

# EIB Climate

## Awareness Bonds - 2012 update

**Renewable energy and energy-efficiency projects are at the heart of the EIB's energy investment** and contribute to making Europe's energy supplies more sustainable, competitive and secure. Developing and expanding these projects is widely recognised as the best way to help the European Union achieve its energy and climate action objectives by 2020.

EIB lending for renewable energy has grown strongly over the last few years to reach EUR 5.5bn in 2011. The majority of this lending is directed to wind and solar power generation. The Bank has become a key source of finance to the market in these sectors. It has also considerably boosted its lending for energy efficiency, which reached EUR 1.3bn in 2011.



### Climate Awareness Bond issuance

Since inception in 2007, the EIB has raised over EUR 1.6bn through Climate Awareness Bonds (CABs). Following the inaugural bond denominated in EUR, the Bank issued its next CAB in Swedish Krona in 2009. In 2010, the Bank launched new CABs for a total value of EUR 543m through 7 transactions in 4 currencies.

CAB issuance resumed in 2012 with 3 SEK-denominated transactions for a total of SEK 2.3bn (EUR 263m equivalent).

### 2012 CAB transactions

ISIN code	Value date	Currency	Volume in currency (m) *	Volume in EUR (m) *	Coupon	Maturity
XS0465397619	24 Feb 12	SEK	700	79	2.95%	17 Feb 15
XS0773059042	23 Apr 12	SEK	1000	113	3.00%	23 Apr 19
XS0773059042	31 Jul 12	SEK	600	71	3.00%	23 Apr 19

\*As of 31 October 2012

## Strict earmarking assures use of proceeds

The particular feature of EIB CABs is that the proceeds from the issues are ring-fenced from the EIB's general funding portfolio and are used exclusively to finance renewable energy and energy efficiency projects.

These often innovative projects include, but are not limited to:

- renewable energy projects such as wind, hydro, solar and geothermal energy production; and
- energy efficiency projects such as district heating, co-generation, building insulation, energy loss reduction in transmission and distribution and equipment replacement.

Strict earmarking of Climate Awareness Bonds funds assures the correct use of proceeds – CAB funds raised in the market are allocated to a specially created and segregated sub-portfolio within EIB Treasury. Pending disbursements to eligible projects, the sub-portfolio is invested in money market instruments.

The proceeds from CAB issues have been allocated to projects in a timely manner. Details of the projects which benefited from CAB financing this year are given below:

### Eldepasco Northwind Offshore Wind

Location: Belgium

The project consists of the construction and operation of 216 MW offshore wind farm around 37 km from the Port of Ostend on the Belgian coast. The wind farm will be in the North Sea, on a sand bank. The project aims at assisting Belgium to meet EU and national targets for energy generated from renewable energy sources.



### Scottish Power Electricity Networks

Location: United Kingdom

The project comprises renovating and extending Scottish Power's electricity transmission and distribution networks in North Wales, West England and South/Central Scotland. Its main purpose is to maintain Scottish Power's network to a high standard of reliability as well as to extend its capacity. The project enhances energy efficiency.



### Toscana Energia Gas & Solar

Location: Italy

The CAB proceeds will be used to finance the installation of several small solar photovoltaic systems in the Tuscany region. The PV systems will be fixed on the roofs of industrial/commercial/agricultural facilities and the gas pressure reduction and metering stations owned by the promoter. The installation of solar photovoltaic systems contributes to national and European targets for renewable energy generation.



## Contacts

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