EIB CARBON FOOTPRINT METHODOLOGIES
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Introduction

- 3-year pilot complete (2009-2011)
- 6 years of CF work now analysed
- Emissions calculated for projects at appraisal
- Emissions are reported each year on basis of lending volume i.e. Finance contracts signed.
- V 10.1 of the Methodologies is now public (in 2012 it was put on EIB website and shared with interested NGOs)
- Absolute and Relative figures for projects are published on EIB’s public register
- Audited for last 2 years as part of EIB’s sustainability audit
EIB project cycle

- Project Identification
  - Decision Board of Directors
  - Opinion for Appraisal
    - Decision Management Committee
      - Full Project Appraisal
Mainstreaming cf into project appraisal

Project appraisal
- Financial viability
- Technical feasibility
- Economic assessment
- Environmental and social assessment

Carbon Footprint
- Part of the environmental and social assessment
- Data drawn from the economic assessment
Scope of the exercise - signatures

- Framework Loans
- Intermediated lending
- Investment Loans
What is assessed?

- Projects having undergone a full appraisal
- Scope 1 & 2 emissions for all projects
- Scope 3 emissions for certain transport infrastructure projects – e.g. road & rail and some networks
- Projects that may reach the established thresholds:
  - 100,000 tonnes CO$_2$e for absolute emissions
  - 20,000 tonnes CO$_2$e for relative emissions

Terms:

- Absolute emissions – emissions generated by the project (gross emissions)
- Relative emissions – absolute minus baseline emissions (normally!...)
Scope of the exercise – Why Have Thresholds?

Total Portfolio

CFE Portfolio

= approx 95% investment loan emissions
Projects to be assessed

The typical projects assessed and included in the exercise are as follows:

- Energy generation projects
- Road & Rail Projects
- Heavy industry projects
- Solid waste and wastewater
- Urban public transport (metro)
- Energy network projects
- Education and health services
- Telecoms
- RDI projects
- Traffic control systems
Top 15 of 178 relative emission projects (Mt CO$_2$e)

4 out of the top 5 AE projects are in the top 15 RE projects
Regional distribution – BEWARE OF SAMPLE SIZE

<table>
<thead>
<tr>
<th>Region</th>
<th>Project No</th>
<th>AE (m/tonnes)</th>
<th>AE per project</th>
<th>RE (m/tonnes)</th>
<th>RE per project</th>
</tr>
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<tbody>
<tr>
<td>ACP</td>
<td>6</td>
<td>1</td>
<td>0.11</td>
<td>-2</td>
<td>-0.29</td>
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<tr>
<td>ALA</td>
<td>7</td>
<td>8</td>
<td>1.08</td>
<td>-2</td>
<td>-0.35</td>
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<tr>
<td>EU</td>
<td>141</td>
<td>64</td>
<td>0.45</td>
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<td>Mediterranean Countries</td>
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<td>10</td>
<td>0.73</td>
<td>-2</td>
<td>-0.13</td>
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<tr>
<td>PreAccession Region</td>
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<td>3</td>
<td>0.33</td>
<td>-1</td>
<td>-0.09</td>
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<tr>
<td>Russia, E Europe and S Caucasus</td>
<td>2</td>
<td>2</td>
<td>0.98</td>
<td>0</td>
<td>-0.25</td>
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<td>South Africa</td>
<td>1</td>
<td>0</td>
<td>0.23</td>
<td>0</td>
<td>-0.04</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>178</strong></td>
<td><strong>87</strong></td>
<td><strong>0.49</strong></td>
<td><strong>-31</strong></td>
<td><strong>-0.17</strong></td>
</tr>
</tbody>
</table>
IV. Conclusions
Pilot Conclusions

Lots of work completed under CF:
- Methodology developments
- Development of sector tools
- Mainstreaming into project appraisal
- Alignment of methodologies across PJ sectors
- Analysis of results and development of indicators – work ongoing.

But it is a constantly evolving subject and a lot of work is still going on in the IFI working group started in 2008 ….. In 2015 – a major harmonisation effort – starting with RE, EE and Transport. Driven additionally by increased transparency on numbers.
EIB CFE Conclusions

What have we learned from the carbon footprint database:

- Absolute emissions are dominated by a few high emitting projects – due diligence should focus on these
- Relative emissions – portfolio shows overall emissions savings but a lot of time can be spent on baseline discussions
- Care needed in interpretation of the results e.g. industry project in country with carbon-intensive grid.
- Simple rules of thumb that can be replicated easily by EIB experts and that can be communicated effectively are the best option
- Carbon footprint can be useful in determining what counts as climate action – allows EIB to refine criteria
- Ensure to highest extent possible consistency with economic analysis and CDM methodology
- Harmonise with other “footprinting” organisations as much as possible to avoid difficulties when data is published
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