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Financial Sources for European Green Deal

Karel Janda and Lucia Sajdikova *

Abstract

This paper provides a descriptive analysis of financing the European Green Deal. It is focused on the description of financial resources used for financing the Green Deal. The first part identifies public financing supporting the green economy, including incentive schemes, subsidies and taxes related supports. The second part identifies commercial funding available for climate transition, including green bonds and other climate and sustainability bonds and related loan schemes. While the first two chapters are covered on the level of the whole European Union, the last chapter is focused on the Czech Republic.

Key Words: Climate change, green bonds, environment, subsidies, taxes.

JEL codes: G28, Q28, Q38, Q58

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Introduction

In recent years, green finance has become more known among the public and investors due to the pressing matter of climate change. Burning fossil fuels for energy use creates the most greenhouse gases, which cause global warming. Nations have agreed to take measures to stop this process by investing in environmental and sustainable projects.

The European Union is trying to achieve its environmental targets through various policies, laws, and initiatives, derived mainly from the EU Green Deal adopted on November 12, 2019. The main objectives of the deal build on policies of climate action, clean energy, sustainable industry, buildings and renovations, sustainable mobility, eliminating pollution, farm to fork, preserving biodiversity research and development, and preventing unfair competition from carbon leakage. These objectives are linked to the Paris Agreement adopted on December 12, 2015. Besides realising the Paris aims, it mandates a 2050 climate-neutral European Union. Simply put, carbon-neutrality is a state of net-zero CO₂ emissions. This means that the CO₂ emitted are balanced with its removal.

A central element of the EU Green Deal is the European Climate Law outlining the 2050 climate neutrality goal or the Fit for 55 package.

This paper focuses on the financing aspect of the EU Green Deal set out in the European Green Deal Investment Plan. This paper pays special attention to distinguishing areas supported by public financing and areas supported by private funding. The analysis uses data of national accounts published by Eurostat as well as publicised financial reports of banks, mainly the European Investment Bank. We cover all Member States, but the last segment of this paper is devoted to the particular case of the Czech Republic.

1 Areas supported by subsidies/grants

This part focuses on a descriptive analysis of public sources supporting the EU Green Deal, such as subsidies, grants, taxes and financial incentives for renewable energy, and EV incentives.

Figure 1 shows, ERDF, together with ESF+, has €313,159.2 million allocated funds from the EU budget, the CF of €36,611.9 and JTF of €19,236.9 million. From the ERDF and ESF+ funds, the EU allocated €226,954.7 million towards less developed regions, more developed regions reach an allocation of €30,488.2 million, and in transition regions €53,554 million.

Figure 1: 2021-2027 Investments in Jobs and Growth – Initial EU Allocation

Fund	EU allocation, in million EUR	% of total
ERDF/ESF+	313,159.2	85%
CF	36,611.9	10%
JTF	19,236.9	5%

Source: <https://cohesiondata.ec.europa.eu/2021-2027-Finances/>

Figure 2 show for each Member State the current allocations of Just Transition Fund under the NextGenerationEU Programme and under the EU Multiannual Financial Framework 2021-2027 and the total allocation to each Member State as well as the share of the allocated funds.

Figure 2: JTF allocation

	Under NextGenerationEU	Under MFF 2021-2027	Total	Share
Belgium	103	80	183	0.9 %
Bulgaria	732	569	1 301	6.7 %
Czechia	927	721	1 649	8.5 %
Denmark	50	39	89	0.5 %
Germany	1 400	1 089	2 489	12.9 %
Estonia	200	156	355	1.8 %
Ireland	48	37	85	0.4 %
Greece	469	365	834	4.3 %
Spain	491	382	873	4.5 %
France	582	453	1 034	5.4 %
Croatia	105	82	187	1.0 %
Italy	582	452	1 034	5.4 %
Cyprus	57	44	102	0.5 %
Latvia	108	84	192	1.0 %
Lithuania	154	120	274	1.4 %
Luxembourg	5	4	9	0.0 %
Hungary	147	115	262	1.4 %
Malta	13	10	23	0.1 %
Netherlands	352	274	626	3.2 %
Austria	77	60	136	0.7 %
Poland	2 174	1 691	3 864	20.0 %
Portugal	126	98	225	1.2 %
Romania	1 209	940	2 149	11.1 %
Slovenia	146	114	260	1.3 %
Slovakia	259	202	461	2.4 %
Finland	263	205	468	2.4 %
Sweden	88	68	156	0.8 %
EU-27	10 868	8 453	19 321	100.0 %

Source: https://ec.europa.eu/info/sites/default/files/about_the_european_commission/

Another important source for resources is an Invest EU fund which operates through four policy windows in line with EU policy priorities depicted in the following Figure 3, as well as the amount of budget guarantee of each policy window.

Figure 1: Distribution of the budget guarantee

Sustainable infrastructure	€9.9 billion
Research, innovation, digitisation	€6.6 billion
SMEs	€6.9 billion
Social investment and skills	€2.8 billion

Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/>

1.1 Incentives

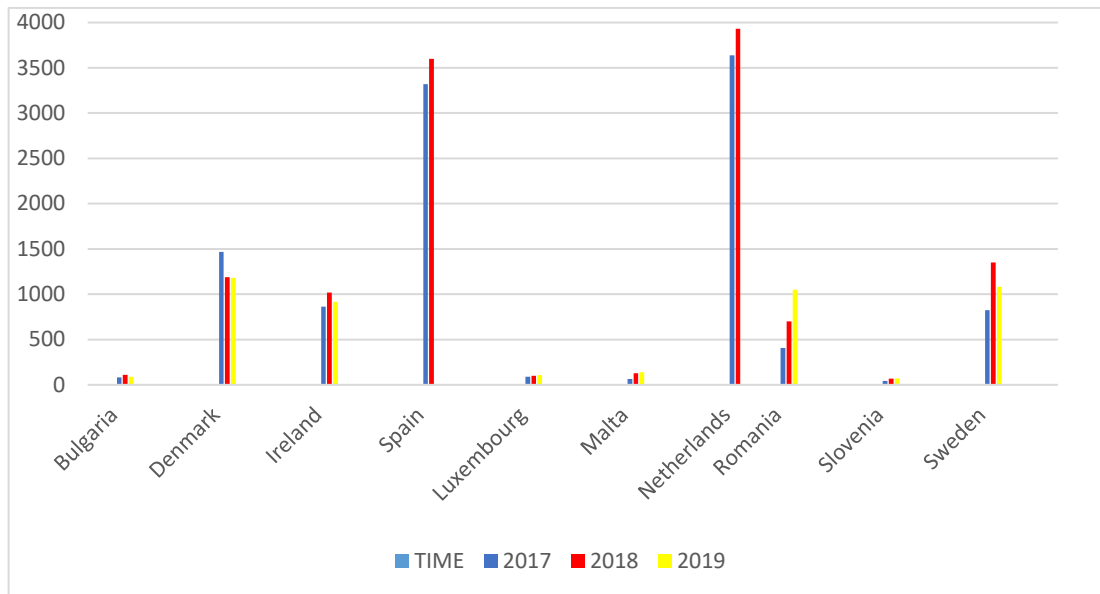
Several support instruments are currently in use in the EU countries, such as feed-in tariffs (FITs), quota-based tradable green certificates, investments subsidies and tax cuts.

Fiscal incentives such as grants and investment subsidies are the most popular policy mechanisms implemented to promote renewable heating and cooling.

1.1.1 Subsidies

Figure 4 follows environmental subsidies and similar transfers of Member States in 2019. All data is based on a voluntary basis of national accounts; therefore, not all Member States are incorporated. Besides subsidies, the data follows different governmental support measures like tax rebates, tax exemptions, tax credits, and tax deferrals. The data has been configured by Eurostat and follows total environmental protection and resource management activities such as wastewater management, waste management, protection of biodiversity and landscapes, environmental research and development, management of forest resources, management of energy resources, and management of minerals. The graph shows Denmark as the leading Member State in current and capital transfers (including subsidies) of €1.182 million in 2019 and following Sweden of €1.082 million. However, as we can see in the graph in 2018, the leading Member States were the Netherlands of €3.931 million and Spain of €3.597 million. Netherlands and Spain were the Member States with the highest environmental subsidies and similar transfers in previous years. Even though their data is not available, we can assume that they may be the leading Member States for the year 2019 and the following years.

Figure 4: Environmental subsidies and similar transfers from general government, in million EUR

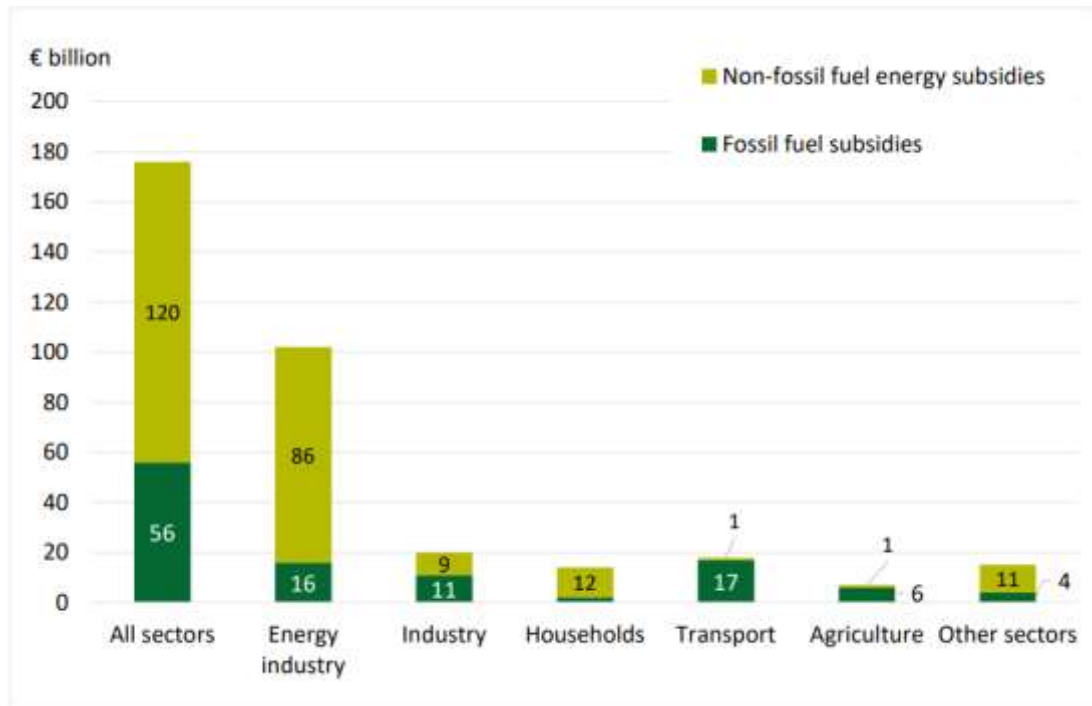


Source: <https://ec.europa.eu/eurostat/databrowser/>

Although the EU goal is to phase out fossil fuels, the fossil fuels subsidies (in the forms of tax exemption or tax reduction, budget transfers, income, and price support) still pose a financial barrier hampering the shift to renewable energy sources. The Commission carried out a study on energy subsidies that shows fossil fuel subsidies account for €55-58 billion annually from 2008 to 2019. In 2018, €35 billion of subsidies Member States provided as tax exemptions or tax reductions. (EU COMMISSION, Directorate-General for Energy, Rademaekers, Smith, & Gorenstein Dedecca, 2020)

In Figure 5, we can see that all sectors received fossil fuel subsidies in 2019. The most significant portion of energy subsidies flows to the energy industry, which is also the second largest beneficiary of fossil fuel subsidies. Most fossil fuel subsidies are received in the transport sector.

Figure 2: Energy subsidies and fossil fuel subsidies by sector in 2019

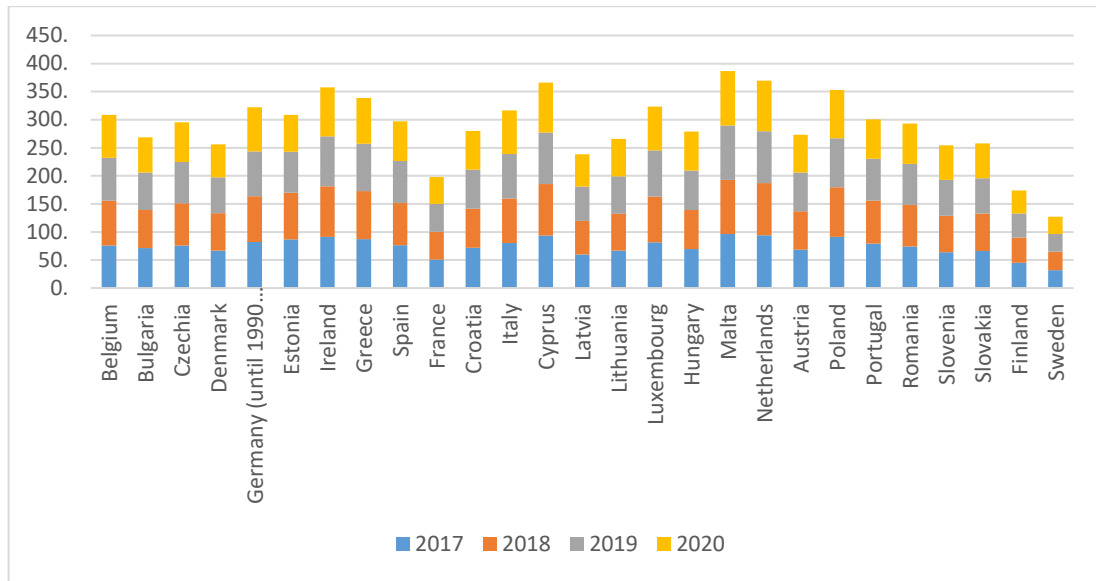


Source: https://www.eca.europa.eu/Lists/RW_Energy_taxation_EN.pdf

Finland, Ireland, Cyprus, Belgium, France, Greece, Romania, Lithuania, Poland, Bulgaria, Sweden, Hungary, Slovakia, and Latvia allocated more than the EU average on fossil fuel subsidies and all mentioned Member States allocate more on fossil fuel subsidies than on renewable-energy subsidies.

Figure 5 shows for all Member States their share of fossil fuels for the years from 2017 to 2020. The statistic covers the energy sector, industrial sector, transport, commercial and public services, agriculture and households based on annual data of energy commodities such as crude oil and petroleum products, natural gas, solid fuels, and electricity.

Figure 3: Share of fossil fuels



Source: <https://ec.europa.eu/eurostat/databrowser/>

With the current war between Ukraine and Russia, the EU decided to support Ukraine by sanctioning Russian imports. Today, 45% of EU gas imports are provided by Russia, 25% of oil imports and 45% of coal imports. The ban is imposed on imports and transfers of coal and other solid fossil fuels produced in Russia or exported from Russia as soon as August 2022. Additional bans are included, like jet fuels. EU has committed to quitting Russian fuels by 2027.

In 2021 Brussels proposed an overhaul of minimum EU tax rates to favour clean fuels over the dirtiest and least energy efficient. Fossil kerosene, for example, would lose its EU tax exemption while coal, gas and heavy fuel oil rates would rise.

The Commission confirmed it will adopt legislation in 2022, setting out how Member States must report progress towards phasing out fossil fuel subsidies. The rules would apply from 2023.

Member States have their own alternatives to fuel taxes. In Germany, members of the Green Party proposed a speed limit on motorways to curb fuel use. In Sweden, a sum of €384 million is being added to the national budget to incentivise drivers to

switch to electric vehicles (EVs). Italy also plans to incentivise EVs with up to €6,000 when buying a fully EV and €2,500 for hybrids.

Many Member States provide Electric vehicles tax benefits related to vehicle acquisition and ownership, as well as company cars and/or purchase incentives such as bonus payments or premiums for buyers.

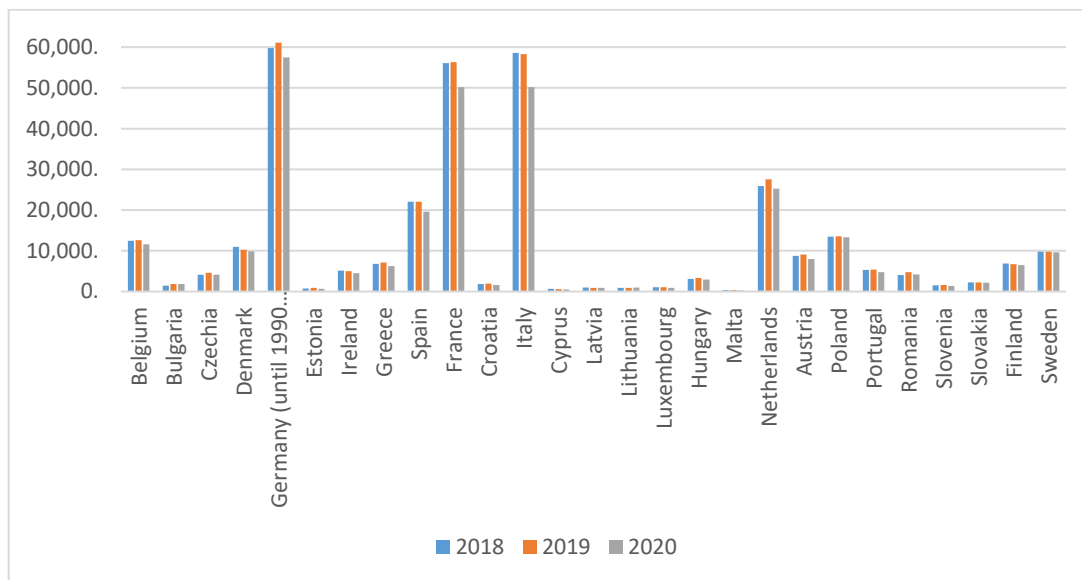
1.1.2 Taxes

In general, environmental taxes exist to tax activities that harm the planet.

A tax system is required that supports social welfare systems and also contributes to financing the objectives of the EU Green Deal.

Figure 6 shows the total of environmental tax revenues (energy tax, transport tax, pollution and resource tax) from 2018 to 2020 by Member State. Due to the COVID-19 pandemic, environmental tax revenues decreased in 2020 compared to 2019 across the Member States.

Figure 4: Environmental tax revenues, in million

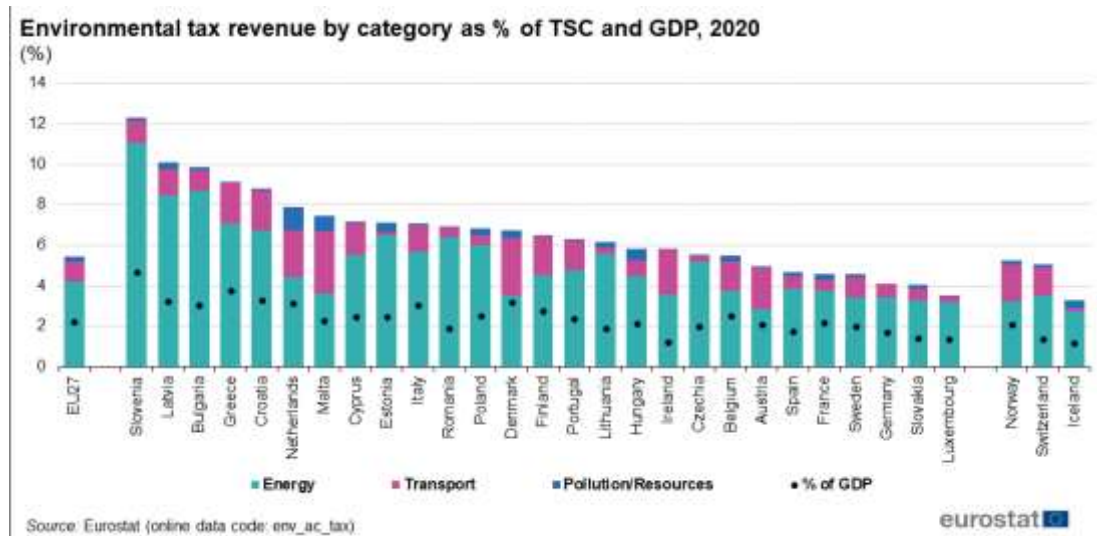


Source: <https://ec.europa.eu/eurostat/databrowser/>

According to Eurostat, Member States collected €299.9 billion in taxes in 2020. Figure 7 shows that most environmental tax revenues come from energy taxes (77.2%),

with a very high percentage in the Czech Republic, Romania, Luxembourg, Estonia, and Lithuania. Transport taxes account for 19.1%, with a high rate in Denmark, Austria, Malta, and Ireland. Share of taxes on pollution and resources (taxes on waste, water pollution) is only 3.7% in 2020, maybe because of much later implementation of taxes on pollution than energy or transport tax. In Germany, Netherlands, Malta, Hungary, or Estonia, there has been no report of such tax revenues.

Figure 5: Environmental tax revenue by category



Source: https://ec.europa.eu/eurostat/Environmental_tax_revenue_by_category

2 Areas supported by commercial financing

2.1 Green bonds

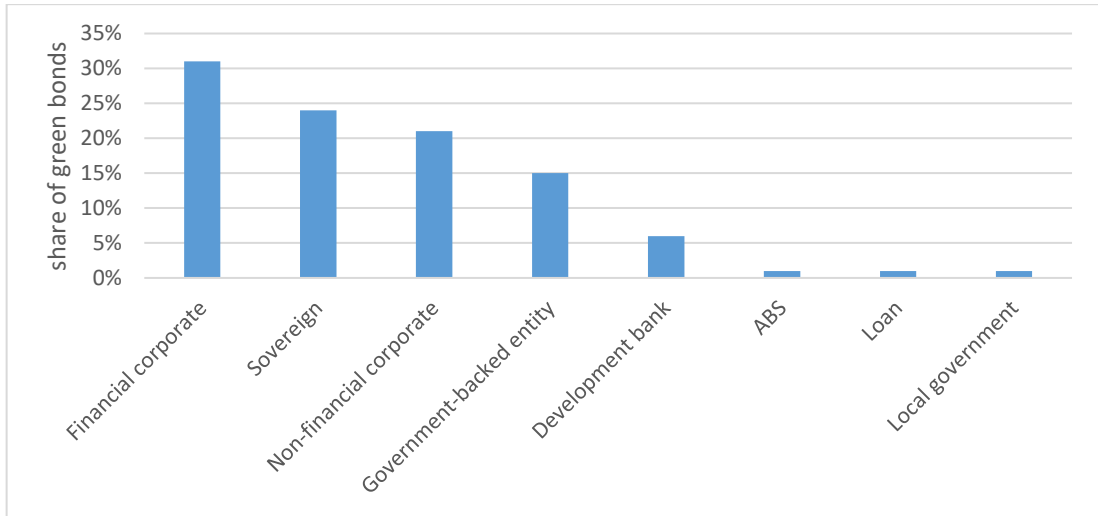
Green bonds are fixed-income securities for financing environmental projects with positive impact on the planet. They belong to the most popular types of ESG (Environmental, Social, and Corporate Governance) debt securities, along with social bonds. These investments may target new or existing projects for renewable energy, energy efficiency, sustainable waste management, sustainable land use, efficient buildings, clean transportation, sustainable water management, or climate change adaptation. (Janda, Kortusova , & Zhang)

The new Green Bond Standard is open to any issuer of green bonds, including companies, public authorities, and issuers located outside of the EU. There are four key requirements under the proposed framework:

- Taxonomy-alignment (meaning that all green bond proceeds shall be allocated to projects that are in line with the EU taxonomy)
- Transparency (detailed reporting)
- External review (all green bonds be externally reviewed)
- Supervision by the ESMA (externals reviewers must be registered and supervised by the ESMA). (EU Commision, 2021)

A study released in April 2022 was conducted by the Climate Bonds Initiatives and published by Statista about the distribution of green bonds issuance in Europe in 2021 distinguished by issuer type. As we may see in the following Figure 8, in 2021, the largest green bond issuers were financial corporations with 31% of green bonds issued in Europe 2021, followed by the sovereign with 24% of green bonds issued. Third biggest issuers of 21% were non-financial corporations, government-backed entities issued 15% of green bonds in the 2021, development banks 6%, and asset-backed securities (ABS), loans and local government of 1% each.

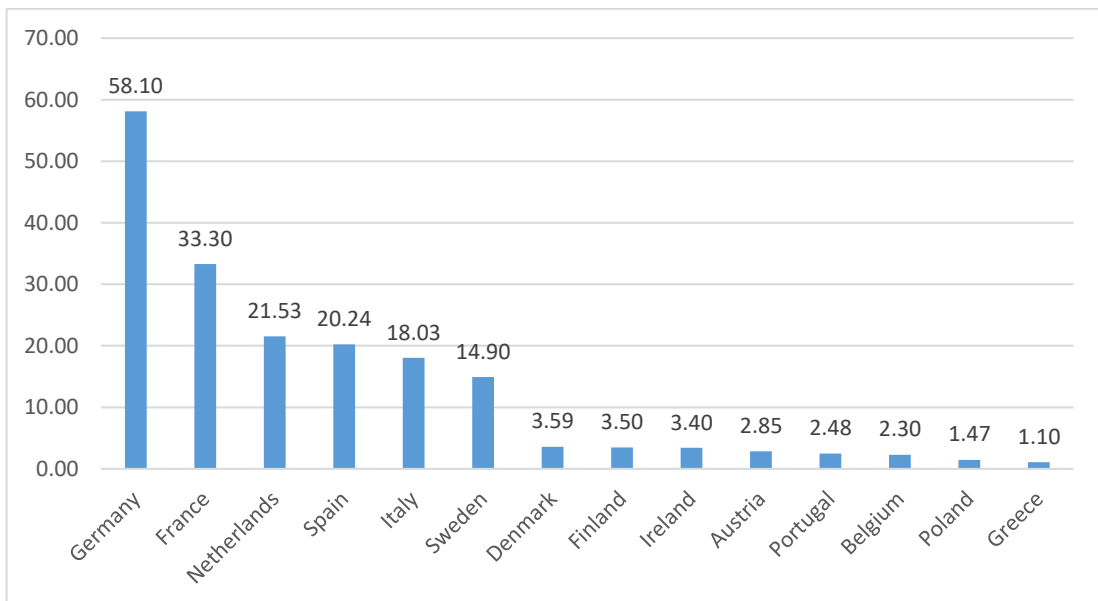
Figure 6: Distribution of green bonds issuance in Europe 2021, by issuer type



Source: <https://www-statista-com.zdroje.vse.cz/green-bonds-issued-by-issuer-europe/>

In 2021, Europe was the most prominent green bond issuer with €243 billion, with Germany being the leading Member State. With the largest amount issued, amounting to over €58 billion and followed by France, which issued over €33 billion. In figure 9, we can see the other Member States with a significant amount of green bonds issued in 2021.

Figure 7: Green bond market value 2021, by country (in billion EUR)

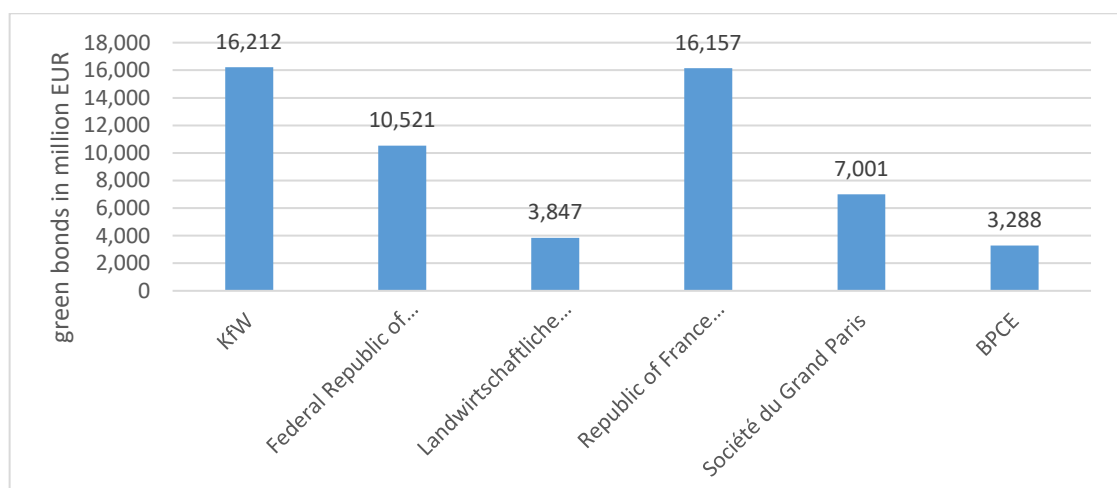


Source: <https://www-statista-com.zdroje.vse.cz/share-of-green-bond-market-value-by-major-country/>

In Figure 10, we can see the two major issuers among the Member States. The largest green bond issuer in 2021 was a German KfW bank, which issued €16.212 million worth of green bonds. According to the bank's allocation report, all net proceeds were fully allocated by the end of the year. In line with the bank Green Bond Framework, the amount equal to the total net proceeds of green bonds issued in 2021 were allocated for projects in the categories of renewable energies and energy efficiency. For the renewable energies category, 15.2% was allocated, with 9.5% towards wind energy, 5.2% towards solar energy, and 0.4% towards hydropower and other technologies. For the projects related to the energy efficiency category, 84.8% of the proceeds were allocated (KfW Bank, 2022). The state issued the second largest green bonds of €10.521 million. The third largest green bond issuer was Landwirtschaftliche Rentenbank, with €3.847 million. The Landwirtschaftliche Rentenbank is a development bank for agriculture and rural areas.

The largest French issuer of green bonds was the republic issuing worth of €16.157 million of sovereign green bonds, the following with the worth of €7.001 million was Société du Grand Paris, which is a public agency set up by the French government concerning transportation infrastructure construction services. The third largest was a French banking group BPCE issuing worth of €3.288 million of green bonds in 2021.

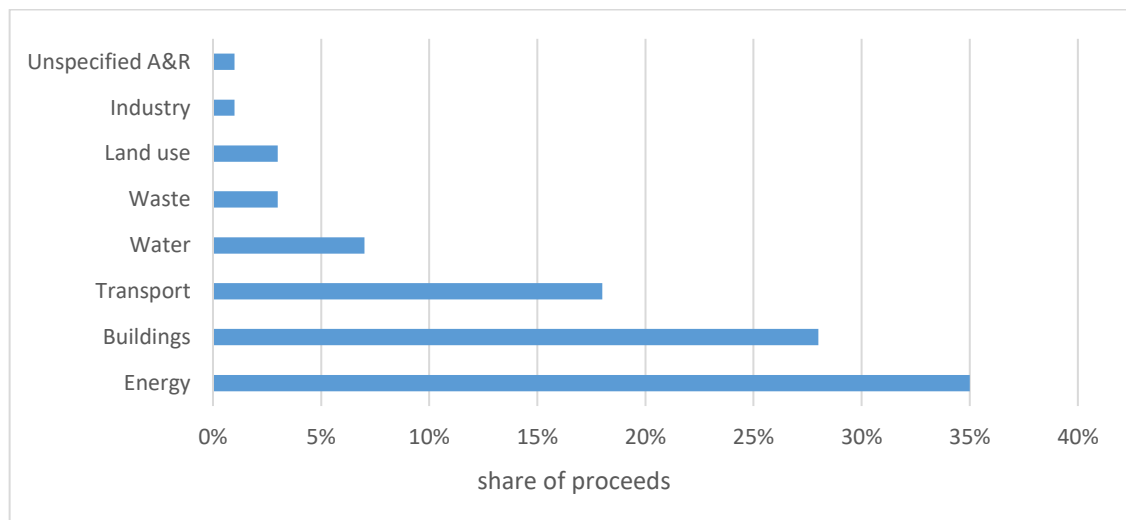
Figure 8: Largest issuers of green bonds in Europe: Germany and France in 2021



Source: <https://www-statista-com.zdroje.vse.cz/largest-issuers-of-green-bonds-in-germany/> and <https://www-statista-com.zdroje.vse.cz/slargest-issuers-of-green-bonds-in-france/>

In the following figure (Figure 11), we can see the use of proceeds from green bonds between 2014-2021. As of 2021, 35% of the total proceeds were invested in the energy sector. Accounting for 28% of the total usage of proceeds was the building construction sector. Followed by the transport sector, accounting for 18%. Water 7%; waste and land use 3% each.

Figure 9: Use of green bonds proceeds in Europe 2014-2021, by sector



Source: <https://www-statista-com.zdroje.vse.cz/share-of-green-bond-proceeds-by-sector/>

To support the green bond issuance, the climate Bonds Initiative proposes three possible incentives. Tax credit bonds, where the investor receives tax credits instead of interest payments. Due to the various tax regimes in the EU Member States, this method may not be applicable. Direct subsidy bonds, meaning the government (in this case, the EU) provides cash refunds to bond issuers to offset some of the additional costs incurred in the issuance process. And the third is tax-exempt bonds, where the investors won't pay income tax on the interest, so the issuer can get a lower interest rate. (Climate Bond Initiative, 2021)

2.2 EIB

Following the adoption of the European Green Deal, the European Investment Bank launched a detailed plan on financing the EU Green Deal objectives, not only in the EU but other countries, called the Climate Bank Roadmap. The Climate Bank Roadmap highlights are:

- Alignment of finances with the objectives of the Paris Agreement
- As the largest green bond issuer, maintain its leadership in the capital markets
- From 2021 to 2030 support of €1 trillion of investments in environmental and sustainable projects to combat climate change
- Achieve 50% of EIBs overall financing, to climate action by 2025
- Financial support of societies for climate change adaptation and resilience of economies
- Investing in clean energy, innovative technologies, and digitalisation in support of modernisation and decarbonisation
- Focusing on decreasing investments in fossil fuel energy projects (European Investment Bank, 2020)

As mentioned before, the goal of EIB is to dedicate 50% of its investments to climate change by 2025. In 2020 the level reached was 37.4% (€24.2 billion) compared to 2019 of €19.3 billion invested. Investments in climate action or environmental sustainability or benefiting both amounted to €27.8 billion (43% of total financing) (European Investment Bank, 2021).

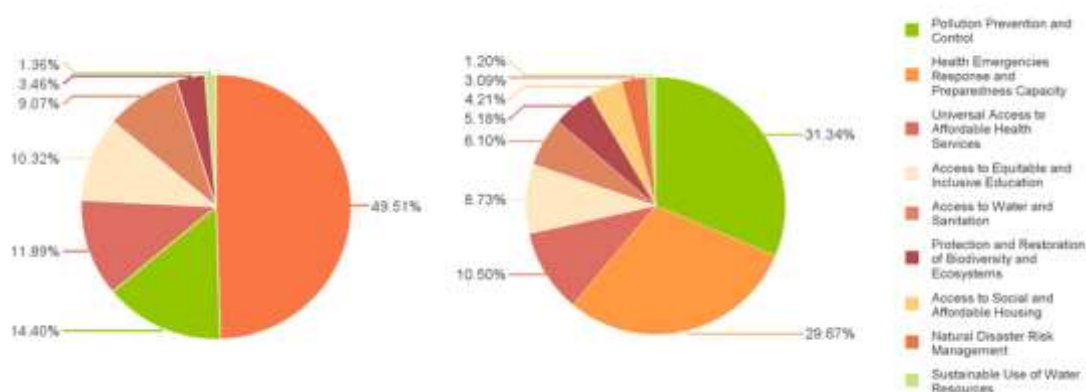
2.2.1 Climate and Sustainability bonds

Allocation of proceeds of Climate and Sustainability Awareness Bonds (CABs and SABs). These proceeds are allocated to lending activities that contribute substantially to EU sustainability objectives: climate change mitigation for CABs, and other environmental and social objectives for SABs. In 2020 EIB issued €10.8 billion worth of CABs and SABs. Of which €7 billion was issued of CABs and €3.5 billion of SABs. (European Investment Bank, 2021)

In 2021 the total CABs and SABs issuance was equivalent to €11.5 billion in 15 currencies. €3.2 billion of CAB proceeds and €1.1 billion of SAB proceeds were allocated. (European Investment Bank, 2021)

Figure 12 shows contributions to sustainability by project in 2020 (graph on the left) and 2021 (graph on the right) not only in the EU but in third countries as well. The total SAB allocation in 2020 (a total of 77 projects in 36 countries) amounted to €3,863 million. The largest contribution has been made in the human health and social work activities sector in 2020. Other contributions included pollution prevention and control, access to affordable health services, access to education, access to water and sanitation, natural disaster risk management, and sustainable use of water resources. In 2021 the total SAB allocation (the total of 46 projects in 27 countries) amounted to €1,110 million, adding contributions to the protection and restoration of biodiversity and ecosystems and access to social and affordable housing as well as increasing contributions to pollution prevention.

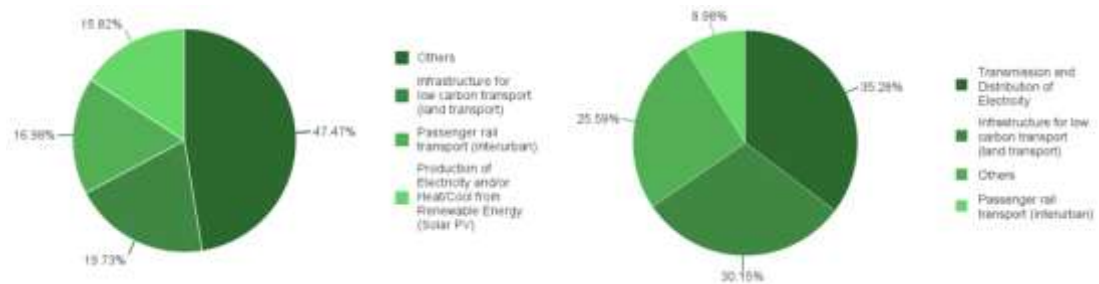
Figure 10: SAB project allocation 2020 and the first half of 2021



Source: <https://www.eib.org/eib-sab-projects-2020> and <https://www.eib.org/eib-sab-projects-h1-2021>

Figure 13 demonstrates CAB allocations in 2020 (on the left) and the first half of 2021 (on the right) based on the activity. The total CAB allocation amounted to €8,523 million and resulted in 121 projects in thirty countries (the most in the EU but also elsewhere). We can see that in 2020 the largest part of the graph represents activity ‘other’. It consists of contributions to the production of electricity and/or heat/cool from renewable energy other than solar (hydro, wind geothermal), manufacturing of low-carbon technology, building renovations, transmission and distribution of electricity. In 2021 the total allocations of CABs amounted to €3,204 million and consisted of 51 projects in twenty-one countries. Contributions in activities such as transmission and distribution of electricity, infrastructure for low carbon land transport and passenger rail transport were almost proportional.

Figure 11: CAB project allocation in 2020 and the first half of 2021



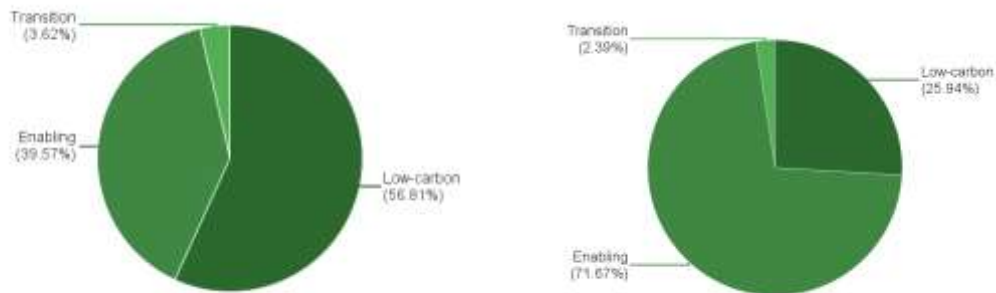
Source: <https://www.eib.org/eib-cab-projects-2020> and <https://www.eib.org/eib-cab-projects-h1-2021>

The EU Green Bond Standard usability guide requires a breakdown of allocations by categories “low-carbon”; “transition” and “enabling” as defined in EU Taxonomy Regulation.

The EU Taxonomy Regulation defines ‘transition’ as ‘an economic activity for which there is no technologically and economically feasible low-carbon alternative shall qualify as contributing substantially to climate change mitigation’ (EUROPEAN PARLIAMENT) and ‘Enabling’ as an economic activity, which contributes to environmental objectives set out in the Regulation and directly enable other environmental objectives.

Figure 14 shows contributions to each environmental objective from CAB proceeds in 2020 (on the left) and the first half of 2021 (on the right).

Figure 12: Contribution to environmental activity in 2020 and 2021



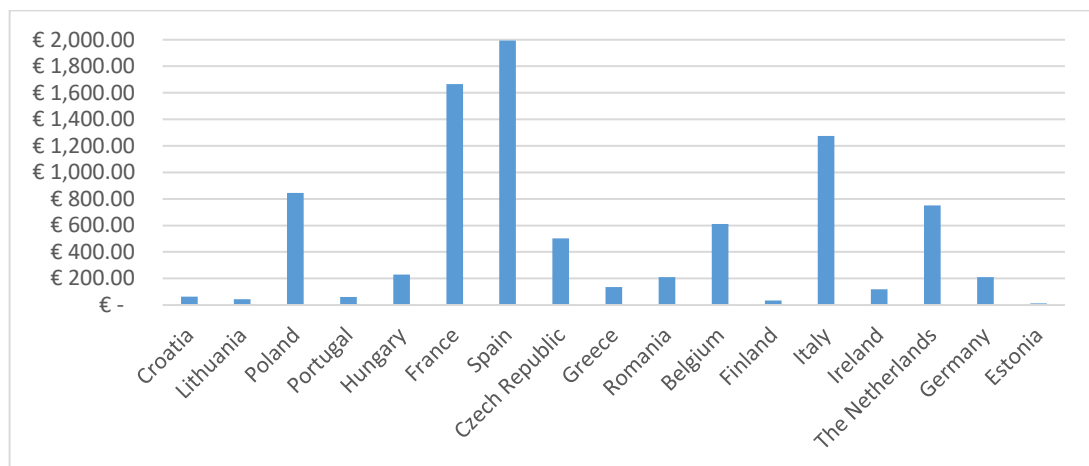
Source: <https://www.eib.org/eib-cab-projects-h1-2021> and <https://www.eib.org/eib-cab-projects-2020>

2.2.2 Loans

Most of the EIB loan portfolio benefits from credit enhancements (in form of guarantees from EU sovereigns, and the EU budget) or recourse to EU or EU Member States guarantees.

In Figure 15, we can see the loan disbursement by EIB in 2021 in the Member States in the energy sector. The highest volume of loan contracts is signed with Spain, the total of €1,994 million. The primary focus is on solar photovoltaic plants in the Spanish regions of Castilla y Leon, Castilla-La Mancha, and Extremadura. EIB provided €1,667 million worth of loans to France towards projects in support of small to mid-sized renewable energy projects. Investing in projects such as electricity distribution network (an investment in charging points for electric vehicles) worth €400 million, EIB lent €350 million to design, build, and operate a 450 MW offshore wind farm off the French coast.

Figure 13: Loan disbursement in 2021 by Energy sector, in mil. EUR



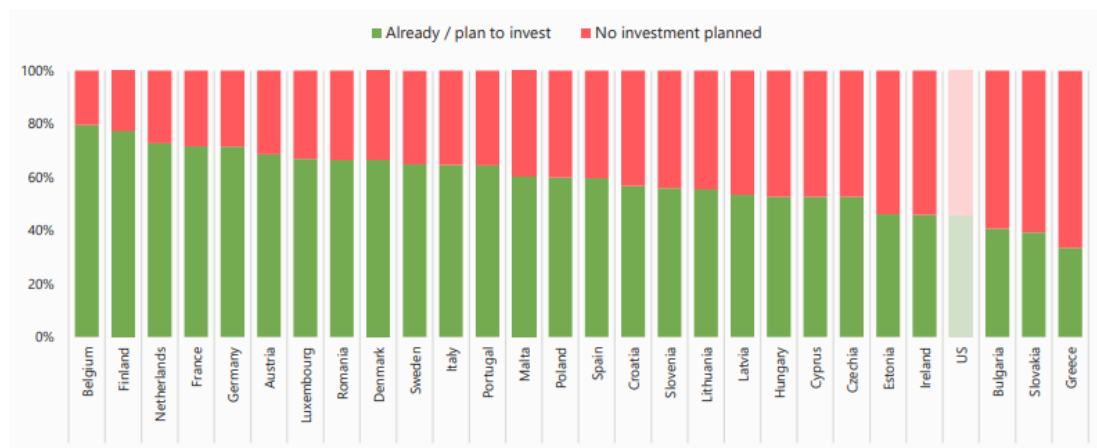
Source: <https://www.eib.org/en/projects/loans/>

2.2.3 EU firms

A study was conducted by EIB about how many firms already invest or plan to invest in climate change mitigation and how many do not plan to invest based on country. As shown in Figure 16, 80% of firms in Belgium plan or already invested in climate activities. In Finland it was 77%. Greece 33% and Slovakia with 39% are countries that are least likely to invest .

Most investments have been made in the manufacturing and infrastructure sectors and the least in the construction sector. Also, large firms intend to invest or invested more than SMEs.

Figure 14: Investment plans to tackle climate change impact by country



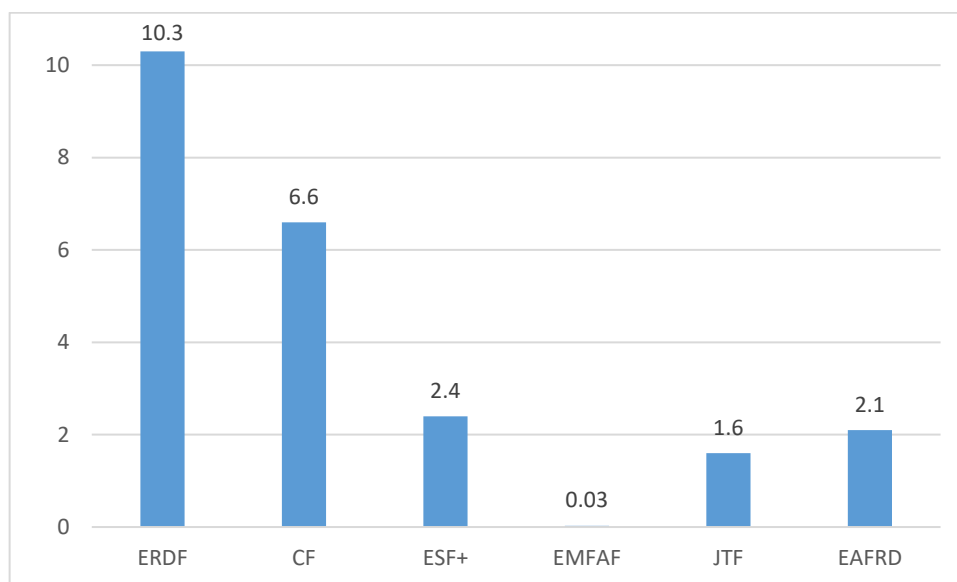
Source: <https://www.eib.org/en/publications/>

3 Czech Republic and the EU Green Deal

The Czech Republic as a Member State signed its own national energy and climate plan (NECP), which follows the EU Green Deal objectives.

The current disbursement of European Funds over the programming period 2021-2027 for the Czech Republic is shown in Figure 17. The highest allocation of €10.3 billion Czech Republic receives from the European Fund for Regional Development, for SMEs, research, innovation, digitisation, and transport infrastructure. An allocation of €6.6 billion comes from the Cohesion Fund for public transport, renewable energy, and water management. An allocation of €2.4 billion is from the European Social Fund+ for employment and education. The Just Transition Fund will allocate €6.6 billion and €2.1 billion is allocated from the European Agricultural Fund for Rural Development. The smallest allocation of €0.03 billion is from the European Maritime, Fisheries and Aquaculture Fund for low-carbon fishing developments.

Figure 15: Fund allocations in the Czech Republic, 2021-2027



Source: <https://www.dotaceeu.cz/getmedia/>

All these funds mentioned in the previous paragraph are allocated directly from the EU budget. Further allocations include €10.5 billion from the Modernisation Fund

to the energy sector; an allocation of €0.08 billion from the InvestEU Programme as well as €7 billion of grants directed by the European Commission and EIB. (Ministry of Regional Development CZ, 2021)

In Figure 18 we can see the allocation of funds of national programmes. A total of €4.9 billion were allocated to the operational programme Transport and will be distributed over 2021-2027. The second highest allocation of €4.8 billion is for the Integrated Regional Operational Programme. All programmes pay attention to the new EU Green Deal and direct their investments in a more sustainable and low-carbon future. The allocation to the Just Transition makes €1.6 billion. This programme is directed by the Ministry of Environment and focuses on the social, economic, and environmental impact of the transformation of affected areas into the climate-neutral economy. The most affected areas are the Karlovarský region, Moravskoslezský region and Ústecký region. (Ministry of Regional Development CZ M. o., 2021)

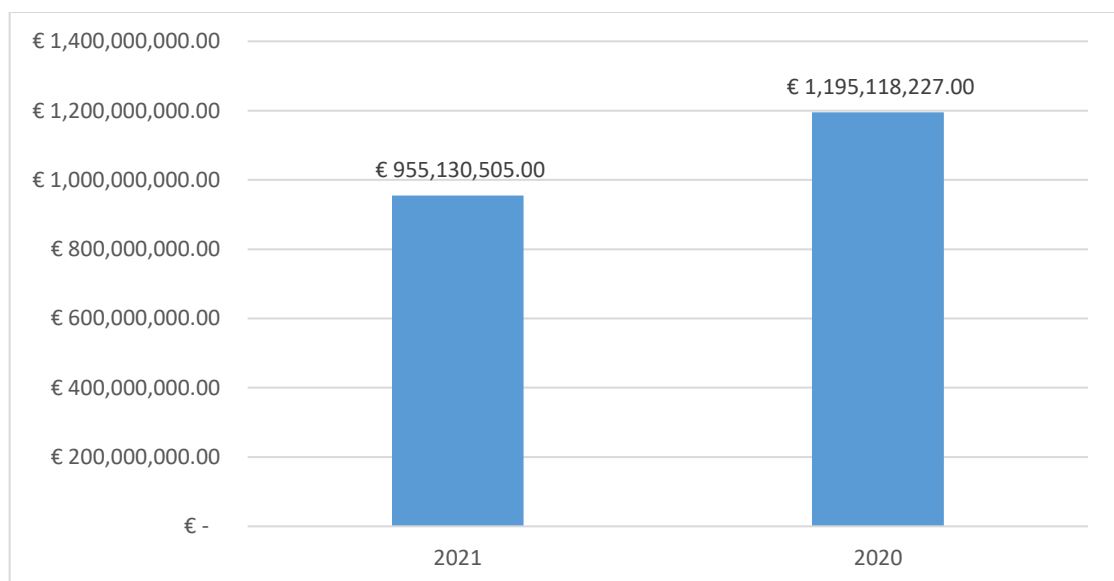
Figure 16: Allocation of national programmes in billion EUR



Source: <https://www.dotaceeu.cz/cs/evropske-fondy-v-cr/>

Figure 19 shows how much did EIB provide in a total of loans to projects in the Czech Republic in 2020 and 2021. In 2020, the total of loans was almost €2 billion. The largest loan contract, of almost €300 million was provided to finance water management investments promoted by the Ministry of Agriculture contributing to climate action under ‘adaption’ and ‘mitigation’, by reducing GHG emissions from untreated sewage disposal. The second largest loan of nearly €200 million was signed with ČEPS, a.s., to modernise and reinforce the electricity transmission network increasing the integration of renewables in the electricity network. In 2021 financed nearly €1 billion of loans. €300 million signed to programme investing in the electricity distribution network. Nearly €200 million was provided to support the upgrade, replacement of urban infrastructure and public facilities as well as environmental and efficiency improvements.

Figure 17: Financed projects by EIB



Source: <https://www.eib.org/en/projects/loans/>

Conclusion

In this paper we have shown that in support of sustainable future a number of different sources have been put in place. Financial incentives have been put in place by Member States (on a national level) in form of subsidies to create better opportunities for renewable energy sources. We can conclude that not enough Member States (mainly western and northern countries) implement incentives for renewables. But with the fossil fuel subsidies still in place, the share of fossil fuels used by all Member States in recent years has still been significant.

We can see that green financing is becoming more common in the private sphere. Banks can issue green bonds designed to support environmental and sustainable projects. Since the EU issued the Green Bond Standard, all green bonds must be in line with the directive.

We identified these green bond issuers (both from the commercial banks and/or states), their worth of green bond issuance and the allocations of proceeds as well (both to specific projects and/or to the sector).

We also summarised the European Investment Bank's contributions to the green economy as the Climate Bank. We identified the issuance of Climate and Sustainability bonds and their allocations of proceeds to projects in the EU. The EIB is also a great loan distributor as we can see in section where we talked about all loans supporting the discussed objectives across the EU in recent years.

In the last section, we presented the allocations of funds from the EU budget to each Fund and, also to the EU Green Deal objectives in Czech Republic. We also presented a specific amount of the EIB loan financing to environmental and sustainable projects.

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