



European
Investment
Bank

The EIB bank



EUROPEAN
INVESTMENT
FUND

JUST TRANSITION MECHANISM: ROLE OF THE EIB

Slides to be used for external use in the EIB Group offices in EU

**Disclaimer: Any information referred to in this presentation is preliminary and subject to the finalisation of the legislative process and ongoing discussions on the EC-EIB administrative agreement*

EIB | Bank of the European Union



The world's largest multilateral lender



EU Climate Bank



Governed by the EU Member States

Climate Bank of the EU | Roadmap 2021-2025



Align with the goals of the Paris Agreement



The EIB Group will support €1 trillion of climate action and environmental sustainability investments decade to 2030 and commits to deliver **more than 50%** of EIB finance for climate action and environmental sustainability by 2025



Prioritise innovation and digitalization to cut carbon emissions



Prepare people and businesses for climate changes happening right now

The Just Transition Mechanism | background

The **Sustainable Europe Investment Plan (SEIP)** presented by the European Commission is the financial arm of the European Green Deal, with the ambition of transforming the European Union in the first climate-neutral bloc in the world by 2050.

The Just Transition Mechanism (JTM) is a fundamental element of the SEIP and aims to help the regions most affected by the transition challenge **mobilizing EUR 75-85bn**.

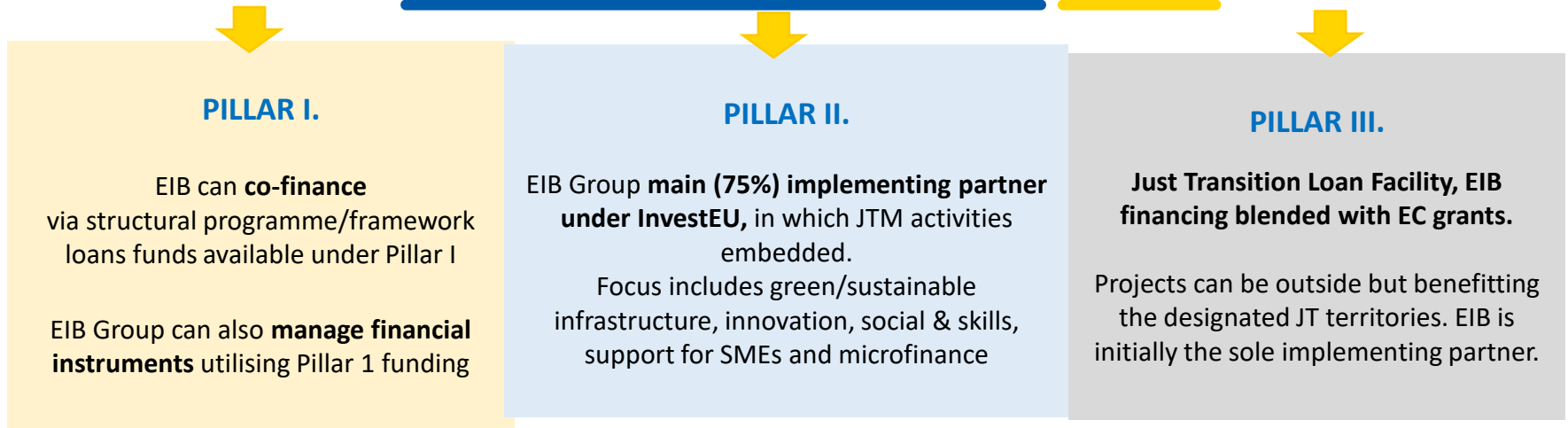
JTM has a focus on **territories most affected by the transition** (coal regions, heavy industrialised regions,..) and on financing projects fitting with their Territorial Just Transition Plans, ranging from the creation of new workplaces, adaption of business models, and re-skilling and assistance for job seekers, but also renovation of buildings and investments in renewable energy, district heating networks and sustainable transport.

As part of the new level of ambition for the EIB towards climate action, the Bank will implement a “Just Transition” to complement the alignment with the principles and goals of the Paris Agreement.

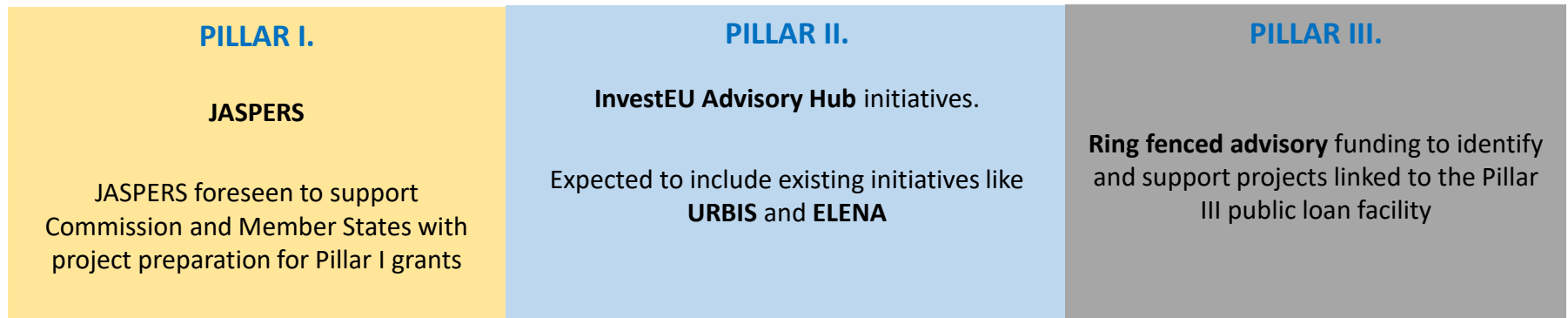
Just Transition is part of the EIB’s Climate Bank Roadmap

EIB Group & Just Transition Mechanism

Financing under the JTM scheme



Advisory under the JTM



JTM Pillar I – Just Transition Fund (**proposal*)

Total **grant volume available for JTF investments of EUR 17.5bn** consisting of:

- (i) **JTF base grant** EUR 7.5bn
- (ii) grants from **Next-Generation EU** of EUR 10bn to be implemented by the end of 2024.

Member States may, on a voluntary basis, transfer to the JTF additional resources from their national allocations EDRF and ESF+

The new **JTF is expected to mobilise investments up to EUR 30bn** (incl. MS own resources)

EIB expected to contribute by:

- Co-financing (SPLs)
- Financial Instrument Advisory
- Potential for new DFIs and MS Contribution under InvestEU

JTM Pillar II – InvestEU (*proposal)

SUSTAINABLE INFRASTRUCTURE



Projects in sustainable energy, digital connectivity, transport, circular economy, water, waste and other environment Infrastructure



RESEARCH, INNOVATION AND DIGITISATION

Projects in research and innovation, technology transfer to market, digitization of industry, artificial intelligence, scaling up

SMALL BUSINESSES



Projects facilitating access to finance for SMEs and small mid-caps



SOCIAL INVESTMENT AND SKILLS

Projects in training, social housing, schools, universities, hospitals, social innovation, microfinance, social enterprise, integration of immigrants, refugees and vulnerable people

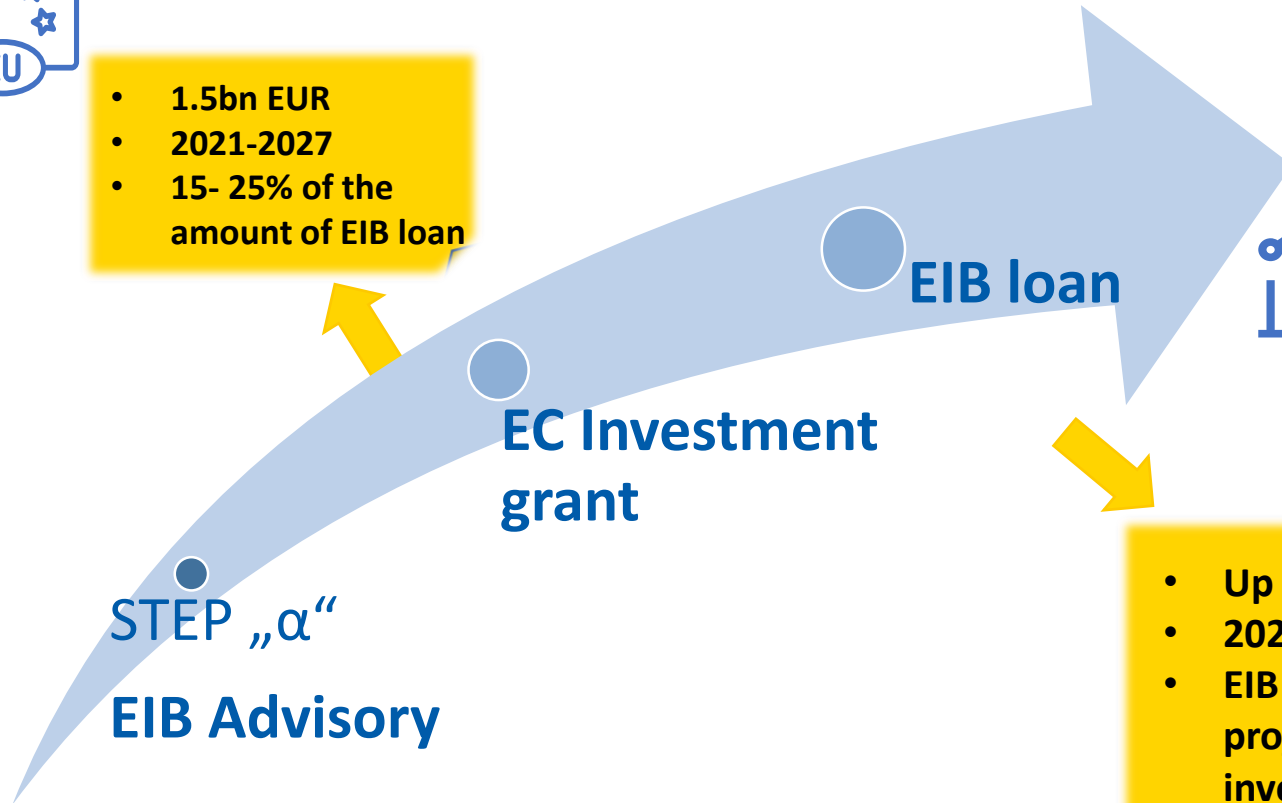


PILAR II

JTM Pillar III – Public Sector Loan Facility (*proposal)



- 1.5bn EUR
- 2021-2027
- 15- 25% of the amount of EIB loan



- Up to 10bn EUR
- 2021-2027
- EIB loans per project/per investment programs or schemes



JTM Pillar III – Public Sector Loan Facility (*proposal)

This is the only Pillar under the JTM initially exclusively dedicated to the EIB, whereby the EIB lending will benefit public sector projects **taking place in just transition territories or in other territories benefiting the transition of the just transition territories** identified in the **Territorial Just Transition Plans approved by the European Commission**.

For the period 2021-2027, the Facility foresees **EUR 1.5bn of EU grants (plus EUR 35m for advisory support and technical assistance)** combined with **up to EUR 10bn of EIB public sector loans at own risk**, targeting to mobilise EUR 25-30bn of investment.

The EIB will not decide on the grant element, which will be directly managed by the EC. One of the eligibility criteria to apply for the EU grant would be for the project **to receive an EIB loan**.

The size of the grant will be a share of the EIB loan, with the maximum share to be defined in the Regulation and also EC calls. The grant component is expected to increase the affordability of the projects from the perspective of public sector project promoters.

Joint EIB-EC Communication

<https://www.eib.org/en/press/all/2020-130-commission-proposes-a-public-loan-facility-to-support-green-investments-together-with-the-eib> & https://ec.europa.eu/commission/presscorner/detail/en/ip_20_930

JTM Pillar III – Public Sector Loan Facility *(*proposal)*

All sectors contributing to a just transition.

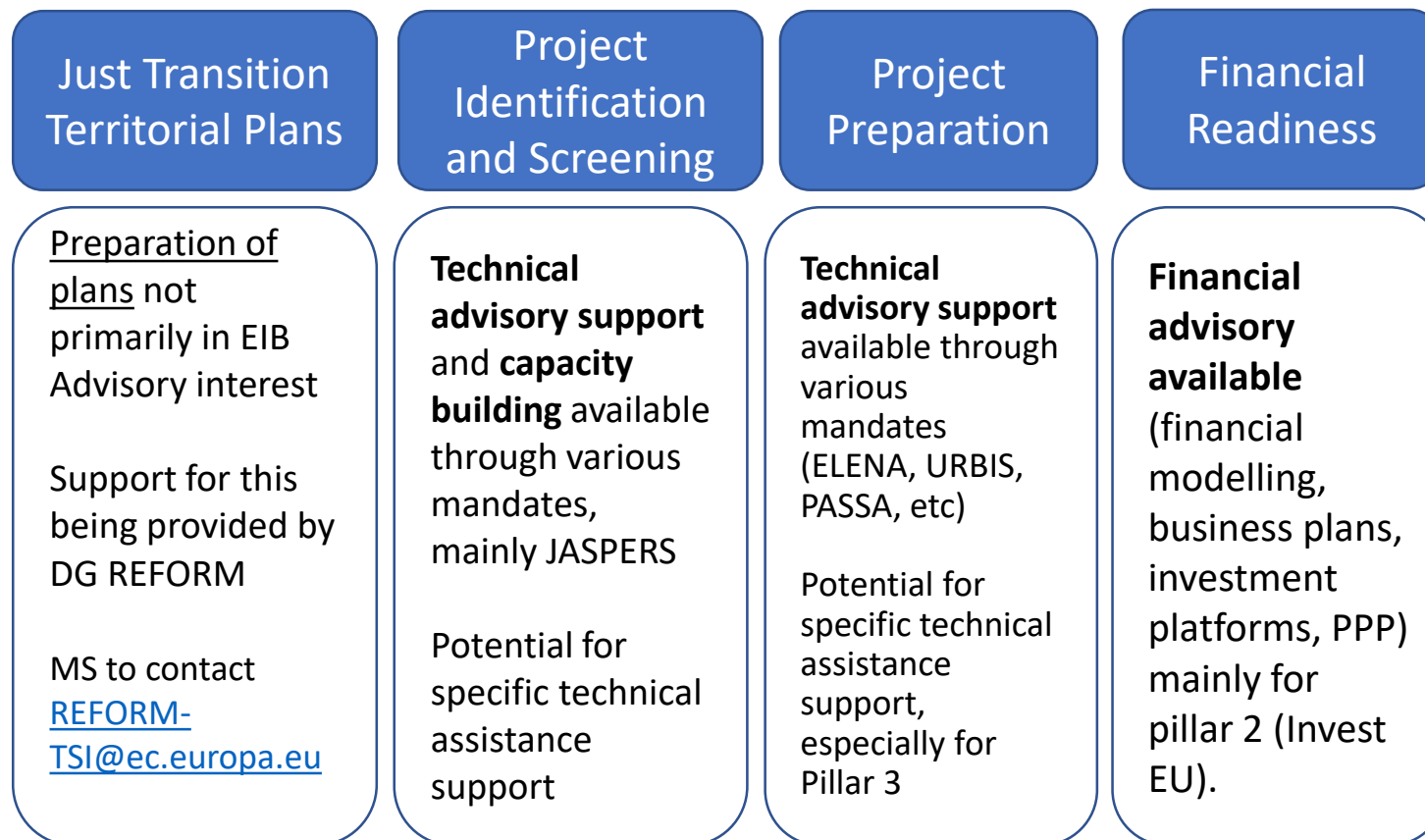
EU grant resources are foreseen to be allocated per Member States on the basis of the distribution key proposed under Pillar 1. For how long the earmarking shall remain in place is subject to the ongoing legislative process. **The EIB lending will remain market-driven.**

Projects shall comply with the EIB lending policy, including the new Climate Bank Roadmap. The EIB will apply its standards rules, policies and procedures and perform regular due diligence.

Loan schemes aimed at financing a set of smaller and pre-identifiable projects are also foreseen. Further implementation details are under discussion.

Implementation arrangements, including eligibility criteria and products, are subject to the finalisation of the legislative process as well as the administrative agreement regulating the responsibilities between the EIB and EC.

JTM project cycle and Advisory – EIB Advisory Hub



For advisory requests, contact: eiah@eib.org
<https://eiah.eib.org>

CASE STUDIES: EIB financing the „transformation“ projects

GERMANY: Brownfield rehabilitation

Investment

- **Rehabilitation of brownfield areas in East Germany** (Braunkohlesanierung Lausitz)
- The project supports the rehabilitation, recovery and reclamation of Germany's former lignite mines and it is expected to deliver multiple environmental benefits.
- EIB provided loan for the rehabilitation, stabilisation and remediation of former lignite mining sites in the Federal State of Brandenburg during 2019-2022 and their return to economic use including as recreational lakeland area.
- Project activities taking place in parts of the Lausitz region include:
 - basic rehabilitation and ground stabilisation;
 - flooding of former pits and works related to groundwater level management;
 - and recovery and additional development to return areas to economic use and productivity, including the creation of recreational lakes and re-greening spaces
- **Financing**
 - Total project costs **570 million EUR**, EIB provided loan up to 200 million EUR



KATOWICE: city's transition to a low-carbon economy

Investment

- Katowice - the first Polish municipality to sign a loan with the EIB in 1996, to create new business opportunities and a **healthier environment for its citizens**
- Over two decades, the EIB supported the city's transition to a **low-carbon economy with loans** totaling 205 million EUR.
- This investment led to the development of part of the center of Katowice and to the construction of two important new venues: the new National Polish Radio Symphony Orchestra building and the International Congress Centre



CASE STUDIES: EIB boosting transition via support of business

Nord-Pas-de-Calais Investment Platform, France

Investment

- Ambition of the region Nord-Pas-de-Calais is to become **the first carbon-neutral region in France** by 2050
- The platform targets funds of up to 100 million EUR and focuses on energy efficiency, renewable energy, circular economy and mobility projects

Financing

- Launched in 2015, this platform dedicated to the “third industrial revolution in Nord-Pas-de-Calais” **combines** EU funds (15million EUR from ESIF), EIB loans of 15million EUR and resources from French public and private players (Caisse des Dépôts Group, Crédit Agricole Nord de France).
- 2.5 million EUR technical assistance window created to distribute grants for the project preparation
- CAP TRI’s overall objective is to provide **equity** and **quasi-equity**, primarily for small and medium-sized enterprises, but also for mid-caps and special purpose vehicles.

Sustainable Mobility in Slovakia

Investment

- The EIB works with GreenWay, a Slovak company that is a leader in supplying charging stations and other services for electric vehicles.
- EIB investment with GreenWay and our expert advice are helping the company expand its network of charging stations in Central and Eastern Europe. This will contribute to accelerate the transition towards lower carbon transport vehicles in the European Union

Financing

- 17million EUR loan for the GreenWay is the first project in Central and Eastern Europe **supported by ‘InnovFin – EU Finance for Innovators’ Energy Demonstration Projects’**, with the financial backing of the European Union under Horizon 2020 Financial Instruments.



CASE STUDIES: Advisory programs for the project preparation

URBIS & support of the revitalization of urban areas in Poland

Walbrzych, Poland



- Walbrzych is one of the cities that suffered most from Poland's industrial shift and economic transition in the 1990s.
- An **EIB loan to the City of Walbrzych**, backed by the EFSI guarantee, was used to co-finance a multi-year investment programme covering schemes to revitalise urban areas (14/28million EUR).
- The loan is coupled with a **comprehensive package of advisory**, funded by the European Investment Advisory Hub's URBIS initiative.

European Investment *Advisory Hub*
Europe's gateway to investment support



CASE STUDIES: Advisory Programmes II.

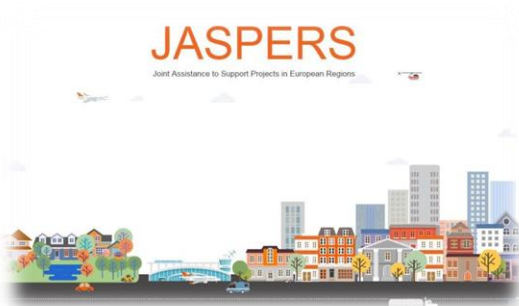
JASPERS

General objective under the JTM

- To assist Member state / region in **managing, developing and prioritizing the Just Transition Fund project pipeline** and assist the development of Just Transition Fund projects

Specific areas of support

- Assistance and advice in collection of relevant project proposal data / documents
- Support in establishing and executing a relevant project screening process
- Assistance and advice in project pipeline management: prioritization of projects, pipeline planning, inter-relation / dependencies of projects (e.g. potentially linked to other JTM pillars)
- Assistance and support in project development for approval and eligibility to funding
- Assist MAs and beneficiaries building locally the necessary capacities and competencies to enable regions to develop themselves



EIB PROJECT ADVISORY SUPPORT

Boosting public sector investments

www.eib.org/passa





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Thank You
