EIB to support Green Deal Industrial Plan with €45 billion in additional financing

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- **EU Bank raises size of its REPowerEU package by 50%, expands eligibilities to finance manufacturing in state-of-the-art Strategic Net-Zero Technologies**
- **Additional funding is expected to mobilize over €150 billion in investment by 2027**
- **EIB Board also approves €10 billion for projects in energy, innovation, business investment, education, as well as for water infrastructure destroyed by the Turkish earthquake**

The European Investment Bank Group (EIB Group) will increase its financing volumes for clean energy to a fresh record and expand its targeted, extraordinary support to the build-up of manufacturing capacity for state-of-the-art strategic net-zero technologies and products. The package approved today will make a substantial contribution to the objectives outlined in the European Commission's Green Deal Industrial Plan for the Net-Zero Age (https://ec.europa.eu/commission/presscorner/detail/en/ip_23_510).

At its July meeting in Luxembourg, the EIB's Board of Directors decided to raise the additional funds earmarked for projects aligned with REPowerEU, the plan designed to end Europe's dependence on fossil-fuel imports, to €45 billion. The additional funding comes on top of the EIB's already substantial support for clean investments and represents a 50% increase compared to the original €30 billion package (/en/press/all/2022-450-eib-boosts-clean-energy-financing-in-support-of-repowereu-plan) announced in October 2022.

The EIB Board also decided to broaden the scope of eligible sectors to boost financing for EU manufacturing in state-of-the-art strategic net-zero technologies and the extraction, processing, and recycling of critical raw materials. The additional funding will be deployed by 2027 and, in total, is expected to mobilize more than €150 billion in investment for the targeted sectors.

“We are deploying the full range of our available financial firepower to support Europe’s industrial competitiveness, manufacturing, and the rollout of critical technologies that will lead us to a swift and just transition to net zero,” said EIB President **Werner Hoyer**. “The people of our Union can always count on the unwavering support of their Bank.”

Sectors expected to benefit from EIB support for state-of-the-art manufacturing include solar photovoltaic and solar thermal technologies, onshore and offshore wind, battery and storage, heat pumps and geothermal technologies, electrolysers and fuel cells, sustainable biogas, carbon capture and storage, and grid technologies. Also eligible are investments related to the extraction, processing and recycling of related critical raw materials.

The EIB’s Board of Directors also approved €10 billion in new lending for projects. The approvals include new wind and solar generation in Spain and Austria, grid upgrades in Italy, and an electric vehicle battery cell manufacturing Gigafactory in France. Overall, the EIB is well on track to deliver on its announced REPowerEU support measures.

The Board also approved a comprehensive €400 million support package to restore drinking water, wastewater treatment and storm water infrastructure and basic services in town and cities in southeastern Türkiye devasted in the February earthquakes. Also outside the EU, the Board approved financing for a new electricity interconnector between Ecuador and Peru, and streamlined financing for small scale clean energy and green transition projects across Africa.

Background information

The EIB Group is the EU’s long-term financing institution, owned by its member states. It comprises of the European Investment Bank (EIB) and the European Investment Fund (https://www.eif.org/what_we_do/etci/index.htm) (EIF). We finance sound investments that contribute to EU policy goals, including social and territorial cohesion, and the just transition to climate neutrality.

The EIB was the first multilateral development bank to end support for fossil fuels and has committed to support €1 trillion in climate investment this decade. Over half of the EIB Group’s lending in 2022 (/en/press/all/2023-032-eib-group-commits-record-financing-in-support-of-eu-energy-security-and-green-economy) was devoted to climate and environmental sustainability projects, while almost half of the EIB’s financing inside the EU was signed for projects in cohesion regions, where per-capita income is lower, highlighting the Bank’s commitment to equitable growth.

The EIB Group is Europe's innovation champion. The EIF supports Europe's SMEs by improving their access to finance through a wide range of selected financial intermediaries, such as banks, guarantee and leasing companies, micro-credit providers and private equity funds. The EIF designs and offers equity and debt financing instruments fostering EU objectives, and leverages EU funding tools, such as the InvestEU programme, to support of entrepreneurship, growth, innovation, research and development, the digital transition and employment. Earlier this year, it launched the European Tech Champions Initiative (https://www.eif.org/what_we_do/etci/index.htm), an ambitious Fund of Funds that seeks to make sure that tech pioneers made in Europe, stay in Europe.

EIB's operations outside the EU are carried out by EIB Global (/en/global/index.htm). As a key partner in the EU's Global Gateway (https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/global-gateway_en), we aim to support at least €100 billion of investment by 2028, one third of the strategy's target. With offices across the world (/en/infocentre/contact/offices/index.htm), EIB Global is close to local people, firms and institutions, and fosters strong Team Europe partnerships with development finance institutions.

For more information on the EIB Group's role and activities see here (/en/about/at-a-glance/index.htm).

Annex: Summary of Key Decisions

- At its meeting this week, the Board of Directors of the EIB decided to increase the size of the Group's REPowerEU package from €30 billion announced (/en/press/all/2022-450-eib-boosts-clean-energy-financing-in-support-of-repowereu-plan) in October 2022, to €45 billion in additional financing. The increase in volumes is expected to mobilize about €150 billion in investment for eligible sectors in the EU.
- Projects eligible for financing include renewables, energy storage, grids, and energy efficiency, as well electric vehicle charging infrastructure, thus contributing to the REPowerEU plan (https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en) to end fossil-fuel dependence. The initiative runs through 2027.
- The scope of eligible projects is expanded compared to October's decisions, to align the EIB's REPowerEU+ package (/en/projects/sectors/energy/repowereu) with the EU Commission's Green Deal Industrial Plan (https://ec.europa.eu/commission/presscorner/detail/en/ip_23_510). The EIB will

finance the deployment of state-of-the-art manufacturing capacity in strategic net zero technologies.

- The additional funds will also be used to support investment in the extraction, processing and recycling of strategic Critical Raw Materials identified (https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1661) in the proposed Act of the European Commission.
- In practice, the EIB will support manufacturing in solar and thermal photovoltaics, onshore and offshore wind turbines, battery storage, heat pumps, electrolysers and fuel cells, grid technologies, sustainable biogas, and carbon capture and storage. All projects must comply with the Bank's environmental, social, climate and procurement standards.
- The EIB will also support the re-skilling and upskilling cost of the EU's workforce and work closely with education systems and institutions, including in vocational education and training, to ensure that they have the proper means to deliver the required set of skills for the net-zero transition.
- 90% of the additional lending foreseen under the EIB's REPowerEU+ package will be provided from the EIB, while the remaining 10% via the EIF, subject to EIF Board approval.
- Key measures decided in October and designed to accelerate the pace and maximizing the impact of new investments remain in place, including higher upfront disbursements (up to 90% of approved EIB financing), longer tenors that will make EIB loans to the energy sector more attractive, and a co-financing ceiling of up to 75% for projects contributing to the REPowerEU objectives, up from the typical 50% EIB limit per project.
- Fossil-fuel infrastructure is not eligible for EIB financing under the EIB's Energy Lending Policy (/en/publications/20230012-mid-term-review-of-the-energy-lending-policy), which remains unchanged. The war in Ukraine also highlighted that reliance on fossil fuels is a critical vulnerability for the EU.
- The Board also decided this week to raise the minimum target for its share of annual lending dedicated to climate action and environmental sustainability from 50% to 52% between 2025 and 2027. The revision was due to the fact that the EIB met the 50% target planned for 2025already in 2022.
- Financing the deployment of advanced manufacturing, innovative or innovation-enabling technologies will also contribute to fostering innovation and its broad economic benefits, including the creation of local growth and skilled employment opportunities in the EU. The expansion of eligibilities for manufacturing is also

expected to boost manufacturing capacity in cohesion regions of the Union, where GDP per capita is lower.

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