

PRESS RELEASE

8 November 2021

EIB and AllianzGI support climate action projects in emerging and developing countries

- New strategy with a target size of EUR 500 million.
- Investment criteria based on EU taxonomy for sustainable activities.
- Impact investing initiative for Africa, Asia, Latin America and the Middle East.

The European Investment Bank (EIB) and Allianz Global Investors (AllianzGI), one of the world's leading active investment managers, today launched the Emerging Market Climate Action strategy (EMCA) in a public-private partnership, with the Governments of Germany and Luxembourg, the Nordic Development Fund, Allianz, Folksam and EIB being anchor investors.

EMCA will invest in climate-focused investment funds and projects active in emerging markets and developing countries. Its focus will be on climate mitigation, climate adaptation, and access to electricity.

With a target size of €500 million, the strategy aspires to become a European flagship impact investing initiative, mobilising substantial amounts of private capital to get climate action projects off the ground in Africa, Asia, Latin America and the Middle East. EMCA investments are expected to support a significant amount of new clean energy capacity globally.

EMCA targets specialized investment funds that could support projects like onshore windfarms and solar photovoltaic plants or small and medium sized hydropower plants. It could also support energy efficiency projects in housing or industry, or projects bringing environmental or resource efficiency benefits. To help emerging and developing countries to adapt to the impacts of climate change, the fund could also finance projects that support cities and their public transport systems to become more resilient against floods or heat.

Alok Sharma, President of COP26 in Glasgow said: "As world leaders meet in Glasgow, this is a pivotal time for the planet. That's why I am delighted to see the joint efforts spearheaded by the European Investment Bank and Allianz Group to enhance support for developing countries and help mobilise green finance to meet the Paris Agreement goals."

EIB Vice-President Ambroise Fayolle added: "Supporting climate projects in emerging and developing countries is the key to meeting the Paris climate goals and to boosting economic activity on the ground. As the EU climate bank, we have a long experience with innovative financial instruments that mobilise private capital at scale. I am delighted that we are announcing this new milestone with Allianz Group today. This sends an important signal to the COP26 conference about the power of public-private partnerships to bridge the climate finance gap."

Tobias Pross, CEO of AllianzGI added: "The COVID-19 pandemic has revealed some profound inequalities. In developing countries, the pandemic is thought to have magnified the existing funding shortfall needed to meet the UN's Sustainable Development Goals by 2030. Many investors have become increasingly aware of the role their capital can and should play in addressing these imbalances. Impact investing can help to combine the twin goals of "doing good" and "earning a return" in a single investment."

What the investors say

Folksam

Ylva Wessén, President and CEO of Folksam:

“When countries meet at COP26 climate finance is a key topic on the agenda. We are proud to support climate projects in developing countries and emerging markets as anchor investor in this innovative blended finance impact investing initiative. While our customers’ pension savings are invested to grow, they also contribute to climate mitigation and adaptation in Africa, Asia, Latin America and the Middle East. This is one of many steps to reach Folksam’s goal to cut greenhouse gases from our portfolios by 29 percent by 2025 and to reach net-zero by 2050, the common goal of all 60 members of the Net-Zero Asset Owner Alliance.”



The Luxembourg Minister for the Environment, Climate and Sustainable Development, Carole Dieschbourg:

“Luxembourg and the EIB have created an innovative new model to channel private investments. This addresses climate and social challenges and promotes new ways to provide financing for the climate and environmental emergency. I am very pleased that EMCA is joining this journey here in Glasgow at COP26, where finance plays a key role in delivering on the Paris Agreement commitments”.



Karin Isaksson, Managing Director of Nordic Development Fund:

“In order to meet the targets of the Paris Agreement, transformational climate actions are needed. A key component in this is to create highly catalytic financing structures. Through a blended finance structure, EMCA mobilises capital to activities that are typically challenging for institutional investors. NDF is delighted to see this investment materialize as a collaborative effort, through a demonstration of a strong and value adding partnership. NDF sees this investment as particularly timely now that COVID-19 has refocused priorities and caused investors and governments alike to pay closer attention to the climate change agenda. As many countries look to rebuild their economies in the wake of the pandemic, we must now have a major emphasis on “building back better” through a green recovery. This is therefore a critical moment for investment like the EMCA.”

State Secretary Jochen Flasbarth, German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU):

“Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development remains a major task – especially in developing and emerging economies. The EMCAF is an innovative example of a public-private partnership that aims to shift financial flows towards more climate-friendly investments, thus contributing to the achievement of the Paris climate goals.”

As EMCA's investment advisor, the EIB is responsible for market analysis, the identification and appraisal of investments, including their environmental and social aspects. AllianzGI will act as the Alternative Investment Fund Manager (AIFM) responsible for the management and decision-making of the vehicle. EMCA complies with the new EU taxonomy and is accredited as an Official Development Assistance vehicle with the OECD. Its investors will receive transparent impact reporting, including key performance indicators such as renewable electricity produced and CO2 emissions avoided.

EMCA is a layered instrument combining public and private investors. Alongside EIB, Allianz and Folksam, further partners have already committed to investing in the fund: KfW on behalf of the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU), the European Investment Bank on behalf of the Government of Luxembourg and the Nordic Development Fund (NDF). The EIB has committed €50 million, Allianz Group companies up to €200 million and Folksam Group another €150 million. BMU has committed € 25 million, the NDF and the Government of Luxembourg each € 15 million. The EIB manages the investment in the junior tranche funded by the Government of Luxembourg through the Luxembourg-EIB Climate Finance Platform (LCFP).

Background information

The European Investment Bank

The European Investment Bank (EIB) is the long-term lending institution of the European Union and is owned by the EU Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals both in Europe and beyond. The European Investment Bank is active in around 160 countries and is the world's largest multilateral lender for climate action projects. The EIB Group has recently adopted its Climate Bank Roadmap to deliver on its ambitious agenda to support EUR 1 trillion of climate action and environmental sustainability investments in the decade to 2030 and to deliver more than 50% of EIB finance for climate action and environmental sustainability by 2025. Also, as part of the Roadmap, from the start of 2021, all new EIB Group operations will be aligned with the goals and principles of the Paris Agreement.

Allianz Global Investors

Allianz Global Investors is a leading active asset manager with over 690 investment professionals in 24 offices worldwide and managing EUR 633 billion in assets for individuals, families and institutions. AllianzGI is fully committed to supporting the transition to a more sustainable future, and aims to be a global shaper of sustainable investing. This truly complimentary partnership will allow us to leverage joint relationships with effective coverage in emerging and developing countries, cement our sustainability shaping position, and offer our clients new investment opportunities. Climate change is one of our planet's most pressing challenges and our priority as a global firm is to position our portfolios on a path towards climate transition and a greener, more sustainable future.

Press contacts

Bruno Hoyer, b.hoyer@eib.org, tel.: +352 43 79 83045, mobile: +352 621 886 056
Website: www.eib.org/press - Press Office: +352 4379 21000 – press@eib.org

Stefan Lutz, stefan.lutz@allianzgi.com +49 69 2443 14276, mobile: +49 173 6998071

Disclaimer

Investing involves risk. The value of an investment and the income from it will fluctuate and investors may not get back the principal invested. Past performance is not indicative of future performance. This is a marketing communication. It is for informational purposes only. This document does not constitute investment advice or a recommendation to buy, sell or hold any security and shall not be deemed an offer to sell or a solicitation of an offer to buy any security.

The views and opinions expressed herein, which are subject to change without notice, are those of the issuer or its affiliated companies at the time of publication. Certain data used are derived from various sources believed to be reliable, but the accuracy or completeness of the data is not guaranteed and no liability is assumed for any direct or consequential losses arising from their use. The duplication, publication, extraction or transmission of the contents, irrespective of the form, is not permitted.

This material has not been reviewed by any regulatory authorities. In mainland China, it is used only as supporting material to the offshore investment products offered by commercial banks under the Qualified Domestic Institutional Investors scheme pursuant to applicable rules and regulations. This document does not constitute a public offer by virtue of Act Number 26.831 of the Argentine Republic and General Resolution No. 622/2013 of the NSC. This communication's sole purpose is to inform and does not under any circumstance constitute promotion or publicity of Allianz Global Investors products and/or services in Colombia or to Colombian residents pursuant to part 4 of Decree 2555 of 2010. This communication does not in any way aim to directly or indirectly initiate the purchase of a product or the provision of a service offered by Allianz Global Investors. Via reception of this document, each resident in Colombia acknowledges and accepts to have contacted Allianz Global Investors via their own initiative and that the communication under no circumstances does not arise from any promotional or marketing activities carried out by Allianz Global Investors. Colombian residents accept that accessing any type of social network page of Allianz Global Investors is done under their own responsibility and initiative and are aware that they may access specific information on the products and services of Allianz Global Investors. This communication is strictly private and confidential and may not be reproduced. This communication does not constitute a public offer of securities in Colombia pursuant to the public offer regulation set forth in Decree 2555 of 2010. This communication and the information provided herein should not be considered a solicitation or an offer by Allianz Global Investors or its affiliates to provide any financial products in Brazil, Panama, Peru, and Uruguay. In Australia, this material is presented by Allianz Global Investors Asia Pacific Limited ("AllianzGI AP") and is intended for the use of investment consultants and other institutional/professional investors only, and is not directed to the public or individual retail investors. AllianzGI AP is not licensed to provide financial services to retail clients in Australia. AllianzGI AP (Australian Registered Body Number 160 464 200) is exempt from the requirement to hold an Australian Foreign Financial Service License under the Corporations Act 2001 (Cth) pursuant to ASIC Class Order (CO 03/1103) with respect to the provision of financial services to wholesale clients only. AllianzGI AP is licensed and regulated by Hong Kong Securities and Futures Commission under Hong Kong laws, which differ from Australian laws.

This document is being distributed by the following Allianz Global Investors companies: Allianz Global Investors U.S. LLC, an investment adviser registered with the U.S. Securities and Exchange Commission; Allianz Global Investors Distributors LLC, distributor registered with FINRA, is affiliated with Allianz Global Investors U.S. LLC; Allianz Global Investors GmbH, an investment company in Germany, authorized by the German Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin); Allianz Global Investors (Schweiz) AG; Allianz Global Investors Asia Pacific Ltd., licensed by the Hong Kong Securities and Futures Commission; Allianz Global Investors Singapore Ltd., regulated by the Monetary Authority of Singapore [Company Registration No. 199907169Z]; Allianz Global Investors Japan Co., Ltd., registered in Japan as a Financial Instruments Business Operator [Registered No. The Director of Kanto Local Finance Bureau (Financial Instruments Business Operator), No. 424, Member of Japan Investment Advisers Association and Investment Trust Association, Japan]; and Allianz Global Investors Taiwan Ltd., licensed by Financial Supervisory Commission in Taiwan.
Admaster 1893248