

# Spain: Action against climate change – EIB and CaixaBank join forces to finance projects promoting climate action



- *CaixaBank is launching its first credit line to combat climate change via the EIB's dedicated climate action financing programme.*
- *It is the first time that CaixaBank has allocated EIB funds to financing the projects of individuals.*

The European Investment Bank (EIB) and CaixaBank are taking another step forward to help finance climate action-focused projects together. Via the EIB's climate action programme, this partnership has enabled CaixaBank to launch a new credit line of up to EUR 30m to promote projects helping to combat climate change. For the first time, CaixaBank is allocating some of these EIB funds to financing the projects of individuals.

The agreement signed by the two institutions aims to facilitate the financing of investments in climate change mitigation. This line of EIB-CaixaBank eco loans targets individuals, the self-employed, SMEs, mid-caps and public sector bodies. The credit limit has been set at EUR 12.5m for SMEs and individuals, and a maximum of EUR 25m for mid-caps. The maturity period is between two and eight years, with the option to activate a 12-month grace period.

## **Support for renewable energy and financing for individuals**

The EIB and CaixaBank also signed a second, EUR 35m operation to finance the Goya wind energy project, contributing to the construction of nine wind farms in Aragón with a total installed capacity of 303 MW. The EIB is helping to finance this project with another, EUR 50m loan granted to Spanish firm Forestalia Renovables under the Investment Plan for Europe in 2018.

With the EIB's assistance, CaixaBank will be able to dedicate EUR 65m to supporting environmentally friendly projects promoting the use of renewable energy, as well as those helping to renovate buildings (lighting, domestic appliances, heating, etc.) or purchase electric or hybrid vehicles (provided their CO<sub>2</sub> emissions are below 75 g/km).

## **The EIB and climate action**

The EIB is the multilateral institution that provides most finance for climate action worldwide. Last year, it devoted 29% of its total activity to this priority.

The EIB is the EU bank, owned by the EU Member States. It makes long-term finance available for sound investment projects in order to contribute

towards EU policy objectives.

### **CaixaBank: alliances and initiatives for global sustainability**

CaixaBank is a leader among financial institutions in the fight against global climate change. Environmental organisation CDP recently included the bank on its Climate List index of global leaders (a selection of the companies most committed to climate action in the world) for the fifth consecutive year.

CaixaBank also recently featured – for the seventh consecutive year – on the Dow Jones Sustainability Index (DJSI), the main global index assessing company actions using social, environmental and corporate governance criteria.

Since 2016, the institution has been on the board of directors of the Spanish Green Growth Group, which fosters economic growth linked to a low-carbon economy. In addition, last May it joined the United Nations Environment Programme – Finance Initiative (UNEP FI), which has three main goals: commitment to sustainable development, sustainability management and public awareness.

CaixaBank is also part of the Forética Climate Change Cluster and is committed to the Equator Principles, guaranteeing that the projects it funds are carried out in a socially responsible way.

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## **[Africa-Europe Alliance: EU supports the new African Union Trade Observatory](#)**

The EU provides €4 million from the Pan-African Programme for the Observatory to be established.

Commissioner for International Cooperation and Development Neven **Mimica** said: *“The new African Union Trade Observatory is another step towards the African Continental Free Trade Area, which will help the continent harness its economic potential. It will provide the African Union, the African countries and the private sector with data and statistics that are essential for the sound monitoring of continental trade and evidence-based policy-making. Our support of 4 million euros to this Observatory is another example of the [Africa-Europe Alliance](#) in motion.”*

The Observatory will collect data and analyse trade across borders in Africa, addressing the current lack of up-to date-and reliable data and statistics. This information will be made available for policymakers and interested

stakeholders, including economic operators. This will enable them to identify promising market opportunities and will facilitate the effective monitoring of the African Continental Free Trade Area implementation and impact once in place.

## **Background**

The African Continental Free Trade Area (AfCFTA) is one of the key priorities of Africa's Agenda 2063 and a flagship project for the continent. It aims at providing a single continental market for goods and services, with free movement of people and investments. Its goal is to boost Intra-Africa trade from an existing level of about 13% to 25% or more over the next decade, thus contributing to economic growth and attracting investments from both within Africa and the world.

The EU, with its extensive experience in setting up an internal market, has been supporting the Continental Free Trade Area since its inception in 2015 and remains committed to support its ratification and implementation.

The support to the African Continental Free Trade Area one of the pillars of the recently launched [Africa-Europe Alliance for Sustainable Investment and Jobs](#), which aims to deepen economic and trade relations between Africa and Europe. The EU recently allocated [€50 million support to the AfCFTA for the period 2018-2020](#).

A first project worth €3 million was launched in December 2018 with the United Nations Economic Commission for Africa (UNECA) to develop national implementation strategies for the continental free trade area.

Already in 2018, the EU mobilised [€5 million to support African countries implementing and enforcing global rules on customs and trade facilitation](#) in cooperation with the World Customs Organisation.

## **For more information**

[Speech by President Juncker at the High-Level Forum Africa-Europe](#)

[Africa-Europe Alliance for Sustainable Investment and Jobs](#)

[Factsheet – Africa-Europe Alliance for Sustainable Investment and Jobs](#)

[Web release – Africa-Europe Alliance: EU supports the African Continental Free Trade Area with €50 million](#)

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# **[EU boosts regional cooperation with 25](#)**

# African countries

At this occasion, Commissioner **Mimica** said: *“The additional investments I am signing today worth €225 million will strengthen job creation and stability in Eastern, Southern and Indian Ocean African countries, helping deliver on our [Africa-Europe Alliance](#) commitments”*.

The additional cooperation funding will support economic integration and job creation, as well as strengthen the nexus between development and security. Recent developments in the region have generated a need for stronger support in these areas to overcome the growing challenges such as population growth, adverse climate change effects, weak governance and the destabilising effects of international crime.

In concrete terms, three new actions are being envisaged, aiming at job creation and prosperity in Eastern and Southern Africa (€125 million), as well as urban coastal development (€80 million) and maritime security in the Red Sea area (€20 million).

The signing of the new actions takes place in the context of Commissioner **Mimica**'s official visit to Ethiopia where he met Ethiopia Prime Minister Abiy Ahmed, African Union Chairperson, Moussa Faki, and the President of Zimbabwe Emmerson Mnangagwa. During this mission the European Commission, the African Union Commission and the International Trade Centre (ITC) set up the [African Union Trade Observatory](#), a key pillar of the African Continental Free Trade Area. Commissioner **Mimica** also visited [neighbouring Eritrea](#) on 8 February, where he met with President Afwerki.

Additionally, Commissioner **Mimica** signed a top-up of €7 million in bilateral funding with São Tomé and Príncipe.

## **Background**

Commissioner **Mimica** signed the additional support with the five regional organisations covered by the regional programme: Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC), Intergovernmental Authority on Development (IGAD), Indian Ocean Commission (IOC) and Southern Africa Development Community (SADC).

This additional budget brings the overall financial envelope for the regional indicative programme to €1490 million for the period 2014-2020. It focuses on three priority areas: regional economic integration; peace, security and regional stability and regional management of natural resources.

The countries covered by this programme are: Angola, Botswana, Burundi, Comoros, Djibouti, Democratic Republic of the Congo, Eritrea, Eswatini, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

## **For more information**

[Africa-Europe Alliance for sustainable investment and jobs](#)

[Progress factsheet – Africa-Europe Alliance for sustainable investment and jobs](#)

[Photos of Commissioner Mimica in Ethiopia](#)

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