



Climate Action in Financial Institutions

PRINCIPLES FOR MAINSTREAMING CLIMATE ACTION

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The European Investment Bank's Climate Strategy

Institution Principle Related Work Stream(s)



PRINCIPLE 1:
COMMIT
to Climate
strategies



Publication date: 2017

Date Policy/ Tool Established	Additional Capacity Required (e.g., staff, resources, other)	How Implemented?
September 2015	In order to complete its Climate Strategy, the EIB hired a specialized consultant to facilitate stakeholder consultations and internal coordination. The EIB has now set aside a dedicated budget and is in the process of reinforcing its teams across different directorate/ departments to help implement the Strategy.	Based on inputs received through extensive internal and external stakeholder consultations, including the general public, as well as a detailed climate action review, the EIB drafted its own Climate Strategy. It is focused on three main strategic areas: 1) Reinforcing the impact of EIB climate financing; 2) Building resilience to climate change; 3) Further integrating climate change considerations across the EIB. After its approval, the EIB developed ten action plans to coordinate its implementation by defining specific actions to be taken forward by different EIB teams. This also required extensive inter-departmental consultations and coordination, to facilitate its implementation.
Monitoring, reporting tools		How Established?
A Climate Strategy Implementation Steering Committee was created to support and monitor the implementation of the Climate Strategy and its related action plans, which defined specific deliverables for different teams. An internal evaluation department is also monitoring the progress of EIB's Climate Strategy, with a view to finalise a mid-term review of the 5 year plan after 3 years of implementation.		Approved by the Bank's Board of Directors

Key Lessons

- Extensive, early and wide internal and external consultations are required to identify and build consensus on the climate action objectives, including targets, and to obtain strong buy-in and support for implementation from all the relevant stakeholders
- This has to be supported by extensive awareness raising, knowledge sharing and training programmes. These need to be tailored and take into consideration the different roles/responsibilities of different services in implementing the Strategy.
- Drafting the Climate Strategy and its related action plans in sequence has enabled the involvement of different stakeholders and has also helped to progressively involve parts of the Bank that had previously not been closely involved with climate action.
- Phasing of the implementation in the definition of Action Plan deliverables needs to be carefully thought through, also based on an assessment of existing resources and of the resources that can realistically be mobilized.
- Ensuring management buy-in for objectives and deliverables and involving management from all relevant departments in the monitoring process is essential to maintain awareness across the institution around the Strategy's relevance and to increase the likelihood of its implementation.

Introduction

In September 2015, the EIB's Board of Directors approved the Bank's Climate Strategy. It articulates the long-term vision for EIB's approach towards climate action, to support the Bank's mission, which is *"to play a leading role, amongst financial institutions, in mobilising the finance needed to achieve the worldwide commitment to keep global warming below 2°C and to adapt to the impacts of climate change."*

The EIB's Climate Strategy identifies the following three main strategic areas for action:

1. Reinforcing the impact of the EIB's climate financing;
2. Building resilience to climate change; and
3. Further integrating climate change considerations across all of the Bank's standards, methods and processes.

Development and Design

The Climate Strategy built on the climate action review carried out by a team involving multiple directorates and the input of members of the Bank's Climate Working Group. The drafting was supported by a specialized consultant, which facilitated external stakeholder consultations and internal input coordination. The action plans were initially drafted with consultation of the members of the Climate Working Group and finalized with the creation of the Climate Strategy Implementation Steering Committee, which included directors from key departments/directorates supported by an expert secretariat. The SC members were tasked with consultation within the respective Directorates so as to ensure decisions

could be made during SC meetings. To implement the action plans, the Bank has approved a dedicated consultancy budget and is in the process of reinforcing its teams across different directorate/departments.

Implementation

The Strategy is currently under implementation. In July 2017, ten action plans were approved by the Management Committee. Implementation of various actions in the plans started right after the approval of the Strategy. The Board has been and will continue to be periodically informed about progress.

The action plans are conceived as a planning tool to ensure progress in all areas, as they articulate the interpretation of the commitments and goals of the EIB Climate Strategy across the different EIB services involved and the activities needed to achieve those goals. They are an internal document as they spell out specific actions and deliverables by each relevant team. The plans cover areas that include enhanced project pipeline development, the development of a climate risk management system as well as financial innovation to mobilise private climate finance.

Most EIB Directorates are involved in the implementation and all services were made aware of the Strategy and Action Plans through awareness raising events and through the dissemination of the relevant Management Committee documents. Special events were designed to make the Strategy's objectives relevant for operational teams, bringing sector and geographical teams together to discuss the climate action investment opportunities in their pipelines and ways to identify additional opportunities in the different areas of operation. Climate action

experts are also involved in the periodic strategic pipeline discussions at director level.

Buy-in and active involvement in the development of specific elements of the strategy, e.g. the climate risk management system, were pursued by creating special cross-directorate focus groups, leading to the creation of a community of practice and champions throughout the Bank.

Experience and Impact

Moving from the development to the implementation of the EIB Climate Strategy is a challenging yet rewarding process. Overall, good progress was made on a very complex task that requires extensive dialogue across many EIB services. Internal coordination bodies were strengthened at both working- and decision-making levels so as to support the implementation of the Strategy. In particular, a Climate Strategy Implementation Steering Committee, composed of director-level representatives from all the relevant departments of the EIB (supported by a climate expert secretariat), was created to support and monitor the implementation of the action plans.

Inter-service dialogue and coordination has improved, new business opportunities have been actively identified, awareness raising and capacity building activities progressed and so did the outreach to client, peer institutions and other external stakeholders. In particular, coordination with the European Commission, other Multilateral Development Banks as well as other public and private financial institutions is crucial to maximise the impacts of Bank's Climate Strategy implementation, while ensuring efficiency in its delivery.