

## COP25 – EIB and Iberdrola sign two financing agreements for EUR 690m for renewable energy projects in Brazil and new digitalisation of electrical networks



- The EU bank will provide EUR 250m to finance 15 wind farms that the company will build in north-eastern Brazil
- This is the first agreement signed between the institution and Neoenergia, Iberdrola's Spanish subsidiary
- The EUR 440m earmarked for Iberdrola's distribution networks in Spain will help to reinforce this infrastructure and make it smarter to better meet the challenges of the energy transition

At the Climate Change Conference (COP25) being held in Madrid, the EIB and Iberdrola today announced two new agreements to promote climate action by investing in renewable energy projects and electricity distribution networks. To do so, the Vice-President of the EU bank Emma Navarro and the President of Iberdrola Ignacio Galán agreed two loans for a total of EUR 690m.

EIB Vice-President Emma Navarro, head of climate action at the Bank and its operations in Spain and Latin America, remarked: *"We are delighted to be*

*signing these agreements at the Madrid Climate Change Conference, because they are a great example of the EIB's efforts to support climate action inside and outside of Europe. To fulfil the objectives of the Paris Agreement, we need to mobilise resources on an unprecedented scale, and the EIB is seeking to lead the response to this challenge. We are the EU's climate bank, and that is why we have strengthened our climate ambition. We are working on mobilising up to EUR 1tn over the coming decade through projects that, like the ones we are supporting today, are going to help with the transition towards a low-carbon economy by promoting renewable energies."*

**Ignacio Galán** expressed his satisfaction for sealing this deal during the Climate Change Conference. *"The byword for this COP is the need to start taking action, and that is what Iberdrola and the EIB are doing today: undertaking specific actions that will help to limit the global temperature increase to 1.5°C"* He also said that Iberdrola *"got a head-start with this transition 20 years ago, when we realised that the economy of the future had to be carbon-free. Since then, we have invested EUR 100bn in renewables, smart networks and efficient supply, becoming one of the world's largest utility companies."* The Iberdrola President also congratulated the EU bank on its decision to increase its climate ambition and to cease financing projects based on fossil fuels: *"We all have to be part of the solution. As leaders in sustainable financing, we believe that agreements such as the ones we are signing today are essential to turning climate change into an opportunity and leaving an inhabitable planet for future generations."*

Of the EUR 690m total, EUR 250m will go to financing the construction of 15 wind farms to be developed in the country by Neoenergia, the Iberdrola subsidiary in Brazil. These new facilities will be located in three states in the north east: Paraíba, Bahia and Piauí. Once operational, they will have a total installed power of 520 MW and produce an annual average of 2 300 GWh of clean energy. Commissioning these wind farms will help to reduce CO<sub>2</sub> emissions and increase the proportion of renewable energy in the country's electricity generation. The investments in these new wind farms will be made over a five-year period and will enable the creation of 2 300 jobs.

The EIB is granting this financing under the Latin America lending mandate 2014–2020, meaning that the agreement is covered by the EU budget guarantee. By supporting this project, the EU bank is helping to achieve the Sustainable Development Goals set by the United Nations. The EIB has been working in Latin America for some 30 years and one of the major priorities in the region is to promote climate action.

### **Smart electricity networks in Spain**

The EU bank and Iberdrola have also joined forces to develop digitalisation of infrastructure essential to the decarbonisation of the economy: the electricity distribution networks. To do so, they have agreed a EUR 440m loan to finance new investments in Spain for infrastructure to help improve the reliability of the network and the quality of supply.

These networks are key to the energy transition, as they enable the integration of more renewables, sustainable mobility, smart cities and

decentralised consumption. Transforming the networks into smart infrastructure that is more reliable and more secure puts consumers at the centre of the business, giving them greater decision-making power and connectivity.

### **The EIB and climate action**

The EIB is among the world's largest multilateral providers of climate finance. The Bank's goal is to be a leader in mobilising the finance needed to keep global warming under 2°C and to limit the temperature increase to 1.5°C in order to meet the Paris Agreement objectives.

On 14 November, the EIB Board of Directors approved its new climate objectives and the new energy lending policy. The Bank will gradually increase its financing for climate and environmental objectives up to 50% by 2025, with the goal of ensuring that the EIB Group mobilises at least EUR 1bn by 2030 to promote investments helping to meet these objectives. It also announced its intention to align all EIB Group activities with the Paris Agreement. To this end, the EIB will cease financing fossil fuel-based projects from late 2021.

The EIB is the world's largest issuer of green bonds and was the first organisation to make an issue on this market in 2007.

In 2018, the EIB provided almost EUR 1.3bn to support climate action in Spain by financing projects involving the development of cleaner means of transport and implementation of new, less polluting and more environmentally friendly production processes.

[Spain: EIB grants EUR 50m loan to Iberdrola and Caja Rural de Navarra to build new wind complex in Navarra](#)

### **Background information:**

Follow the EIB's activity at COP25 [here](#)

### **Iberdrola, a reference in climate action**

Iberdrola is a global leader in the energy market, the leading supplier of wind power and one of the largest electricity companies by market capitalisation in the world. The group supplies energy to some 100 million people in dozens of countries, such as Spain, the UK (ScottishPower), the USA (AVANGRID), Brazil (Neoenergia), Mexico, Germany, Portugal, Italy and France. With a workforce of some 34 000 employees and assets exceeding EUR 113bn, it turned over EUR 35 075.9m and made a net profit of EUR 3.014m in 2018.

Iberdrola is leading the energy transition towards a sustainable model through its investments in renewable energies, smart networks, large-scale energy storage and digital transformation to offer its clients cutting-edge products and services. With its commitment to clean energy, it is one of the companies with the lowest emissions and sets an international example with its contribution to climate action and sustainability.

The company is the world's largest issuer of green bonds, with some EUR 10bn issued since 2014, and has agreed loans for around EUR 1.5bn, as well as credit lines subject to sustainability conditions for nearly EUR 9bn.