

# INTERNATIONALE KLIMASCHUTZINITIATIVE (IKI) FUND

## INTERNATIONAL CLIMATE INITIATIVE FUND

### ABOUT THE TRUST FUND

The Internationale Klimaschutzinitiative (IKI) Fund – German for International Climate Initiative Fund – provides grants in developing countries for climate mitigation and adaptation.

Working with the public and private sectors, the IKI Fund acts to reduce greenhouse gas emissions by encouraging new types of renewable energy, energy efficiency, circular economy and low-carbon technology. The trust fund also aims to lower the risks posed by climate change in agriculture, biodiversity, water and wastewater systems, energy, transport, coastal areas and rivers.

At the macro level, the trust fund engages in activities aimed at making financial systems greener so that central banks and financial institutions can better account for climate-related risk and make use of the regulatory measures available to them.

The IKI Fund aims to help reduce emissions and make countries less vulnerable to the damage caused by climate change. It does this by offering technical assistance and providing financial tools and facilities in developing countries:

- **Investment grants** help lower the financing costs for the beneficiary. They can be used in conjunction with EIB investments for renewable energy solutions, such as solar panels, biomass energy and geothermal heat pumps.
- **Technical assistance** includes support in preparing and implementing investments, and advisory services for the countries' central banks and financial institutions.
- **Financial instruments** can unlock financing from private and public investors by addressing some of the risks that hold back investments.

The IKI Fund's financial tools and risk-bearing facilities help crowd in additional funding from private investors for climate action projects such as energy efficiency measures or off-grid renewable electricity installations.



## ELIGIBILITY

This trust fund supports projects in developing countries and emerging economies included in the [OECD Development Assistance Committee's list of recipients of official development assistance](#). Projects must also comply with the [EIB's climate action eligibility criteria](#).

## PROJECT HIGHLIGHT

- The IKI Fund finances the [Greening Financial Systems Programme](#), which is designed to promote net-zero and climate-resilient financial systems that will ultimately support the private sector in deploying climate-related and environmentally sustainable investments. The programme's beneficiaries, including central banks, supervisory bodies and financial institutions, receive support for improving their institutional skills and are introduced to best lending practices related to green financing.

Nine technical assistance operations were approved in the programme's first two years and are being rolled out in sub-Saharan Africa, the Eastern Neighbourhood and the Western Balkans:

- » The Central Bank of **Kenya** is committed to the greening of the country's financial sector. A €1.3 million technical assistance grant from the IKI Fund supported the development of the Kenya Green Finance Taxonomy. The taxonomy will guide the banking sector in selecting green investments in line with international best practices and help increase the impact of climate-related investments to meet the goals of the Paris Agreement. In addition, customised support is provided through the fund to the Central Bank and financial institutions in Kenya to help them develop green finance offerings and better manage climate risk.



- » In **Georgia**, a €300 000 grant will help the Central Bank develop climate change scenarios and stress testing exercises, and an €800 000 grant will support four commercial banks in the integration of climate-risk considerations in their corporate strategies.
- » The IKI Fund helps central banks and financial institutions in **North Macedonia, Ethiopia, Nigeria, Rwanda, Armenia** and **Georgia** increase green finance in their economies and improve their climate-risk management policies and practices.
- The IKI fund is supporting Ukraine's energy transition through a €20 million grant for the Renewable Energy Solutions Programme. The grant will help hospitals, schools and other municipal buildings across Ukraine with their green reconstruction and the adoption of renewable energies. The initiative is deployed in synergy with EIB framework loans, such as the Ukraine Public Building Energy Efficiency Programme, a €300 million EIB framework loan for thermal renovations, and three Ukraine recovery programmes worth a total of €790 million targeting recently liberated territories.

## AREAS OF ACTION

Climate change adaptation

Climate change mitigation



## INTERNATIONAL CLIMATE INITIATIVE (IKI) FUND AT A GLANCE

**€57.1 MILLION** in donor funds contributed

**€18 MILLION** in donor funds allocated to operations

**€255 MILLION** of expected total investment mobilised as of the end of 2023. This sum includes a mix of funding from partner institutions

**12**  
operations

### SUSTAINABLE DEVELOPMENT GOALS SUPPORTED



### OUR DONORS

The fund was developed by the EIB in partnership with the **German government** and started operating in 2019.

