



## Implementing the EIB Adaptation Plan

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# EIB AT A GLANCE

## Largest multilateral lender and borrower in the world

- We raise our funds on the international capital markets
- We pass on favourable borrowing conditions to clients

## Headquartered in Luxembourg

- Around **3,800 staff**: In addition to finance professionals, we have engineers, economists and socio-environmental experts
- **54 offices** around the world

## EU Climate Bank

- Goal of 50% of EIB financing for climate action and environmental sustainability by 2025
- Early adopter of practices for managing climate-related risks



# We need to be better prepared



Damages due to extreme weather 2000-2019: **US\$143 billion per year, US\$16.3 million per hour**  
 Global cost of climate impacts by 2050: **US\$ 1.7 to 3.1 trillion per year**

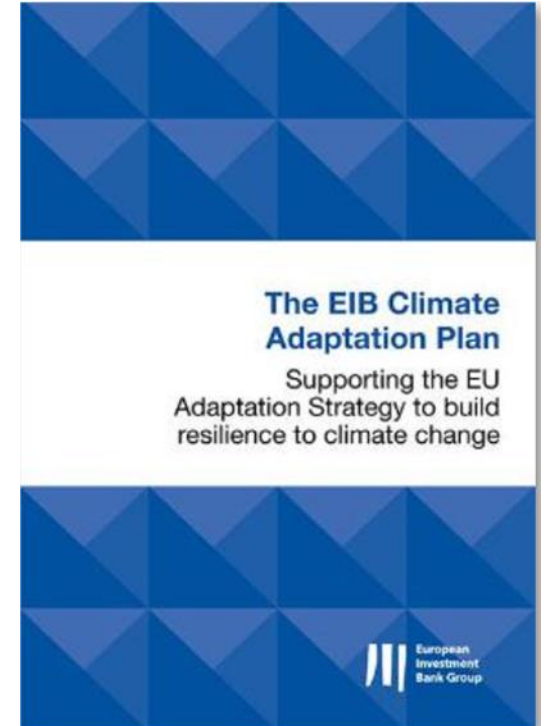
(Source: Newman et al., Nature Communications, 29 September 2023)



Our shareholders and clients are investing more in adaptation.

# The EIB Adaptation Plan (2022-2025)

- Approved by the EIB Board in October 2021
- Mandated to support the EU Adaptation Strategy
- Informed by an evaluation of EIB adaptation finance
- Centered around **3 main goals**:
  - Supporting **smarter** and more **systemic** adaptation
  - Financing **faster** adaptation
  - Accelerating **international action on** adaptation



# The EIB Adaptation Plan

## Goal 1 - Supporting smarter & more systemic adaptation

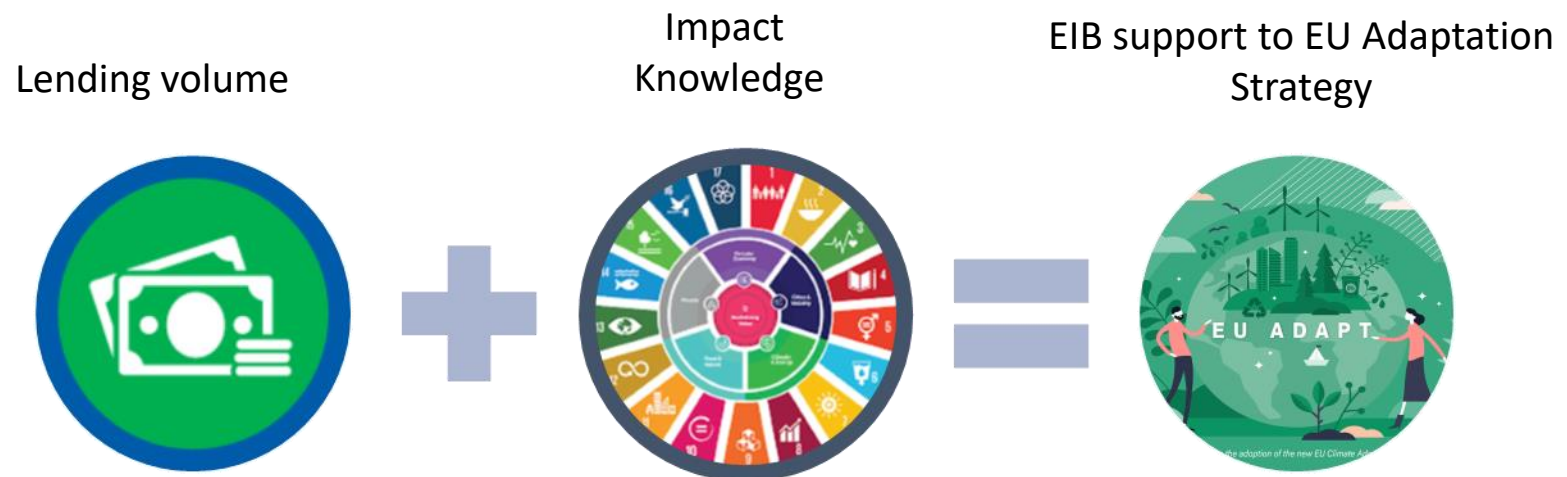
- Bridging the knowledge gap in EIB-supported operations
- Focus on upstream dialogue and advisory services

## Goal 2 - Financing faster adaptation

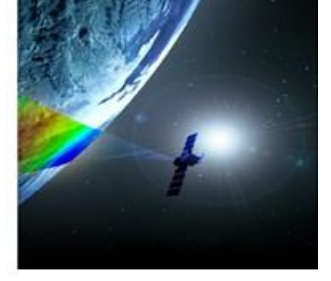
- Increasing adaptation finance to 15% of EIB's climate action by 2025
- Increasing the adaptation finance impact over time

## Goal 3 – Accelerating international action on adaptation

- Reducing the disproportionate impacts on vulnerable regions and communities



# Focus investment areas: increasing finance impact



## WATER

Coping with too much and too little water

## FOOD SYSTEMS

Strengthening the climate resilience of food systems, forest and ecosystems

## URBAN DEVELOPMENT

Building resilience in cities and regions

## TRANSPORT & ENERGY

Protecting infrastructure for energy and transport

## EDUCATION, R&D

Supporting education and public research on observation and analysis of climatic changes

## HEALTH

Responding to climate induced effects on health and well-being

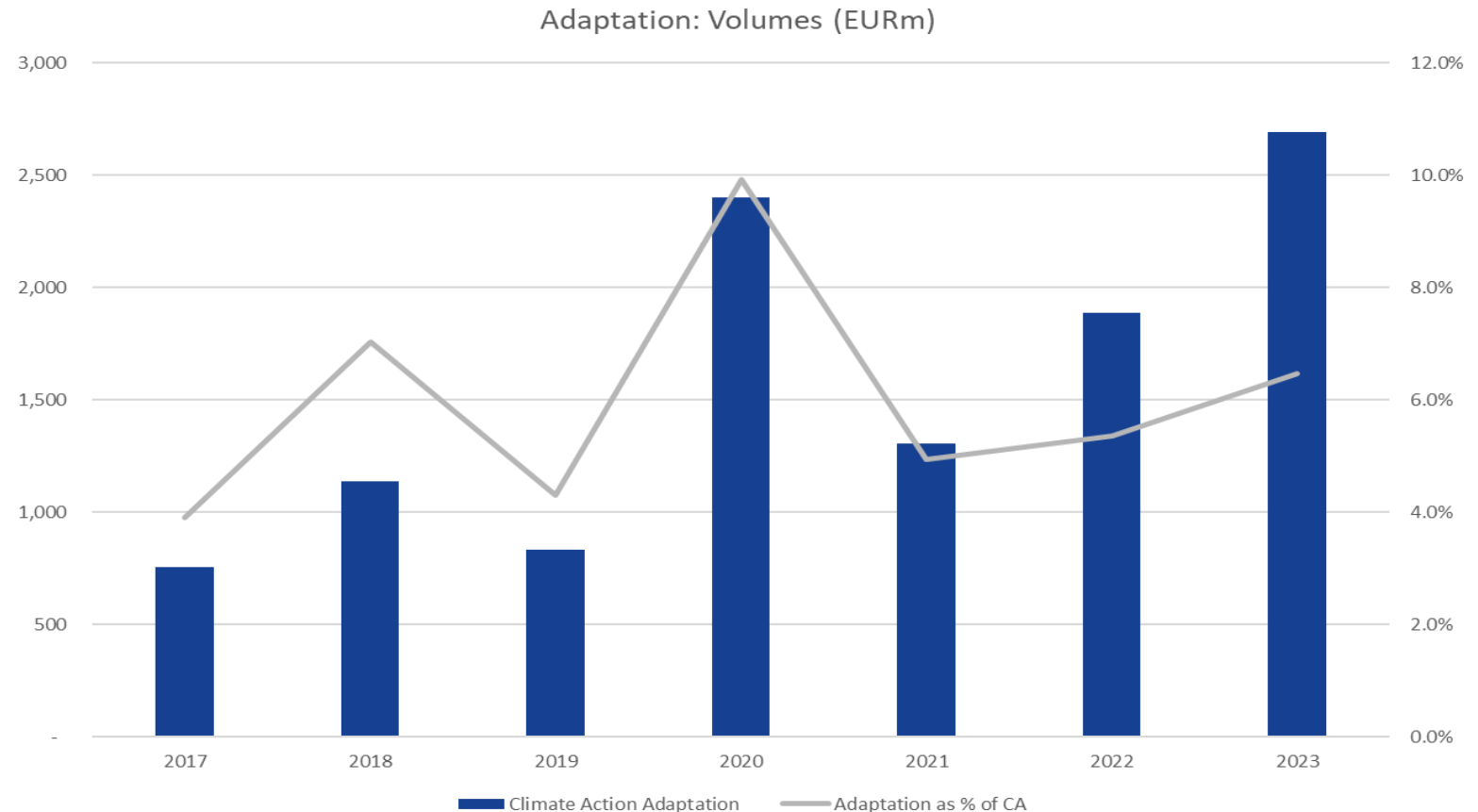
## INNOVATION

Boosting climate resilience innovation

# The Challenge Ahead – 15% of CA in 2025

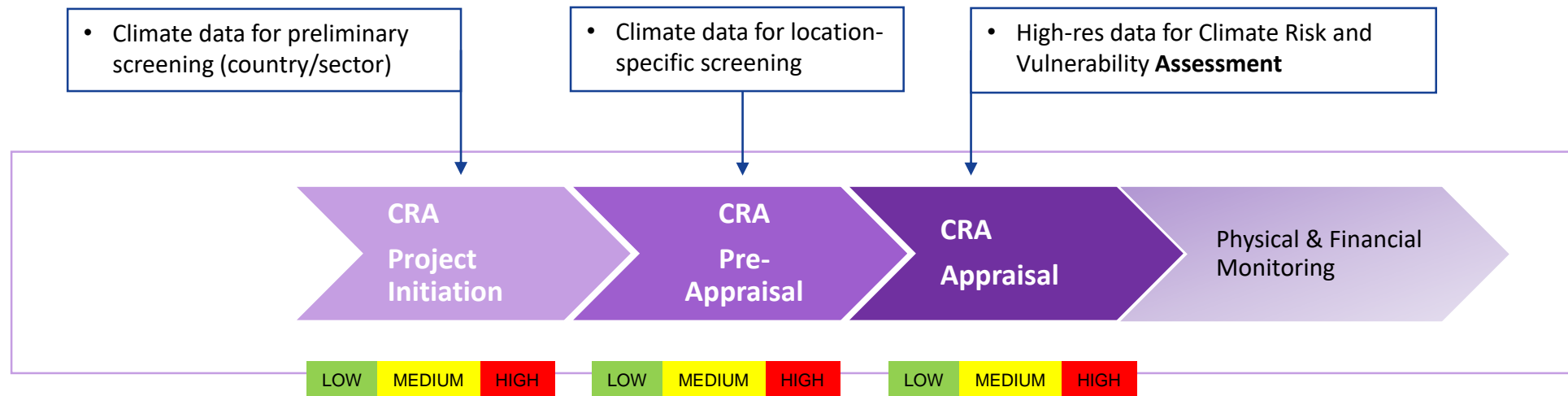
- How are we performing?

- Progress in 2023 = 6.5% of CA, record total volume
- 24% of all operations contribute to CA adaptation



# Ensuring all EIB projects are fit for a changing climate

- Since 2019, physical climate risk integrated in routine due diligence for projects
- Climate Risk Assessment System as cornerstone of Paris alignment commitment for adaptation/resilience
- Partnership with Copernicus Climate Change Service, facilitating EIB and our clients' use of climate data





# EIB value added to support adaptation

- **Inside EU**

## Advisory support throughout the project cycle - ADAPT

- Upstream support,
- Project preparation, development and implementation
- Capacity building and awareness raising

## Financing higher share of the PICs

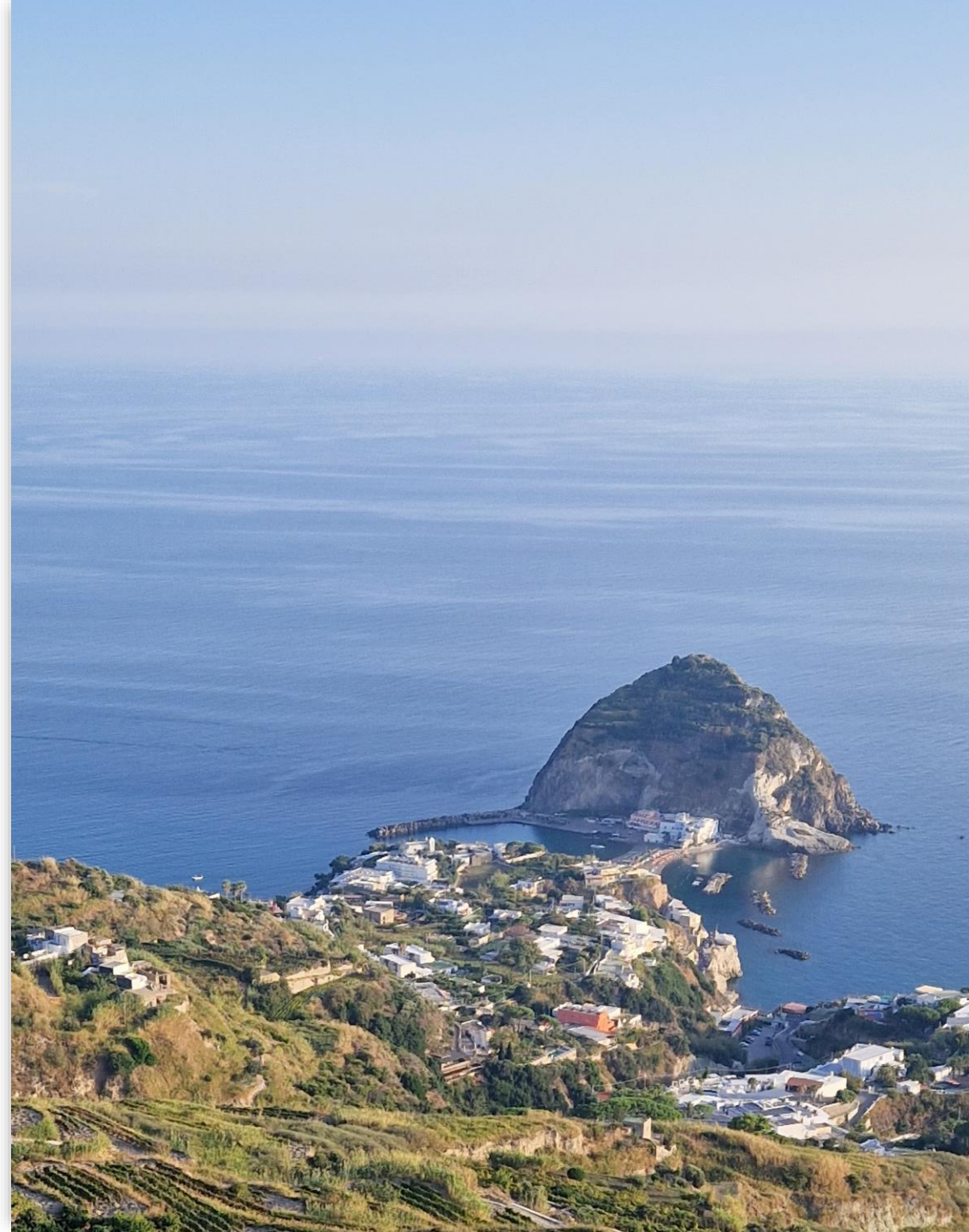
- Financing 75% of PICs for operations with 50% or more of costs supporting adaptation
- Financing 100% of PICs for post-disaster recovery operations

## Targeted Investment areas

- Identification of key investment areas contributing to adaptation
- Thorough work on capital expenditures per type of sector/projects

# ADAPT in action: Climate Risk and Vulnerability Assessment for the island of Ischia

- In November 2022, Ischia was hit by devastating landslides, triggered by an extreme precipitation event
- To inform climate-resilient post-disaster reconstruction, EIB carried out an assessment of the potential impacts of climate change
- Identification of adaptation investment options for key sectors, focusing on floods and landslides
- Recommendations on technical design



THANK YOU



European  
Investment Bank

# Emergency services in Greece

- ▶ **Client:** Hellenic Republic
- ▶ **Financial product:** framework loan
- ▶ **Approach to assess physical climate risk:** available assessment of observed and expected incidence of wildfires and floods
- ▶ **Key climate vulnerabilities:**
  - ▶ Extreme rainfall events and flooding
  - ▶ Extreme heat, wildfires
- ▶ **Adaptation activities:** aviation fire-fighting assets, fire detection systems in forest areas, and sensors for real-time flood monitoring
- ▶ **Adaptation finance:** 80% of project investment cost



# Flood protection in the Netherlands

- ▶ **Client:** NWB Bank
- ▶ **Financial product:** intermediated loan for on-lending to Water Boards
- ▶ **Approach to assess physical climate risk:** promoter's analysis of climate vulnerabilities
- ▶ **Key climate vulnerabilities:** sea level rise, storm surge, extreme rainfall events and flooding
- ▶ **Adaptation activities:** small and medium-sized flood control and water resources management projects promoted
- ▶ **Adaptation finance:** 50% of project investment cost



# Water supply in Austria

- ▶ **Client:** Northern Burgenland Water Supply Association (public law entity composed of more than 60 municipalities)
- ▶ **Financial product:** investment loan
- ▶ **Approach to assess physical climate risk:** available assessment of observed and expected incidence of droughts
- ▶ **Key climate vulnerabilities:** temperature increase, reduced rainfall, extreme heat, droughts
- ▶ **Adaptation activities:** investments in new wells and development of alternative source, reduction of non revenue water, network improvements
- ▶ **Adaptation finance:** 50% of project investment cost

