

# Climate action and environmental sustainability OVERVIEW

2024



## THE CRITICAL DECADE

**2023** was the warmest year on record, according to the World Meteorological Organization. Climate change is threatening our lives, societies and economies, causing an unprecedented loss of biodiversity and destroying ecosystems.

This is the make-or-break decade. The Intergovernmental Panel on Climate Change projects that humanity has until to 2030 to avert the most disastrous effects of climate change. We must reduce global emissions by 45% by 2030 to slow down global warming.

The world needs trillions of euros to finance the transition towards climate neutrality, build resilience to the impacts of climate change, protect nature, and restore and reverse biodiversity loss. We must make our societies resilient to climate change, reduce greenhouse gas emissions, and invest in a green economy that creates millions of jobs and replaces careers lost in high-emission industries. No one should be left behind during this transition. We have an opportunity to build back better.

At the same time, the war in Ukraine and the global energy and food crises have made climate action — decarbonising our energy systems in particular — even more urgent. Not just to save the planet, but to create new industries that boost our economic competitiveness, enhance our energy independence and security, and ensure a just transition away from fossil fuels.



## FINANCING FOR CLIMATE AND ENVIRONMENTAL PROJECTS

The European Investment Bank (EIB) works with the public and private sectors to increase investment in projects that contribute to climate action, environmental sustainability and inclusive development. We grant direct [loans](#) to companies and projects. For small projects, we offer loans or other assistance to intermediaries, such as [local banks](#), which in turn provide finance to small firms.

Our advisory services offer a wide range of support for clients who need help in developing a project or finding the right financing. For green projects, we provide innovative financing that's not easily available on the market, and we can offer grants and technical assistance to help projects succeed. [Discover how we can meet your investment needs.](#)

Small and medium-sized businesses have an important role to play in the fight against climate change. The EIB supports hundreds of thousands of small businesses. Much of the financing for small companies comes from the European Investment Fund (EIF), which is part of the EIB Group and specialises in small businesses and venture capital. The EIF offers loan guarantees and invests in venture capital funds that support clean technology. Find out more about the EIF [here](#).

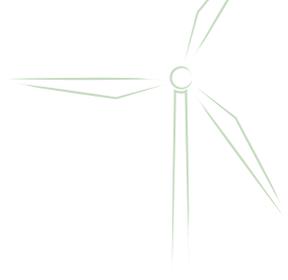
The EIB finances climate action and environmental sustainability projects around the world through its development arm, EIB Global. EIB Global works in partnership with other European development organisations as part of "Team Europe", and with partner countries, beneficiaries, development finance institutions and civil society to maximise the impact of its financing.

## WE ARE THE EU CLIMATE BANK

EU governments have unanimously committed to cutting their collective net emissions to zero by the middle of the century. To achieve this, they aim to reduce greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Meeting this goal requires investment in every area of the economy.

### The European Green Deal





The European Union has a strategy to achieve its green goals called the European Green Deal. The EIB Group has been asked to back this collective endeavour by financing and advising on projects that will place the economy on a path to net zero.

The EIB Group has set three main climate goals:

- **Increase the share of its total annual lending devoted to climate action and environmental sustainability to more than 50% by 2025.**
- **Support €1 trillion of investment in climate action and environmental sustainability in the critical decade to 2030.**
- **Align all new activities with the principles and goals of the Paris Agreement for addressing climate change by the start of 2021.**

With the EIB's new Adaptation Plan, launched at COP26 in Glasgow in 2021, the Bank has committed to increasing its financing for climate adaptation to 15% of its total climate action finance by 2025.

The EIB has also changed the way it lends to energy projects as another way of pursuing its commitment to alignment with the Paris Agreement. Under our [Energy Lending Policy](#), we stopped financing unabated fossil fuel energy projects in 2021. We are doing more work in renewable energy, energy efficiency, alternative fuels and infrastructure to help green technologies grow.

In addition, the EIB Group supports the REPowerEU plan to reduce dependence on Russian fossil fuels and accelerate the green transition, with a commitment to provide €45 billion in additional loans and equity financing by 2027. These funds will be directed to renewables, energy efficiency, grids and storage, electric vehicle charging infrastructure and breakthrough technologies like low-carbon hydrogen. This additional financing is expected to mobilise over €150 billion in new green investment, helping Europe cut its net carbon emissions to zero by 2050.

## **BIODIVERSITY**

Through our [EIB Group Environmental and Social Policy](#), we are strengthening our commitment to promoting and implementing the objectives of the [Convention on Biological Diversity](#) and the [post-2020 Global Biodiversity Framework](#). Our environmental and social standards ensure that our projects cause no significant harm to biodiversity and ecosystems. The key change from the previous policy in the EIB Standard on Biodiversity and Ecosystems is the move from "no net loss" to "no loss" of biodiversity, in line with EU policies.

Alongside other multilateral development banks, the EIB has issued a [Joint Statement on Nature, People and the Planet](#) reiterating its commitment to protecting biodiversity, scaling up nature-positive investment and increasing and coordinating policy work. The [EIB Environment Framework](#), unveiled at the UN climate conference COP27 in 2022, explains how the EIB will translate this joint commitment into action.

## INCLUSIVE CLIMATE ACTION AND SUPPORTING A JUST TRANSITION

As the climate crisis has intensified over the past decade, the potential of diversity to speed up climate action has gained recognition. The EIB invests in climate and environmental projects that promote diversity in leadership, the workforce and supply chains, and that support women and indigenous climate leaders. Apart from being the right thing to do, such projects generate better results on a range of indicators, including climate and the environment.

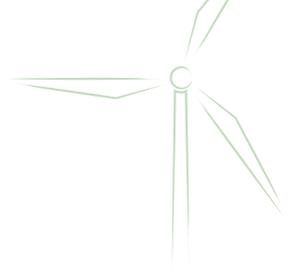
To this end, the EIB is stepping up its investment in women entrepreneurs and women-led businesses and inclusive climate actions. In 2023, 12% of the EIB's climate action and environmental sustainability projects also advanced gender equality and women's economic empowerment. The EIB financed investments supporting women entrepreneurs in the climate and environment space and projects that expand women's access to renewable energy services and low-carbon mobility options. Other investments were designed to strengthen the adaptive capacity of rural women and female farmers, and enhance women's access to climate-resilient water, health and urban infrastructure services.

Climate change also exacerbates existing social, gender and geographical inequalities.

The EIB supports climate and environmental solutions that build the resilience and adaptability of the most severely affected people and areas. In 2023, EIB Global presented its new approach to support a just transition and just resilience worldwide. The EIB will be the first international financial institution to apply a just resilience approach from the start of 2024. Just resilience aims to ensure that climate adaptation finance targets the areas and people most impacted by climate change and that climate adaptation policies and projects consider the needs of everybody. Increasing climate resilience and ensuring just climate adaptation policies are urgently needed, as rising temperatures are increasing geographical and social inequalities with devastating consequences.

Building on its experience across the European Union, the EIB also supports just transition activities by offering financing and advisory services that help to build diversified, inclusive and sustainable societies. The main target is those most affected by the low-carbon transition — including through just energy transition partnerships and in line with the Multilateral Development Banks' joint just transition principles.





## CLIMATE BANK ROADMAP 2021–2025

This [roadmap](#) is the EIB's five-year plan to ensure that its investments support the European Green Deal and will help make Europe carbon-neutral by 2050.

While drafting the roadmap, we sought input from non-governmental organisations, research institutes, universities, think tanks and other members of the public and private sectors.

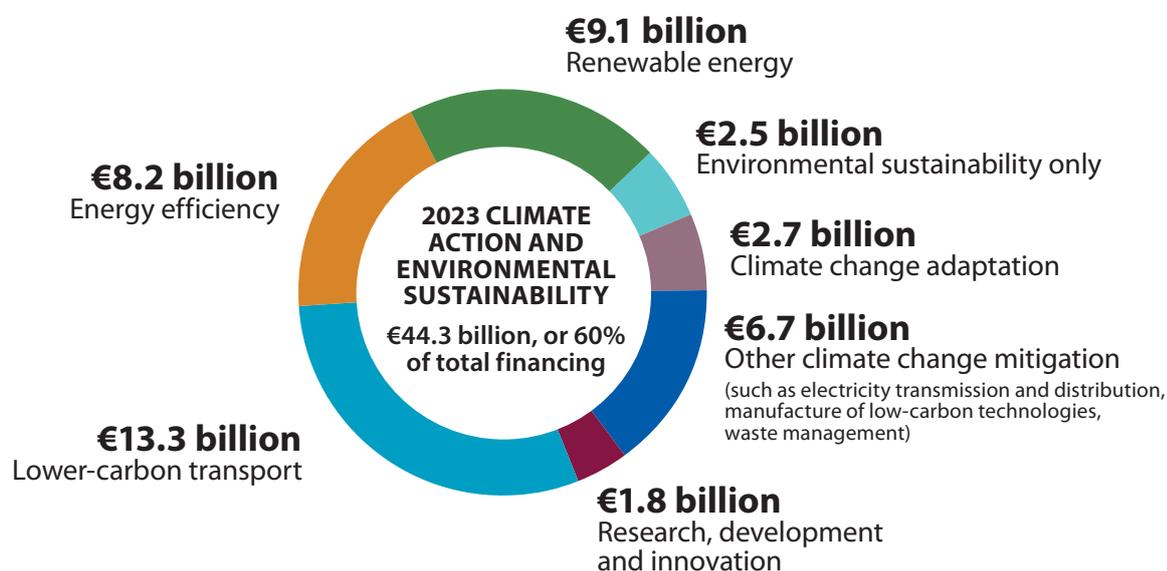
We are making substantial progress on the roadmap's goals through the following frameworks:

- Under our **2021 Climate Adaptation Plan**, we are helping public and private clients in Europe and beyond prepare for the impacts of climate change. We are working to increase adaptation support to 15% of our annual financing for climate action by 2025, an almost threefold increase.
- The **Paris Alignment for Counterparties framework (PATH framework)** highlights how the EIB Group is ensuring that its clients are cutting emissions and making their work resilient to climate change.
- A plan to support the **EU Just Transition Mechanism** shows that our work is designed to create a green future for everyone. We are helping those for whom the transition will be hardest.
- The **Environmental and Social Sustainability Framework** explains how the Bank responds to environmental and social concerns related to projects financed by us, applying the same standards in Europe and worldwide. This includes the loans approved by other banks we support.
- The **Environment Framework** highlights the Bank's ambition and readiness to support investments that deliver environmental benefits across four objectives: pollution prevention and control; sustainable use and protection of water and marine resources; transition to a circular economy; and protection and restoration of biodiversity and ecosystems.
- Halfway through the implementation of the Roadmap, the **Mid-term review** of the EIB Group Climate Bank Roadmap shows that the Group has met its commitment to align new operations with the Paris Agreement; EIB delivery of green financing at over 50% is ahead of schedule; and we are on track to support €1 trillion of green investment by 2030. While adjusting its approach in response to scientific, regulatory and market developments since 2020, a key conclusion of this review is that the Climate Bank Roadmap remains fit for purpose and will continue to provide the operational framework for delivery of our green ambitions through 2025.
- Launched at the United Nations climate conference COP28, EIB Global's approach to a **just transition and just resilience** presents how EIB Global, together with its partners, can support countries, clients and organisations in pursuing a just transition and just resilience outside the European Union.

## CLIMATE ACTION TARGETS<sup>1</sup>

In 2023 alone, the EIB provided €44.3 billion of financing for climate action and environmental sustainability projects. This is equivalent to 60% of the Bank's own resource financing for the year. The figures include €2.5 billion for projects contributing only to environmental sustainability objectives, and €19.2 billion for projects with dual climate action and environmental sustainability benefits.

With €349 billion of green investment mobilised since 2021, the EIB Group, which includes the EIF, is on track to achieve its goal of supporting €1 trillion of green financing by the end of the decade. The EIB Group financed €49 billion directly for climate action and environmental sustainability in 2023, up from €38 billion in 2022.



## A LEADER IN GREEN CAPITAL MARKETS

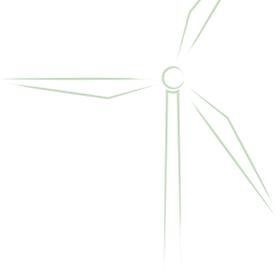
The EIB raises money by selling bonds on the international capital markets. It then lends this money around the world to help governments and companies complete projects in different sectors. In 2007 the Bank issued the world's first green bond, the Climate Awareness Bond, to support projects that contribute substantially to climate change mitigation.

Since 2018, the Bank has also been issuing Sustainability Awareness Bonds, which contribute to the pursuit of environmental and social objectives. Together, Climate Awareness Bonds and Sustainability Awareness Bonds span the entire spectrum of sustainability objectives, in line with evolving EU legislation on sustainable finance.

We are now the world's largest multilateral development bank issuer of green and sustainability bonds, and have raised €92 billion for eligible projects in the areas of renewable energy, energy efficiency, low-carbon transport, water, biodiversity and ecosystems.

We play a key role in promoting clarity, accountability and comparability in green finance. Over the years, the EIB has supported the growth of the green bond market through its bond issuance and the development of market governance and standards. We work with many partners and support the European Commission in its action plan on financing sustainable growth.

1. All figures subject to audit.



## PROJECT HIGHLIGHTS

### Climate adaptation in Jordan

The EIB will provide a €300 million loan for the Jordanian government's contribution to the Aqaba-Amman Water Desalination and Conveyance Project. It will help the country address the challenges of increasingly scarce water resources and adapt to a changing climate, while also ensuring environmental sustainability by harnessing renewable energy for the project.

[More information online](#)

### Fair and climate-friendly economy after lignite phase-out in Germany

The EIB is contributing €150 million to the 2038 Lusatia programme, which aims to minimise the social and economic impact of the phase-out of lignite (coal) and the transition to climate neutrality in the region. To ensure high standards of living after the phase-out of lignite, the EIB is investing in renewable energy, public transport, reskilling, municipal development and health.

[More information online](#)

### Greening steel production in Sweden

The EIB will provide €314 million to support H2 Green Steel's large-scale production facility in northern Sweden. This groundbreaking European flagship project is essential for the decarbonisation of the primary steel industry, one of the most polluting sectors. The plant will manufacture green and sustainable high quality flat steel products targeting mainly the automotive, construction, household appliances, industrial equipment, and energy sectors. In this cutting-edge technology process, the coal in the production process is replaced by a hydrogen generation plant based on electrolysis, using electricity from renewable sources.

[More information online](#)

### Estonia's largest wind farm

The EIB signed a €180 million financing agreement to support the construction of the Sopi-Tootsi onshore wind farm in Estonia. The project is Estonia's largest single investment in onshore wind energy to date and will support the country's path towards decarbonisation

and energy security. The new installation will provide green energy equal to the average annual electricity consumption of more than 197 000 households and will be mostly located in cohesion regions, where per capita income is lower than the EU average, underlining the EIB's commitment to equitable growth and the convergence of living standards.

[More information online](#)

### Supporting green funds

The EIF has committed €200 million to four equity funds that together will invest a total of €2 billion to drive climate action and innovative technology developments across Europe. The funds will focus on promoting regenerative agriculture, renewable energy infrastructure, and the development of innovative technologies supporting the green and energy transitions.

[More information online](#)

### Rwanda Climate Finance Partnership powers innovative climate action

The Rwanda Climate Finance Partnership, launched at the Paris Summit for a New Global Financing Pact, aims to facilitate public-private partnerships to scale up climate finance and has been made possible by the country's Resilience and Sustainability Facility arrangement with the International Monetary Fund. The EIB and the Development Bank of Rwanda have signed a €20 million loan and a technical assistance agreement to support Rwanda's green transition. The loan is the first tranche of an expected €100 million financing package.

[More information online](#)

### Inclusive and sustainable forests in Morocco

The EIB has granted a loan of €100 million to support the inclusive and sustainable development of Morocco's forests. Supporting the 2020-2030 Forests of Morocco strategy, the operation will be implemented over a period of five years by the National Agency for Water and Forests. The aim is to sustainably manage natural resources and promote ecotourism and value chains to improve the socioeconomic development of communities in forest areas.

[More information online](#)



## The Clean Oceans Initiative

An estimated eight million tonnes of plastic waste enter the oceans every year. The EIB's Clean Oceans Initiative identifies projects that fight plastic waste in rivers and seas and on land. The goal is to provide €4 billion in financing for such projects by the end of 2025.

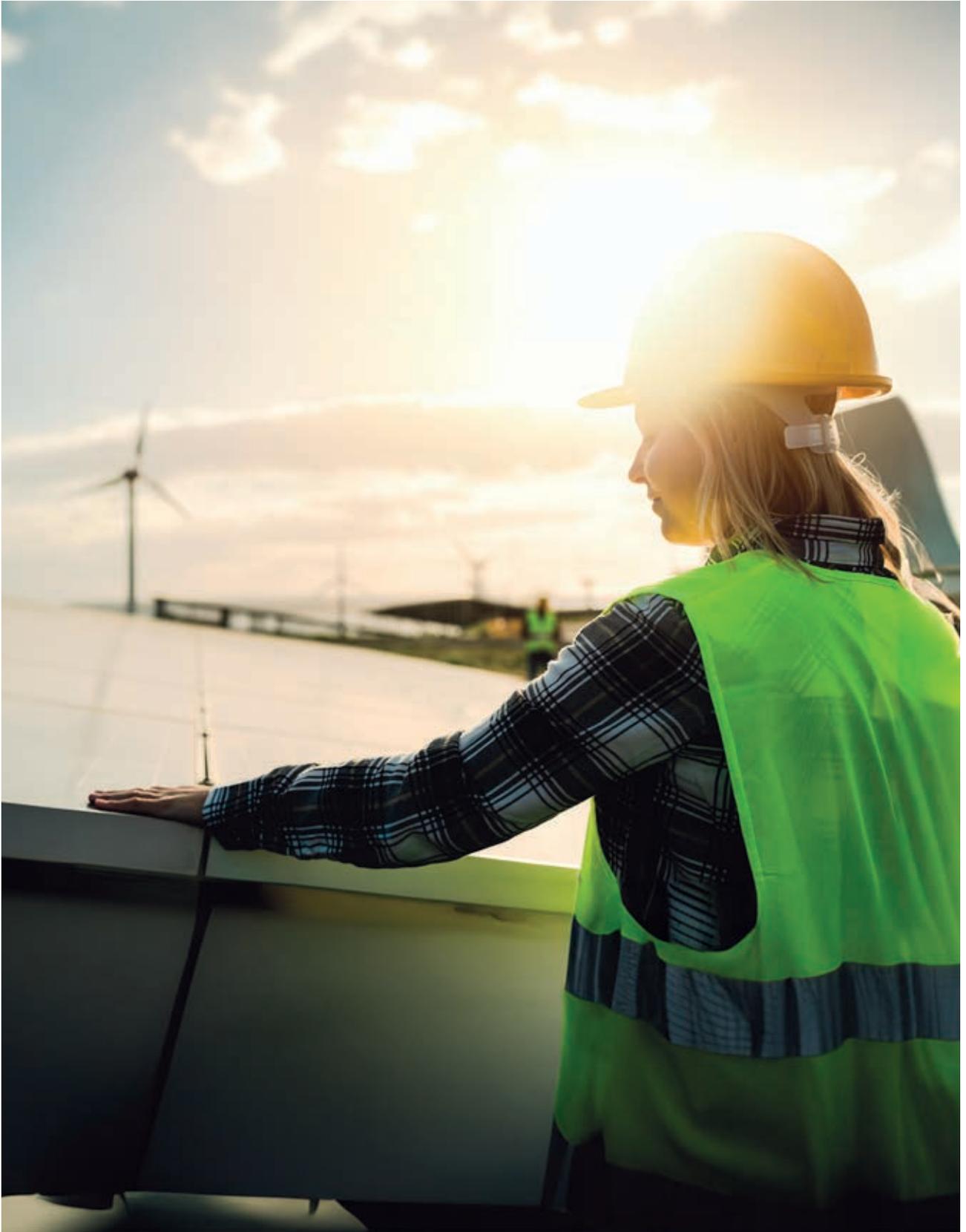
[More information online](#)

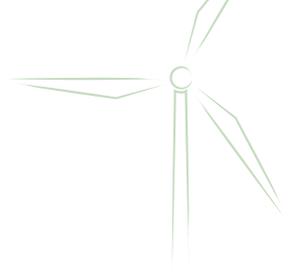
## Making cities more liveable

The City Climate Finance Gap Fund helps cities implement ambitious infrastructure development projects for low-carbon, resilient and liveable cities. It provides technical assistance for early-stage planning and project preparation, and unlocks investments for local transformation, global climate goals and green recovery. The Gap Fund was announced at the UN Climate Action Summit 2019 and started in September 2020. It is funded by Germany and Luxembourg and implemented by the World Bank and the EIB.

[More information online](#)







## RESOURCES

### WEBSITES

- [EIB at COP28](#)
- [The EIB and climate action](#)
- [How to get help for your climate project](#)
- [Climate Adaptation Investment Advisory Platform \(ADAPT\)](#)

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### PUBLICATIONS

- [Climate Bank Roadmap](#)
- [Climate Adaptation Plan](#)
- [The EIB Environment Framework](#)
- [Supporting the Just Transition Mechanism — comprehensive proposal of the EIB Group](#)
- [EIB Group 2022 Climate Bank Roadmap Progress Report](#)
- [Mid-term review of the EIB Group Climate Bank Roadmap](#)
- [The EIB Group PATH Framework: Version 1.2](#)
- [The EIB Group Paris alignment framework – Low carbon: Version 1.1](#)
- [The European Investment Bank Group’s contribution to the Sustainable Development Goals](#)
- [2022 Joint Report on Multilateral Development Banks’ Climate Finance](#)

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### VIDEOS

- [Fighting climate change to build a greener future](#)
- [The European Investment Bank at COP28](#)
- [Solar cells powering electronic devices](#)
- [Bosnian farmers: Miko’s story](#)
- [On the Ground | Improving climate resilience in Madagascar](#)
- [On the Ground | Clean energy & drinking water in Bolivia’s remote villages](#)
- [On the Ground | Providing clean water in rural Ecuador](#)

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### BLOGS & PODCASTS

- [EIB’s Fayolle on the challenges facing the EU climate bank](#)
- [Podcast: Climate Solutions: Ozone](#)
- [North Macedonia rail link to Bulgaria gets EU finance](#)
- [The crucial intersection between gender and climate](#)
- [Climate finance will be the test of COP28](#)
- [Tackling social inclusion through just transition and just resilience](#)
- [Spain renewables projects strengthen Europe energy autonomy](#)
- [Climate adaptation priority to manage migration impacts](#)
- [Gigafactory in France for lithium-ion batteries](#)
- [CTP logistics centre rooftops become solar fields in Central Europe](#)
- [Nature-based solutions for flood mitigation in Greece](#)
- [Rewilding Europe’s rivers with dam removal boosts biodiversity, economy](#)

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## PRESS CONTACTS

**Bruno Hoyer**  
+352 4379-83045  
[b.hoyer@eib.org](mailto:b.hoyer@eib.org)

**Antonie Kerwien**  
+352 4379-82175  
[a.kerwien@eib.org](mailto:a.kerwien@eib.org)

**Press Secretariat**  
+352 4379-1  
[press@eib.org](mailto:press@eib.org) — [www.eib.org/press](http://www.eib.org/press)

## GENERAL CONTACTS

**European Investment Bank**  
98-100 boulevard Konrad Adenauer  
L-2950 Luxembourg

**Information Desk**  
+352 4379-1  
[info@eib.org](mailto:info@eib.org) — [www.eib.org](http://www.eib.org)



This overview, with links to stories, brochures and videos, is available at:

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