

# **EIB Global's approach to a just transition and just resilience**



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# Executive summary

## Ensuring a just transition and just resilience for all

With rising global temperatures and climate change affecting every region of the globe, transitioning to more sustainable economic models has never been more urgent. Mitigating climate change and adapting to its accelerating impacts requires social and economic transitions of unprecedented scale and speed. While some sectors could see significant growth, others will undergo extensive structural change or even be phased out altogether, whether thanks to decarbonisation or climate change itself.

But there can be no sustainable transition unless efforts to decarbonise and make our economies climate resilient are just and socially fair. Climate mitigation and climate adaptation policies alike as well as climate change itself affect people and regions differently. Care must be taken to prevent efforts to decarbonise and build climate-resilient societies from exacerbating inequality or counteracting other Sustainable Development Goals.

[The Paris Agreement](#) underlines “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs” alongside the need to respect, promote and consider human rights in climate action and broader aspects of environmental integrity and climate justice. While the concept of a just transition linked to mitigation policy impacts is well established, a new but related concept of *just resilience* has emerged, highlighted in the EU Strategy on Adaptation to Climate Change.

Just resilience means ensuring that climate adaptation policies and responses are just and have no unintended consequences — but also, that regions and people that bear unequal burdens from climate change impacts (while often having contributed least to causing it) can better withstand and adapt. It is becoming ever more urgent to increase climate resilience and ensure just climate adaptation policies as rising temperatures worsen geographical and social inequality, with devastating consequences.

The concepts of a just transition and just resilience are related, as they both concern the social and economic shift towards a low-carbon and climate-resilient future. Ultimately, these shifts must be just and socially fair if they are to be sustainable.

## EIB Global’s approach to a just transition and just resilience

The European Investment Bank (EIB) is one of the largest multilateral providers of climate finance, and is committed to advancing climate action and environmental sustainability through its [Climate Bank Roadmap](#). So that no people or places are left behind, the EIB has made ensuring a just transition for all one of the four overarching objectives of its roadmap. It is implementing its own [comprehensive proposal in support of the Just Transition Mechanism of the European Union](#) and has, jointly with the multilateral development banks, adopted a set of [“Just Transition High-Level Principles.”](#)

In January 2022, EIB Global, the EIB’s specialised development arm, was established to enhance the Bank’s impact beyond the European Union. EIB Global brings all the resources of the EIB to bear on its operations beyond the European Union, through efficient cooperation with partners and beneficiaries, development finance institutions and civil society. The bottom line: to work closer to local people, companies and institutions and increase the impact of financing.

EIB Global is in a unique position to support public and private partners in identifying and addressing both opportunities and challenges related to a just transition and just resilience beyond the European Union. It can do this through a mix of financing and advisory services — always in partnership with other players that bring in complementary expertise, concessional finance and local ownership.

This document presents the overarching approach through which EIB Global, together with partners, can support countries, clients and organisations in pursuing a just transition and a just resilience. This approach has been developed with inputs from a range of expert organisations and partner MDBs, to which the EIB would like to express its sincere gratitude. It offers a more holistic, better integrated set of actions to tackle the interconnected climate, environmental and social crises.

The EIB will take a comprehensive approach to a just transition beyond the European Union, aiming to promote both:

- a) **just transition**, focusing on addressing the socioeconomic impact of mitigation-related policies; and
- b) **just resilience**, focusing on addressing the unequal socioeconomic impacts of adaptation policies and responses and tackling unequal burdens of physical climate change impacts.

This is an opportunity for EIB Global to help economies become more inclusive and diverse, and create new jobs where societies are transitioning away from carbon-intensive livelihoods. It is a chance to further strengthen regional climate resilience, and to empower people unequally affected by climate change and related environmental degradation.

## Supporting just transition and just resilience efforts

EIB Global's approach to supporting a just transition and just resilience builds on the principles of the Paris Agreement, EU policy, the joint multilateral development banks just transition principles, the EIB's support for the just transition mechanism in the European Union, as well as its broader policies and investments in climate action, environmental sustainability, social development and social coherence.

- Four defining elements underpin the approach: As the **triggers (drivers)** of the support to just transition, it takes the socioeconomic impacts of climate mitigation policies. The triggers of the support to just resilience are the socioeconomic impacts of climate adaptation policies or the physical impacts of climate change itself.
- It assesses **vulnerability**, meaning which areas/territories or groups are most vulnerable to the above impacts.
- For just transition, it postulates and verifies the policy **intent** in the case of just transition to ensure that projects are supported in countries and regions engaged on a sustainable, long-term decarbonisation pathway.
- And lastly, it assesses **relevance** by defining which projects contribute to a just transition and just resilience.

The table below provides an overview of the EIB's approach to supporting a just transition and just resilience beyond the European Union based on these four elements, which are discussed in further detail throughout this document.

## Implementing a just transition and just resilience

The task of pursuing a just transition and just resilience has very broad implications. To implement its approach, EIB Global will continue to explore new ways of using its mandates, products, partnerships and technical assistance offerings.

Partnerships will be essential, as will access to concessional finance to complement the EIB's financial products and existing technical advisory offering. EIB Global continues to seek a wide variety of like-minded partners to further scale up this work and accelerate sustainable and inclusive transitions.

The approach also welcomes further exchanges and interactions with stakeholders on the opportunities and challenges of fostering a just transition and just resilience around the world. The first phase of implementation will run from 2024 to the end of 2025, and the approach will continue to evolve as the concepts develop and lessons are drawn from their implementation.



**Table 1. Overview of EIB Global’s approach to a just transition and just resilience**

	Driver/Trigger	Vulnerability	Intent	Relevance/Investment responses
Just transition: Chapter 3	Policy impacts – climate mitigation	Territories most affected by mitigation policies and the ambition to move to low-carbon societies within countries	Existence of a sustained decarbonisation pathway	<b>Just transition investment type A:</b> - A broad set of investments in vulnerable territories deemed to contribute to just transition efforts
		Socioeconomic vulnerabilities due to closure of certain activities	Closure of a fossil fuel plant or termination of activities devoted to extraction, transportation or combustion of fossil fuels	<b>Just transition investment type B:</b> - Investments/activities supporting affected workers - Investments in regeneration and decontamination of sites, land rehabilitation and ecosystem restoration, green infrastructure and repurposing projects
<i>Just transition investments may contribute to climate action (mitigation or adaptation) and environmental sustainability, but this is not a requirement. Investments may also include broader socially-focused actions in support of territories and workers affected by the transition.</i>				
Just resilience: Chapter 4	Policy impacts – climate adaptation	Territories or people negatively impacted by adaptation policies or actions and the ambition to move to climate-resilient societies	N/A	<b>Just resilience investment type 1:</b> - Investments that explicitly target to resolve unequal impacts and burdens related negative impacts of adaptation policies or actions through the project objectives.
	Climate change impacts	Countries most affected by climate change impacts	N/A	<b>Just resilience investment type 2:</b> - Climate adaptation investments in least developed countries, Small Island Developing States and fragile states to build the resilience of countries most affected
		People bearing unequal burdens of climate change impacts	N/A	<b>Just resilience investment type 3:</b> - Climate adaptation investments targeting or benefiting people bearing unequal burdens of climate change
<i>Just resilience investments can be a range of different climate adaptation actions that are aligned with the MDB adaptation finance methodology and target people unequally impacted by climate adaptation policies/responses or bearing unequal climate change burdens.<sup>1</sup></i>				

<sup>1</sup> Climate adaptation actions include both anticipatory actions to avert and minimise the impacts of climate change, and disaster relief/post-disaster recovery and reconstruction actions required in the aftermath of a climate shock.



# 1 A just transition in a global context

## 1.1 Conceptual framing of a just transition

Mitigating climate change and adapting to its accelerating impacts will require social and economic transitions of unprecedented scale and speed. While some sectors could see significant growth, others will undergo extensive structural change or even be phased out altogether.

Countries with existing fossil-based industrial and energy systems will need to focus on decarbonisation of existing assets, which could require extensive investment and re-tooling. For those sectors that are no longer viable or competitive in a net zero carbon and environmentally sustainable economy, certain infrastructure and production processes may need to be phased out.

This is likely to have a significant impact on the labour force and livelihoods, which must be integrated into existing or newly emerging sectors of the economy, as well as on local and international supply chains. Decarbonisation affects industries and workers, but also local economies and whole societies, with different impacts on those already socioeconomically vulnerable.

The concept of a just transition is widely promoted through key international structures, including the UN Framework Convention on Climate Change. Notably, the Paris Agreement underlines “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities,” alongside the need to respect, promote and consider human rights in climate action<sup>2</sup> and broader aspects of environmental integrity and climate justice.<sup>3</sup>

Various organisations have identified key elements and developed frameworks related to a just transition towards net zero emissions and an environmentally sustainable global economy. They broadly converge around the International Labour Organization’s definition, which presents a wide-ranging vision and comprehensive approach to addressing the environmental, social and economic factors associated with structural changes, with a focus on protecting workers in affected sectors and creating new, green and decent jobs.<sup>4</sup>

Furthermore, the situation in emerging markets and lower-income countries is different than in the places where decarbonisation and just transition efforts got started. Institutional capacities and governance may differ, welfare support may be more limited, workers may be less organised and informality more widespread. Inequality, poverty and fragility may pose major challenges.

While expanding access to clean energy and energy-efficient production technologies is essential for economic growth and inclusive development, it is not the focus of the just transition concept. However, it does underline the need for a holistic approach to a just transition, together with faster climate action and pursuit of the Sustainable Development Goals, which help countries to leapfrog toward sustainable economic growth and development. Further empirical work across the globe has therefore widened the scope of the concept of a just transition to incorporate broader dimensions of development, looking at a range of different players and initiatives beyond workers affected by industrial transitions, as further outlined in Box 1.

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<sup>2</sup> The Paris Agreement commits the parties, when taking action to address climate change, to “respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity.” See the Preamble of the Paris Agreement (UN Framework Convention on Climate Change, 2015).

<sup>3</sup> Following the Paris Agreement, the [Silesia Declaration](#) adopted at COP24 in Katowice in 2018 provided a further commitment by governments to the just transition agenda, and to bringing it into their Nationally Determined Contributions, National Adaptation Plans, and other climate-related policies and plans. This commitment was renewed by more than 30 governments in the [Just Transition Declaration](#) at COP26 in Glasgow in 2021.

<sup>4</sup> See International Labour Organization, February 2016, [Guidelines for a just transition towards environmentally sustainable economies and societies for all](#), especially Section IV, “Guiding principles.” The other principles refer to strong political consensus based on social dialogue, respect for fundamental rights at work, gender equality, consistency across governance policies, place-based policymaking mindful of the stage of development, and international cooperation.

### Box 1. Dimensions of a just transition definition — Multilateral development banks' High-Level Principles

A stocktaking of multilateral development banks' support for a just transition showed that operational approaches to a just transition range from a narrow to broad in scope, across the following dimensions:<sup>5</sup>

- **Motivation:** Most just transition approaches focus on *distributional implications*, while some also encompass *procedural implications*, calling for inclusive decision-making processes around a just transition.
- **Context:** While just transition approaches usually focus on the distributional implications of *climate change policies*, some also include the distributional impacts of *environmental degradation and inclusive growth*.
- **Trigger:** Just transition approaches can either focus only on distributional implications of climate change policies (mitigation and adaptation), or also include distributional implications of (physical) climate change impacts.
- **Focus:** Just transition approaches can either include only the distributional implications of the *negative impacts* of climate change or also those of its *positive impacts*.
- **Target:** Just transition interventions may focus on supporting only *impacted production* (workers and companies in most affected sectors), or cover both *production and consumption impacts* (for example, from removal of fossil fuel subsidies, price increases due to changes in supply chains, carbon taxes, etc.).
- **Scale:** Just transition definitions can have differing *levels of granularity*, ranging from distributional implications between workers or companies of an impacted sector, those between countries, or those between territories within a specific country.

Building on the stocktaking report, the multilateral development banks, including the EIB, have agreed on a set of high-level principles in support of a just transition.<sup>6</sup> The principles articulate a common vision for supporting a just transition while recognising that operational approaches and definitions will differ from one development bank to another, reflecting differences in mandate, scope and geographical focus. These principles frame a just transition as aiming to deliver climate objectives while also addressing the socioeconomic challenges resulting from decarbonisation in the most affected places, and by increasing opportunities for sustainable, inclusive and resilient livelihoods for all associated with the transition to a net zero economy.

- **Principle 1 (“aim”).** Multilateral development banks' support for a just transition aims to deliver climate objectives while enabling socioeconomic outcomes, accelerating progress towards both the Paris Agreement and the Sustainable Development Goals.
- **Principle 2 (“approach”).** Multilateral development banks' support for a just transition focuses on moving away from greenhouse gas emission-intensive economic activities through financing, policy engagement, technical advice and knowledge sharing, in line with MDB mandates and strategies, and country priorities including nationally determined contributions and long-term strategies.
- **Principle 3 (“scale and scope”).** Multilateral development banks will encourage support for a just transition by building upon existing MDB policies and activities, mobilising other sources of public and private finance, and enhancing coordination through strategic plans that aim to deliver long-term, structural economic transformation.
- **Principle 4 (“outcomes”).** Multilateral development banks' support for a just transition seeks to mitigate negative socioeconomic impacts and increase opportunities associated with the transition to a net zero economy, supporting affected workers and communities and enhancing access to sustainable, inclusive and resilient livelihoods for all.
- **Principle 5 (“process”).** Multilateral development banks' support for a just transition encourages transparent and inclusive planning, implementation and monitoring processes that involve all relevant stakeholders and affected groups, and that further inclusion and gender equality.

<sup>5</sup> Vivid Economics, Grantham Research Institute on Climate Change and the Environment, September 2020, [Multilateral Development Banks: Supporting the Aims of a Just Transition – An Initial Stocktake](#), Cor Marijs, John Ward, Ines Pozas Franco, Max Krahe, Alessa Widmaier, Aurore Malon, Nick Robins and Robert Ward.

<sup>6</sup> [MDB Just Transition High-Level Principles - mdb-just-transition-high-level-principles-en.pdf](#) (eib.org)

## 1.2 The notion of just resilience and links with a just transition

While the concept of a just transition linked to decarbonisation efforts is well established, more attention is now being devoted to the nascent but related concept of *just resilience*, linked to the push for more climate-resilient economies and societies within planetary boundaries.

As with climate mitigation, climate adaptation policies and measures rarely benefit everyone in society to the same extent, and may have distributional implications for various reasons. People's sources of income, livelihoods and rights, but also living conditions, may be affected unevenly by national, regional or global climate adaptation measures and policies.

Furthermore, not all population groups carry equal clout to shape climate adaptation and mitigation policies and responses so as to influence the distribution of benefits. Thus, if equity is not considered in climate adaptation, new inequalities can arise and existing ones can worsen, preventing the desired transitions.<sup>7</sup>

Many of the countries that are particularly vulnerable to the physical impacts of climate change, and have lower capacities to adapt to and prepare for those impacts, have contributed the least to its causes (and yet receive only a small share of global climate finance flows). In such contexts, existing economies and livelihoods will not be sustainable under changing climate and environmental conditions, and need urgently to transition. At COP27 this was further underlined in the discussions around loss and damage (see Box 2).

Indeed, just like climate mitigation policies, climate change is forcing economic transitions, accelerating shifts away from agriculture and natural resource and ecosystem-based incomes and livelihoods, towards other forms of wage labour. This is affecting the poorest groups in society the most, with implications for labour migration and urbanisation.<sup>8</sup> Moreover, climate change continues to disproportionately affect certain population groups, with gender inequalities and social exclusion further compounding unequal burdens and impacting adaptive capacity and climate resilience.<sup>9</sup>

### Box 2. Loss and damage and relationship with just resilience

At the time of writing, loss and damage is subject to political negotiations following COP27. Definitions or eligibility criteria for future loss and damage funding are still unclear.

The concepts of just resilience and loss and damage are partly related. However, the EIB expects two key differences to emerge. The concept of loss and damage will likely only remain applicable to developing countries, while just resilience may be applied anywhere, including in EU Member States. Loss and damage may be defined by narrower criteria relating to existential threats due to climate change impacts (such as the loss of an entire island nation to sea level rise) and the adoption of adaptation measures, while just resilience has broader social criteria such as discrimination against or underrepresentation of certain groups, as well as unequal impacts of climate change due to socioeconomic status, social norms and gender roles.

As a result, the emerging loss and damage concept could be seen as a part of the broader just resilience concept, as further discussed and outlined in part 4.

The concept of just resilience recognises that the impacts of climate adaptation policies, and of climate change itself, are not felt equally by all groups in society, and that achieving climate resilience in a just and fair way is essential for the equitable distribution of climate adaptation benefits.<sup>10</sup> This implies that traditional just transition approaches should go hand in hand with support for just resilience,<sup>11</sup> focusing on just and inclusive climate adaptation policies and responses as underlined in [the EU Strategy on Adaptation to Climate Change](#).

<sup>7</sup> European Environment Agency, June 2022, Towards a just resilience: leaving no one behind when adapting to climate change.

FAO, July 2022, [Climate change influences human mobility by magnifying vulnerabilities: the links between climate change and migration - Decent Rural Employment](#).

<sup>8</sup> Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), 2022, [Poverty, Livelihoods and Sustainable Development](#). In: [Climate Change 2022: Impacts, Adaptation and Vulnerability](#).

<sup>9</sup> European Topic Centre on Climate Change Impacts, Vulnerability and Adaptation (ETC/CCA) Technical Paper 2021/2 '[Leaving No One Behind](#)' in [Climate Resilience Policy and Practice in Europe](#).

<sup>10</sup> European Commission, February 2021, [Forging a climate-resilient Europe — the new EU Strategy on Adaptation to Climate Change](#).

<sup>11</sup> With a high level of confidence, the IPCC (2022) finds that reducing vulnerability to climate change is indispensable for climate justice and just transitions.

The concepts of just transition and just resilience are increasingly viewed as related, as both concern a socially fair transition — one towards a low-carbon economy (just transition) and the other towards climate-resilient societies (just resilience). Moreover, they both put distributional and procedural justice at the heart of those transitions.<sup>12</sup> However, there is one key difference: While the just transition is primarily about addressing the impacts of climate mitigation *policies*, just resilience concerns both the impacts of climate adaptation policies/actions and the *physical* impacts of climate change.

The bottom line is ***that the transition to a low-carbon, climate-resilient and environmentally sustainable economy must be just and socially fair, or there will be no sustainable transition***. A more detailed discussion of the concepts of a just transition and just resilience, and of how the EIB will support them, is provided in parts 3 and 4.

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<sup>12</sup> European Topic Centre on Climate Change Impacts, Vulnerability and Adaptation (ETC/CCA) Technical Paper 2021/2 '[Leaving No One Behind](#)' in Climate Resilience Policy and Practice in Europe.

## 2 The role of the European Investment Bank

### 2.1 An introduction to EIB Global's support for a just transition and just resilience beyond European Union

So that no people or places are left behind, the EIB has placed ensuring a just transition for all among the four overarching objectives of its Climate Bank Roadmap. In January 2022 the Bank established EIB Global, a specialised arm devoted to development, to enhance the impact of its activities beyond the European Union.

EIB Global brings all the resources of the EIB to bear on its operations beyond the European Union. It works through efficient cooperation with partners and beneficiaries, development finance institutions and civil society. The bottom line: to work closer to local people, companies and institutions to increase the impact of EIB financing.

EIB Global is in a unique position to help public and private partners identify and respond to opportunities and challenges related to a just transition and just resilience, building on the EIB's broader policy framework (outlined in part 2.2), and on its experience supporting the Just Transition Mechanism inside the European Union (see Box 3). EIB Global seeks a comprehensive approach to promote both:<sup>13</sup>

- a) a **just transition**, focusing on addressing the socioeconomic impact of policies on climate mitigation (further described in part 3); and
- b) **just resilience**, focusing on addressing the unequal socioeconomic impacts of climate adaptation policies and responses (in line with the logic of a just transition) and the **unequal burdens** of climate change linked to geographic and socioeconomic vulnerabilities (further described in part 4).<sup>14</sup>

With this approach, the EIB is taking a more integrated and holistic set of actions to respond to the interconnected climate and environmental crises and social inequalities.<sup>15</sup> It is an opportunity for the Bank to advance more inclusive and diverse economies, and to create new jobs where societies are transitioning away from carbon-intensive livelihoods. A chance to further strengthen regional climate resilience and empower people unequally affected by climate change and the environmental degradation it causes.

Ultimately, EIB Global will support partner countries, clients and organisations in their efforts to make the transition to a low-carbon, climate-resilient and environmentally sustainable economy just and socially fair. This complements the long-standing EIB support for climate action, environmental sustainability and social development and brings these areas and EIB's long experience promoting regional and social cohesion closer together. EIB Global will use a mix of financing, advisory services and technical assistance.

The EIB recognises that supporting a just transition requires a human rights-based approach and comprehensive, complementary interventions by different stakeholders. As an integral part of the EU climate bank, EIB Global focuses its efforts where it stands to add the most value and have the greatest impact, working through partnerships and in support of national, sub-national and local players in both the private and public sectors. EIB Global continues to seek a wide variety of like-minded partners to further scale up this work and accelerate sustainable and inclusive transitions.

As a key implementing partner of the Just Transition Mechanism inside the European Union (Box 3), the EIB will also apply its unique knowledge and experience as it works to support a just transition globally. The EIB approach to a just transition and just resilience is underpinned by four defining elements:

1. As the triggers (drivers) of the support to just transition, it takes the socioeconomic impacts of climate mitigation policies. The triggers of the support to just resilience are the socioeconomic impacts of climate adaptation policies or the physical impacts of climate change itself.
2. It assesses vulnerability, meaning which areas/territories or groups are most vulnerable to the above impacts.

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<sup>13</sup> A preview of the EIB's support for a just transition globally was published at COP27: [Exploring an EIB approach to just transition globally](#).

<sup>14</sup> The added focus on just resilience is a necessary complement to, but not a substitute for, the traditional just transition approach. Sustainable and just transitions to low-carbon and climate-resilient economies and societies call for a focus on both a just transition and just resilience.

<sup>15</sup> Recognising that empirical evidence cited by the IPCC (2022) shows that social, climate and environmental tipping points are linked, and that the social tipping points may be triggered long before climate tipping points are reached.

3. For just transition, it postulates and verifies the policy intent in the case of just transition to ensure that projects are supported in countries and regions engaged on a sustainable, long-term decarbonisation pathway.
4. And lastly, it assesses relevance by defining which projects contribute to a just transition and just resilience.

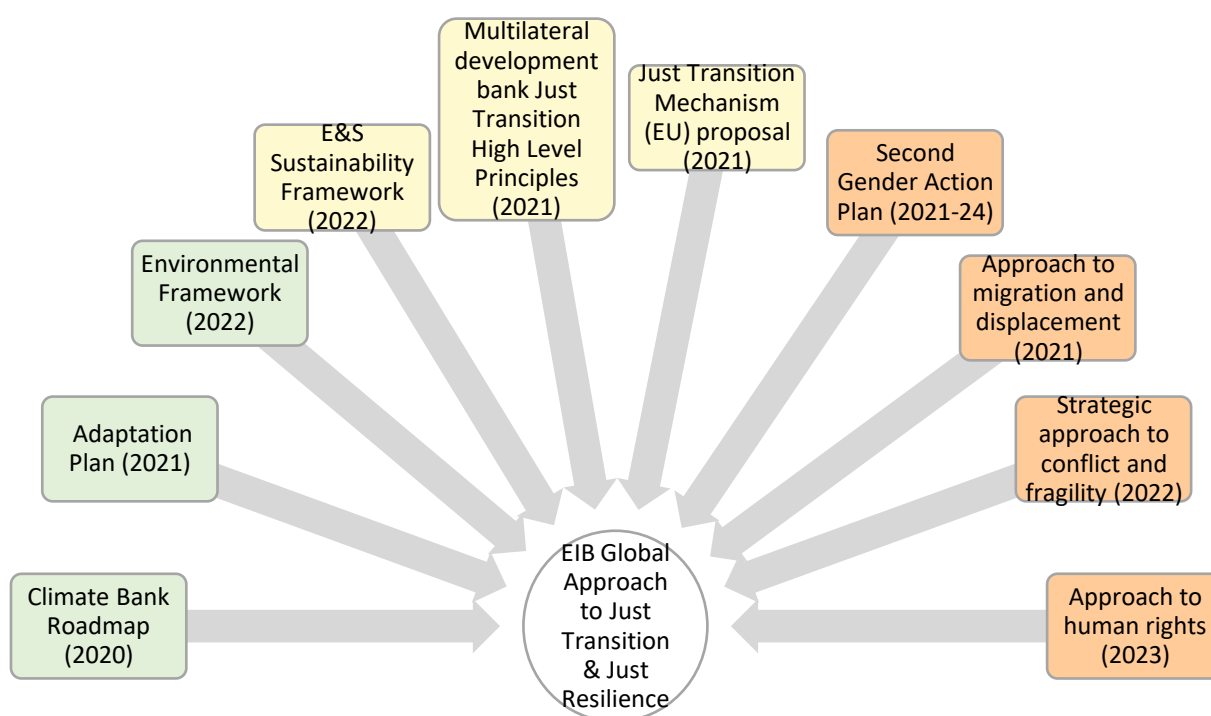
## 2.2 The EIB’s policy and institutional backdrop for supporting a just transition and just resilience globally

In addition to the EIB’s support for the just transition mechanism inside the European Union and broader commitments in the Climate Bank Roadmap, the [EIB’s revised Environmental and Social Sustainability Framework](#)<sup>16</sup> serves as a foundation for its support for a just transition and just resilience, alongside its [new approach to human rights](#).

The notion of supporting just resilience is further embedded across various EIB policies. Under the Climate Bank Roadmap, the [EIB launched its first specific Climate Adaptation Plan](#). Its objectives were to accelerate international action on adaptation and to strengthen the climate resilience of the most vulnerable countries and affected population groups, while promoting environmental sustainability, social inclusion, gender equality and stability, and preventing forced displacement and migration.

Moreover, the EIB has a long track record of promoting social inclusion through its [gender strategy and action plan](#), [its strategic approach to conflict and fragility](#) and the [operationalisation of its support in the areas of migration and forced displacement](#). Finally, supporting economic, social and territorial cohesion has been a key policy objective of the EIB ever since it was created in 1958. The notion of spatial justice underpinning EU Cohesion Policy also applies to the EU Just Transition Mechanism, as further described in Box 3.

**Figure 1. Policy and institutional backdrop for EIB support for a just transition and just resilience**



<sup>16</sup> With its enhanced standards on the assessment of environmental and social impacts, biodiversity and ecosystems, stakeholder engagement, labour rights (including in the supply chain), and vulnerable groups to address inequalities and risks of gender-based violence. Link: [EIB Environmental and Social Standards Overview](#).



### Box 3. The just transition within the European Union and EIB Group support for the Just Transition Mechanism

In the European Union, the just transition is understood as a set of policies and investment efforts that:

- address the socioeconomic and environmental impact of the transition from a greenhouse gas emissions-intensive economy to a low-carbon economy in the territories most affected by decarbonisation; and
- harness new sustainable economic development opportunities for these territories, including the opportunities offered by decarbonisation itself.

To be just, the transition in the European Union must simultaneously address multiple challenges, like decarbonising energy supply, environmental rehabilitation, economic diversification and reallocating labour to new activities, enabled by a broad range of new infrastructure.<sup>17</sup> The EU Just Transition Mechanism is a financial toolkit that helps “regions and people to address the social, employment, economic and environmental impacts of the transition towards the Union’s 2030 targets for energy and climate and a climate-neutral economy of the Union by 2050, based on the Paris Agreement.”<sup>18</sup>

One purpose of the Just Transition Mechanism is to support the sub-national territories<sup>19</sup> in the European Union most adversely affected by the transition to low-carbon economies due to their economic dependence on fossil fuel mining and carbon-intensive power production and manufacturing. This support is a combination of direct investments (grants and guarantees) and wide-ranging advisory services.

Each territory follows its own path towards a just transition and economic diversification, based on its economic and social structure, opportunities and challenges in the new low-carbon economy. This place-specific path forward is set out in Territorial Just Transition Plans developed by all EU Member States.

The EIB is an instrumental partner in implementing the Just Transition Mechanism, as set out in the EIB Group’s comprehensive proposal to support the Just Transition Mechanism (2022). The Bank’s approach inside the European Union is in line with the logic of the Just Transition Mechanism, focusing on:

- **Vulnerability:** targeting the territories most affected by the low-carbon transition
- **Intent:** demonstrated in the specific Territorial Just Transition Plans
- **Relevance:** identifying sectors requiring intervention to address transition challenges

The EIB’s support thus encompasses a broad variety of projects in the selected territories relating, among others, to environmental rehabilitation; urban renewal; low-carbon energy supply; energy efficiency; deep restructuring of carbon-intensive manufacturing plants; research, development and innovation; support for small and medium enterprises (SMEs) and startups; creation of new workplaces; adaptation of business models; and reskilling and assistance for job seekers.

The EIB Group began supporting just transition efforts under the Just Transition Mechanism in 2022 (in Estonia, Greece and Spain). However, its track record of supporting projects addressing just transition challenges traces back to long before the mechanism was in place or the term “just transition” was in common use. Examples include the rehabilitation of brownfield areas in Lusatia (Germany) and multisector framework loans for sustainable economic development in current or former coal regions like Silesia (Poland) and Brandenburg (Germany), as well as projects for urban regeneration and renewal in European cities heavily affected by declining mining and industrial output, like Katowice and Walbrzych (Poland).<sup>20</sup> Promoters may be eligible for EU and EIB support to implement projects that are located in, or have a demonstrable positive impact on, one of the most affected territories.

The Just Transition Mechanism works through three pillars:

- The **first pillar**, the Just Transition Fund, is a new European Cohesion Policy fund, primarily for grant-financed investments. Through it, the EIB Group offers both co-financing and advisory support.
- The **second pillar** is a specialised just transition scheme to facilitate private just transition investments within the Invest EU Programme, mainly by providing EU guarantees. The EIB Group is the main

<sup>17</sup> See Annex 2 of European Investment Bank, June 2022, [Supporting the just transition mechanism – comprehensive proposal of the EIB Group](#).

<sup>18</sup> See Article 2 of Regulation EU/2021/1056 establishing the Just Transition Fund.

<sup>19</sup> Defined at territorial level TL3.

<sup>20</sup> See Annex 5 of European Investment Bank, June 2022, [Supporting the just transition mechanism – comprehensive proposal of the EIB Group](#).

implementing partner and supports projects financially and technically in four areas: sustainable infrastructure; research, innovation and digitalisation; small and medium-sized businesses; and social investment and skills.

- Finally, the **third pillar**, the Public Sector Loan Facility, combines EIB loans with a moderate EU grant to finance public sector just transition investment projects.

Technical assistance financed from grants is available to prepare projects under each of the pillars.

## 3 The focus of the EIB's just transition support (mitigation)

### 3.1 The just transition context beyond the European Union

The regions covered by EIB Global include, on the one hand, several economies at an advanced stage of industrialisation<sup>21</sup> that have mostly followed the carbon-intensive development paths of countries in Europe or North America. Other economies within EIB Global's remit are disproportionately dependent on fossil fuel extraction, processing and exports. Coal and other fossil fuel-based power and/or high-carbon industries can be major economic activities in specific sub-national territories of any country. That is why decarbonisation impacts not only specific industries, but the local economies those industries are an integral part of. In a decarbonising world, these areas face challenges comparable to those of the coal-exit regions in Europe or North America, and could embrace the lessons learned in past coal phase-out episodes.

However, they also exhibit differences versus the European experience, including different institutional capacities, governance systems and welfare support; inequality; widespread poverty as well as informality in the workforce. With limited workers' representation and weak or absent unemployment insurance, job losses due to decarbonisation are expected to have strong impacts on a largely informal labour force whose workers are unlikely to get the reskilling they need to be productively employed elsewhere in the economy. Consequently, decarbonisation policies are likely to have more severe impacts on often already socioeconomically vulnerable groups.

On the other hand, many developing countries have no meaningful energy-related or industrial carbon emissions to transition away from, as they have not yet undergone the energy-intensive process of industrial development. Their challenge is to sidestep the conventional fossil-heavy development path and to adopt clean technologies from the start. In this case, there is less need to re-tool existing infrastructure, and reskill and retrain the labour force, and more need to invest in new low-carbon infrastructure and skills development.

Given their historically low contribution to climate change, most countries beyond the European Union are at an early stage of determining the industries, regions and populations most likely to be economically affected by the transition to carbon neutrality. Not only do developing countries lack the data on sectorial and sub-national greenhouse gas emissions needed to identify priority areas for action, but their climate mitigation commitments only became formalised in the context of the 2015 Paris Agreement, through Nationally Determined Contributions. At COP24 in Poland in 2018, the Solidarity and Just Transition Silesia Declaration was launched, and several tools were developed to help integrate these contribution plans.

However, many countries still lack robust roadmaps for a just transition, nor have many made formal commitments to phase out certain high greenhouse gas-emitting industries. The climate mitigation targets in most countries' Nationally Determined Contributions focus on activities like giving renewable energy a greater share in their energy systems, reducing their GHG emissions per capita or per unit of GDP, or reaching a certain level of emissions (versus a business-as-usual scenario) at some point in the future.

Although an estimated 70% of developing country Nationally Determined Contributions acknowledge the socioeconomic impacts of climate change mitigation policies in general terms, relatively few are explicit about economic sectors or sub-national territories that will be most impacted by the transition, and fewer still have concrete plans to address these impacts. A 2020 review by the International Trade Union Confederation of 52 mainly first-generation Nationally Determined Contributions showed that only ten of them contained information on a just transition.<sup>22</sup>

Considering their limited historic responsibility for the climate crisis, emerging economies and less developed countries understandably see economic development as their top priority. The European Union and North America must lead by example and make the greatest percentage cuts in greenhouse gas emissions in the short and medium term. Nonetheless, the goals of the Paris Agreement can only be met if emerging economies reduce their per-capita GHG emissions too, and if low-income countries manage, while developing their economies, to

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<sup>21</sup> Such as China, Indonesia, other South-East Asian and Latin American economies, but also the eastern European Union neighbours.

<sup>22</sup> International Trade Union Confederation (ITUC), September 2020, [Scorecards: NDCs - #JustTransition for #ClimateAmbition](#).

decouple their greenhouse gas emissions increase from GDP growth. EU Member States have a particular responsibility to support other countries in managing this transition to low-carbon models of production. The recent Just Energy Transition Partnerships are an example of formalising such support (Box 4).

#### **Box.4 Just Energy Transition Partnerships**

Some progress towards national just transition planning in one key area — the energy sector — is being made with emerging international partnerships called Just Energy Transition Partnerships, whereby certain emerging economies on the one hand, and development partners and international financial institutions on the other, pledge to collaborate in mobilising a package of financing, technical assistance and other resources to support key parts of the just transition in the energy sector of the country in question.

These packages are tailored to specific country needs, and typically cover a mix of activities related to the re-tooling or managed phase-out of polluting industries, investment in the labour market, financing for urban and regional development and regeneration, small and medium enterprise development and entrepreneurship, and development of clean energy.

As more Just Energy Transition Partnerships may emerge as a result of a high-level political process involving, among others, the European Union and country governments, the EIB may further contribute to these partnerships as a lender and provider of technical assistance, in line with its own policies and procedures under the Climate Bank Roadmap 2025.

## **3.2 EIB’s operational approach to a just transition**

### **3.2.1 Principles of operationalisation**

EIB Global’s operational approach to supporting just transition efforts will follow the principles of the EIB’s just transition support in the European Union, based on vulnerability, intent and relevance — with adjustments to reflect the contexts of emerging and developing economies, in line with the Multilateral Development Bank High-Level Principles for a just transition:

1. **Vulnerability** helps to identify the territories most affected by the low-carbon transition within countries, meaning those that are heavily dependent on mining, fossil fuel exports and/or emission-intensive industries.
2. **Intent** refers to the existence of a sustained decarbonisation pathway at the country level to ensure that the emissions reduction and just transition efforts undertaken in the most affected territories are not offset by unsustainable investments in fossil-based assets elsewhere in the economy.
3. **Relevance** relates to the types of investments/activities deemed most suitable to contribute to a just transition in places affected by significant decarbonisation. These types of investment are further described in section 3.2.2 below.

In its first phase of implementation (2024-2025), the EIB will mainly consider the transformational impacts of the low-carbon transition on production, wherever industries, societies and livelihoods depend on fossil fuel mining and high-emitting activities that will become unsustainable as decarbonisation accelerates and lower-carbon solutions are preferred.<sup>23</sup>

While the focus on fossil fuel mining and emission-intensive industries would ensure consistency with the EU approach, this can only be a first step. Efforts to decarbonise the whole economy will also impact other areas such as transport, the bioeconomy, waste management and the housing sector. In some of these sectors, the negative short-term impacts of decarbonisation will, like for coal mining, be geographically concentrated (such as in the bioeconomy), and can therefore be addressed through broader regional development strategies. In others, however (notably for residential heating), the adverse social impacts of decarbonisation cannot be put on a geographical map and would therefore need to be addressed through country-wide social and other policies.

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<sup>23</sup> Impacts on consumption (the effects of the removal of fossil fuel subsidies, price increases due to changes in supply chains, the implementation of carbon taxes, etc.) would remain outside the scope of EIB operations, unless they could be addressed through targeted EIB investment projects and programmes, such as in the area of energy-efficient social housing.

### 3.2.2 A sequential approach

In practice, the EIB's operational approach beyond the European Union will follow **three steps** to identify just transition projects:

1. Identifying the territories and communities that are most vulnerable to the low-carbon transition.
2. Determining the intent of the counterparty to carry out sustained decarbonisation efforts.
3. Determining that a project or project component makes a relevant contribution to just transition goals.

Step one uses a geographic filter for identifying just transition projects. Based on the pre-identified territories, steps two and three are applied to determine if an EIB project indeed contributes to a just transition.

**Identification of most vulnerable territories and communities.** To ascertain if EIB financing and advisory services benefit the territories and communities most negatively affected by efforts to decarbonise the economy, the most vulnerable sub-national territories of a country are identified based on the carbon intensity of their industrial production and their economic and labour market dependence on fossil fuel extraction and/or carbon-intensive industries.

While the goal is to perform a territorial vulnerability analysis on all partner countries, data scarcity makes this difficult to achieve in the short run.<sup>24</sup> Therefore, the EIB has begun to identify and support the most vulnerable territories within countries that have entered into some type of agreement with the European Union and its institutions promoting just transition efforts, as described in the examples below (Box 5). However, over time, further countries may receive EIB just transition support based on the above three-step approach.<sup>25</sup>

#### Box 5. Most affected territories in just transition partner countries of the European Union

The first countries on which the EIB will focus its just transition support fall into two groups: (i) the members of the Initiative for Coal Regions in Transition in the Western Balkans and Ukraine and (ii) countries with which the European Union and other development partners have signed or are preparing to sign a Just Energy Transition Partnership (JETP). Below, the most affected territories are listed for the countries of these two groups.

##### Initiative for Coal Regions in Transition in the Western Balkans and Ukraine

- **Bosnia and Herzegovina:** Tuzla canton, Srednjobosanski canton, Zeničko-Dobojski canton, Ugljevik region, Gacko region
- **Kosovo**<sup>26</sup>: Prishtina region
- **Montenegro:** Pljevlja region
- **North Macedonia:** Bitola region, Kičevo region
- **Serbia:** Kostolac region, Kolubara region, Obrenovac region, Pomoravlje region
- **Ukraine:** Donets'k region, Luhans'k region, Lviv region, Volyn region

##### Active and potential JETP countries

- **South Africa:** Mpumalanga region
- **Indonesia:** South Sumatra, East Kalimantan, South Kalimantan
- **Vietnam:** Northeast region, Red River Delta

Concerning the Just Energy Transition Partnership countries, projects in territories other than those listed may also be eligible if the Partnership's investment strategy has identified them.

**Identification of intent.** It is essential that EIB Global support for a just transition be embedded in a sustained pathway to a low-carbon economy, in order to ensure not only that the projects are just (socially fair), but also that the transition away from carbon-intensive production processes actually takes place.

<sup>24</sup> Given the lack of sub-national data in developing countries, it would be tempting to define vulnerability at the country rather than sub-national level. However, this approach is potentially divisive since it would lead to mainly selecting middle-income (as opposed to low-income) countries.

<sup>25</sup> And provided EIB Global has a mandate to operate in those countries.

<sup>26</sup> This designation is without prejudice to the positions expressed by the EU Member States on Kosovo's status and is in line with United Nations Security Council Resolution No. 1244/1999 and the International Court of Justice Opinion of 22 July 2010 on Kosovo's declaration of independence.

To avoid backlash in time or zero-sum games across sub-national territories, the decarbonisation intent should be formalised at the national level, ideally in the form of an international commitment.<sup>27</sup> Intent to decarbonise economies and to ensure that the transition is just may be determined through unconditional long-term decarbonisation commitments made in the context of the Nationally Determined Contributions or in national long-term strategies to reduce greenhouse gas emissions and adapt to climate change.

Moreover, countries that enter a Just Energy Transition Partnership with the European Union and other development partners supported by the EIB and other financing institutions may be considered as showing a firm intent of embarking on a just low-carbon development pathway: Just Energy Transition Partnerships are based on countries’ commitments to reduce greenhouse gas emissions overall or in specific sectors, such as energy production and manufacturing.

Finally, long-term decarbonisation intent could be identified in a more ad hoc manner at the project appraisal stage and then formalised, for example through key results indicators and commitments to ensure procedural justice, including meaningful stakeholder engagement in project preparation and implementation.<sup>28</sup>

**Identification of relevance.** The criterion of relevance ensures that an EIB-financed project effectively contributes to achieving a just transition. Two types of just transition support are envisioned, which can be distinguished by their geographical and sectorial scope as described below.

- **Type A investments.** This encompasses broad-based, multisector investments that support the transition of the vulnerable territories identified in step one and that have an intent to decarbonise (step two), including but not limited to support for affected workers. Such investments may include any of the types of projects listed in Table 2.<sup>29</sup>

**Table 2. Overview of just transition type A investments**

<p><b>1. Low-carbon infrastructure</b></p>	<ul style="list-style-type: none"> <li>✓ Research and innovation activities and fostering transfer of advanced technologies</li> <li>✓ Deployment of technology in systems and infrastructures for affordable clean energy, and in greenhouse gas emissions reduction</li> <li>✓ Renewable energy, energy efficiency, including for the purposes of reducing energy poverty</li> <li>✓ Smart and sustainable mobility</li> <li>✓ Rehabilitation and upgrade of district heating networks and investments in heat production if supplied by renewable energy sources</li> <li>✓ Digitalisation, digital innovation and connectivity</li> <li>✓ Enhancement of the circular economy</li> <li>✓ Projects in the agriculture, forestry and land-use sector resulting in negative carbon emissions (compared to the baseline)</li> <li>✓ Other climate action/mitigation investments</li> </ul>
<p><b>2. Private sector support</b></p>	<ul style="list-style-type: none"> <li>✓ Small and medium enterprises leading to economic diversification, modernisation and reconversion</li> <li>✓ Creation of new firms, leading to job creation</li> </ul>
<p><b>3. Education, training, and skills development</b></p>	<ul style="list-style-type: none"> <li>✓ Upskilling and reskilling of workers and jobseekers</li> <li>✓ Job-search assistance to jobseekers</li> <li>✓ Active inclusion of jobseekers</li> </ul>
<p><b>4. Environmental rehabilitation investments</b></p>	<ul style="list-style-type: none"> <li>✓ Regeneration and decontamination of sites, land rehabilitation and ecosystem restoration, green infrastructure and repurposing projects</li> </ul>

<sup>27</sup> Compared to the EU Member States, which are signatories of the European Union’s climate targets for 2030 and were obliged by the EU Cohesion Policy legislation to develop their just transition strategies through so-called Territorial Just Transition Plans, the starting point for the verification of the sustained decarbonisation intent is more challenging outside the European Union.

<sup>28</sup> Across all projects, including its just transition support, the EIB ensures meaningful stakeholder engagement by applying its [Environmental and Social Standards](#), in particular the stakeholder engagement standard.

<sup>29</sup> The sectors listed in the table are based on the list of activities supported by the Just Transition Fund within the European Union (see Article 8 of Regulation EU/2021/1056), adjusted for additional activities relevant in a development context.

<p><b>5. Cross-cutting</b></p>	<ul style="list-style-type: none"> <li>✓ Investment to support workers or communities directly affected by closure of fossil fuel-intensive plants or the phase-out or restructuring of other activities involving fossil fuel extraction, processing or transport<sup>30 31</sup></li> <li>✓ Technical assistance</li> </ul>
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The emphasis on a multisector approach to a just transition is needed in sub-national territories that depend disproportionately on fossil fuel-related mining and emission-intensive industries to cushion the severe impact of mine and plant closures on the territory and its communities. Connecting affected communities physically and digitally to neighbouring economic centres at commutable distances, incentivising new economic activities in the region, and broadening the focus from retraining redundant workers to educating and upskilling whole families and communities will help to create a significant number of new jobs to stem migration from the affected territory. Such a broad-based strategy also helps to avoid replicating the past gender imbalance typical of fossil mining-based economies (see Box 6 below).

- **Type B investments.** Type B includes projects that contribute to just transition efforts irrespective of the territorial vulnerability criteria, but that are explicitly linked to the closure of a fossil fuel plant or termination of activities devoted to extraction, transportation or combustion of fossil fuels. Such projects may include:
  - a) investments entailing the closure of fossil fuel plants or other activities involving fossil fuel extraction, processing or transport, including support for workers or communities affected by such closure;<sup>32</sup>
  - b) investments in regeneration and decontamination of sites, land rehabilitation and ecosystem restoration, green infrastructure and repurposing projects.

**Box 6. Gender equality in the just transition**

Disruptive impacts on territories where carbon-intensive or extracting industries are predominant also affect those members of the population who are not directly involved in carbon-intensive industries.<sup>33</sup> Industrial transitions, such as the green transition, come with both opportunities and challenges for gender equality.

From previous industrial transitions, it is known that emotional and economic stress and changing power relations and household dynamics related to job losses, like what we are seeing in the green transition, often come with spikes in gender-based violence.

While sectors being decarbonised tend to be male dominated, job losses also occur across the supply chain and in the support economy, where women are better represented. However, impacts on the support economy and society at large are often forgotten when implementing actions and programmes to respond to industrial or green transitions.

The EIB sees that just transition efforts provide an opportunity to “build back better” and more equally. They provide a chance to shift past imbalances in the workforce and increase the participation of underrepresented groups, notably women, in the labour market through upskilling, reskilling and targeting, while paying attention to and mitigating risks of spikes in gender-based violence.<sup>34</sup> Greater diversity further helps to accelerate progress on a range of social, financial, climate and environmental outcomes.<sup>35</sup>

Therefore, in implementing its just transition support, the EIB will be mindful not to reinforce or replicate past gender imbalances, and to support just transition efforts that promote more inclusive and sustainable societies. This is in line with the multilateral development banks’ high-level principles for supporting a just transition (see Box 1 above) and the EIB’s strategy on gender equality and women’s economic empowerment. The deliberately broad-based and multisector response of the type A projects described above will help to ensure that past gender imbalances are not replicated and that the application of the EIB’s environment and social standards mitigates gender-related risks.

<sup>30</sup> In line with the principles established above under the type B projects referenced below.

<sup>31</sup> Fossil fuel transport means transporting fossil fuels, not transport using engines powered by fossil fuels.

<sup>32</sup> Adjusted from MDBs, October 2021, [The Common Principles for Climate Mitigation Finance Tracking](#). Decommissioning of a fossil fuel plant shall take place well before the end of its economic life. Additional binding criteria for the multilateral development banks apply to be able to track such projects as just energy transition projects. In this context, retraining of workers for comparable jobs in fossil fuel plants or activities involving fossil fuel extraction, processing or transport shall not be eligible.

<sup>33</sup> SEI Stockholm Resilience Institute, June 2020, [Seven principles to realize a just transition to a low-carbon economy](#).

<sup>34</sup> IIED, October 2022, [Gender equality and informality in low-carbon transitions: a review of evidence to identify transformative outcomes](#).

<sup>35</sup> European Investment Bank, March 2023, [Women’s leadership boosts climate action and profits \(eib.org\)](#).



## 4 Operationalising just resilience

### 4.1 The need for just resilience and the evolving concept

The need to support just resilience has already arrived, and will continue to increase as we accelerate the transition to climate-resilient societies. Getting it right can be complex and difficult. Ensuring that no one is left behind requires a focus on equity in climate adaptation planning, implementation and monitoring, and the meaningful engagement and participation of a wide variety of stakeholders.

To empower and strengthen the climate resilience of people and locations that bear unequal burdens of climate change impacts is becoming more urgent by the day as global average temperatures continue to rise. Moreover, inclusive adaptation policies and actions not only minimise risks and prevent the cementing of existing inequalities, but also deliver better climate, environment, social and financial outcomes.

While the concept of just resilience is still evolving, two key components of it are already taking shape: (a) addressing unequal impacts of adaptation policies and responses, and (b) tackling unequal burdens of physical climate change impacts. Section 4.1. discusses these two aspects further, before giving an overview of the EIB's proposed just resilience approach and operationalisation in Section 4.2.

#### 4.1.1 Unequal impacts of adaptation policy and responses

Adaptation policies or measures rarely benefit all of society to the same extent, and may not reflect everyone's interests equally, as established in Section 1.2. Due to socioeconomic status and the broader social barriers around participation and influence, the perspectives of some people — including those unequally impacted by climate change — are not always considered in adaptation planning and decision-making. This may result in chosen adaptation pathways primarily benefiting the more affluent, or in adaptation actions having unintended negative impacts on people's incomes, livelihoods and rights, thereby exacerbating existing inequalities.<sup>36</sup>

In the past, some planned responses to climate change — like large-scale adaptation projects, desalination and flood protection measures, but also adaptation actions across other sectors — have increased vulnerability and had a negative effect on socioeconomically marginalised people's rights, incomes and livelihoods.<sup>37</sup> Annex 1 provides concrete examples of such cases in EIB Global partner countries.

Climate adaptation policies are also impacting the financial sector. Following the recommendations of the Network of Central Banks and Supervisors for Greening the Financial System, climate-related risk management measures are increasingly being introduced for financial institutions. This ensures financial stability as the climate changes, but it may have unintended consequences: in the form of additional barriers to finance for individuals or businesses that are highly vulnerable to climate change impacts, and could see their loan applications rejected because of it. Moreover, climate adaptation actions and policies in one jurisdiction or administrative area may redistribute and increase risk in others<sup>38</sup> because of their cross-sectoral nature and different trade dependencies.<sup>39</sup>

#### 4.1.2 Geographical and socioeconomic climate change vulnerability

The notions of vulnerability and unequal burdens of physical climate change impacts are central to the emerging just resilience concept, and are of critical importance to many of EIB Global's partner countries. At present, vulnerability to climate change impacts varies substantially between different geographic locations, and between population groups and individuals within the same area.

Least developed countries and Small Island Developing States are not only among the most exposed to climate change, but also the most underfunded, with implications for adaptive capacity. Only 14% of total climate finance

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<sup>36</sup> It should be noted that this is not something particular to climate adaptation, but a phenomenon that is present across various policy fields.

<sup>37</sup> Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), 2022, [Poverty, Livelihoods and Sustainable Development](#). In: [Climate Change 2022: Impacts, Adaptation and Vulnerability](#).

<sup>38</sup> European Topic Centre on Climate Change Impacts, Vulnerability and Adaptation (ETC/CCA) Technical Paper 2021/2, ['Leaving No One Behind' in Climate Resilience Policy and Practice in Europe](#).

<sup>39</sup> Stockholm Environment Institute, March 2022, [Tackling cascading climate risk to meet global adaptation challenge: which countries have the interest, capacity and responsibility to act?](#).



flows goes to least developed countries, and a mere 2% to Small Island Developing States,<sup>40</sup> while annual adaptation costs for least developed countries are expected to rise to between €140 billion and €300 billion by 2030.<sup>41</sup> Moreover, climate change impacts carry the risk of amplifying existing conflicts and tensions between communities or countries as the environment and natural resources are further degraded, leaving fragile contexts and conflict-affected countries particularly vulnerable.<sup>42</sup>

Climate change is making some livelihood sources more precarious and is in some instances *accelerating livelihood transitions* away from income and livelihood sources. Those incomes that depend on natural capital and the environment,<sup>43</sup> whether linked to the bio- or blue economy or broader ecosystem services, are moving towards other forms of wage labour, predominantly in urban areas, with implications for labour, rural migration and urbanisation.<sup>44</sup> Without concrete climate and development action, climate change could lead more than 216 million people to migrate within their own countries.<sup>45</sup> In these respects, poor, rural, coastal and indigenous populations often bear an unequal burden of climate change impacts as their sources of income. Their cultural values are also directly impacted, with gender and social inequalities within these groups compounding burdens further.

Regardless of geographical or income exposure, certain groups of people and individuals tend to bear unequal burdens of climate change impact due to social, economic and political inequalities and discrimination. It is well documented that in certain contexts, unequal and limited access to resources leads climate change to unequally impact women and non-binary people, young people, poor and socially excluded groups, and migrants. Climate change vulnerability is thus a result of many interlinked issues going beyond physical sensitivity and income exposure, and calling for intersectional approaches for just resilience.<sup>46</sup>

While the concept of just resilience focuses on vulnerability, those most (and most unequally) affected by climate change can often serve as key agents, when given the chance, of the transition to climate-resilient, environmentally sustainable and low-carbon societies. This is by virtue of their unique and context-specific knowledge and experience. A growing body of research that shows that socially inclusive and gender-smart public and private investing in climate action is also smart business, delivering yields and significant climate, gender equality, social inclusion and environmentally sustainable outcomes.<sup>47</sup>

## 4.2 EIB approach to just resilience and emerging definitions

As the urgency for just resilience mounts, definitions of this concept are emerging. The European Environment Agency outlines two core dimensions of just resilience that the EIB considers, in line with the thinking of the Intergovernmental Panel on Climate Change, further detailed in Annex 1:

- (i) **Addressing differential and procedural aspects (vulnerabilities) of adaptation policies and responses.** This stems from the idea that people and groups have different opportunities to shape and benefit from climate adaptation policies and responses, and from the fact that such policies and actions may have unjust impacts (like the logic of the just transition).
- (ii) **Addressing differential physical impacts (vulnerabilities) of climate change.** This stems from the fact that people's exposure and vulnerability to climate change differ locally, regionally, nationally and globally, as well as within communities.

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<sup>40</sup> Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), 2022, [Poverty, Livelihoods and Sustainable Development](#). In: [Climate Change 2022: Impacts, Adaptation and Vulnerability](#).

<sup>41</sup> UNEP, November 2021, [Adaptation Gap Report](#).

<sup>42</sup> IPCC, 2022.

<sup>43</sup> The IPCC (2022) points out that two livelihood resources, agricultural productivity and bodily health, are at most risk from a broad range of climate hazards.

<sup>44</sup> This is increasing pressures on urban areas to absorb and provide new opportunities for an expanding population, but also to build climate-resilient and sustainable urban infrastructure, including water and sanitation, shelter and transportation that is accessible to all. At the same time, it leaves rural areas struggling with an outflow of people and challenges in offering sustainable and viable jobs and livelihood opportunities.

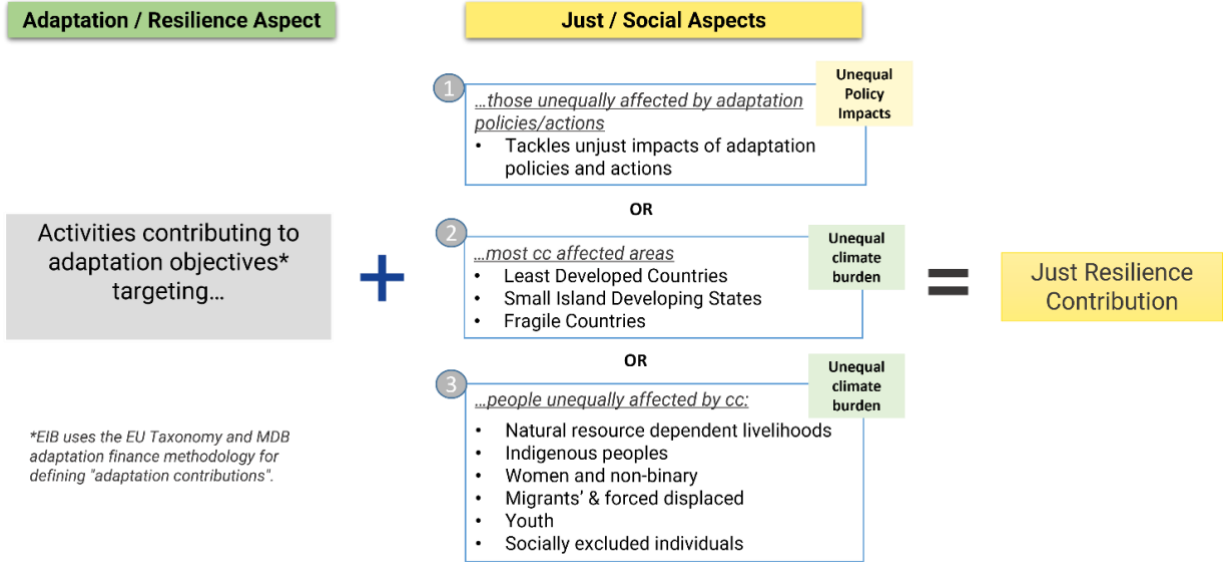
<sup>45</sup> World Bank, Groundswell Part II: Acting on Internal Climate Migration.

<sup>46</sup> See Annex 1 for a discussion and mapping of human vulnerabilities. It should be noted that these groups and individuals are not inherently vulnerable and do not bear an unequal burden of climate change in all contexts. However, they have been identified across different contexts as bearing unequal burdens of climate change or having lower adaptive capacity due to socioeconomic status and existing social and gender norms.

<sup>47</sup> See for example work done by the 2X Challenge Climate Finance Taskforce: [2X Green — Toolkit Introduction — 2XCollaborative](#) and Gender Smart, February 2021, [Gender & Climate Investment: A strategy for unlocking a sustainable future](#).

Using these elements, EIB Global considers three areas of climate adaptation intervention in support of just resilience. Summarised in Figure 2 below (and further outlined in Section 4.2.1. and 4.2.2), these areas centre on the unequal impacts of climate adaptation policies and responses, and the unequal burdens of climate change borne by certain countries and people. In financial terms, the just resilience contribution would be equal to the associated adaptation finance in terms of percentages for investments that meet the defined climate adaptation and social criteria outlined (further discussed below).

**Figure 2. Overview of EIB Global’s just resilience approach**



**4.2.1 Tackling unequal impacts of climate adaptation policies and actions**

The EIB’s [Environmental and Social Sustainability Framework and Standards](#) aim to ensure that no climate adaptation actions — or any actions for that matter — financed by the Bank exacerbate existing inequalities. For all EIB investments, the standards demand meaningful stakeholder engagement to consider different groups’ ability to participate, and for environmental, climate and social risks to be assessed and mitigated. Thus, the EIB already has the tools in place to ensure that the climate adaptation actions it finances do not inadvertently hurt certain groups.

To further support just resilience efforts, the EIB works with partners to identify unjust or unintended negative impacts of regional, national or local climate adaptation policies and responses implemented by others. It can help shape investments or give other technical advisory support. Such opportunities may be identified in the Bank’s dialogues with public and private sector partners or through its environmental, climate and social due diligence work.

**In operational terms, EIB investments whose project objectives explicitly include resolving unjust or unintended negative impacts of climate adaptation policies or actions will be classed as just resilience projects (just resilience investment type 1).**<sup>48</sup>

While this is a relatively new area for EIB Global, to be explored during the first phase of implementation, the parallels with the just transition approach for mitigation are apparent. Among other examples, just resilience finance under this approach might include projects or technical advisory that:

- provide climate-resilient housing, water access and flood protection for communities impacted or displaced by urban flood protection measures;
- provide a risk-sharing mechanism to financial institutions enabling continued access to finance for households/businesses that are climate vulnerable and natural resource dependent, in the context of increasing climate-related banking regulation, and could otherwise face higher hurdles in loan applications.

<sup>48</sup> Based on and using the criteria for the adaptation objective of the EU Taxonomy for Sustainable Finance and the Methodology for Tracking Adaptation Finance jointly developed and applied by the MDBs, such actions are classed as adaptation actions.

## 4.2.2 Reducing unequal burdens of physical climate change

In operational terms, when it comes to **addressing unequal burdens of physical climate change impacts, EIB investments will contribute to just resilience if they contribute significantly to climate adaptation<sup>49</sup> and meet either of the following two sets of criteria:**

1. They take place in a highly climate vulnerable geographic area, namely in least developed countries,<sup>50</sup> Small Island Developing States<sup>51</sup> or fragile countries.<sup>52</sup> The EIB will consider all its climate adaptation actions in these countries to be contributing to the Bank's support for just resilience (just resilience investment type 2).<sup>53</sup>
2. They target and benefit people whose incomes or livelihoods are undermined by climate change, and/or population groups and individuals that are identified as unequally affected by climate change and have lower adaptive capacity due to existing socioeconomic and gender inequalities (just resilience investment type 3).

As discussed in Section 4.1., population groups and individuals in the target regions of this approach that are identified as unequally affected by climate change may include indigenous peoples, women and non-binary people, young people, migrants, the poor or other socially excluded groups and individuals.<sup>54</sup>

Tackling unequal burdens of climate change is not an entirely new area of work for the EIB, which already has a strong track record of increasing climate adaptation and social impact finance.<sup>55</sup> However, the just resilience approach provides a more integrated framework for EIB Global to support just resilience efforts: for example, adaptation actions aiming to strengthen the adaptive capacity and climate resilience of areas most vulnerable to climate change and empower people unequally affected by it, with a greater impact.<sup>56</sup> Box 7 gives examples of past EIB-financed projects that have contributed to just resilience, and some hypothetical examples of just resilience investment types.

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<sup>49</sup> The EIB will assess the adaptation contribution by using the criteria for the adaptation objective of the EU Taxonomy for Sustainable Finance and the Methodology for Tracking Adaptation Finance jointly developed and applied by the MDBs.

<sup>50</sup> As defined by the United Nations: [List of LDCs | Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States](#).

<sup>51</sup> As defined by the United Nations: [List of SIDS | Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States](#).

<sup>52</sup> As defined by the OECD, September 2022, [States of Fragility 2022](#), plus Ukraine.

<sup>53</sup> It is widely recognised that certain areas within a country can be highly vulnerable to climate change even if the country itself is not considered highly vulnerable; for example, coastal or mountainous areas. Therefore, the EIB will only consider climate adaptation actions in such areas as a contribution to just resilience if they specifically target or benefit those people that are unequally impacted by climate change.

<sup>54</sup> See footnote 50 and Annex 1 for a discussion around how these vulnerabilities are not inherent.

<sup>55</sup> This is in line with the EIB's goals as articulated in its Climate Bank Roadmap, Adaptation Plan, Gender Action Plan and operational approach to migration and forced displacement.

<sup>56</sup> It should be noted that adaptation actions are not automatically unjust merely because they fail to meet just resilience criteria related to unequal burdens. This only means that they do not specifically target geographies or people unequally affected by climate change.

### Box 7. EIB experiences in supporting just resilience efforts

In 2022, EIB Global financed seven operations meeting its just resilience criteria with a climate adaptation contribution of €90.5 million. Furthermore, between 2017 and 2021, about 12.5% of the EIB’s climate adaptation finance beyond the European Union (close to €700 million) supported adaptation actions in least developed countries, Small Island Developing States or fragile countries. Over the years, the EIB has also financed several adaptation actions that have directly targeted or benefited groups and individuals bearing unequal burdens of climate change impacts.

A few examples from 2022 and earlier are listed below.

- **Lower Usuthu Smallholder Irrigation II in Eswatini:** Climate adaptation initiative to alleviate poverty and improve food security through sustainable agriculture and irrigation. Covered actions to promote women’s access to irrigation and commercial farming opportunities.
- **Ecoenterprise Fund III Latin America:** Female-led biodiversity focused fund investing in businesses that preserve the integrity of natural capital while contributing to local economies and biodiversity, and that are run by or create quality jobs for indigenous people and/or women.
- **Climate-resilient water supply systems in São Tomé and Príncipe:** A low-income, Small Island Developing State project providing technical support to develop a connection strategy and subsidy mechanism to ensure access to drinking water for vulnerable households.
- **BLUEORCHARD InsuResilience Investment Fund Global:** Lends to financial institutions in return for development and distribution of gender-responsive climate risk insurance for poor households in agricultural regions.
- **International Fund for Agricultural Development:** A €500 million loan, part of which will support climate adaptation initiatives in rural areas around the world targeting smallholder farmers impacted by a changing climate, with a particular focus on the rural poor.

Further, illustrative but non-exhaustive examples are provided in the table below.

Just resilience investment type	Type B: Unequal burden, climate adaptation investments in most affected countries	Type C: Climate adaptation investments targeting or benefiting people bearing unequal burdens of climate change
Illustrative examples	Improving climate resilience and healthy oceans through investments in security of water supply, wastewater treatment, solid waste and stormwater, and flood management in Small Island Developing States.	Projects that promote climate-resilient and sustainable agriculture, fisheries, forestry and water management practices for natural resource dependent people, including indigenous communities.
	Climate-resilient transport investment in a fragile context informed by a conflict sensitivity analysis.	Crop and climate risk insurance and weather forecasting systems for smallholder farmers, especially female or young farmers.
	Climate resilience-focused urban development investments in least developed countries.	Climate-resilient sustainable urban and rural infrastructure investments, including those related to water for deprived municipalities.
		Disaster risk management measures, innovative flood protection and early warning systems, considering the needs of the most vulnerable such as informal settlers without land titles.

# 5 Making it happen and looking ahead

With rising global temperatures and climate change affecting every region of the world, the urgency to transition to more sustainable economies has never been greater. Efforts to decarbonise our economies and transition them towards climate resilience must be just and socially fair, or there can be no sustainable transition. Just transition work on the socioeconomic impacts of climate mitigation policies must be complemented by a focus on just resilience, addressing unequal impacts of climate adaptation policies and unequal burdens from climate change itself.

The concepts of a just transition and just resilience are linked, and both concern bringing our societies and economies into a low-carbon and climate-resilient future. But there is one key difference: While the just transition is primarily about addressing the impacts of mitigation policies, just resilience concerns the impacts of adaptation policies together with the physical impacts of climate change itself. As outlined previously, the EIB will shape just transition and just resilience support around four defining elements: triggers/drivers, vulnerability, intent and relevance.

Table 4 below summarises the EIB’s approach. The paragraphs that follow further describe how the Bank will implement its support, looking at its current and potential future financial products and incentives (5.1.1), non-financial products (5.1.2) and partnerships (5.1.3). Overall, the EIB will provide a mix of financing and advisory services, but always in partnership with other stakeholders that bring in complementary expertise, concessional finance and local ownership.

**Table 4. EIB Global’s approach to a just transition and just resilience**

	Driver/Trigger	Vulnerability	Intent	Relevance/Investment responses
<b>Just transition: Chapter 3</b>	Policy impacts – climate mitigation	<b>Territories most affected</b> by mitigation policies and the ambition to move to low-carbon societies within countries	Existence of a sustained <b>decarbonisation pathway</b>	<b>Just transition investment type A:</b> - A broad set of investments in vulnerable territories deemed to contribute to just transition efforts
		Socioeconomic vulnerabilities due to closure of certain activities	Closure of a fossil fuel plant or termination of activities devoted to extraction, transportation or combustion of fossil fuels	<b>Just transition investment type B:</b> - Investments/activities supporting affected workers - Investments in regeneration and decontamination of sites, land rehabilitation and ecosystem restoration, green infrastructure and repurposing projects
<i>Just transition investments may contribute to climate action (mitigation or adaptation) and environmental sustainability, but this is not a requirement. Investments may also include broader socially-focused actions in support of territories and workers affected by the transition.</i>				
<b>Just resilience: Chapter 4</b>	Policy impacts – climate adaptation	<b>Territories or people negatively impacted</b> by adaptation policies or actions and the ambition to move to climate-resilient societies	N/A	<b>Just resilience investment type 1:</b> - Investments whose project objectives explicitly seek to resolve unequal impacts and burdens related to the negative impacts of adaptation policies or actions

	<b>Climate change impacts</b>	<b>Countries most affected</b> by climate change impacts	N/A	<b>Just resilience investment type 2:</b> - Climate adaptation investments in least developed countries, Small Island Developing States and fragile states to build the resilience of countries most affected
		<b>People bearing unequal burdens</b> of climate change impacts	N/A	<b>Just resilience investment type 3:</b> - Climate adaptation investments targeting or benefiting people bearing unequal burdens of climate change
<i>Just resilience investments can be a range of different climate adaptation actions that are aligned with the multilateral development bank adaptation finance methodology and target people unequally impacted by climate adaptation policies/responses or bearing unequal climate change burdens.<sup>57</sup></i>				

## 5.1 Products, incentives, support and partnerships

EIB Global is anchoring its operating model in the principle of “impact through proximity” — that is, targeting a substantial increase in local presence and local capacities through its network of external offices. It is also enhancing the range of products, instruments and incentives it can deploy to support higher-impact projects, including those that further a just transition and just resilience, while enabling different risk appetites to reflect contextual variations. Section 5.1.1. discusses financial products and incentives in this regard while Section 5.1.2. explores non-financial products. The opportunities of partnerships are explored in 5.1.3.

### 5.1.1 Financial products and incentives

EIB Global already has a range of products and channels for delivering just transition and just resilience support, including direct lending (investment loans and framework loans) and intermediated lending through funds, banks and microfinance institutions. Under its Climate Adaptation Plan, the EIB has already increased the threshold of the total financing it can provide for climate adaptation objectives facilitating support for just resilience projects.<sup>58</sup>

Moreover, EIB Global is progressively developing financing modalities that goes further than traditional investment-based lending products to achieve sector-wide and holistic development outcomes while also facilitating engagement in policy dialogue. The new measures are intended to build country ownership and capacities, and enable closer coordination with other development finance institutions and policy stakeholders. EIB Global will start piloting these types of financing in support of just resilience efforts (among other initiatives) in 2024. In the future, such approaches might also be relevant for just transition efforts linked to sector decarbonisation strategies.

With respect to just transition mitigation, the EIB is operationalising its support for **just energy transition partnerships** (as discussed in part 3) in South Africa and exploring similar involvement in Indonesia, Vietnam and potentially other countries, as part of the EU contribution to mitigation. The Bank is also supporting **Team Europe Initiatives** for a just transition of coal-based energy production in the Western Balkans.

### 5.1.2 Non-financial products

Recognising that when it comes to a just transition and just resilience, financing is just one piece of the puzzle, EIB Global also aims to provide partners and clients with non-financial support. It has several trust funds<sup>59</sup> and

<sup>57</sup> Climate adaptation actions include both anticipatory actions to avert and minimise the impacts of climate change, and disaster relief/post-disaster recovery and reconstruction actions required in the aftermath of a climate shock.

<sup>58</sup> European Investment Bank, October 2021, [The EIB Climate Adaptation Plan: Supporting the EU Adaptation Strategy to build resilience to climate change.](#)

<sup>59</sup> European Investment Bank, [Trust funds.](#)



helpdesks<sup>60</sup> in place with broad geographical and thematic coverage, including climate action and social inclusion, to support clients in their just transition and just resilience efforts. EIB continues to seek partners to help move its just transition and just resilience approach from concept to implementation.

In the realm of the just transition, the EIB may capitalise on the significant technical assistance experience gained inside the European Union. Under its Advisory Hub, Joint Assistance to Support Projects in European Regions (JASPERS) and Project Advisory Support Service Agreements (PASSA) mandates, the EIB is providing technical assistance to counterparts across different sectors including in support of just transition efforts.<sup>61</sup>

In the area of just resilience, ways of potentially replicating the **European Climate Adaptation Investment Advisory Platform (ADAPT)** and provide similar support to clients beyond the European Union is being explored.

### 5.1.3 Other partnerships

The EIB recognises that supporting a just transition requires comprehensive and complementary interventions by different stakeholders. Strategic partnerships will be necessary for the Bank to further advance its conceptual thinking, and to implement its just transition and just resilience approach. That is why the EIB will continue, under its existing memoranda of understanding and cooperation channels, to engage with the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**, the **United Nations Development Programme** and the **International Labour Organization** on its just transition work.<sup>62</sup> In April 2023, the EIB also signed a new memorandum with the **World Resources Institute** covering both just transition and just resilience, among other cooperation areas.

Discussions are also underway to expand the EIB's partnership with the **Global Energy Alliance for People and the Planet**<sup>63</sup> into the field of the just energy transition. This could mobilise concessional resources, particularly for supporting clean energy alternatives and responding to social issues around the energy transition. The EIB will also continue its ongoing dialogues with other multilateral development banks through these banks' Working Group on Just Transition, and with other players moving the just resilience concept forward.<sup>64</sup>

## 5.2 Looking ahead

The just transition and just resilience are broad concepts with wide-ranging implications. The approach put forward in this document constitutes an initial phase to be rolled out by the end of 2025. This support will continue to evolve over time as the concepts develop and lessons are drawn from their implementation.

In this initial phase, the focus will be on testing demand and on the Bank's operationalisation of the just transition and just resilience approach. The approach will be further refined and more will be learned about its resource needs and implications. EIB Global's work to identify the vulnerable territories of partner countries will continue throughout this phase.

Looking forward, EIB Global may further expand the scope and scale of its just transition support. As indicated in part 3, the focus on fossil fuel mining and emission-intensive industries is considered a first step. Efforts to decarbonise the whole economy will impact areas like transport, the bioeconomy, waste management and housing. Where vulnerabilities are likely to be geographically concentrated, such as in agriculture and forestry, the methodology for identifying vulnerable territories can be broadened to include such sectors.

Decarbonisation of other sectors, for which the adverse social impacts are more evenly spread throughout the economy, would need to address these impacts through country-wide social, fiscal and other policies. How EIB Global could help to address such sector-based distributional impacts within the supported projects themselves is still under review.

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<sup>60</sup> For example, on adaptation, conflict sensitivity, gender equality and women's economic empowerment.

<sup>61</sup> At the end of 2022, there was a total of 36 assignments supporting just transition across seven Member States. For example, in the Czech Republic, JASPERS will assist the authorities with reviews of strategic projects submitted in response to a national call for proposals. In Romania, JASPERS support is sought for large productive investments, emissions trading system companies, renewable energy projects and green mobility plans, as well as horizontal assignments in the six Romanian just transition territories.

<sup>62</sup> Both institutions participated in the EIB's COP27 event and expert workshop organised while the Bank was developing the approach proposed in this document.

<sup>63</sup> The EIB is an investment partner in this initiative financed by the Rockefeller Foundation, the Ikea Foundation and the Bezos Earth Fund that aims to crowd in significant financing into a worldwide just energy transition including coal decommissioning, on-grid green energy and off-grid electrification with €1.5 billion of seed capital. At COP26, the EIB and the Rockefeller Foundation committed to working together on off-grid electrification in sub-Saharan Africa, with the EIB aiming to help mobilise €500 million into this space by 2030, supported by \$40 million from the Global Energy Alliance for People and Planet (GEAPP).

<sup>64</sup> For example, the European Environment Agency and the Stockholm Environment Institute.

Just resilience is still a new concept, and discussions around loss and damage are evolving along with it. As EIB Global and others start to support just resilience efforts deliberately, lessons will be learned that may call for further adjustments to the approach proposed here. Nevertheless, in pioneering the operationalisation of just resilience,<sup>65</sup> the EIB hopes to mobilise further action and support for populations and regions disproportionately affected by climate change or climate adaptation policies and responses.

In the EU, EIB's just transition investments come alongside a broader support package that includes advisory services under the European Commission Just Transition Mechanism. However, EIB Global does not have nearly as comprehensive a financial mechanism in place to support its just transition and just resilience approach. Implementing this approach will therefore require partnerships, and access to concessional finance to complement the EIB's investment instruments and technical advisory offering.

EIB Global will continue to explore innovative ways of using its mandates, products and technical assistance to further a just transition and just resilience. In this it is seeking a wide variety of like-minded partners to scale up this work and accelerate sustainable and inclusive transitions. EIB Global welcomes exchanges with stakeholders on the opportunities and challenges for fostering a just transition and just resilience all over the world.

The Bank would like to sincerely thank the expert organisations and partner multilateral development banks that have provided inputs to develop this approach, and looks forward to continued collaboration as it is implemented.

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<sup>65</sup> The European Environment Agency, EEA, (2022) notes that the operationalisation and implementation of just resilience require more knowledge.



# Annex 1. Further literature on the evolving concept of just resilience

The contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), 2022, Poverty, Livelihoods and Sustainable Development. In: Climate Change 2022: Impacts, Adaptation and Vulnerability highlights that:

*“Achieving a climate-resilient society while ‘leaving no one behind’ requires striving towards an equitable distribution of the benefits and burdens of adaptation measures. This means taking into account the existing inequalities to ensure the same opportunities and outcomes for all.*

*Ensuring the equal provision of adaptation measures may not result in the same reduction in risks. Therefore, **actions specifically targeting the more vulnerable or more exposed groups or locations are justified if they benefit those who are worse off** (Ciullo et al., 2020).*

*The meaningful participation of vulnerable groups, or stakeholders representing their interests, in adaptation planning and implementation, and in monitoring the social impacts of adaptation measures, is key to ensuring an equitable adaptation process and equitable outcomes.”*

The report provides further breakdowns of human vulnerability to climate change. It shows how current global hotspots of human vulnerability to climate change are found in East Africa, Central Africa and West Africa, followed by high vulnerability in Central America, South Asia and South-East Asia.

It highlights the vulnerability in Africa of children, conflict-affected people, women and non-binary and those living in informal settlements. In Asia, it shows the high vulnerability of indigenous populations, conflict-affected people, women and non-binary people, migrants and people living in informal settlements. In Central and South America, it points out the high vulnerability of smallholders, indigenous people and people living in informal settlements, and in Small Island Developing States the vulnerability of smallholders, island communities and people living in informal settlements.

At the same time the report underlines that “there is robust evidence that planned responses to climate change, such as large-scale adaptation projects, in some context can also increase vulnerability due to the reinforcement of inequalities and the effects of further marginalisation” (Fritzell et al., 2015; Eriksen et al., 2021), and cites the following examples:

- In South Asia, the poor have frequently borne indirect impacts of climate adaptation interventions, such as flood protection barriers, which have displaced flood waters away from high-income populations towards poorer communities: Mustafa, D. and D. Wrathall, 2011: Indus basin floods of 2010: Souring of a Faustian bargain? *Water Alternatives*, 4(1).
- In Tanzania, the political marginalisation of pastoralist access to critical riparian wetlands and increasing expansion of agriculture have resulted in climate adaptation pathways that heighten risk for these groups, while reducing risk for others (Smucker et al., 2015).
- In Jakarta, it has been found that adaptation to flooding privileges political economic elites, while poor infrastructure in the poorest neighbourhoods exacerbates loss of assets, housing and displacements (Salim et al., 2019).
- In Bangladesh, intense and consecutive flooding led to national and regional climate adaptation plans that resulted in maladaptive trajectories as local poverty context and inherent precarities were not carefully considered and disconnected from local autonomous practice (Rahman and Hickey, 2019).

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# EIB Global's approach to a just transition and just resilience



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