

The EIB Climate Adaptation Plan

Supporting the EU
Adaptation Strategy to build
resilience to climate change



European
Investment
Bank Group

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As approved by the
European Investment Bank Board of Directors
on 13 October 2021

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1. Introduction

The imperative to adapt to climate change

- 1.1 The recent devastating floods, exceptional wildfires and record-crashing heatwaves that hit different regions of the world are a tragic reminder that climate change poses far-reaching and devastating impacts on people, economies and the environment in all regions of the world, demanding urgent enhanced action on climate change adaptation.
- 1.2 The IPCC's 6th Assessment Report emphasizes how climate change is already affecting every region across the globe. Rising global temperatures are contributing to more frequent and more severe extreme weather events, including cold and heat waves, floods, droughts, wildfires and storms. Slow onset events, such as desertification, sea level rise, ocean acidification, biodiversity loss and ecosystem degradation pose existential threats in the longer term.¹
- 1.3 The primary response to this threat is to reduce greenhouse gas emissions as quickly as possible. The European Climate Law sets a legally binding target to reach climate neutrality by 2050, with an ambitious 55% reduction target by 2030 compared with 1990 levels. Without similar global commitment, the increase in global surface temperature will exceed 2°C during the 21st century.
- 1.4 With the world already experiencing approximately 1°C of warming compared to 1850–1900, and with further warming locked into the climate system even under rapid emission reduction scenarios, adaptation to current and future climate change is an essential complement to efforts to reduce emissions and support climate change mitigation. Failing to act on adaptation would result in an unacceptable human and economic toll, causing widespread increases in poverty, worsening existing inequalities, and severely undermining long-term global economic prospects, peace and stability.
- 1.5 The need for adaptation is central to the Paris Agreement. Article 7 of the Paris Agreement sets the *global goal* of "enhancing adaptive capacity, strengthening resilience and reducing vulnerabilities to climate change". It calls for making finance flows consistent with a climate-resilient development pathway. The implementation of national and local adaptation plans, capacity building and technology, and increased financial flows are noted as essential tools for the implementation of adaptation actions.
- 1.6 The cost of inaction is large. Within the EU, losses from extreme weather events already average over EUR 12 billion per year.² The frequency and severity of weather extremes is increasing. They range from unprecedented forest fires, heatwaves and hurricanes to devastating floods and droughts. Under a 3°C warming scenario, nearly 300 million citizens in the EU would be exposed

¹ IPCC (2021). Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change [Masson-Delmotte, V., P. Zhai, A. Pirani, S. L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M. I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T. K. Maycock, T. Waterfield, O. Yelekçi, R. Yu and B. Zhou (eds.)]. Cambridge University Press. In Press.

² Feyen L., Ciscar J.C., Gosling S., Ibarreta D., Soria A. (editors) (2020). Climate change impacts and adaptation in Europe. JRC PESETA IV final report. EUR 30180EN, Publications Office of the European Union, Luxembourg. https://ec.europa.eu/jrc/sites/default/files/pesetaiv_summary_final_report.pdf

to deadly heatwaves every year, resulting in a 30-fold rise in deaths from extreme heat.³ Wildfire and pest outbreaks would become more severe. More frequent droughts in Southern and Western Europe would affect agriculture, hydro-electric production, cooling of thermal and nuclear power plants and water supply. River flood losses would reach nearly EUR 50 billion per year; people exposed to coastal inundation could reach 2.2 million per year, and annual coastal flood losses could climb to EUR 250 billion in 2100.⁴

- 1.7 Developing economies are the hardest hit by climate change, with poor and marginalized populations being the most vulnerable. Climate change acts as a 'risk multiplier', exacerbating economic, social and security threats, and worsening existing inequalities. Embedding climate adaptation within broader development goals is crucial to pursue sustainable development. Climate change is expected to increase the risk of food and water shortages, while driving poverty, conflict and displacing populations in some of the world's least-developed regions. According to the World Bank, climate change could push more than 100 million additional people back into extreme poverty by 2050 due to loss of livelihoods, rising food prices, climate-induced disasters and health impacts such as malaria, diarrhoea, and stunting.⁵ Africa, Small Island Developing States (SIDSs) and Least Developed Countries (LDCs) are amongst the regions most exposed to climate impacts, but are the least able to cope because of their socio-economic development patterns.

Adaptation investment needs

- 1.8 Investment is key in addressing the adaptation challenge. Estimating the scale of investment needed is challenging. It is highly dependent on the pace at which greenhouse gas emission reductions will take place. Methodological and technical shortcomings make estimates partial and uncertain, and difficult to compare across geographies and time scales.⁶ Although estimates vary, however, there is general consensus that a large adaptation investment gap exists.⁷
- 1.9 Adaptation investment needs in the EU are estimated to range between EUR 35 billion and 500 billion annually, the large variation reflecting different underlying assumptions and methodological approaches.⁸ On the other hand, it is estimated that exposing the EU economy to global warming of 3°C above pre-industrial levels could result in an annual loss of at least EUR 170 billion (1.36% of EU GDP). Losses are distributed unevenly, raising particular concerns on vulnerable groups, coastal areas and regions that may already face challenges due to unemployment and low economic growth.⁹

³ Feyen L., Ciscar J.C., Gosling S., Ibarreta D., Soria A. (editors) (2020). Climate change impacts and adaptation in Europe. JRC PESETA IV final report. EUR 30180EN, Publications Office of the European Union, Luxembourg. Available at: https://ec.europa.eu/jrc/sites/default/files/pesetaiv_summary_final_report.pdf

⁴ Feyen L., Ciscar J.C., Gosling S., Ibarreta D., Soria A. (editors) (2020). Climate change impacts and adaptation in Europe. JRC PESETA IV final report. EUR 30180EN, Publications Office of the European Union, Luxembourg. Available at: https://ec.europa.eu/jrc/sites/default/files/pesetaiv_summary_final_report.pdf

⁵ Jafino, B. A., Walsh, B., Rozenberg, J., & Hallegatte, S. 2020. Revised Estimates of the Impact of Climate Change on Extreme Poverty by 2030. Policy Research Working Paper; No. 9417. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/34555>

⁶ See a review in Hallegatte, S., Brandon, C., Damania, R., Lang, Y., Roome, R., Rozenberg, J., Tall, A. (2018) The Economics of (and Obstacles to) Aligning Development and Climate Change Adaptation. A World Bank Group contribution to the Global Commission on Adaptation. Available at: https://gca.org/wp-content/uploads/2018/10/18_WP_GCA_Economics_1001_final.pdf

⁷ UNEP. (2020). Adaptation Gap Report 2020. Available at: <https://www.unep.org/resources/adaptation-gap-report-2020>

⁸ European Commission. (2017). Climate mainstreaming in the EU budget - Preparing for the next MFF: Final report. <https://op.europa.eu/en/publication-detail/-/publication/1df19257-aef9-11e7-837e-01aa75ed71a1>

⁹ <https://ec.europa.eu/jrc/en/peseta-iv/economic-impacts>

- 1.10 Annual adaptation investment needs in developing countries are estimated to be in the range of EUR 60 billion per year¹⁰, rising to EUR 120-250 billion per year by 2030.¹¹ In addition, significant investments will be required to ensure that the EUR 50–80 trillion worth of infrastructure that is expected to be built globally by 2030 is adapted to future climate impacts.¹² Significant investments will be required to reduce vulnerability of marginalised communities and to support climate-resilient development pathways.
- 1.11 Adaptation finance has increased in recent years – but remains far short of the need. Adaptation finance globally is estimated to have risen from EUR 14 billion a year in 2015-16 to EUR 25 billion in 2017-18 – falling short of the adaptation need in developing countries alone. Multilateral Development Banks (MDBs) have recognised this gap, and are responding by increasing their support to adaptation over time. In 2019, MDBs committed to doubling their collective total level of adaptation finance to EUR 15 billion annually by 2025.¹³ In 2020, MDB’ adaptation finance totalled EUR 13.6 billion, up from EUR 11.9 billion in 2019 and EUR 10.9 billion in 2018.
- 1.12 Given the exposure to potential damage from future climate change, investing in adaptation will have significant net benefit to society. The Global Commission on Adaptation found that investing EUR 1.5 trillion globally in five areas from 2020 to 2030 could generate EUR 6 trillion in total benefits, through a triple dividend of avoided losses, economic benefits, and social and environmental benefits.¹⁴ These five areas of investment are early warning systems, climate-resilient infrastructure, improved dryland agriculture crop production, global mangrove protection, and making water resource management more resilient.

Market failures

- 1.13 It is no particular surprise that investment in adaptation remains low. Current measures mostly focus on awareness raising, institutional organisation or policy development, and pilot projects, but rolling out physical solutions and projects at scale is lagging behind.
- 1.14 A series of market failures, including externalities, the public good nature of adaptation and informational asymmetries, reduce the incentive to invest. To take a simple example, if a homeowner decides to retain a front garden, rather than paving it over for an additional parking area, this action results in a lower level of surface runoff. In the context of increased frequency of episodes of very high rainfall, the reduction in surface run off provides a marginal benefit to neighbours, and reduces the need for drainage infrastructure at the municipal level. The market to compensate the house owner for the decision not to pave the garden is effectively missing. At different scale, a similar externality characterises transboundary water usage – where increased irrigation upstream in the face of lower rainfall may create water scarcity downstream.
- 1.15 Some adaptation investments are largely public in nature, may be motivated by the need to avoid cost, may have large fixed cost and may not generate revenues. For example large-scale coastal protection or stormwater management infrastructure, providing indivisible benefits to targeted populations. Private markets will typically not provide public goods given its indivisible nature. Provision of such public goods (irrespective of delivery by the public sector, regulated utilities or private sector) can remain challenging to deliver for a number of reasons – not least that estimating the benefits, i.e. avoided cost, can be challenging due to the uncertainty associated with future climate change, and may reduce the incentive to invest in adaptation.

¹⁰ In converting USD estimates to EUR, this paper assumes 1.18 USD = 1 EUR as of 23 August 2021.

¹¹ UNEP. (2020). Adaptation Gap Report 2020. <https://www.unep.org/resources/adaptation-gap-report-2020>

¹² OECD. (2017). Investing in Climate, Investing in Growth. https://www.oecd-ilibrary.org/economics/investing-in-climate-investing-in-growth_9789264273528-en

¹³ <https://www.eib.org/attachments/press/joint-mdb-statement-climate-change-finance-un-climate-summit-2019-en.pdf>

¹⁴ Global Commission on Adaptation. (2019). Adapt Now: A Global Call for Leadership on Climate Resilience. <https://gca.org/reports/adapt-now-a-global-call-for-leadership-on-climate-resilience>

- 1.16 Making informed investment decisions requires good information on costs and benefits. Adaptation investments are characterised by a lack of information and high-level uncertainty. In addition to high-resolution topographical data, decision-making requires reliance on probabilistic scenarios on future temperature, sea level and other climatic indicators. Different climate models may provide diverging information, and the probability distribution of uncertain climatic indicators may not be known. It may not be possible to identify the set of future tail events, such as crossing or tipping points. In addition, sourcing and understanding the risks resulting from a changing climate may come with a significant transaction cost.
- 1.17 Regulation plays an important role for ensuring that infrastructure and the built environment can cope with increased climate risks – for instance, mandating the use of climate risk assessment in the design of new infrastructure, or adopting forward-looking design standards in building renovation, or requiring local land use zoning decision to be informed by future climate risks. A regulatory steer is also essential for creating demand for adaptation solutions. Yet many countries across the world lack such a regulatory framework. Where such regulatory frameworks exist, they often address future infrastructure and not the climate resilience of existing assets. The absence of regulatory frameworks for managing the risk of a changing climate is explained in part by the considerable uncertainties associated with the location, nature, timing and severity of climate change impacts.
- 1.18 Finally, adaptation may be perceived as an additional cost that cannot be prioritised in a context of scarce resources. This is particularly true in developing countries, where the lack of financial resources may hinder the case for adaptation even when its long-term benefits outweigh the immediate costs. Concessional resources for adaptation are vital to overcome this barrier but they remain low and often difficult to access.
- 1.19 In general, none of these conditions alter the basic economic case for investment – that the benefit to society from reduced risk to current and future climate change outweigh the additional cost. However they do go some way in explaining the inaction. In practice different economic actors face considerable barriers in making informed decisions to invest in climate adaptation measures. As a result of these barriers, the need for adapting to climate change does not necessarily translate into a robust pipeline of adaptation projects.

The EU policy response

- 1.20 Tackling market failures requires a strong policy response. This section turns to the European Union response, before focussing on the role of the EIB as the EU climate bank.
- 1.21 The EU is combatting climate change through ambitious policies at home and with international partners. It has put forward a plan to cut emissions by at least 55% by 2030. Climate action is at the heart of the [European Green Deal](#), which commits the EU to climate neutrality by 2050, and preparing better for the future.
- 1.22 Alongside reducing greenhouse gas emissions, the EU is taking action to adapt to the impacts of climate change. The European Commission (EC) adopted the new EU Strategy on Adaptation to Climate Change in February 2021,¹⁵ as an integral part of the European Green Deal and the European Climate Law. The 2021 Strategy sets new, more ambitious goals than the 2013 EU Adaptation Strategy.¹⁶ The Strategy envisions that by 2050, the EU will have reinforced its

¹⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021DC0082&from=EN>

¹⁶ An EU Strategy on adaptation to climate change [COM\(2013\)216 final](#)

adaptive capacity, minimised vulnerability to climate change impacts and stepped up international action, in line with the Paris Agreement and the European Climate Law.¹⁷

1.23 The strategy has four objectives:

- *Smarter adaptation* focuses on improving knowledge and data, and supporting digital innovation to boost understanding of present and future climate impacts at planetary and local scale. Initiatives such as Horizon Europe,¹⁸ Digital Europe,¹⁹ Copernicus²⁰ and EMODnet²¹ and Climate-ADAPT will provide the robust information needed to anchor decision making and adaptation action in the latest science.
- *More systemic adaptation* aims to support national, regional and local authorities in further developing adaptation strategies at all levels and enhancing frameworks for adaptation monitoring and reporting, building on national adaptation plans and other efforts.
- *Faster adaptation* is about increasing support for adaptation solutions through innovation and enabling activities, resilient infrastructure and resilient use of water resources.
- *Stepping up international action for climate resilience* aims to support sub-national, national and regional approaches to adaptation, with a specific focus on adaptation in Africa, Small Island Developing States (SIDS), and Least Developed Countries (LDCs).

1.24 As part of faster adaptation, the EU Climate Adaptation Strategy refers to the EIB commitment towards adaptation under the Climate Bank Roadmap, and notes the development of the EIB adaptation plan. In its June conclusions, the Council of the EU endorsed the EU Adaptation Strategy²², including welcoming the ambition of the EIB and looking forward to the forthcoming EIB Adaptation Plan.

EIB support to climate change adaptation and resilience

1.25 The EIB is one of the world's largest financiers of climate action. Over the period 2012-2020, the EIB has provided EUR 197 billion of finance supporting over EUR 670 billion of investment in projects that protect the environment, reduce emissions and help countries adapt to the impacts of climate change. The majority of the EIB climate action has contributed to climate mitigation. The EIB committed to ensuring that all of its financing activities are aligned with the Paris Agreement by the end of 2020, including the adaptation and resilience goals described in Article 7 of the Paris Agreement.

1.26 The EIB has supported projects that address key adaptation challenges across sectors and regions. In addition to mainstreaming adaptation in all direct lending operations, the EIB has financed transformational changes in adapting infrastructure systems, from undergrounding transmission lines for more climate-resilient energy supply in Northern Europe to increasing the climate resilience of the water supply and wastewater infrastructure destroyed by cyclones in Southeast Africa. EIB investments in climate information technology have enabled better capacity to anticipate and adapt to future climate risk. The EIB also supports investment funds that are investing in innovative ventures tackling adaptation challenges.

¹⁷ European Climate Law [COM/2020/80 final](#)

¹⁸ https://ec.europa.eu/info/horizon-europe/missions-horizon-europe_en

¹⁹ <https://ec.europa.eu/digital-single-market/en/destination-earth-destine#Digital-twins>

²⁰ The [Copernicus Climate Change Service](#) is an EU flagship programme that provides authoritative information about the past, present and future climate, as well as tools to enable climate change mitigation and adaptation strategies by policy makers and businesses. The Mission Adaptation focuses on solutions and preparedness for the impact of climate change to protect lives and assets, and targets EU regions and cities.

²¹ <https://emodnet.eu/en>

²² <https://data.consilium.europa.eu/doc/document/ST-9419-2021-INIT/en/pdf>

- 1.27 In 2015, the EIB identified building greater resilience to climate change as a key pillar of the EIB Climate Strategy. Since then, the EIB has made significant progress in mainstreaming climate change adaptation across its operations, deepening its expertise and developing a Climate Risk Assessment (CRA) system for ensuring climate resilient operations.
- 1.28 In November 2020, the EIB's Board of Directors approved new commitments for climate change adaptation and resilience as part of the EIB Climate Bank Roadmap 2021-2025 (CBR). Under the CBR, the Bank recognised the need to increase substantially its efforts on adaptation and agreed to come forward with a detailed adaptation plan towards the end of 2021.
- 1.29 As described in the CBR, three main objectives should guide EIB support on climate change adaptation. Firstly, the EIB is committed to ensuring that all the operations it supports are adapted and build greater resilience to current weather variability and future climate change, in line with the adaptation goals of the Paris Agreement and the EU Taxonomy. This objective aims to ensure that public and private sector projects financed by the EIB can perform well under a changing climate and contribute to protect people, businesses, infrastructure and ecosystem from the impacts of climate. It is anchored in the project-level assessment of physical climate risk, strengthened internal training and leveraging the latest climate data and science for the benefit of clients' and EIB's own decision-making.
- 1.30 Secondly, the EIB aims to catalyse further investment in adaptation and projects that build climate resilience. This involves actively pursuing investment opportunities in the development and deployment of technologies, products and services that enable adaptation and resilience. By supporting private sector companies and solution providers, EIB looks to play a key role in driving forward technological innovation, and supporting transformative solutions for climate adaptation.
- 1.31 Thirdly, EIB aims to work with public and private sector clients to develop further their capacity and approaches to climate resilience. By providing advisory services to businesses, financial institutions and public authorities, EIB can improve understanding on how climate change may impact clients' activities and support the development of adaptation investment plans.
- 1.32 The progress made since the adoption of the EIB Climate Strategy in 2015 and the reviewed focus on adaptation described in the CBR contributed to an increase in adaptation finance. Adaptation finance grew to 3.7% of EIB's total financing volume or 10% of climate action financing in 2020. Maintaining this progress going forward requires an intensified focus on adaptation.
- 1.33 A recent evaluation report on the Bank's adaptation activities highlights the relatively low level of EIB support to adaptation compared to its total level of lending. The evaluation found that while EIB investments are on track to be more climate resilient, the Bank's contribution to catalysing investment in adaptation and supporting clients on adaptation remains limited.²³
- 1.34 The evaluation recommended strengthening the provision of dedicated advisory support, and upstream dialogue with clients. It recommended enhancing EIB outcome metrics, in addition to volume metrics, to better capture the EIB's contribution to climate change adaptation. It also highlighted the need to enhance the Bank's skill base.
- 1.35 A key recommendation of the evaluation is the need for the EIB to invest in its staff and resources. Supporting adaptation investment requires specialised technical and operational capacity at scale. The changing regulatory landscape and advances in climate science are shaping market practices and affecting investment decisions. In order to support clients, the Bank will seek to intensify internal capacity building. The EIB will need to enhance staff knowledge and capabilities

²³ EIB. (2021). Evaluation of EIB Support to Climate Change Adaptation, 2015-2020. https://www.eib.org/en/publications/evaluation-eib-support-for-climate-action-change-adaptation?utm_source=intranet&utm_medium=post&utm_campaign=ev_adaptation

to identify and address existing and emerging financing needs for climate adaptation and resilience, and to respond to identified business development challenges.

- 1.36 The EIB Adaptation Plan responds to the findings of this evaluation and proposes concrete actions to enhance EIB support on adaptation.

Structure of the EIB Plan on Adaptation to Climate Change

- 1.37 This Plan builds on the last five years of implementation of the EIB's 2015 Climate Strategy. It lays out the new ambition goals and focus areas to ensure that the EIB can fulfil its new commitments under the CBR and respond to the recommendation of the recent evaluation of the Bank's adaptation activities. Furthermore, it explains the steps envisaged for the period 2021-2025 to strengthen EIB approach to support adaptation and resilience investment in the EU and globally.
- 1.38 The next chapters set out in detail how the Bank's new adaptation ambition aligns with the EU Adaptation Strategy's vision of a climate-resilient Union by 2050. Following the introduction in this chapter setting the scene for the EIB approach, the Plan describes how the EIB will support the transition towards *smarter, faster and more systemic adaptation within and outside the EU*. The Plan revolves around EIB's three main goals for increasing support to adaptation and resilience.
- 1.39 Chapter 2 describes the EIB goal to *support smarter and more systemic adaptation* to ensure that adaptation actions financed by the Bank are informed by robust climate data and risk assessment tools. It centres on enhanced knowledge partnerships with centres of excellence, and upstream dialogue with national and local governments, businesses, cities and other stakeholders. It reinforces the offer of advisory services and technical assistance that will assist public and private sector project promoters in devising robust adaptation plans and investments. It also describes the measures that the EIB will undertake to increase its own capacity and skillset to be better equipped in supporting adaptation.
- 1.40 Chapter 3 describes the EIB goal to *finance faster adaptation* to help reduce vulnerability to physical climate risk globally. It presents the EIB ambition on adaptation finance and impact over the 2021-2025 period. It proposes activities aimed at strengthening the operational toolkit required for the EIB to make a greater contribution to filling the adaptation finance gap, in line with the EIB vision of the EU Climate bank.
- 1.41 Chapter 4 describes the EIB goal to *accelerate international action on adaptation and resilience* to address the disproportionate impact of climate change on vulnerable regions and communities, leaving no one and no place behind. It presents the Bank's approach to ensure that its support for adaptation contributes to inclusive growth and create social and economic opportunities for those that have the least ability to cope with a changing climate, in line with the operational proposal of the EIB development bank. It describes the two key focus areas of reducing the climate impact on forced displacement, and of building greater resilience in Small Island Developing States, Least Developed Countries and Africa.
- 1.42 Chapter 5 provides an overview of the steps required to respond to the recommendations of the evaluation on EIB adaptation support over the period 2015-2020 and to implement this Plan.

2. Supporting smarter and more systemic adaptation

- 2.1 Smart investment in adaptation is based on sound knowledge, informed by the latest science. This chapter describes how the EIB intends to build adaptation expertise to inform its own decisions, to help provide more informed interactions with its clients, or in an upstream capacity with public and private sector entities. This focus on developing capacity and expertise in this field in the short term will help drive higher levels of adaptation finance over the longer term.

Building adaptation expertise

- 2.2 Smart adaptation is adaptation informed by a robust understanding of the impacts of climate change. It succeeds or fails with the ability to gain this understanding. The ability to adapt thus relies heavily on the availability and interpretation of data about current and future climate, and with the quality of forecasting and modelling of its impacts. Improving the understanding of location and context specific impacts of climate change and the use of this information for investment decision is a central part of the EU Adaptation Strategy and of the EIB Adaptation Plan.
- 2.3 Progress in climate modelling and the digital transformation is accelerating and increasing the quality of information as to how climate change may affect citizens, cities, businesses, infrastructure and ecosystems. Despite this progress, it is not yet common practice to use climate data to inform investment decisions. Decisions are often based on observed and outdated data that do not permit adequate extrapolation into the future. A limited consideration of shifting trends in temperature, sea levels, rainfall, flood risk and other key elements of climate may result in a dangerous lock-in of vulnerability in new investments.
- 2.4 In this context, the EIB will increase its efforts to promote the consideration of physical climate risk in investment decisions and to fill knowledge gaps around accessing and using robust climate data for planning, project design and investment decision. The Bank aims to achieve this with the help of its growing network of partnerships including centres of excellence and climate service providers as described below.
- 2.5 The EIB will also actively engage in dialogue with national decision-makers, standard bodies, industry associations and other relevant organisations to understand the status of integrating climate risk considerations into building codes and engineering standards in the EU.

Enhancing EIB processes on adaptation and resilience

- 2.6 In order to promote smart adaptation, the EIB needs to continuously update its processes and tools to make the most use of scientific advances and a growing market for climate services for the benefit of the Bank and its clients.
- 2.7 The EIB has developed tools to manage physical climate risks at project and portfolio level. At project level, the EIB introduced the Climate Risk Assessment System (CRA) – a tool to systematically assess physical climate risk in direct lending operations. The CRA system is the cornerstone for delivering on the EIB's Climate Bank Roadmap commitment of alignment to the goals of the Paris Agreement and the MDB framework on Paris Alignment.²⁴ It also supports the Bank's alignment to the EU Taxonomy as described in the Delegated Act adopted in April 2021.²⁵

²⁴ https://www.eib.org/attachments/press/20181203-joint-declaration-mdbs-alignment-approach-to-paris-agreement_cop24.pdf

²⁵ [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PI_COM:C\(2021\)2800](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=PI_COM:C(2021)2800)

- 2.8 Drawing on robust climate data, the CRA system is a business process that helps the EIB and its clients understand how climate change may affect investments and identify adaptation responses. Through the knowledge partnerships with climate service providers described above, the EIB will leverage the latest findings in climate science. As the science on the impacts of a changing climate advances, the EIB will improve and further enhance the Bank's CRA systems.
- 2.9 To assess the portfolio's exposure to climate risk, the EIB is in the process of rolling out the EIB Climate Risk Country Scoring Model covering the physical climate risks and transition risks faced by more than 180 countries.²⁶ The model aggregates exposures to various risk factors, taking into account the adaptation and mitigation capacity of each country. The physical risk country score is based on the costs and losses that a country is expected to incur due to climate change. The scores also take into consideration the capacity of a country to adapt. The physical climate risk score, together with the transition climate risk score, provide transparency over the portfolio's exposure to climate risk, and help inform the EIB risk framework and business strategies.
- 2.10 Managing physical climate risk is also an important element of the EIB approach to assess the alignment of counterparties to the resilience goals of the Paris Agreement (the PATH framework). EIB is developing an approach to assess the counterparties' capacity to manage physical climate risk and their engagement in activities that are not consistent with resilient development pathways. In this context, the EIB seeks to engage public and private counterparts that are in the process of aligning and provide support where possible.
- 2.11 Going forward, the EIB will further strengthen the use of climate data in its processes. The EIB will continue enhancing its CRA system to incorporate the latest high-resolution projections and a larger set of data on the impacts of climate change on sectors and regions of operation. This will include the use of up-to-date climate model ensembles such as from the Coupled Model Intercomparison Project²⁷ and IPCC reports, new earth system models, ESG data and hazard databases for the benefit of clients and the Bank's own decision-making. The CRA will be aligned with the adaptation objectives of the EU taxonomy on sustainable finance.

Upstream dialogue with project promoters

- 2.12 More systemic adaptation requires looking beyond individual projects. To be effective, projects that contribute to adaptation must be in line with broader, long-term climate resilience and sustainable development goals. National, regional and local level adaptation strategies and plans play a key role in ensuring that different adaptation actions work towards the common goal of a more climate resilient society.
- 2.13 To this end, the EIB will increase its upstream dialogue with clients inside and outside the EU to support the elaboration of strategic policies and the development of climate adaptation and resilience investment programmes. Building on the experience gained through the Bank's engagement on the National Energy and Climate Plans highlighted in the Bank's Energy Lending Policy and similar engagement efforts, the EIB will work with Member States, the EC and external partners to examine how best to target EIB support towards the priority areas identified in the country specific adaptation strategies and nationally determined contributions (NDCs). The increased focus on advisory services described below will also contribute to support clients in their adaptation planning processes. These efforts aim to facilitate the translation of adaptation strategies into viable investment programmes and identifying suitable scale-able financing instruments.

²⁶ EIB (2021) Assessing climate change risks at the country level: the EIB scoring model. EIB Working Paper 2021/03. <https://www.eib.org/en/publications/economics-working-paper-2021-03>

²⁷ <https://www.wcrp-climate.org/wgcm-cmip>

- 2.14 In the EU, the EIB's upstream dialogue will be guided by key policies and strategies including National Adaptation Plans and Strategies of EU member states, National Recovery and Resilience Plans and regional and cities' adaptation plans. National Adaptation Plans and Strategies provide a reference framework including through vulnerability studies, impact assessments, and adaptation investment programmes.²⁸ The National Recovery and Resilience Plans, under the NextGenerationEU temporary recovery package, consist of a comprehensive set of investment projects and reforms aimed at mitigating the economic and social impact of the coronavirus pandemic. These Plans, of which some already reference the Bank as a co-financier, entail financing consisting of grants and loans for public and private investment programs in a wide range of sectors including adaptation and resilience. Cities can be particularly vulnerable to extreme weather events and will therefore be a priority for EIB action. Signatory cities to Mayors Adapt, the Covenant of Mayors Initiative on Climate Change Adaptation, have committed to develop local adaptation strategies or integrate adaptation into existing plans.
- 2.15 Outside the EU, the EIB will be guided by National Adaptation Plans, NDCs and Adaptation Communications submitted by parties to the Paris Agreement, national development strategies, and subnational plans. These plans often describe investment needs and priorities for public and private sector programmes covering a diverse range of sectors. The EIB will work closely with the EC and the External Action Services to devise upstream engagement action with public and private sector entities in countries outside the EU.
- 2.16 The EIB External Representations and regional offices will play a key role in facilitating the Bank's efforts in upstream engagement with public and private sector promoters, business development for adaptation and resilience and technical dialogue. The External Representations will seek to support proactive dialogue and facilitate cooperation and the mobilisation of targeted advisory services where EIB involvement can bring most value added.

Strengthening EIB advisory and technical assistance for adaptation

- 2.17 The EIB will launch the Climate Adaptation Investment Advisory platform (ADAPT) to provide technical and financial advice to clients in the EU. The objective of ADAPT is to provide advisory services that have the potential to strengthen climate resilience of cities, infrastructure networks such as transport and energy, coastal areas and river basins, farming practice and other vulnerable activities.
- 2.18 The service will enable access to technical and financial advisory on all aspects of managing physical climate risk and building climate resilience. It will provide bespoke advisory covering the full project cycle to both public and private sector promoters. ADAPT will also aim to support advisory for innovation in climate resilient solutions, including nature-based solutions and technologies for adaptation. Furthermore, ADAPT will provide advisory on tailored financial instruments, including advisory services for Financial Intermediaries, for example National Promotional Banks, to pilot support for the design, launch and implementation of adaptation financing products.
- 2.19 ADAPT will be a one-stop shop for advisory support for project promoters in the EU, building on the complementary resources of the InvestEU Advisory Hub and the Joint Assistance to Support Projects in European Regions (JASPERS). It will provide a coherent offering of support including capacity building, awareness raising, market development for innovation and enabling activities, technical studies, cost and benefit analysis of adaptation options, identification of project pipelines and development of individual projects.

²⁸ National Adaptation Strategies are available on the European Climate Adaptation Platform Climate-ADAPT. <https://climate-adapt.eea.europa.eu/>

Box 1. ADAPT Platform

➤ What is ADAPT?

ADAPT will consist of a dedicated investment advisory facility to cover the full project cycle. Advisory services will include upstream planning, identification, preparation, development, and implementation of adaptation projects as well as capacity building and awareness raising

➤ What advisory services does ADAPT provide?

It provides a one-stop shop for bespoke upstream and investment-related advisory services to public and private sector entities aiming to enhance their adaptation activities. It complements existing activities with dedicated, practical and investment-related advisory support.

➤ Who can access ADAPT?

Public and private sector promoters seeking advisory support on climate adaptation.

➤ What sectors does ADAPT cover?

ADAPT can support a full range of adaptation investment activities, particularly those in line with the policy windows of the InvestEU programme and with JASPERS' objectives and areas of operation.

➤ How will ADAPT be implemented?

ADAPT will be implemented as an EIB initiative bringing advisory services targeting adaptation investments under one umbrella facility.

- 2.20 The EIB may explore options to further extend the services under ADAPT in a second phase, including for example lending and blending and extended geographical coverage.
- 2.21 Outside the EU, the EIB will continue to offer technical assistance through its programmes targeted to supporting operations internationally. An example is the City Climate Finance Gap Fund²⁹, which provides technical assistance to unlock a pipeline of financially viable urban investments including ambitious infrastructure development for more climate resilience. The EIB may explore further options for technical assistance through its mandates and other contributors.

Knowledge and financing partnerships

- 2.22 An increased ambition on adaptation requires enhanced collaboration with organizations that share the EIB's goals of building greater resilience. The EIB has enhanced its global network for collaboration on climate change since the adoption of the Climate Bank Roadmap. Going forward, the EIB will further aim to strengthen the existing collaboration with the EC, Member States, EU delegations as well as a broader range of knowledge and financing partners inside and outside the EU to grow its network and intensify collaboration with organizations that can complement EIB strengths on adaptation and resilience.
- 2.23 The EIB will consider two main types of partnership: knowledge partnerships to promote the exchange of knowledge, best practice, and lessons learned, and financing partnerships to scale up adaptation finance.

²⁹ Visit www.citygapfund.org for more details.

- 2.24 Knowledge partnerships can unlock high resolution climate projections and climate data that can inform decisions around the design of critical infrastructure, assessing possible future changes in water availability and supply, improving management of floods and droughts, identifying disaster risk reduction opportunities in urban development programmes, or developing new technologies for crop management or water-efficiency. Closer collaboration with climate services providers such Copernicus Climate Change Service³⁰ and other centres of excellence will support EIB advisory services and inform upstream engagement, and benefit a diverse range of public and private sector entities.
- 2.25 The EIB will work in partnership with the Global Center on Adaptation (GCA) and other organisations to enhance knowledge on adaptation solutions. An example of this collaboration is the development of the knowledge module on Public-Private Partnership (PPP) for climate resilience infrastructure, which aims to help financial institutions and the public sector incorporate climate resilience into infrastructure PPPs.³¹ Through an enhanced focus on partnerships, the EIB will contribute to the development of innovative knowledge and operational solutions to drive adaptation at scale.
- 2.26 The EIB is a partner of the Collaborative on Accelerating Investment in Climate Adaptation and Resilience.³² The Collaborative aims to scale up investments, particularly from the private sector, to achieve the adaptation goals of the Paris Agreement.
- 2.27 Financing partnerships help borrowers, particularly in the most vulnerable regions across the world, to scale up adaptation finance, ensure access to a diverse and complementary range of financing types, and spread the risk. They also help upstream coordination and reduce transaction costs. The EIB will continue to work closely with other Multilateral Development Banks (MDBs) and International Financing Institutions (IFIs) in knowledge and finance partnerships alike. The joint MDB Working Group on Adaptation Finance and dialogues with the members of the International Development Finance Club (IDFC) provide an important knowledge exchange platform on issues ranging from methodologies for managing physical climate risks in projects to innovative financial products for adaptation and resilience. EIB's work with national governments, the private sector, the donor community, civil society organizations, and global climate funds, such as the Green Climate Fund and other international climate funds, will remain key to supporting countries in achieving ambitious transformation in line with their Paris Agreement commitments.
- 2.28 The EIB will continue to work closely with the European Commission and other bodies on developing a common understanding on sustainable finance. EIB is a Member of the EU Sustainable Finance Platform and an Observer on the International Platform on Sustainable Finance. Through these efforts, the EIB actively contributes to the development of a common understanding on adaptation finance and related technical criteria, among public and private sector entities.

³⁰ The [Copernicus Climate Change Service, implemented by the European Centre for Medium-Range Weather Forecasts \(ECMWF\) on behalf of the European Commission](#), is an EU flagship programme that provides authoritative information about the past, present and future climate, as well as tools to enable climate change mitigation and adaptation strategies by policy makers and businesses.

³¹ <https://gca.org/programs-infrastructure-and-nbs-knowledge-module-ppp/>

³² The Collaborative on Accelerating Investment in Climate Adaptation and Resilience (A&R Collaborative) is an initiative launched in 2020 by CDC Group, the Global Center on Adaptation, Foreign Commonwealth & Development Office, the Agence Française de Développement, Proparco and FMO. It aims to pursue a substantial increase of investments in adaptation and resilience. It brings together development finance institutions and MDBs to work together towards identifying eligible investments for adaptation and resilience.

3. Financing faster adaptation

3.1 This chapter focuses on financing adaptation – both solutions that enable adaptation, and well-adapted infrastructure. As described in Chapter 1, there is strong evidence around the need for greater investment in adaptation measures across many sectors of the economy. A growing body of studies confirm that, in many cases, the benefits of such investment – e.g. reducing the risk of future losses – significantly outweigh the costs.

3.2 In focussing on investment, however, it is important to emphasize that it remains only one dimension of adaptation policy. Not all adaptation measures are costly. Integrating climate change adaptation at the early planning stage (e.g. choosing a new railway alignment to reduce exposure to future increased flooding risk) is likely to be more cost effective than adaptation of existing infrastructure. Low and negative cost options need to be pursued as part of a coherent policy package – as reflected in the EU adaptation strategy.

A new level of EIB ambition on adaptation and resilience

3.3 The EU Adaptation Strategy emphasizes the need to accelerate financing for adaptation. This reflects the need to scale up finance. It also refers to the need to invest in a way that has most impact, addresses the vulnerability of most sectors of the economy and provides benefits to those that have the least ability to adapt.

3.4 In order to support this goal, by 2025, the EIB will:

- Grow the share of EIB climate action for adaptation to 15% of EIB's overall climate financing;
- Ensure high impact and measure the results of adaptation finance through a series of new dedicated indicators.

3.5 This first target represents a significant increase in ambition. Over the 2012-2019 period, the average share of adaptation within overall EIB climate action financing has been 4-5%. This has increased significantly in 2020 to reach 10%, reflecting stronger EIB internal capacity and operational processes to screen projects for physical climate risk. A 15% target locks in this progress in 2020 and extrapolates this out to 2025.

3.6 With respect to the 15% target, it is useful to make two points. Firstly, the adoption of this adaptation target – a share within overall climate action – does not change the EIB climate action target set out in the CBR. Given the possibility for projects to contribute simultaneously towards both climate mitigation and adaptation, the adaptation target does not imply less support to mitigation goals per se, which will remain the largest portion of EIB climate action.

3.7 Secondly, it is important to stress that the EIB will continue to track adaptation finance using the framework defined by the EU Taxonomy Regulation, as this develops over time. All operations contributing to adaptation will therefore *do no significant harm* to climate change mitigation, and to other environmental objectives described in the EU Taxonomy Regulation. In other words, EIB will be providing support for assets that are consistent with transition pathways. The EIB will also remain within its externally-audited tracking system for climate finance, which is harmonised with other international financial institutions. The Climate Bank Roadmap describes the EIB framework for tracking climate finance in more detail.

3.8 The second target reflects the Bank's objective to increase the impact of its adaptation support. This entails focusing on investments that offer the highest potential for reducing climate vulnerability and build greater resilience inside the EU and outside the Union. Examples include flood management and coastal protection, resilient development and regeneration of cities, protection of infrastructure networks, nature-based solutions to reduce the impact of extreme events, and innovation. Key investment areas are described in below.

3.9 Climate resilience metrics are crucial to measure impact and to align financing flows with the adaptation goal of the Paris Agreement, which calls for scaling up both the volume and the

effectiveness of financing flows for climate resilience. The EIB currently measures the outcome of its adaptation finance through a relatedly limited series of metrics such as the residual physical climate risk of financed operations and the number of people less exposed to drought and flood.

- 3.10 The EIB will enhance its approach to better capture the effectiveness of adaptation finance across a wide range of financing operations, which in turn will inform the Bank's financing strategy, and products and services development. The EIB will develop a results framework with dedicated indicators, including indicators where relevant that can enable monitoring the degree to which:
- EIB finance has contributed to reduce the exposure of people to flood, drought, wildfire and other climate-related hazards;
 - EIB finance has contributed to reduce or avoid losses that would have been incurred as a result of a changing climate;
 - EIB advisory and technical assistance have contributed to develop bankable projects and to build the capacity of public and private sector entities, for example through capacity building, awareness raising or development of plans.
- 3.11 The discussion thus far has focussed on supporting projects, or project components, motivated by adaptation. However, in line with its alignment framework, the EIB will continue to ensure that all its operations adequately address physical climate risk i.e. in the language of the Taxonomy, *do no significant harm* to adaptation goals. This requires assessing how floods, droughts, extreme heat, sea level rise and other climatic changes may affect an operation during its economic life using robust information about current and future climate change. It also requires identifying responses to reduce those potential impacts in line with the social, environmental and economic context within which an operation takes place.
- 3.12 The EIB already screens all direct lending operations such as investment loans and programme loans for physical climate risk, and ensures that adaptation measures are integrated where necessary.

Box 2. The EIB Physical Climate Risk Assessment System

The EIB Climate Risk Assessment (CRA) is a customised process to assess physical climate risk in the Bank's direct lending operations. Drawing on robust climate data, the CRA helps the EIB and its clients understand how climate change may affect their investments anywhere in the world.

The CRA includes two levels of screening and a more detailed assessment for projects ranked at risk. This assessment aims to identify material physical climate risk and inform the identification of adaptation measures. At the end of the process, an estimate is made of the operation's *residual physical climate risk* – a qualitative metric on the climate resilience of the operation.

The CRA is a vital part of the Bank's commitment to best practice in adaptation. It is also a key element of the EIB approach to align activities to the adaptation objectives of the Paris Agreement and the EU Taxonomy.

Following an initial piloting phase, the CRA system will be enhanced to respond to advances in climate science, EU regulation and market readiness, and to integrate the practical experience of applying the CRA system on over 200 operations.

- 3.13 The EIB is developing an approach for operations that are delivered through intermediated lending operations such as commercial banks or funds. As set out in the EIB Framework for the Paris Alignment of Counterparties (PATH) framework, global banking best practice with respect to assessing, managing and disclosing transition and physical climate change risk is evolving

rapidly – not least within the Eurozone to reflect supervisory guidance from the European Central Bank (ECB).

- 3.14 Under the PATH framework, EIB will require disclosure from significant financial intermediaries according to TCFD recommendations – which includes physical climate risk. The PATH framework also recognises the importance of the Bank providing technical assistance, particularly for smaller intermediaries, or those operating outside of the EU, to develop climate risk management systems. This initiative sits within a wider initiative to tighten standards with respect to the environmental performance of FIs.
- 3.15 As described in chapter 2, the EIB will also continue to work closely with other financial institutions to develop harmonised approaches to tracking adaptation finance and measuring its results through coordination with other multilateral development banks through the MDB Working Group on Adaptation Finance, the EU Platform on Sustainable Finance, the International Platform on Sustainable Finance and the Collaborative on Accelerating Investment in Climate Adaptation and Resilience.³³
- 3.16 The Bank will continue to report on adaptation finance in the context of its wider reporting, including the annual EIB sustainability report and the joint MDB report on climate finance. Against the backdrop of a fast-evolving regulatory environment, the EIB will review its progress towards its adaptation ambition in the context of a broader mid-term CBR review by the end of 2023.

Key investment areas

- 3.17 This section turns to the key adaptation investment areas – in other words, the focus of an increased EIB adaptation ambition, as well as some of the advisory and technical assistance activities to strengthen capacity to assess and manage physical climate risks at infrastructure, system, network and sector level, and to identify dedicated investment priorities, as outlined in Chapter 2.
- 3.18 Before turning to various sectoral or thematic priorities, it is important to stress that the EIB approach includes promoting nature-based solutions that benefit environmental sustainability, and activities that benefits climate change mitigation and adaptation across sectors.³⁴ An enhanced focus on nature-based solutions, building on experience gained from implementation of the Natural Capital Finance Facility,³⁵ will also help EIB identify action that bring both adaptation and mitigation benefits and achieve climate resilience more effectively. For example, forest and agricultural ecosystems restorations, can increase carbon storage capacity and reduce vulnerability to coastal storm surges, landslides and other weather-related risks. In addition, natural flood management measures that may have a key role to play in protecting against river and coastal flooding and at the same time enhancing the good status of water bodies and producing co-benefits to ecosystems and biodiversity. Identifying these opportunities can help EIB finance projects that are mutually reinforcing.

³³ The Collaborative on Accelerating Investment in Climate Adaptation and Resilience (A&R Collaborative) aims to accelerate and scale-up investments, particularly from the private sector, to achieve the adaptation goals of the Paris Agreement.

³⁴ The European Commission defines nature-based solutions as “solutions that are inspired and supported by nature, which are cost-effective, simultaneously provide environmental, social and economic benefits and help build resilience. Such solutions bring more, and more diverse, nature and natural features and processes into cities, landscapes and seascapes, through locally adapted, resource-efficient and systemic interventions.” Nature-based solutions must benefit biodiversity and support the delivery of a range of ecosystem services.

³⁵ <https://www.eib.org/en/products/mandates-partnerships/ncff/index.htm>

A. Water scarcity and flooding

3.19 Table 1A presents the key types of investments and advisory services to tackle water scarcity and an increased risk of flooding. Typical counterparties include public and private water and wastewater operators; public authorities working on drainage, flood management, and coastal protection; regional and river basin authorities for projects implementing integrated water resources management principles; and industrial players aiming to improve their water usage's efficiency and climate resilience.

TABLE 1A: COPING WITH WATER SCARCITY AND THE INCREASED RISK OF FLOODING

	Focus area	Type of investment
1	Coastal and inland flood prevention, preparedness and protection in line with the EU Flood Directive ³⁶ .	Protection through structural investments such as seawalls, storm surge barriers, dikes, water retention ponds, integrated and nature-based measures such as restoration of natural habitats, reinstatement of flood plains, and creation of intertidal habitat. This is supported through integrating planning and prevention measures (for example flood hazard modelling and mapping, land use planning), with preparedness (early warning, monitoring and weather forecast systems, flood awareness raising campaigns).
2	Urban stormwater management and sustainable drainage systems	Protective measures against urban flooding fully integrated in the urban environment (flood detention reservoirs, converting combined sewer overflows to separate sewerage systems to avoid the risk of overflows. Sustainable drainage systems i.e. small-scale green and blue solutions that attenuate and reduce the peak flow by improving water infiltration into soil and soil water storage. This can be supporting through preventive measures, such as regulations that take into account flood risk in spatial planning and in building codes in flood-prone areas.
3	Water storage, supply and efficiency to manage water scarcity and droughts	Increasing water storage capacity to help buffer low-flow periods through additional off-line reservoirs, groundwater storage and managed aquifer recharge, and water-usage efficiency (e.g. reduction of water distribution-network leakage, water-demand management, rehabilitation of infrastructures, wastewater reuse).
4	Disaster risk management	Supporting water-related disaster management, emergency response and recovery in regions that are vulnerable to flooding, for example through flood and drainage infrastructure, post disaster recovery and other measures aimed at building back better.

B. Protecting energy and transport sectors

3.20 Table 1B summarises possible investment and advisory services within energy and transport sectors. Typical EIB counterparties might include electricity transmission and distribution companies, transport network asset managers e.g. railway infrastructure managers, local and regional authorities, as well as public utilities and public service enterprises, as well as private power producers. The EIB will also engage with relevant national ministries, regulators, as well

³⁶ Directive 2007/60/EC on the assessment and management of flood risks.

as urban and regional development agencies. Financial partners might include National Promotional Banks, municipal banks and other financial intermediaries.

TABLE 1B: PROTECTING ENERGY AND TRANSPORT SECTORS

	Focus area	Type of investment
1	Enhancing the climate resilience of electricity systems	<p>Diversification and decentralization of power supply through renewable energy projects, supported by good interconnectivity and energy storage, to increase the climate resilience of electricity systems against climate change.</p> <p>Adapting electricity networks exposed to physical climate change risks.</p> <p>Adapting hydropower projects to the potential impacts of climate change affecting both energy and water supply reflecting the long economic lifetime of hydropower facilities. Assessments and installation of predictive tools and corresponding measurement stations. Project-level climate risk and vulnerability assessments and development of systematic cross-sector freshwater approaches.</p> <p>Adaptation measures in energy efficient buildings.</p>
2	Protection of transport infrastructure networks	<p>Combining project-focused advisory support on climate change resilience with strengthening system-wide, network approaches, and sector-based support for e.g. transport planning, asset management systems.</p> <p>Supporting climate change vulnerability and risk assessments of transport networks and cross-sector analyses to enable more systemic adaptation, i.e.: informing transport planning and the development of climate resilient investments and programs.</p> <p>Climate resilient rehabilitation of ageing transport infrastructure (e.g. road rehabilitation programs) and other key upgrades (e.g. road safety, deployment of alternative fuel infrastructure).</p> <p>Supporting new transport infrastructure that responds to future climate and socio-economic needs.</p> <p>Information support measures: intelligent transport systems and other measures that can provide early warning and user response measures for weather-related events.</p>

C. Urban and regional development

3.21 Table 1C summarises investment and advisory services in the context of cities and regions. Although there is some overlap with Tables 1A and 1B, this is nevertheless useful given the distinct investment channels. Typical counterparties include local and regional authorities, as well as public utilities and public service enterprises, as well as private sector entities delivering public services. The Bank will engage with national ministries and urban and regional development agencies, National Promotional Banks, municipal banks and other financial intermediaries.

TABLE 1C: GREATER RESILIENCE IN CITIES AND REGIONS

	Focus area	Type of investment
1	Urban regeneration, water and stormwater management, including nature-based solutions to address more severe flooding, heat waves, storm surges, and droughts	Improvements to urban drainage, water treatment and water supply infrastructure, flood protection, water efficiency and retention, water regulation structures such as levees and interconnected storage lakes, protection against salinity intrusion in water reservoirs, and measures to reduce urban heat island effects and exposure to waterborne diseases.
2	Protecting urban infrastructure and buildings	Climate-informed urban design, planning, regeneration and renewal. Protecting urban infrastructure, including urban mobility networks, buildings and social housing, from extreme heat, flooding and other extreme events, through integrated urban planning, innovative designs and nature-based solutions; Strengthening resilience of urban built and natural environments through rainwater gardens and harvesting, artificial lakes, permeable pavement, and retention ponds, green corridors and public space, ventilation, shading and adaptation-sensitive building design.
3	Disaster risk management for anticipating and responding to extreme weather events	Prevention and preparedness for wildfires, flooding and other extreme weather events: risk reducing measures; forecasting, monitoring and warning systems; facilities for training; facilities for emergency management; emergency services equipment.

D. Food systems, forest and ecosystems

3.22 Table 1D summarises investments and advisory services in the bioeconomy. Counterparties are private sector operators and promoters- including farmers and agricultural producers, SMEs, Mid-Caps, farmers' organizations and producers' cooperatives, financial intermediaries providing loans to these entities, and public sector agencies in charge of irrigation and forestry development and management.

TABLE 1D: STRENGTHENING CLIMATE RESILIENCE OF FOOD SYSTEMS, FOREST AND ECOSYSTEMS

	Focus area	Type of investment
1	Sustainable production and food value chain that can withstand extreme weather	Combining supply-side actions such as resource efficient production, transport and processing, with demand-side interventions such as promotion of healthy, less resource demanding food and feed patterns, and reduction of food loss and waste. Measures aimed at making farming systems more climate resilient, improving food storage, transport and handling facilities such as warehouses, silos, cold chains, to reduce food loss and waste, and increasing production sustainably, in line with Good Agricultural Practices, ³⁷ including through sustainable land and water management practices, new varieties, precision agriculture and the use of digital technology .
2	Afforestation, reforestation, climate resilient land management practices, land and marine ecosystem protection and restoration	Afforestation, reforestation, ecosystem restoration and improved forest, agro-silvopastoral systems and land management practices, including watershed management to reduce the negative impacts of flooding, landslides and desertification, and safeguarding livelihoods, healthy land and marine ecosystems.
3	Research and development	Research and development in innovative technologies and solutions that can reduce the vulnerability of crops, forestry or fisheries to extreme heat, drought and other climate hazards and reduce intensity in the use of resources in bioeconomy systems.

³⁷ More details available at: [factsheet-agri-practices-under-ecoscheme_en.pdf](#) (europa.eu)

E. Health, education and public research

- 3.23 Table IE summarises examples of investments in the health and education sectors. Potential counterparties include health care providers and public promoters, including regional or national authorities.

TABLE 1E: HEALTH, EDUCATION AND PUBLIC RESEARCH

	Focus area	Type of investment
1	Healthcare measures	Prevention and care for people confronted with climate-induced diseases and heat stress. Response and preparedness of health infrastructure and services to the increased occurrence of climate-induced infectious diseases.
2	Research on the effects of climate change on health	Research aimed at increasing understanding of how climate change affect the prevalence and geographical distribution of food- and waterborne illnesses, and other infectious and non-communicable diseases.
3	Increasing the understanding of climate change and its impacts	Observation, modelling and understanding of climate impacts, including examination of drivers of land-use change, changes in temperature, precipitation, soil moisture, runoff, groundwater, evapotranspiration, permafrost, ice and snow cover, sea level change, and ocean processes. Enhancements of education curricula to integrate climate change studies.

F. Innovation

- 3.24 In addition to the sector focus areas described above the EIB will aim to support *climate resilience innovation*. Lack of access to actionable adaptation solutions is one of the main barriers to build climate resilience. The EIB will explore expanding its support for climate resilience innovation, based on evidence provided through the implementation of advisory platform ADAPT, its experience of financing the climate resilience technology fund CRAFT³⁸ and other efforts inside and outside the EU, to pursue investment opportunities in the development and deployment of technologies, processes, services and products that enable adaptation.
- 3.25 The EIB will explore the potential of innovation primarily, but not exclusively, around climate data, research and innovation. The EU is at the forefront of climate modelling and analytics, with several centres of excellence and universities having a track record of providing essential raw oceanic and atmospheric data, producing state of the art climate and impact models and offering climate information and services to help public and private organisations to adapt. In addition, the EU plays a key role in driving forward technological innovation in a number of sectors, from crops more resistant to droughts and floods, to water saving technologies and satellites for earth observation. The EIB has already financed relevant operations, and is well-placed to further tap into this growing market.

G. Disaster risk management

- 3.26 With climate change contributing to an increase in disaster risk, disaster risk management becomes a vital component of the EIB support for adaptation. Anticipating and reducing risk to people, economic activities and the environment is vital. The focus areas presented in this

³⁸ <https://www.eib.org/en/projects/pipelines/all/20170945>

chapter aim at reducing public and private sector entities' vulnerability to climate change and strengthening planning to reduce the risk of disasters following extreme weather events. However, the risk of crisis from the occurrence of extreme events cannot be entirely eliminated. Most of the countries in which EIB works have experienced climate-induced disasters, some have been affected by loss of life and damage to livelihoods and infrastructure. Disaster risk management includes risk reduction, preparedness, and response to climate-induced extremes, such as floods, droughts and storms, as well as to geophysical hazards such as earthquakes and man-made disasters. Disaster risk management and climate change adaptation are thus mutually reinforcing.

- 3.27 In this context, the EIB will seek to play an enhanced role in disaster preparedness and post-disaster recovery, building on ongoing disaster risk management efforts. The EIB will work with the EC, Member States and external partners in this area, in line with the EU implementation of the Sendai Framework³⁹, the Cohesion Policy⁴⁰ and the EU Civil Protection Mechanism.⁴¹ The EIB will explore options to assist in regional and national post-disaster recovery efforts aimed at supporting countries as they move out of the crisis response phase and into the planning and implementation of longer-term recovery activities.

H. Promoting gender-responsive adaptation financing

- 3.28 Climate change has a disproportionate impact on women and girls. Evidence shows that women face higher mortality rates in extreme weather-related events across the globe. Women are also often more vulnerable to the detrimental livelihood impacts of climate change, particularly when relying on natural resources as a primary livelihood strategy. In addition, while climate-related projects and policies that involve women have proven to be more effective, women's potential as agents of change for driving climate adaptation remains untapped in many contexts.⁴²
- 3.29 Investing in broader aspects of gender equality, women's economic empowerment and social development is an important element of the EIB increased ambition on adaptation. In contributing to building greater resilience to climate impacts, EIB will aim to support gender-responsive adaptation, drawing on its experiences of supporting gender-responsive investments.
- 3.30 The EIB will seek to support projects and initiatives that recognise the unequal effects of climate change on women and men and that promote women's economic opportunities. The EIB will enhance the application of its three-pronged approach to financing for gender equality in its adaptation investments: protecting women's rights and ensuring no harm is done to them; ensuring that the EIB finance responds to the needs of women and men and enhances gender equality; and investing directly in operations that help women economically, such as female entrepreneurship and access to finance. The EIB will also explore opportunities to deliver positive adaptation and gender impacts through initiatives such as SheInvest⁴³ and the 2X Challenge⁴⁴ amongst others.

³⁹ https://ec.europa.eu/echo/sites/default/files/sendai_swd_2016_205_0.pdf

⁴⁰ Investments under the 2021-2027 Cohesion Policy operational programmes are required to match the measures included in mandatory national disaster risk management plans.

⁴¹ EU Civil Protection Mechanism supports and complements prevention and preparedness efforts of its Member States. These include risk assessments to identify the disaster risks across the EU, encouraging research to promote disaster resilience and reinforcing early warning tools.

⁴² WEDO (2020), Spotlight on gender in NDCs: An analysis of Parties' instruments, plans and actions supporting integration of gender equality principles and practices. <https://wedo.org/wp-content/uploads/2020/10/Spotlight-Gender-in-NDCS.pdf>

⁴³ SheInvest is an initiative to boost gender equality and economically empower women across Africa, under which the EIB has pledged to mobilise EUR 1 billion of gender-responsive investment.

⁴⁴ <https://www.2xchallenge.org/>

Financial products for adaptation and resilience

- 3.31 As stressed in the Introduction, given the large range of market failures associated with adaptation investments, stimulating investment in climate adaptation through finance alone is challenging. This Plan seeks to enhance the EIB product offering with solutions tailored to support adaptation activities within a wider package of measures including strengthened upstream engagement, continuous internal capacity building, and the establishment of key knowledge and financial partnerships. These measures have been developed further in chapter 2, alongside the need to build internal capacity – including in the context of front line operations.
- 3.32 The EIB has a range of products that can be used to support adaptation. Projects are largely financed through long-term investment loans targeting in particular investments in the water sector, agriculture, resilient infrastructure, urban development and disaster risk management, or to support investments enabling adaptation including RDI. An example of how investment loans can deliver adaptation innovation is the EIB financing for research, development and innovation related to the creation, development, registration and commercialization of new field crop and vegetable seed varieties more resilient to drought, flood, extreme heat and salinity, which can deliver higher yield thus improving food security.
- 3.33 In addition, the EIB also supports multi-annual investment programmes composed of a large number of investment schemes – including adaptation components - through framework loans. This type of instrument allows the Bank to support long-term and programmatic approach to adaptation over longer period of times and to address diverse programmes of promoters such as cities, regions and national governments. This instrument may be further developed to better support the adaptation measures often characterized by long implementation timelines. It can also be complemented with advisory services to support planning and the development of investment programmes.
- 3.34 One recent example of EIB support to a multi-annual investment programme is for the city of Athens. The EIB supported the implementation of nature-based adaptation solutions as part of the Athens Resilience Strategy for 2030. The programme aimed to enhance the resilience of the city of Athens to climate risks such as more frequent heat waves and flash floods. The EIB provided upstream project advisory and downstream technical support for planning, implementation and monitoring,
- 3.35 While direct investment and multi-annual investment programme loans will continue to be a key instruments to finance adaptation and resilience related activities, the Bank will also aim to promote adaptation through its intermediated financing. The EIB is developing technical assistance solutions, including an online support platform, for climate mitigation financing and will seek to extend the tool to cover climate adaptation in the future.
- 3.36 The Bank will continue to refine and improve its product offering. Tailored financing instruments that can provide greater incentives to invest in adaptation and climate resilience, in particular when addressing the key financial challenges faced by adaptation projects: deferred benefits and uncertainty of revenue streams, complexity in projects, and exposure to unfamiliar risks. Additional risk-taking capacity and risk sharing resources may be required to scale up the provision of more innovative products, including support to PPPs or innovative companies. Outside of the EU, particularly in areas with limited resources to provide public support, or regulated finance model, access to concessional finance and grant facilities is central to scaling up support to adaptation investments.
- 3.37 The Bank will work to develop and deploy such instruments within the context of current third-party mandates, including from the EU budget. The EIB will additionally look to make use of any new opportunities emerging under new mandates over the period to 2025.

EIB's financing share of total project costs

- 3.38 As described in chapter 2, significant additional investment is required to adapt to current and future climate change. This includes investment in the those key areas identified above – coastal protection systems, water storage systems to cope better with longer periods of low rainfall, targeted investments in electricity and transport networks to reduce vulnerability to more frequent and more extreme weather events, more resilient farming systems.
- 3.39 Typically, the Bank can provide up to 50% financing of the project cost. Given the strong need to accelerate investment, as identified in the EU Adaptation Strategy, in a market characterised by a number of pervasive market failures, the EIB will increase its share of finance to up to 75% for projects principally motivated by adaptation – i.e. a project in which 50% or more of the investment cost directly targets an adaptation goal. This use of the 75% rule is limited in time to 2025 and thus can be reviewed in due course against developments in the adaptation finance market.
- 3.40 This 75% rule will apply in general to EIB operations globally. However, in the context of operations in some of the most vulnerable regions of the world - Small Island Developing States⁴⁵ (SIDS) and Least Developed Countries (LDCs)⁴⁶ – the EIB will extend its financing to up to 100% of the project investment cost when justified. This considers the limited capacity of such vulnerable states to adapt, compounded by the practical difficulties of finding cofinanciers for projects which are typically rather small in volume terms. This approach is in line with the core principle of “common but differentiated responsibilities and respective capabilities” underpinning the Paris Agreement.
- 3.41 As per current practice, the EIB will continue to finance up to 100% of the project investment cost for post-disaster recovery projects to enable the rapid deployment of funding for emergency response. As hazards such as flooding and forest fire may occur more often in the future due to climate change, eligibilities of activities and terms of EIB financing for emergency support may be reassessed to ensure they provide a conducive framework for building back better and supporting adaptation.

⁴⁵ As per UN definition: [List of SIDS](#)

⁴⁶ As per UN definition: [UN list of least developed countries | UNCTAD](#)

4. Accelerating international action on adaptation and resilience

- 4.1 This chapter describes the EIB goal to support international action on adaptation and resilience. This goal is rooted in the Paris Agreement which recognizes the need to strengthen resilience to climate change in order to promote sustainable development. It also reflects the commitment by EIB in the CBR to address the disproportionate impact of climate change on vulnerable regions and communities, and to leave no one and no place behind. It presents the Bank's approach to ensuring that its support for adaptation contributes to inclusive growth and creates social and economic opportunities for those that have the least ability to cope with a changing climate, in line with the operational proposal of the EIB development branch.

Supporting adaptation in vulnerable regions and communities

- 4.2 In establishing the global goal on adaptation, the Paris Agreement recognised the importance of international support on adaptation, taking into account the needs of vulnerable groups, communities and ecosystems as well as of developing countries that are particularly vulnerable to the adverse effects of climate change. This is echoed in the EU Adaptation Strategy.
- 4.3 Building climate resilience is at the heart of sustainable development of vulnerable communities across the globe. While the effects of climate change continue to affect disproportionately disadvantaged and vulnerable populations, there is a strong alignment between development and adaptation objectives. Done well, adaptation can reduce vulnerability to climate risks and accelerate development. In turn, climate-sensitive development can increase investment in adaptive capacity, reinforcing further inclusive growth.⁴⁷
- 4.4 The commitment to support climate-vulnerable regions and communities will underpin EIB's goal to support greater international adaptation action. In these regions, the EIB will focus on adaptation solutions to protect people, businesses and ecosystems against the impact of climate change, including extreme events and slow-onset changes that pose structural challenges to economies. Examples include providing solutions for climate-resilient agriculture such as seeds and pest control strategies, efficient irrigation and water use, disaster risk management and flood protection, resilient cities and infrastructure, and technologies and digital products to anticipate weather events.
- 4.5 EIB's approach outside the EU will be in line with the new measures proposed in the context of the EU priorities for financing development. Adaptation to climate change will be a core element of the EIB development branch. As such, the bank will accompany its efforts on adaptation and resilience with a strong focus on promoting inclusive growth through investment in financial inclusion, social inclusion including gender equality, youth inclusion, vulnerable groups, and forced displacement, job creation, human and social capital, and in promoting greater access to digitalisation.
- 4.6 The EIB will further strengthen adaptation considerations in existing initiatives across the world. This includes the Clean and Sustainable Ocean Programme with a focus on climate-resilient coastal areas, mangroves and fisheries. Within the Great Green Wall and *Agroécologie du Sahel* initiatives for Africa, agriculture and ecosystem restoration can help shield the Sahel from increasing desertification, while tackling the interlinked issues of climate vulnerability, poverty alleviation, food security and job creation. Furthermore, EIB effort to support international action

⁴⁷ Hallegatte, S., Brandon, C., Damania, R., Lang, Y., Roome, R., Rozenberg, J., Tall, A. (2018). The Economics of (and Obstacles to) Aligning Development and Climate Change Adaptation. A World Bank Group contribution to the Global Commission on Adaptation.
https://gca.org/wp-content/uploads/2018/10/18_WP_GCA_Economics_1001_final.pdf

on adaptation will have two additional focus areas: reducing the impact of climate change on forced displacement and migration and accelerating adaptation in SIDSs, LDCs and Africa.

Reducing the impact of climate change on forced displacement and migration

- 4.7 The increased severity of droughts, floods and other climate hazards are increasingly contributing to migration and forced displacement, with the potential to aggravate existing fragilities and conflicts. In 2019, it is estimated that 235 million people were internally displaced by weather-related events.⁴⁸ Forecasts estimate that climate change could forcibly displace up to 200 million people by 2050⁴⁹ in addition to the anticipated 150 million internal rural to urban migrants by the same date.
- 4.8 The EIB is committed to reinforcing its efforts to address the impacts of conflict, fragility, forced displacement and migration, as described in the CBR. Climate change interacts with conflict and fragility in multiple and often complex ways. Increasing stress on ecosystems and natural resources, including extreme weather patterns and natural hazards, can exacerbate fragility and increase the likelihood of conflict. This in turn can have profound impacts on the ability of communities and governments to adapt to climate change. Fragile contexts are at particularly high risk of being affected by disaster hazards and therefore expected to face disproportionate impacts from climate change. These impacts will not be shared equally across a population or geography, creating potentially destabilizing effects.
- 4.9 Working at the intersection of climate change, conflict, fragility, migration and forced displacement presents opportunities to achieve positive development impacts – towards more stable and peaceful societies. In this context, the EIB will focus on supporting efforts to enhancing the adaptive capacity of populations at risk of forced displacement due to either future climate shocks or slow-onset climate impacts. The EIB will also aim to enhance the resilience of urban and rural communities hosting or likely to host large numbers of internally displaced people, migrants or refugees, and support cities and economies in responding to increased pressure on scarce resources and infrastructure services. In doing so, the EIB will support adaptation action in displacement hotspots in the Southern Neighbourhood, Central America, Africa, South Asia and South-East Asia.
- 4.10 Building on the experience of implementing the Economic Resilience Initiative and the Bank's approach to conflict sensitivity, the EIB support will include financing for enhancing climate resilience of urban infrastructure and of basic services, such as housing, sanitation and water, energy and transport, in cities and communities hosting or likely to host displaced people, migrants or refugees; enabling access to finance for SMEs, micro-entrepreneurs and smallholder farmers, with a focus on gender, youth and the needs of populations at risk of displacement; and disaster preparedness and recovery approaches that seek to protect human life and prevent forced displacements.

Accelerating adaptation in Least Developed Countries, Small Island Developing States and Africa

- 4.11 Least Developed Countries (LDC) and Small Island Developing States (SIDS) have long been recognised as particularly vulnerable to certain impacts of climate change, such as the sea level rise and extreme weather events. These countries are among the least responsible for climate change, yet they are likely to suffer most from its adverse effects. Many SIDS and LDC face an existential threat because of sea level rise and the resulting loss of land. Another growing concern

⁴⁸ Internal Displacement Monitoring Centre. (2020). Global Report on Internal Displacement 2020. <https://www.internal-displacement.org/global-report/grid2020/>

⁴⁹ International Organization for Migration. (2020). World Migration Report 2020. https://www.un.org/sites/un2.un.org/files/wmr_2020.pdf

is the increasing number and severity of extreme weather events with resulting loss of life and damage to property and infrastructure, which can cripple these economies.

- 4.12 In response to the urgency for action to address the special needs of SIDS and LDCs, the EIB will work with partners to ramp up supports for adaptation in these countries, in the context of broader sustainable development objectives.
- 4.13 Going forward, the EIB will actively seek opportunities to support external partners in SIDS and LDCs to build capacity and increase resilience to the impacts of climate change. As described in chapter 3, the EIB will extend its financing to up to 100% of the project investment cost when justified for projects aimed at adapting to climate change and building greater resilience in SIDS and LDCs. This approach is in line with the core principle of “common but differentiated responsibilities and respective capabilities” underpinning the Paris Agreement.
- 4.14 A significant focus of EIB adaptation support for the African continent. Africa is considered the most vulnerable continent to the impacts of climate change, with current annual adaptation costs amounting to an estimated USD7-15 billion per year.⁵⁰ If global warming exceeds 3°C, large regions in Africa will become uninhabitable. As illustrated by the IPCC, climate change will amplify existing stress on water availability in Africa and will continue to interact with non-climate drivers and stressors to exacerbate vulnerability of agricultural systems.⁵¹
- 4.15 According to the UN Economic Commission for Africa and the International Monetary Fund,⁵² up to USD 50 billion a year in incremental finance is needed for climate adaptation in the region by 2040. In 2017-2018, just USD 5.7 billion of adaptation finance targeted Sub-Saharan Africa⁵³, signalling a significant adaptation finance gap for the region. Despite significant adaptation costs, the IMF finds that savings from reduced post-disaster spending could be many times the cost of upfront investment in resilience and coping mechanisms.⁵⁴ Adaptation to climate change also benefits other areas, such as resilience to pandemics, ultimately boosting growth, reducing inequalities, and sustaining macroeconomic stability on the continent. Funding and technology transfer are needed to address Africa’s current adaptation deficit and to protect rural and urban livelihoods, societies, and economies from climate change impacts, while strengthened institutional capacities and governance mechanisms are key to ensuring the effectiveness of adaptation initiatives.
- 4.16 Building on its strengths in financing infrastructure projects and businesses in the private sector in Northern and Sub-Saharan African countries, the EIB will strengthen its collaboration with the Global Centre on Adaptation and the African Development Bank in support of knowledge and financing for adaptation in Africa, including its least developed countries.
- 4.17 Concessional finance is essential for addressing additional challenges climate change poses to the development of LDCs and SIDs. In this context, the EIB will aim to provide technical assistance, advisory services and co-financing for:
 - Climate smart digital technologies and infrastructure for agriculture, forestry and food systems to provide access to data-driven agricultural and financial services to farmers in Africa. This support will aim to improve productivity, access to market, profitability and sustainable use of natural resources.

⁵² International Monetary Fund. (2020). Regional economic outlook: adapting to climate change in sub-Saharan Africa. Washington DC: International Monetary Fund.

www.imf.org/en/Publications/REO/SSA/Issues/2020/04/01/sreo0420#Chapter2

⁵³ Climate Policy Initiative. (2019). Global Landscape of Climate Finance 2019.

<https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2019/>

⁵⁴ International Monetary Fund. (2020). Regional economic outlook: adapting to climate change in sub-Saharan Africa. Washington DC: International Monetary Fund.

- Climate resilient infrastructure to integrate adaptation into new infrastructure investments in Africa across key sectors, including water, transport, energy, ICT, and waste management. This support will aim to help close the infrastructure gap and achieve sustainable development in the face of climate change. It will help cities to better assess the impacts of climate change, build capacity, and prepare for a water insecure future by investing in resilient buildings and nature-based solutions.
 - Empowering youth through jobs and entrepreneurship to accelerate and scale youth-led innovative and bankable business solutions to climate-related challenges while creating jobs. This support will aim to promote sustainable job creation through entrepreneurship in climate adaptation and resilience.
- 4.18 In pursuing adaptation action across these pillars, EIB will work with countries, cities, regions, infrastructure network operators, funds and intermediated banks, employing direct and intermediated approaches to channelling its support, and deploying advisory services to support project development and delivery, for example through the Cities Climate Gap Fund.

5. Making the plan work

- 5.1 The implementation of this plan will be coordinated through a series of internal action plans. These action plans will respond to the recommendations of a recent evaluation of the EIB adaptation finance and will be used to monitor progress towards the goals set out in this plan. The action plans will be implemented over the next four years to align with the CBR implementation timeline.
- 5.2 The action plans will be structured around the recommendations of the evaluation and the three main goals of the plan: (1) supporting smarter and more systemic adaptation; (2) financing faster adaptation; and (3) accelerating international action on adaptation and resilience. Under Goal 1, the action plans will include measures required to develop and implement the ADAPT advisory services, establish an outreach and engagement with Member States, and strengthen EIB climate risk assessment tools and skillset. Under Goal 2, the action plans will include measures aimed at expanding EIB operational and financial toolkit, strengthening the EIB monitoring framework for adaptation finance and its impact. Under Goal 3, the action plans will include the development of operational approaches to climate-induced migration and forced displacement, partnerships and focus areas to strengthen EIB support in Africa LDCs and SIDSs.
- 5.3 The Bank will report on progress on implementing the Adaptation Plan as part of its annual CBR progress report.
- 5.4 The EIB will conduct an assessment of this plan with a view to informing revisions or modifications for subsequent implementation periods in accordance with the CBR cycle.

The EIB Climate Adaptation Plan

Supporting the EU Adaptation Strategy
to build resilience to climate change



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