

# **THE PATH TO A BETTER PLANET**

**ADAPTING TO CLIMATE CHANGE AND  
ALIGNING WITH THE PARIS AGREEMENT**



European  
Investment  
Bank

*The EU bank*

**The latest United Nations climate report on global warming calls for a "code red for humanity." Climate change is affecting every region on Earth, with many of the problems becoming irreversible. This is the make-or-break decade for the planet.**


**The European Union is responding to these dangers. It has a legally binding target of net-zero greenhouse gas emissions by 2050, combined with a target of reducing emissions by at least 55% by 2030.**

**The European Investment Bank Group is the climate bank of the European Union. We are a world leader in environmental sustainability. We created a Climate Bank Roadmap to explain how we will support €1 trillion in climate action and environmental sustainability projects by 2030.**

**Climate action and environmental sustainability will represent at least 50% of our annual investment by 2025. We are the first multilateral development bank to be aligned with the goals of the Paris Agreement.**

**As part of the Climate Bank Roadmap, we are making two announcements at the UN Climate Change Conference in Glasgow — a new climate adaptation plan and a Paris alignment framework for clients.**





All projects will be adapted to prepare for future changes to the climate.

## ADAPTATION PLAN

Even if countries succeed in reducing pollution and we reach net-zero emissions by the middle of the century, we still need more awareness and finance to prepare for the climate changes happening right now and continuing over the coming decades. We must protect societies from extreme weather, rising water, hotter temperatures and many other climate hazards.

The Adaptation Plan outlines our global mission to prepare for today's changing climate and increase resilience. Building on the European Union's Adaptation Strategy, our plan has three main themes:

- 1. Smarter investment** in adaptation requires smart information, such as forecasts of key climate parameters at a local level based on the latest science. The Bank will continue to improve its capacity to include robust information on climate change in our projects and share these insights with clients. Through partnerships with key organisations, we will become a knowledge centre on adaptation.
  - 2. Faster finance** in adaptation to reduce the risks of climate change and protect regions of the world that are most vulnerable. We will increase the size and impact of adaptation finance. We will include adaptation in all infrastructure projects, such as railways and hospitals, to better prepare for extreme weather. We will invest in projects specifically addressing adaptation, such as coastal protection, flood safety, early warning systems and resistant crops.
  - 3. More international work** on adaptation to help private and public sector clients become resilient to future climate changes. This is at the heart of sustainable development. We will address the way climate change hurts poor countries and vulnerable regions. In doing so, we will foster inclusive growth and create economic opportunities for people who have the least ability to develop sustainable projects and cope with a changing climate.
- The Bank is setting up its first volume target for adaptation to increase the share of support in this field to 15% of our financing for climate action by 2025. This represents an almost three-fold increase compared to adaptation finance in recent years.
  - All projects will be screened for the risks of climate change and adapted to future changes.
  - A new advisory service — called ADAPT — will help public and private sector clients understand how climate change affects their operations.
  - Outside the European Union, we will increase support for climate-smart digital technologies for agriculture, climate-resilient infrastructure, cities and entrepreneurship to accelerate innovation in adaptation.
  - Partnerships are the key to adaptation. The Bank is joining with Copernicus Climate Services, the European Union's flagship programme for climate information, and the Global Centre on Adaptation, an organisation researching solutions to increase the number of adaptation projects.

This is the next  
step in our journey to  
make the Paris goals  
a success.

## PARIS ALIGNMENT FOR COUNTERPARTIES FRAMEWORK

The European Investment Bank has put in place a framework to ensure that the projects it supports — whether they be in energy, transport, industry or agricultural sectors — are aligned with the goals of the Paris Agreement. This was the purpose of the Climate Bank Roadmap.

To complete this framework, we need to address the wider activity of clients that goes beyond the project in question. For example, should the Bank support a low-carbon project such as a solar farm with a company that also wants to invest in high-carbon activities such as a coal-fired electricity plant? How can we help clients make the transition to cleaner processes?

This framework is the next step in our journey to make the Paris Agreement a success. The treaty commits all parties that signed it to “finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.”

We have introduced a new approach for the alignment of counterparties. This applies to large companies active in high-emitting sectors and large financial institutions. Building on European Union regulations, this requires large companies to disclose their alignment plans, including a mid-term carbon target. Such plans should also address building resilience to future climate change. The EIB will work with clients to develop and publish these plans.

This general approach — based on disclosure — is powerful. But it also needs a bottom line for companies that intend to invest in very high carbon activities incompatible with the Paris Agreement. In general, the EIB will not support projects, including low-carbon ones, with companies that invest in activities such as the building of new coal-fired power plants or coal mines, or the destruction of carbon sinks.

For the oil-production sector, if companies cannot commit to reducing oil production over time, or if they continue to engage in incompatible activities, the Bank will only work with them on highly innovative low-carbon projects, such as carbon capture and sequestration, renewable hydrogen, advanced biofuels or floating offshore wind.



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