (www.eib.org) for more detail

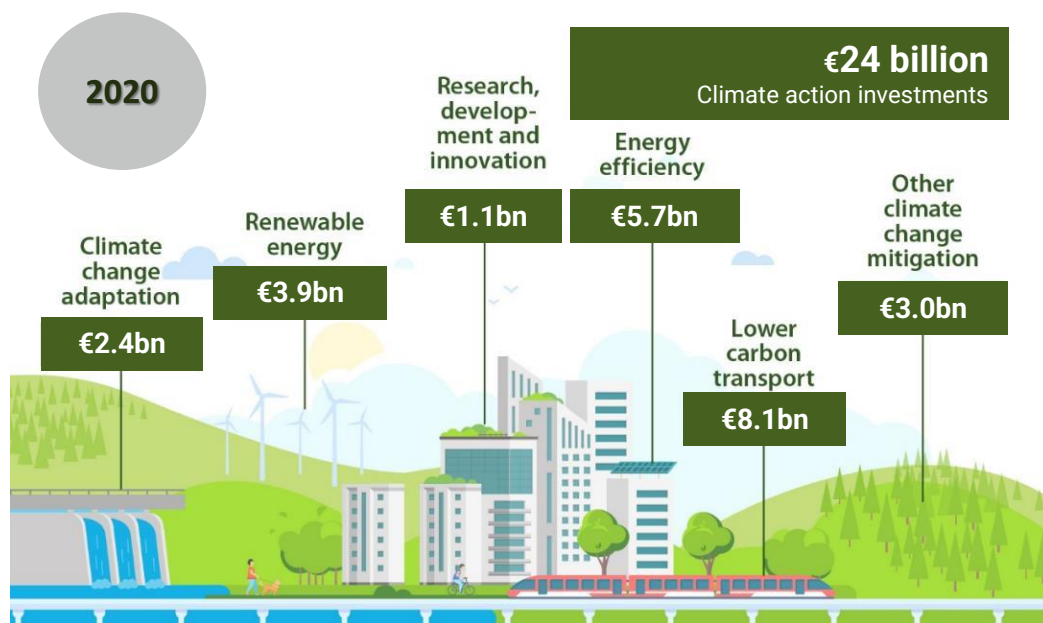
The EIB climate finance track record

- Since 2016: more than EUR 100bn financing for climate action

→ 2016-2020 Commitment achieved



- CA in 2020: 37% of total lending
- CA & ES in 2020: 40% of overall lending (€26bn)



Robust tracking, transparent reporting – our climate action figures are externally audited

The EU Climate Bank's ambition for the critical decade

- Support **EUR 1 trillion** in climate action and environmental sustainability by the EIB Group **from 2021 to 2030**
- Climate action and environmental sustainability to reach **50%** of EIB financing annually **by 2025 and beyond**
- **Align** all EIB Group financing with the Paris Agreement **by end of 2020**
- **Stop** supporting **traditional fossil fuel investments** by **end of 2021**, **increase** financing for climate change **adaptation** and support a **just and socially fair transition**

The Climate Bank Roadmap 2021-2025



**EIB Group
Climate Bank Roadmap
2021-2025**

November 2020



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**The EIB Group
PATH Framework**

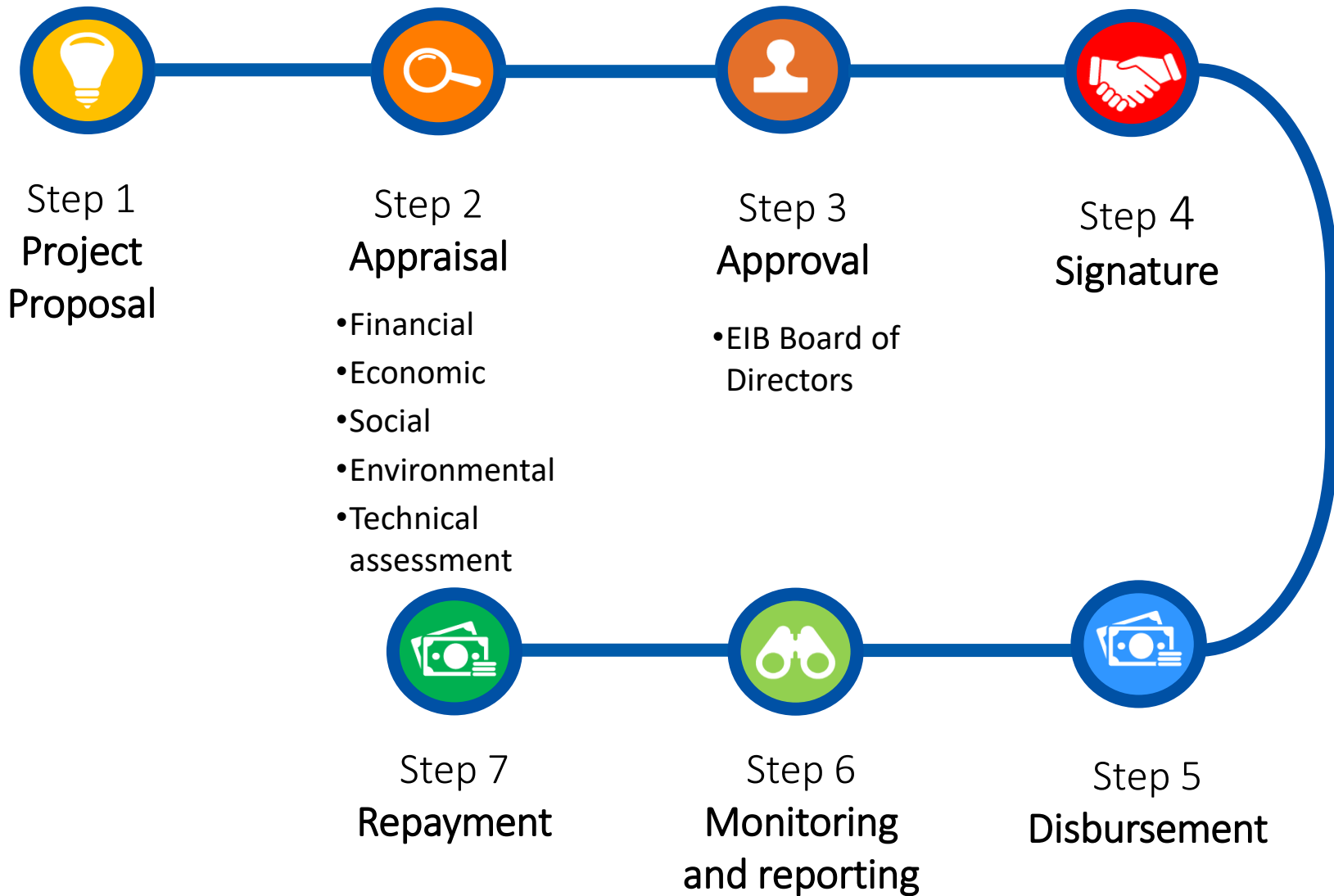
Supporting counterparties on
their pathways to align
with the Paris Agreement



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1. Accelerating the “green transition” and facilitating widespread participation from the private sector
2. Supporting a “just transition”
3. Aligning all new operations with the objectives of the Paris agreement by the end of 2020
4. Building strategic coherence and accountability
5. Now includes PATH Framework – alignment of counterparties with the goals of Paris Alignment, focus on high-emitting sectors.

EIB project cycle



CCS Project Eligibility

CO₂ capture in gas-based plants

- power plants (CO₂ emissions below 250 gCO₂/kWh_{el})
- CHP plants (CO₂ emissions below 250 gCO₂/kWh_{el})
- heat generation plants
- H₂ production plants

CO₂ capture in Waste to Energy plants

(conditions for max CO₂ emissions as above)

CO₂ capture in biomass plants

CCS Project Eligibility

Petrochemicals, ammonia production, steel plants, cement plants, fertilizer plants

eligible for existing plants, NO support for greenfield developments when biobased/renewable/electrified alternative technology exist.

No support for CO₂ capture in fossil fuel refineries

Transport (pipelines) and storage projects can be financed separately from capture.

Conditions for CO₂ transportation and storage even if outside capture project's scope:

- ▶ establishment of a monitoring plan for CO₂ leakages for both transportation and storage,
- ▶ the CO₂ transported from the installation where it is captured to the injection point does not lead to CO₂ leakages above 0.5 % of the mass of CO₂ transported,
- ▶ compliance of CO₂ storage with Directive 2009/31/EC (for projects inside EU) or ISO 27914:2017 (for projects outside EU).

Potential CCS Financing

EIB financing of CCS today would be in line with other energy or industrial projects, if eligible

- ▶ mostly senior debt - project or corporate risk
- ▶ loans to municipalities/public sector lending also possible

Existing mandates may support EIB lending to CCS

InnovFin - financial advisory for Energy Demonstration Projects,

InvestEU - technical advisory (after the project's feasibility is confirmed and there is a plan for its implementation)

Innovation Fund - CCS projects are eligible

EIB's role is to provide PDA to rejected projects