

# EVALUATION OF EIB SUPPORT FOR CLIMATE CHANGE ADAPTATION (2015-2020)



## CONTEXT

The Evaluation function within the European Investment Bank (EIB) Group conducted an independent evaluation of EIB support for climate change adaptation, covering the period 2015-2020. The evaluation explored the challenges and opportunities faced by the Bank to increase support for adaptation. It gave recommendations for how the EIB should step up its support for climate change adaptation, all of which were integrated in its Adaptation Plan.

## KEY FINDINGS

The evaluation finds that the EIB's relatively low level of support for adaptation does not mirror its role as the EU climate bank, as envisioned in the Climate Bank Roadmap.

Despite a positive policy environment, EIB lending for climate change adaptation over the period 2015 to 2020 remained low.

- The EU policy environment is increasingly supportive of climate change adaptation, both within Europe and for cooperation beyond Europe.
- The EIB response at policy and strategy level through the Climate Strategy and Climate Bank Roadmap provides a solid basis for increasing support for adaptation.

While EIB investments are on track to be "climate-proofed", the Bank has not yet put into operation an approach for contributing to projects that enable climate change adaptation and build climate resilience.

- Good progress has been made in systematically screening EIB investments for physical climate risks.
- But the high need for building climate resilience is not yet being converted into bankable projects.

The evaluation identifies several factors that can explain the EIB's low contribution to climate change adaptation:

Client demand is affected by data- and knowledge-related constraints.

- Adaptation is new and complex and promoters find adaptation difficult to identify outside certain sectors such as water.
- Uncertainty in data, modelling and scenarios and how to interpret and use them creates doubt and undermines the basis for sound and confident investment decisions.

Support for clients to develop projects and staff capacity is limited.

- To convert the need for building climate resilience into bankable projects, a higher degree of client expertise — or alternatively, technical assistance to enhance that expertise — is required.
- The EIB has not been sufficiently proactive in engaging in discussions with potential clients about adaptation opportunities that could build climate resilience.
- Advisory services and technical assistance have shown that they can play a positive role in supporting the development of adaptation projects, and in building clients' adaptive capacity.
- The EIB's in-house skillset for adaptation is improving, but the critical mass of knowledge and dedicated staff resources needed to make the EIB a "go-to bank" for climate change adaptation is not yet in place.

The use of financial investment as the only metric for adaptation.

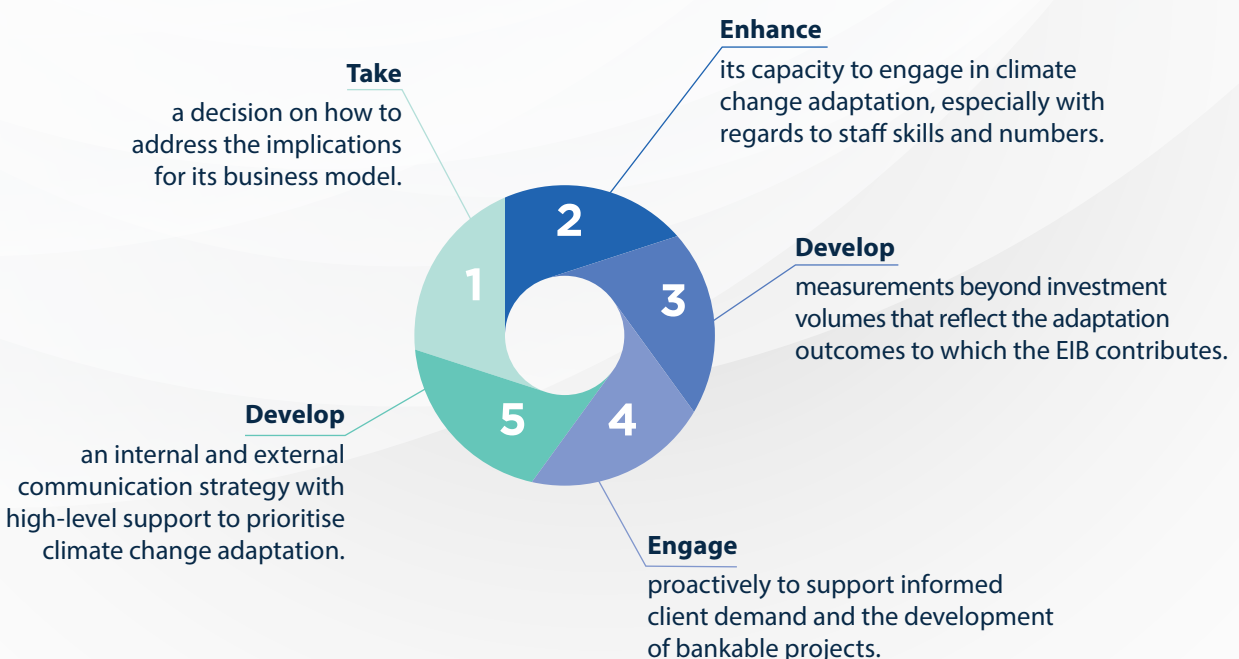
- Adaptation outputs are often of a policy and planning nature, with the result that they do not require additional capital investment, or could even reduce the cost of a project.
- Investment volumes alone fail to reflect the non-financial contributions the Bank makes to climate change adaptation.
- Additional metrics to measure climate resilience outcomes should be considered.

## CONCLUSION

The evaluation concludes that increased support for climate change adaptation requires changes in the EIB's business model, including investment in staff, engagement with clients to develop adaptation projects, and access to concessional finance or grants.

## RECOMMENDATIONS

To meet the vision set out in the Climate Bank Roadmap, the EIB should:



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<https://www.eib.org/en/publications/evaluation-eib-support-for-climate-action-change-adaptation>