

Climate Risk Management

State of Progress

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Rationale

- ▶ Climate change inevitable. Significant impacts associated with projected atmospheric CO₂-e concentrations
- ▶ EIB clients increasingly need assistance with adaptation
- ▶ The EIB itself needs to ensure that its own investments are not exposed to unacceptable risk
- ▶ EIB's focus on adaptation being sharpened in line with EU evolving policy
 - 2007 EC's Green Paper on CC Adaptation and expected White Paper this year

Current Work (I)

- ▶ Revised lending policy in water sector
 - Gradually requesting promoters to consider cost effective adaptation measures at master planning and infrastructure design stages – where appropriate
 - Consider use of existing TA mechanisms to support promoters to carry out integrated and comprehensive climate risk assessments
- ▶ Significant experience already with stand-alone projects, e.g. coastal and landslide protection and flood risk mitigation (>E1.1bn loans over the last decade)
- ▶ "CC Adaptation in practice" seminar jointly with WWF, UNDP, DFID, Water and Vulnerability, Swedish Water House, and Munich Re Insurance Foundation in the framework of the Stockholm Water Week in August 08

Current Work (II)

- ▶ Wide range of projects financed in sensitive sectors, e.g. infrastructure, where adaptation to CC is of importance
- ▶ Support to clients by sector specialists, as well as through best practice handbooks and guidelines
 - Flood Risk Management Guide recently published on the Bank's website
- ▶ Work on methodologies to calculate and verify adaptation costs as part of overall project costs

Mainstreaming

- ▶ Internal discussion started on mainstreaming climate risk management – **not yet a policy**
- ▶ Collaboration with DG ENV (WG), MFIs and other stakeholders. **Support from NGOs welcome**
- ▶ A sequential approach will be required (not supply-driven or top-down)
- ▶ Role of pilot adaptation projects to help build institutional experience
- ▶ Gradually leading to a routine screening and classification system
- ▶ Issues:
 - Resolution and applicability of current models
 - Tools
 - Internal awareness, implementation, resources, timing

Thank you

