

Climate action and environmental sustainability OVERVIEW

2023



THE CRITICAL DECADE

The years 2015 to 2022 have been the warmest on record, according to the World Meteorological Organization. Climate change is threatening our lives, societies and economies, causing an unprecedented loss of biodiversity and destroying ecosystems.

This is the make-or-break decade. The Intergovernmental Panel on Climate Change projects that the years to 2030 are our last window of opportunity to avert disastrous climate change effects. We must reduce emissions by 45% by 2030 to slow down global warming.

The world needs trillions of euros to finance the transition towards climate neutrality, protect nature and restore and reverse biodiversity loss. We must make our societies resilient to climate change effects, reduce greenhouse gas emissions and invest in a green economy that creates millions of jobs and replaces careers lost in high-emissions industries. No one should be left behind during this transition. We have an opportunity to build back better.

At the same time, the war in Ukraine and the global economic, energy and food crises it has exacerbated have made climate action — decarbonising our energy systems in particular — even more urgent. Not just to save the planet from the climate crisis, but also for energy independence and security, and for a just transition away from fossil fuels to build a carbon-neutral future for us all.



FINANCING FOR CLIMATE AND ENVIRONMENTAL PROJECTS

The European Investment Bank (EIB) works with the public and private sectors to increase investments in projects that contribute to climate action, environmental sustainability and inclusive development. We grant direct **loans** to large companies and projects. For small projects, we offer loans or other assistance to intermediaries, such as **local banks**, which in turn provide finance to small firms.

Our advisory services offer a wide range of support for clients who need help in developing a project or finding the right finance for it. For green projects, we provide innovative finance products that cannot be found easily in the market, and we can offer grants and technical assistance to help projects succeed. [Discover how we can meet your investment needs.](#)

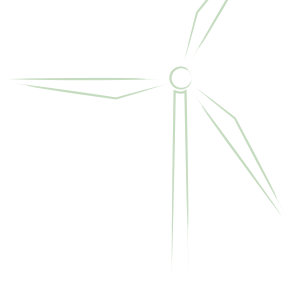
Small and medium-sized businesses have an important role to play in the fight against climate change. The EIB supports hundreds of thousands of small businesses. Much of the financing for small companies comes from the European Investment Fund (EIF), which is part of the EIB Group and specialises in small businesses and venture capital. The EIF offers loan guarantees and invests in venture capital funds that support clean technology. Find out more about the EIF [here](#).

The EIB finances climate action and environmental sustainability projects around the world. EIB Global is the EIB Group's development arm, working in partnership with Team Europe, partner countries, beneficiaries, development finance institutions and civil society to increase the impact of our financing.

WE ARE THE EU CLIMATE BANK

EU governments have unanimously committed to cutting their collective net emissions to zero by the middle of the century. To achieve this, they aim to reduce greenhouse gas emissions by at least 55% by 2030, compared with 1990 levels. Meeting that goal requires investments in every area of the economy.





EU countries have asked the EIB Group to back this collective endeavour, known as the European Green Deal, by financing and advising on projects that will place the economy on a path to net zero.

The EIB Group has set three main climate goals:

- **Increase the share of climate action and environmental sustainability financing provided by the EIB to more than 50% of annual lending by 2025 and beyond.**
- **Support €1 trillion of investment in climate action and environmental sustainability in the critical decade to 2030.**
- **Align all new activities with the Paris Agreement principles and goals for addressing climate change by the start of 2021.**

The EIB has also changed the way it lends to energy projects as another way of pursuing its commitment to alignment with the Paris Agreement. Under our [energy lending policy](#), we no longer finance unabated fossil fuel energy projects as of the end of 2021. We are doing more work in renewable energy, energy efficiency, alternative fuels and infrastructure to help green technologies grow.

In addition to this, the EIB Group will support the REPowerEU plan to reduce dependence on Russian fossil fuels and fast-forward the green transition, by providing up to €30 billion in additional loans and equity financing over the next five years. These funds will be directed to renewables, energy efficiency, grids and storage, electric vehicle charging infrastructure and breakthrough technologies like low-carbon hydrogen.

BIODIVERSITY

Through our new [EIB Group Environmental and Social Policy](#), we are strengthening our commitment to promoting and implementing the objectives of the Convention on Biological Diversity and the post-2020 Global Biodiversity Framework. Our Environmental and Social Standards ensure that our projects cause no significant harm to biodiversity and ecosystems. The key change from the previous approach is the move from “no net loss” to “no loss” of biodiversity, in line with EU policies.

Alongside other multilateral development banks, the EIB has issued a [Joint Statement on Nature, People and the Planet](#) reiterating its commitment to protecting biodiversity, scaling up nature-positive investments and increasing and coordinating policy work. The [EIB Environment Framework](#), unveiled at the UN climate conference COP27 in 2022, explains how the EIB will translate this joint commitment into action.

INCLUSIVE CLIMATE ACTION AND SUPPORTING A JUST TRANSITION

The EIB invests in climate and environmental projects that promote diversity in leadership, the workforce and supply chains, and that support women and indigenous climate leaders. Apart from being the right thing to do, such projects generate better results on a range of indicators, including climate and the environment.

Climate change exacerbates existing social, gender and geographical inequalities. The EIB supports climate and environmental solutions that build the resilience and adaptability of the most severely affected people and areas. In 2022, the EIB announced that it would **expand its work for a just transition globally**, building on its experiences from the European Union. The EIB supports activities contributing to diversification and a just transition by offering financing and advisory services, targeting those most affected by the low-carbon transition — including through just energy transition partnerships.

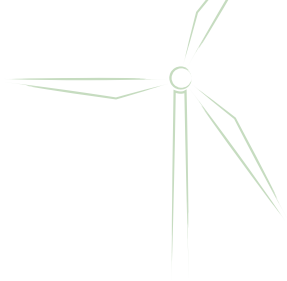
CLIMATE BANK ROADMAP 2021-2025

This **roadmap** is the EIB's five-year plan to ensure that its investments support the European Green Deal and will help make Europe carbon-neutral by 2050.

While drafting the roadmap, we sought input from non-governmental organisations, research institutes, universities, think tanks and other members of the public and private sectors.

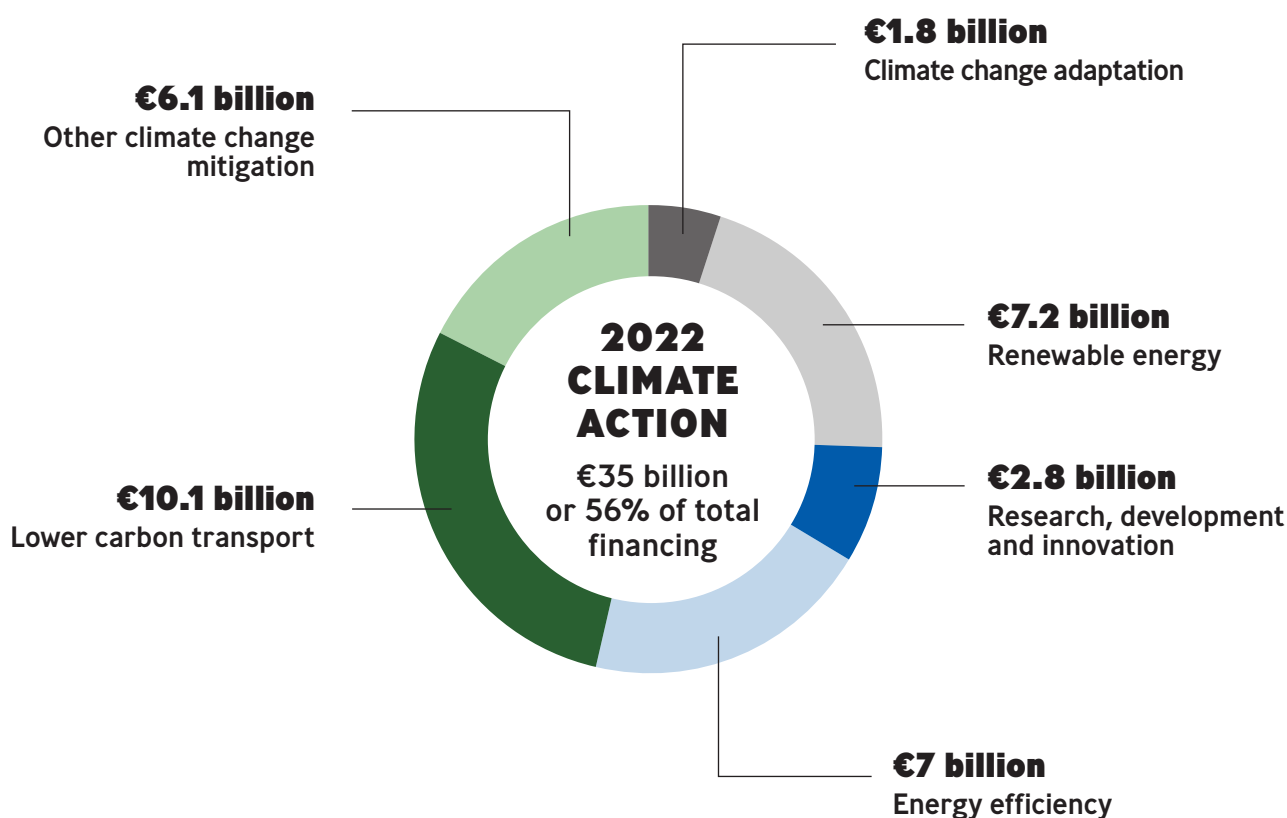
We are making substantial progress on the roadmap's goals through the following frameworks:

- A new **Environmental and Social Sustainability Framework** explains how the Bank responds to environmental and social concerns related to projects financed by us, applying the same standards in Europe and worldwide. This includes the loans approved by other banks we support.
- The **Paris Alignment for Counterparties framework (PATH framework)** highlights how the EIB Group is ensuring that its clients are cutting emissions and making their work resilient to climate change.
- Under our 2021 **Climate Adaptation Plan**, we are helping public and private clients in Europe and beyond prepare for the impact of climate change. We are working to increase adaptation support to 15% of our annual financing for climate action by 2025, an almost threefold increase.
- A plan to support the **EU Just Transition Mechanism** shows that our work is designed to create a green future for everyone. We are helping those for whom the transition will be hardest.
- The new **Environment Framework** highlights the Bank's ambition and readiness to support investments that deliver environmental benefits across four objectives: pollution prevention and control; sustainable use and protection of water and marine resources; transition to a circular economy; and protection and restoration of biodiversity and ecosystems.



CLIMATE ACTION AND ENVIRONMENTAL SUSTAINABILITY FINANCING*

In 2022 alone, our financing of climate action and environmental sustainability projects totalled €36.5 billion, or 58% of the EIB's own resource financing. This included €35 billion for projects contributing to climate action, and €15.9 billion for projects contributing to environmental sustainability objectives. €14.3 billion of financing went to projects with dual climate action and environmental sustainability benefits.



A LEADER IN GREEN MARKETS

The EIB raises money by selling bonds on the international capital markets. It then lends this money around the world to help governments and companies complete projects in different sectors. In 2007 the Bank issued the world's first green bond, the Climate Awareness Bond, to support projects that contribute substantially to climate change mitigation.

Since 2018, the Bank has also been issuing Sustainability Awareness Bonds, which contribute to the pursuit of environmental and social objectives. Together, Climate Awareness Bonds and Sustainability Awareness Bonds span the entire spectrum of sustainability objectives, in line with evolving EU legislation on sustainable finance.

We are now the world's largest multilateral development bank issuer of green and sustainability bonds, and have raised €70 billion for eligible projects in the areas of renewable energy, energy efficiency, low-carbon transport, water, biodiversity and ecosystems.

We play a key role in promoting clarity, accountability and comparability in green finance. Over the years, the EIB has supported the growth of the green bond market through its bond issuance and the development of market governance and standards. We work with many partners and support the European Commission in its action plan on financing sustainable growth.

* All figures are subject to audit.

PROJECT HIGHLIGHTS

Climate adaptation in Jordan

The EIB will provide a €200 million loan for the Jordanian government's contribution to the Aqaba-Amman Water Desalination and Conveyance Project. This is the first confirmed financing for Jordan's largest-ever water investment project. It will help the country address the challenges of increasingly scarce water resources and adapt to a changing climate, while also ensuring environmental sustainability by harnessing renewable energy for the project.

[More information online](#)

Clean water in Senegal

Team Europe will increase support for drinking water access across Senegal with financing to back investments by the national water company SONES. The funds will permit SONES to accelerate subsidised connections across Senegal and to invest in strengthening the supply of drinking water to 634 000 people living in the cities of Saint-Louis, Kaolack and Kolda. EIB Global is providing a loan of €64.5 million for the project, alongside an EU grant of €5.55 million.

[More information online](#)

Greening steel production in Italy and Croatia

The EIB is providing a €350 million loan to Danieli, a global leader in steel plant production based in Italy. The loan will help promote the circular economy through the production of recycled steel at the plants Acciaierie Bertoli Safau S.p.A. in Cargnacco in the Italian province of Udine, and Acciaierie Bertoli Safau Sisak D.O.O. in Croatia. The EIB financing will help Danieli achieve climate neutrality by 2050 by supporting the development of innovative technologies for producing steel using electric arc furnaces and minimills. The project also fosters the transition to a circular economy by reusing by-products and increasing the recovery of metals from scrap.

[More information online](#)

Supporting green funds

The EIF is committing €250 million with five equity funds to mobilise €2.5 billion in climate action and environmental sustainability investment across Europe. The funds will invest in food innovation, water, renewable energy, energy efficiency, the circular economy and a sustainable blue economy.

[More information online](#)

Celtic Interconnector

The Celtic Interconnector, a 700 MW electricity interconnector covering a distance of 575 km, will improve the security of energy supply and the exchange of renewable energy between France and Ireland. The EIB is supporting the project with a €300 million loan.

[More information online](#)

The Clean Oceans Initiative

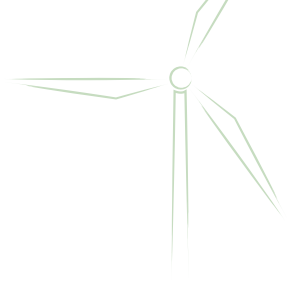
An estimated 8 million tonnes of plastic waste enter the oceans every year. The EIB's Clean Oceans Initiative identifies projects that fight plastic waste in rivers and seas and on land. The goal is to provide €4 billion in financing for such projects by the end of 2025.

[More information online](#)

Making cities more liveable

The City Climate Finance Gap Fund helps cities implement ambitious infrastructure development projects for low-carbon, resilient and liveable cities. It provides technical assistance for early-stage planning and project preparation, and unlocks investments for local transformation, global climate goals and green recovery. The Gap Fund was announced at the UN Climate Action Summit 2019 and started in September 2020. It is funded by Germany and Luxembourg and implemented by the World Bank and the EIB.

[More information online](#)



RESOURCES

WEBSITE

- [EIB at COP27](#)
- [EIB at CBD COP15](#)
- [The EIB and climate action](#)
- [How to get help for your climate project](#)
- [Climate Adaptation Investment Advisory Platform \(ADAPT\)](#)
- [2022-2023 EIB Climate Survey](#)

PUBLICATIONS

- [The EIB Group Environmental and Social Policy](#)
- [EIB Environmental and Social Standards Overview](#)
- [Climate Bank Roadmap](#)
- [Climate Adaptation Plan](#)
- [The EIB Group PATH Framework: Supporting counterparties on their pathways to align with the Paris Agreement](#)
- [The EIB Environment Framework](#)
- [Energy Lending Policy](#)
- [Supporting the Just Transition Mechanism — comprehensive proposal of the EIB Group](#)
- [Forests at the heart of sustainable development: Investing in forests to meet biodiversity and climate goals](#)
- [EIB Group 2021 Climate Bank Roadmap progress report](#)

VIDEOS

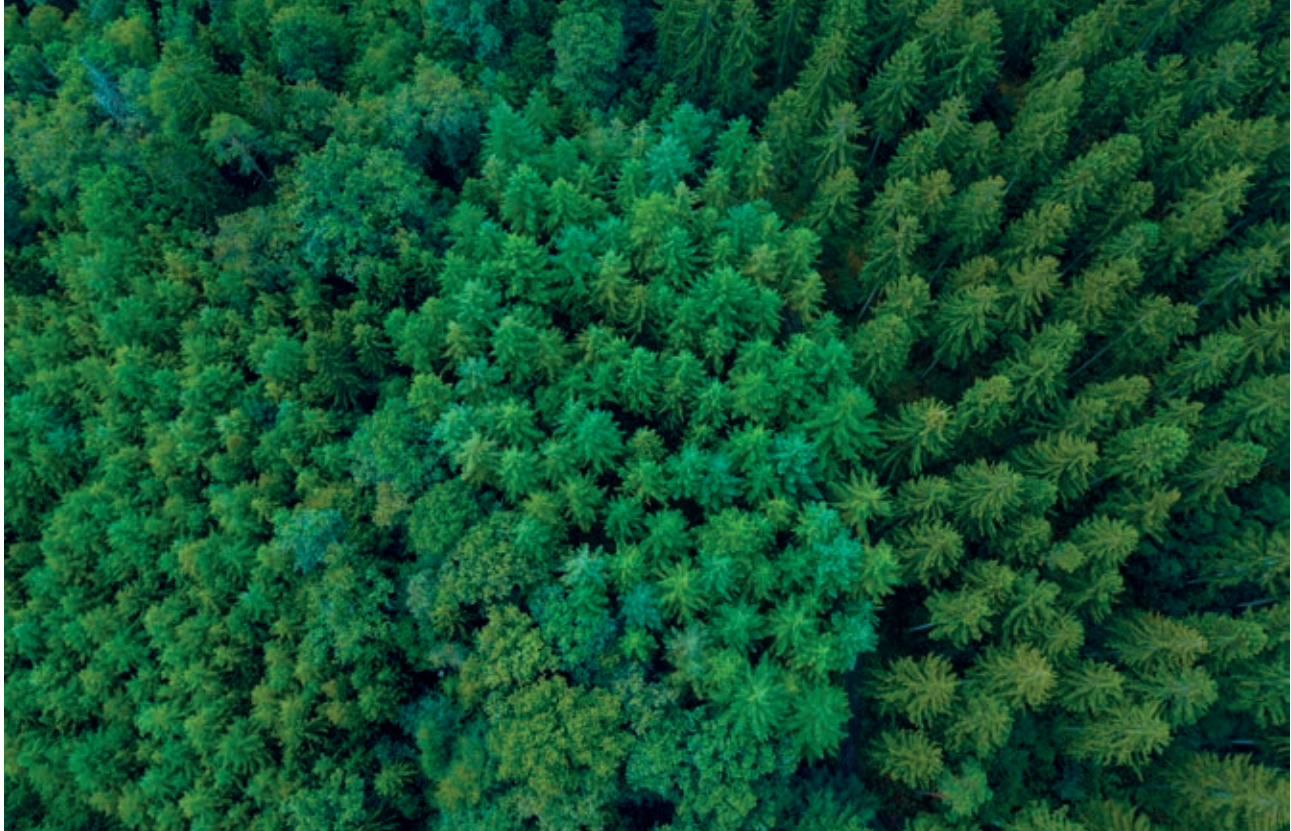
- [Fighting climate change to build a greener future](#)
- [EIB at COP27 — Highlights](#)
- [Clean water supply for people in Jordan](#)
- [The EIB is backing green transport in Sarajevo](#)
- [EIB 360°| Capturing the ocean's energy](#)
- [THE SMALL THINGS \(An animated educational video for children\)](#)
- [The EIB supports the first electric Bus Rapid Transit project in West Africa](#)
- [Mountain water boosts Italian business](#)

BLOGS & PODCASTS

- [French firm breeds plants that resist climate change](#)
- [Europe cuts emissions by improving energy efficiency](#)
- [Poste italiane cuts emissions with green fleet for postmen](#)
- [A green transition is vital to solving Europe's energy problems](#)
- [How does the energy crisis affect the transition to net zero?](#)
- [Off-grid systems provide affordable solar power in rural Africa](#)
- [How to finance adaptation to climate change](#)
- [Indian sustainable rice cuts water use and emissions](#)
- [Financing nature and biodiversity](#)
- [Why we care about biodiversity](#)
- [Climate podcast: Future energy innovations to beat global warming](#)
- [Climate podcast: Urban climate solutions for 15-minute cities](#)

Climate action and environmental sustainability **OVERVIEW**

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This overview, with links to stories, brochures and videos, is available at:

www.eib.org/climate