



Promoting clarity to facilitate sustainable investment

A commitment to sustainable development and inclusive growth



Environmental and Social Sustainability



EIB's commitment on environmental and social sustainability:

- **Sustainable finance** as the operating model

- How to contribute:
 - **Mainstream** E&S sustainability;
 - Require clients to **comply/align** with the ECS standards;
 - **Support** the application of relevant principles;
 - Improve the **contribution** of finance to sustainable development and inclusive growth; and
 - Undertake relevant **policy** dialogue.



SABs origins: the EIB experience

- ❑ President's speech at the UN – increased efforts to achieve SDGs
- ❑ Strong demand from investors with high ESG standards
- ❑ Release of Social and Sustainability Bond Principles by ICMA
- ❑ Cornerstone of the CABs and SABs:

Use the proceeds of the bonds to fund eligible projects, which have benefits that can be quantified and assessed



Treaty on European Union, article 3.3

“The Union shall establish an **internal market**. It shall work for the **sustainable development** of Europe”

European Commission’s communication, September 2016: “Capital Markets Union – Accelerating Reform”

“Reforms for sustainable finance are necessary to... **ensure that the financial system can finance growth in a sustainable manner** over the long term...

The Commission is working **in the context of the G20** to further these objectives”.

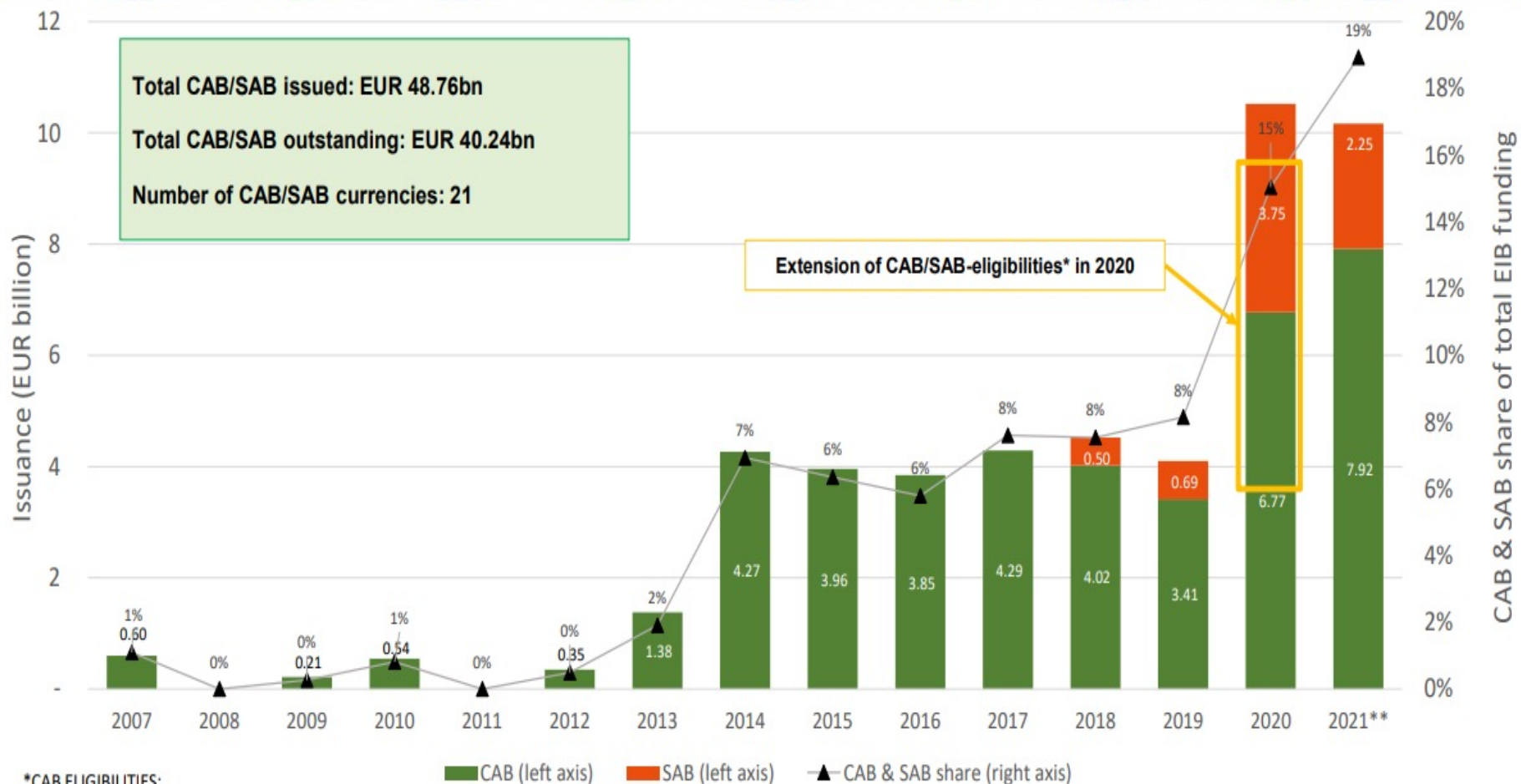
Treaty on the Functioning of the European Union, article 309

“The task of the European Investment Bank shall be to **contribute, by having recourse to the capital market** and utilising its own resources, **to the balanced and steady development of the internal market in the interest of the Union**”.



- Proceeds are allocated **only to new eligible disbursements taking place after bond issue date and without refinancing of already outstanding disbursements**
- **Loan eligibilities are decided upon Board approval and reviewed upon disbursements** (in case of new information), in both cases by the Projects Directorate
- Double counting is excluded
- Allocations are automated and follow a “first in, first out” rule, permitting detailed description of how each new issue is allocated to individual projects
- Allocations are frozen and booked twice a year in a separate treasury portfolio
- Allocation and impact reports are published in yearly “CAB/SAB Frameworks”
- CAB/SAB Frameworks are audited by KPMG with **Reasonable Assurance (ISAE 3000)**

CAB/SAB issuance and their share in EIB's total funding programme



***CAB ELIGIBILITIES:**

2007-2020: RE&EE projects; 2020: Extended to: (a) Electric rail infrastructure and vehicles and other electric public land transport vehicles, (b) Research, development and deployment of innovative low carbon technologies.

***SAB ELIGIBILITIES:**

2018-2020: Water projects; 2020: Extended to Education and Health projects (incl. COVID-19)

**Data as of 13 October 2021
 Source: EIB Sustainability Funding Team

Q&A



How to translate this and link it to increased investments in Road Safety?

- Challenges?
- Lessons learned?