

## PRESS RELEASE

Brussels, 8 December 2016

### **Belfius and EIB sign two new agreements to foster smart and sustainable investment and combat climate change**

***Private Finance For Energy Efficiency (PF4EE): EUR 75m to boost corporate energy efficiency investment in Belgium***

***Smart Cities, Climate Action & Circular Economy: an additional EUR 400m to support Smart Cities, the fight against global warming and the circular economy***

**Belfius and the European Investment Bank (EIB) have signed two key agreements to encourage corporate investment aiming to improve energy efficiency in Belgium and help local authorities, inter-municipal utilities and non-profit organisations in education and healthcare to implement their smart and sustainable projects. These will be carried out in the energy, mobility, urban development, water, waste and e-government sectors and focus in particular on the circular economy and climate change.**

Dirk Gyselinck, member of the management board at Belfius Banque & Assurances, and Pim van Ballekom, Vice-President of the EIB, have signed an agreement under the EIB and European Commission's new Private Finance For Energy Efficiency (PF4EE) instrument (LIFE programme) to address the shortage of tailored and affordable commercial financing for energy efficiency investment.

The PF4EE instrument combines three elements. The first consists of an EIB loan for financing eligible energy efficiency projects, to be managed by local banks. The second component covers the losses potentially incurred by partner banks in relation to energy efficiency loans. The third component will bolster the implementation of the PF4EE instrument by transferring the technical and financial experience acquired in the course of other similar projects.

This agreement will enable Belfius to provide businesses with EUR 75m in loans on favourable terms for investments aimed at improving energy efficiency in Belgium, thereby addressing key climate-change issues.

These loans are available to both businesses and Energy Service Companies (ESCOs). Belfius will have access to the technical and financial expertise of specialised consultants and will benefit from a transfer of experience as part of PF4EE. These loans will also be secured by the PF4EE guarantee up to 80% of their value.

Projects financed by PF4EE will aim, in particular, to improve the energy efficiency of existing buildings (insulation, heating, ventilation, cooling, lighting, decentralised renewable energy production, etc.), reduce the energy consumption and strengthen the energy efficiency of industrial sites and processes, refit or extend urban heating or cooling networks, and improve the energy performance of public lighting systems. The projects will be implemented on behalf of either the borrowing companies themselves or their public or private sector customers.

This agreement with Belfius makes Belgium the fourth country to benefit from PF4EE after the Czech Republic, Spain and France. The European Commission and EIB aim to use this new instrument to generate EUR 1bn in energy efficiency investment across Europe. By extending access to this tailored and preferential financing for improving energy efficiency to Belgian businesses, Belfius and the EIB are engaging in targeted action to reduce CO<sub>2</sub> emissions and combat global warming.

Miguel Arias Cañete, European Commissioner for Climate Action and Energy, said: *“It is essential to mobilise private finance to be able to implement an ambitious global climate agreement. I am delighted that this new instrument is starting to generate concrete projects aimed at reducing energy consumption and is leading to increased investment in energy efficiency.”*

### **Smart Cities, Climate Action & Circular Economy**

In addition to this major agreement, Belfius and the EIB also renewed their partnership for supporting the development of Smart Cities in Belgium.

Following the success of their *Smart Cities & Sustainable Development* programme – a European first when it was launched in June 2014 – Belfius and the EIB have decided to jointly provide an additional EUR 400m to finance smart, inclusive and sustainable projects mounted by local authorities, inter-municipal utilities and social sector (education and healthcare) non-profit organisations.

The scope of this new programme, dubbed *Smart Cities, Climate Action & Circular Economy*, has therefore been widened to encompass the social sector, and also aims to make investments “circular” in nature. It covers not only energy performance, mobility and urban development, but also water (distribution networks, sewers, drainage, treatment), waste (selective collection, sorting, biological treatment and sludge treatment, energy production) and e-government (particularly open data). In addition to an integrated, innovative and sustainable approach, the circular economy and climate action are now key components of project appraisal and evaluation.

### **More than 1 400 000 people have already benefited from EUR 400m across 62 projects**

In two and a half years, 62 “Smart” projects have received financing totalling EUR 400m under this joint EIB-Belfius programme, with over 200 applications examined. These 62 projects – which are all either already up and running or in progress – affect 1 400 000 people and mostly fall within an integrated approach combining urban development, sustainable mobility and energy efficiency.

Several further applications are currently being assessed, and Belfius and the EIB are committed to using the new *Smart Cities, Climate Action & Circular Economy* programme to continue their active support for this dynamic, thereby contributing to sustainable growth – a source of prosperity and social progress for people and businesses.

EIB Vice-President Pim van Ballekom said: *“Tackling climate change tops the EIB's list of priorities. As the EU bank, we have real financial clout in this domain. However, we know that we will make a real difference by catalysing and mobilising even more capital, and by combining our resources, skills and expertise with those of others. We are delighted to support climate innovation once again by signing these two new climate operations in Belgium. Together with the European Commission, our institutional counterpart, and Belfius, our long-standing partner for these operations, we are sure our global approach – better energy performance, improved use of natural resources, circular investment projects, and smart and sustainable urban development – will quickly have a direct impact on our environment and people's daily lives.”*

Dirk Gyselinck, member of the management board at Belfius, said: *“Given the numerous challenges to be overcome and climate change in particular, governments, social sector players and businesses have no choice but to work together, and with individuals, to think about and design the world of tomorrow. Our Smart Belgium strategy aims to make Belfius the driving force behind this initiative, providing tangible, local support and applying our financing and expertise to offer a smart and sustainable response to the needs of current and future generations. We are therefore particularly pleased to sign these two key agreements – which are fully in line with this strategy – with the EIB today.”*

### **Note to editors**

#### **The European Investment Bank (EIB)**

The European Investment Bank (EIB) is the EU's long-term financing institution owned by its Member States. It provides long-term finance in support of quality projects to contribute to the achievement of the EU's key objectives. The EIB has placed climate action at the top of its list of priorities. It allocates at least 25% of its financing to investments supporting low-carbon growth and tackling climate change, while contributing to innovation and job creation. These investments totalled EUR 19.6bn last year. This

financing supports sustainable projects in more than 160 countries, and serves to mobilise private sector capital for climate action by encouraging other investors to join its long-term investment. For additional information, please consult [www.eib.org](http://www.eib.org).

### **Belfius Banque & Assurances**

Belfius Banque & Assurances is a well-established bank with a local focus. It operates in Belgium in three main areas: retail and commercial banking, financial services for the public sector (wholesale banking) and insurance.

With 150 years of experience in the public sector, Belfius has always been a preferred partner of public and social sector entities (hospitals, schools, universities, rest homes, etc.) in Belgium. It provides its clients with a complete and integrated range of products and services including loans, cash management, budget optimisation, financial IT solutions, etc. Its corporate banking activities are mainly concentrated on businesses operating in Belgium, with a particular focus on medium-sized enterprises.

Belfius Banque & Assurances is wholly owned by the Belgian Government through Société Fédérale de Participations et d'Investissement (SFPI).

For additional information, please visit [www.belfius.com](http://www.belfius.com).

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