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MAKING THE EUROPEAN 'CLIMATE' INVESTMENT BANK WORK FOR DEVELOPING COUNTRIES

Eurodad's response to the European Investment Bank's Public consultation on the Climate Bank Roadmap 2021-2025

"Developed country Parties shall provide financial resources to assist developing country Parties with respect to both mitigation and adaptation in continuation of their existing obligations under the Convention," [Paris Agreement on climate change, 2015](#)

The Paris Agreement is the seminal international agreement for countries to work together to tackle the climate crisis. The prerequisite for achieving its goals is ensuring that all countries have the means to take on this challenge – particularly those countries most vulnerable to climate change that also have the least resources to tackle it.

Eurodad welcomes the European Investment Bank (EIB) Group's initiative to become the EU Climate Bank and its commitment ["to ensure that all its investments outside the European Union support the countries' NDCs \[Nationally Determined Contributions\] and development objectives, and are compatible with the overall Paris temperature goals"](#).

As the main channel of EU climate finance, the EIB's role includes helping the EU and EU Member States to achieve the climate finance and sustainable finance goals of the Paris Agreement. This role must include being able to respond to the needs of developing countries in the global south, many of whom have contributed the least to climate change, yet are experiencing the worst impacts of it. This role must also include ensuring that the [EIB's External Lending Mandate](#) supports a just transition in developing countries, particularly those where many multinational extractive industries operate.

In response to the public consultation on the EIB Climate Bank Roadmap, this paper outlines what the Roadmap should do to fulfil the commitment to international climate finance. It recommends that the EIB should:

- Scale up international climate finance for developing countries and increase access to finance;
- Strengthen existing climate vulnerability and risk assessments, and monitoring and reporting systems;
- Ensure inclusiveness, gender equality and climate diplomacy.

I: EIB GOVERNANCE: GENERAL PRINCIPLES AND RECOMMENDATIONS

EIB financing and that of EIB clients must serve the goals of the Paris Agreement – meaning it should be compatible with the 1.5°C target¹ and should cause no harm to people or the planet. Climate action must be integrated into the fiscal priorities, systems planning, lending and investments of the EIB and its clients, and must adequately account for climate impacts and risks, and uphold social and gender and human rights. Anything less than this will not allow for the climate crisis to be adequately addressed.

This would also help strengthen the EIB and its clients' resilience to climate impacts and shocks, identify synergies, trade-offs and risks from climate change to their investments, and ultimately help ensure that the EIB is always able to take climate action.

GENERAL PRINCIPLES TO IMPLEMENT

Financial principles for all EIB operations to follow:

- Concessional loans must be prioritised when providing finance to partner countries that are developing countries in the Global South.
- [Own Resources for the EU budget](#) that are generated from environmental taxes e.g. EU Emission Trading System (ETS), should be fully invested into climate projects/schemes/initiatives, and this should include projects in partner countries too.
- The EIB and its clients' asset purchases and refinancing operations should be aligned with the Paris Agreement's goals, to ensure alignment with climate objectives and to further reduce the risk of stranded assets.
- Any financial support provided must not lead to a country reaching an [unsustainable debt situation](#).

Implementation principles for all EIB operations:

- Mandatory alignment with achieving the goals of the Paris Agreement, including the 1.5°C climate target, to ensure that EIB operations do not adversely impact international climate agreements.
- Actively engage and work with local communities and companies as they play a key role in strengthening local economies, thereby helping to create economic resilience and local buy-in to projects and reducing the risks of investing in low-income countries.
- Integrate robust climate, environmental, sustainability and social criteria and safeguards into all EIB financial mechanisms, operating and governance systems, and standards and policies, to help ensure long-term economic and financial stability.
- Apply a gender-responsive approach to finance and apply the [UN Guiding Principles on Business and Human Rights](#) to ensure that the EIB upholds rights and pursues gender equality.

¹"The avoided climate change impacts on sustainable development, eradication of poverty and reducing inequalities would be greater if global warming were limited to 1.5°C rather than 2°C, if mitigation and adaptation synergies are maximized while trade-offs are minimized (high confidence)." IPCC (2018). *Special Report: Global Warming of 1.5°C*. Available at: <https://www.ipcc.ch/sr15/chapter/spm/>

Additionality:

- Climate finance must be additional and should not divert funding away from existing financial commitments e.g. development finance or humanitarian aid.
- Projects should be able to provide and demonstrate co-benefits with existing international agreements, including the Sustainable Development Goals.
- Investments for zero-emission projects should be prioritised, to help partner countries pursue a sustainable development pathway towards zero-net greenhouse gas emissions economies.

General principles to follow:

- The EIB Group must embed climate action objectives across all of its operations, investments and macroeconomic frameworks, using the Climate Bank Roadmap as the foundation of its ambition.
- The [EU Taxonomy's](#) 'do no harm' principle must be applied to all EIB investments and approved projects.
- High-quality climate risk and vulnerability data must be gathered and used to ensure risk management and to guide the direction of investments.
- The EIB should use definitions provided by the noted and relevant scientific and expert bodies, notably the Intergovernmental Panel on Climate Change (IPCC), the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Environment Programme (UNEP).
- The EIB should ensure that all necessary governance levels of implementation competency within a country are always involved in project implementation. Implementation is not always carried out by the same governance level or entity where the results of the measure will be felt.

ONGOING WORK FOR THE EIB TO TAKE ON

A Roadmap is a good first step but it is essential that the final result is a robust, effective, binding strategy that applies to the entirety of the EIB portfolio, including the [EIB's External Lending Mandate](#). It must also outline what the EIB's contribution will be to support the EU and the Member States via its clients, to implement [the continuation of the USD \\$ 100 billion climate finance goal between 2020 and 2025](#). Additionally, the EIB should:

- Determine the capacity of local and regional communities to accept direct climate finance.
- Support EIB clients and partner countries' capacity to institutionalise participation processes to ensure that all relevant stakeholders are able to participate in policy and project development and implementation.
- Conduct funding gap analyses, including by determining existing climate action funding streams, and a historical analysis of extreme climatic events impacts and costs, to help determine where the finance is most needed. This should also feed into how the EIB chooses to prioritise the funding mechanisms it uses.

- Develop a decarbonisation strategy for the EIB portfolio, in line with achieving the 1.5C climate target.
- Support the collection and verification of better data on the [true cost of tackling climate change in developing countries](#), in order to help determine what developing countries' needs are.
- Advise clients and partner countries on different forms of innovative sources of climate finance that can be scaled up to provide international climate finance.

II: SCALE UP INTERNATIONAL CLIMATE FINANCE FOR DEVELOPING COUNTRIES AND INCREASE ACCESS

The existing global climate finance goal of [“\\$100 billion USD annually by 2020 for mitigation and adaptation” is due to end in 2020. However, during the Paris COP Climate conference \(COP21\) a ‘continuation’ of the goal was agreed and it was extended from 2020-2025, with a new climate finance goal to be agreed before 2025.](#)

What is clear, is that developing countries [urgently need access to climate finance to address ongoing losses and damages](#), but also to implement adaptation measures. Existing international climate finance priorities are failing to take into account the needs of developing countries. To ensure that other regions in the Global South do not become just as vulnerable, the EIB needs to scale up climate finance for developing countries in the Global South, particularly for adaptation and to address loss and damage. This should also help to incentivise EIB clients to invest in such activities and measures.

Becoming the EU Climate Bank means:

- Maximising the EIB's potential to respond to the needs of developing countries.
- Financing more projects on adaptation and loss and damage, [and broadening the scope of projects](#).
- Supporting developing countries' objectives to have [at least 70 percent of climate finance going toward supporting local-level climate action by 2030](#).

MAXIMISING THE EIB'S POTENTIAL TO RESPOND TO THE NEEDS OF DEVELOPING COUNTRIES

As this Roadmap covers 2021-2025, the EIB should outline what role it expects to play to help its clients and partner countries achieve existing and future international climate finance goal(s) to financially support developing countries.

Developing countries have developed [Nationally Developed Contributions \(NDC\)](#) and some have developed [Long-Term Strategies \(LTS\)](#). [In 2015, many developing countries developed conditional](#)

[NDCs](#), meaning that certain aspects of their NDCs can only be implemented if they receive additional support, including financial support and capacity building.

In order to fully understand how best to support developing countries, the EIB should use the measures, policies and needs outlined in developing countries' climate commitments (particularly NDC and LTS) and economic development plans as a basis to determine: i) where finance is most needed; ii) if projects proposed actually help to achieve and advance a country's long-term economic and sustainable development goals. This will help the EIB to achieve [its aim to support developing countries in the global south to implement climate efforts](#).

FINANCING MORE PROJECTS ON ADAPTATION AND LOSS AND DAMAGE, AND BROADENING THE SCOPE OF PROJECTS

The [majority of climate finance flows go towards supporting mitigation measures](#), which are seen as the most profitable climate action measures. Vulnerable countries and frontline communities have made it clear that they urgently need access to finance for adaptation projects and to address loss and damage.

The UNFCCC and the Paris Agreement both highlight that Least-Developed Countries (LDC) and Small Island Developing Countries (SIDS) are urgently in need of financial assistance to tackle climate change. [Yet financial support for LDCs is low and increasing too slowly to meet their needs](#). The EIB can help change this and create a more equal focus for adaptation and loss and damage projects. It can do this by prioritising projects that additionally try to institutionalise climate risk management and adaptation, as well as projects to address losses and damages.

Adaptation and loss and damage projects are typically [not seen to be 'bankable'](#) but still [have value for vulnerable, local, frontline communities](#) and so must be pursued. As climate change impacts all parts of a country (e.g. economy, development opportunities, health services etc), [a variety of adaptation measures should be pursued per community](#). This is to ensure that action is taken in all necessary areas, and does not lead to a lack of action in one area (e.g. soil restoration), undermining the success of a measure in a different area (e.g. ecosystems restoration). Projects that focus on [community based adaptation \(CBA\)](#) should be prioritised, as this helps to draw in the expertise of the community, increase buy-in to the project and ensure that the needs of the community are being addressed by the project.

SUPPORTING DEVELOPING COUNTRIES' OBJECTIVES TO HAVE AT LEAST 70 PERCENT OF CLIMATE FINANCE GOING TO SUPPORT LOCAL-LEVEL CLIMATE ACTION BY 2030

Significantly, at the end of 2019 the [LDC group](#) released the [LDC Climate Change 2050 Vision](#) on climate change. In addition to calling for scaled-up climate finance, the group also called for support to build capacity and systems at the national and local level to account for non-traditional types of finance (e.g. natural capital accounting). The EIB should consider how it can support this effort, including through best practice sharing, and holding capacity building workshops and finance, and possibly

[reducing their economic exposure to the risks of climate change](#). Doing so could help countries to leverage resources for climate finance in a just manner. This could then help create predictable climate finance flows, as well as help countries to leverage climate finance in the immediate aftermath of a climate impact, and help to ensure greater access to climate finance streams at the local community level.

The EIB should also explore options to support contingent recovery finance. [Insured losses for climate change have increased substantially](#) in the last few decades. However, it is often vulnerable communities that are left to pay the [high premiums on such insurance schemes](#), often leaving these communities to pay for impacts that they have contributed the least towards. Addressing this could include ready start financing to tackle losses and damages and to fund immediate, necessity adaptation activities. Doing so should help ensure that more money goes to communities and local level efforts.

ADDRESSING THE IMPACTS OF CERTAIN FINANCIAL INSTRUMENTS

In addition to strengthening its capacity to support developing countries, the EIB must also look at how to address the impacts of certain financial instruments. Research shows that [developing countries are paying additional interest due to their climate vulnerabilities, equivalent to an extra \\$1 for every \\$10 of interest paid](#). 2016 projections estimate that an [additional USD \\$ 146 billion to USD \\$ 168 billion could be paid in interest by developing countries over the next decade](#). The EIB should consider providing guarantees that could reduce the additional costs of vulnerability that these countries bear (e.g. market rate or higher interest rates), despite having contributed the least to climate change. However, guarantees cannot be used to cover climate finance commitments. Finance must be provided to ensure that the poorest and most vulnerable are able to implement necessary measures.

CARBON MARKETS

The EU and many EU Member States have expressed strong interest in engaging in the Paris Agreement's market-based climate change mitigation mechanisms (carbon market) once this is finalised. Previous experiences with carbon markets under UNFCCC agreements (e.g. the [Clean Development Mechanism \(CDM\)](#) under the [Kyoto Protocol](#)) have not yielded the most socially and/or environmentally optimal outcomes. The CDM was supposed to become a vehicle for more ambitious climate action by countries. [“Instead it led to an increase in emissions, compared to a situation where countries would have met their targets without relying on the CDM”](#). Moreover, the [Joint Implementation \(JI\)](#) scheme allowed countries with weak climate targets to sell their extra pollution credits [emission reduction units \(ERUs\)](#) to companies, which then used those credits to comply with emissions reductions and [carry on with their normal operations, without actually reducing their emissions](#). There are [many other issues](#) with the Kyoto Protocol's mitigation mechanisms, demonstrating their inadequacies of addressing climate change.

In the past, [the EIB has set up EIB Carbon Funds that it would then sponsor](#), in order to mitigate the risk of directly engaging in carbon markets. As the rules governing carbon markets under the Paris

Agreement have still not been finalised, it is not clear how the EIB will engage with carbon markets under the Paris Agreement. However, as the main funnel of EU-level climate finance, the EIB must also provide a share of the proceeds from engaging in the Paris Agreement's mitigation mechanisms to the Adaptation Fund and adaptation activities. The Paris Agreement includes an explicit mention under [Article 6.6 that the new mechanism \(also known as the Sustainable Development Mechanism\) under Article 6.4](#) must provide a stream of finance to the Adaptation Fund to support adaptation in developing countries.

The EIB should also

- **Not engage in transfers with entities that have emissions reductions targets set below their business-as-usual emission levels.** This would enable these entities to transfer '[hot air carbon credits](#)' instead of reducing their own emissions to achieve a more ambitious target, including by not providing subsidies to allow clients to engage with such entities. This would also weaken the integrity of the EIB and its clients' own commitments.
- **Avoid all forms of double counting** when engaging in internationally transferred emission reductions in order to ensure that emissions are real, additional, permanent and verifiable.
- **Not trade, accept or recognise any emissions units from any of the [Kyoto Protocol mechanisms](#)** for compliance with non-Kyoto mitigation commitments (e.g. Paris Agreement commitments).
- **Only trade or accept mitigation units that provide demonstrable additional emissions reductions**, not those that aim to replace an entity's own efforts to reduce emissions.
- **Only engage with projects under mitigation mechanisms that can demonstrate that more emissions will be reduced** than emitted as a result of using the carbon credit.
- **Encourage clients to reduce their emissions without the need of EIB subsidies to engage in carbon markets.**

III: STRENGTHEN EXISTING CLIMATE VULNERABILITY AND RISK ASSESSMENTS, AND MONITORING AND REPORTING SYSTEMS

CLIMATE RISK AND VULNERABILITY ASSESSMENTS

Traditionally, non-financial and non-economic data has held a [lower value than that of financial and economic data. Whilst this is changing](#), this has contributed to the lack of available data on non-financial and non-economic metrics. However, a country is more than its economy and financial stability. It is also the quality of life that citizens and residents enjoy; it is access to opportunities within a country; and it is the ability to be an equal member of society able to seek the same quality, opportunities and justice remediation.

It is essential for the EIB to take into account financial and economic risks and vulnerabilities of climate change and also to embed non-financial and non-economic risks and vulnerabilities into risk and prudential assessment and management systems. Doing so will help protect the EIB and its clients against climate impacts and shocks, support long-term economic and financial stability, and reduce the impact that climate impacts may have on the EIB to provide international climate finance to vulnerable partner countries. Indicators that should be used include: Loss of life, Livelihoods, Health, Education, Development, Gender, Culture, Heritage, Chronic and transitory needs, etc.

The EIB and its clients should also strengthen the valuation models used to assign value to a climate risk and integrate a country's vulnerability into project valuation to climate change. This must include the risk of increased debt due to lack of climate action and the risk of continued, unchecked climate change on a country. Indicators that should be used include: risks to Life, Poverty, Debt, Livelihoods and Sustainable development, etc.

This work should also help to incentivise clients and partners to collect such data, and should help to strengthen their own capacity and the EIB's capacity to carry out projects in as low carbon a way as possible.

METHODOLOGY FOR CLIMATE RISKS AND VULNERABILITIES

- **An additive scale should be used** to add and reflect upon the duration of an extreme climatic event, in order to help determine the requisite response. Variability of shocks means that countries can face the same or another extreme climatic event within a very short timeframe.
- **Cost for expected and probable losses** by determining developing countries' contingent liability (the potential cost incurred of addressing an event) for extreme climatic events. The cost of climate action is variable, not stable, and is dependent on specific country circumstances.

Factors to identify and include in project testing to ensure they are not further stressed/ exacerbated by EIB investments:

- Identify hotspots within communities for climate risks and vulnerabilities.
- Identify the most vulnerable in a society and disaggregate data by gender, ethnicity, generation, wealth, food and water security, accessibility to finance.
- Identify the stressors of climate impacts and risks in a country.
- Identify potential multipliers of the effect (positive or negative effects) of a project.
- Identify what within a country is vulnerable to climate system variability.

General factors to consider:

- Historical and projected climate risks and vulnerabilities of a country.
- Existing finance and climate management infrastructure that exists in a country, region, and/or local community.
- Existing power structures within a country, region and/or local community.

Sustainability of investments:

- **Scalability of a project** within a region, country and possible applicability to other countries too, whilst recognising that all countries have different circumstances.
- **De-prioritise projects that result in stranded assets** (e.g. gas infrastructure). If such projects are approved, they must detail what their benefit is to the local community, local environment, ecosystems and biodiversity. Doing so will help inform new projects and ensure that project proposers do not suggest similar projects that have no benefit.

Suggested assumptions to use:

- **Assume the highest amount of impact:** Climate change and hazards are not static and are unprecedented, and thus can cause great shocks to an economy and to systems. In order to ensure that the worst-case scenario is modelled and prepared for, the EIB should assume the highest amount of impact.
- **High-susceptibility to climate changes impacts project sustainability:** Clients in partner countries that are developing countries in the Global South often face climate shocks and impacts that can derail project implementation and sustainability, or affect the future economic status/ rating of a country due to climate impacts. Country circumstances must be accounted for when determining financial instruments to use, and a project's future sustainability. As such, market-rate loans should not be used for partner countries in developing countries in the Global South.

TRANSPARENCY, MONITORING, REPORTING AND VERIFICATION

In order to ensure that EIB investments have an impact, it will be essential for the EIB to ensure that it uses comprehensive, robust and efficient monitoring, reporting and verification measures.

Projects that have a high impact on climate change and/or the environment should provide compensation to address these impacts and the subsequent impacts on livelihoods and local economies. For instance, rapid urbanisation is fuelling the demand for more infrastructure, but [infrastructure developments can create impermeable surfaces in areas where infiltration is needed, which in turn impacts local ecosystems and natural infiltration systems](#). As such, the EIB should monitor the impact of these kinds of projects, in order to adequately compensate communities for these impacts. However, high carbon projects should not be funded (e.g. high carbon transport and road infrastructure). This will also reduce the EIB's need to use carbon markets to internalise the externalities (e.g. carbon) of such projects. Additionally, the EIB should follow these principles:

Monitoring and reporting:

- Climate finance should be tracked and reported to both the EIB and country of implementation.
- Reporting should also take place at the level of activity. Doing so will help determine more effectively what the impact of a project actually is.

- Implementers must track and report emissions reduced, and the impact and effectiveness of the project on the local economy, the local community, the local environment and the national level impact.
- If a different project (e.g. on conservation) is running in the same region that has co-benefits with reducing emissions, advancing adaptation or addressing loss and damage, then the climate action project should report the name of the other project to help aggregate project results. The project implementer should also determine if synergies between the projects can be maximised.
- Clients and private investors must be required to monitor and report on the impact of their operations on climate change, and if the impact significantly undermines a community's livelihoods, the EIB should not support their future investments.
- The implementation of gender equality and women's empowerment indicators must also be tracked.

Verification:

- Project data and clients' and private investors' decarbonisation plans and green commitments should be analysed and assessed by an independent body to verify the data, assumptions and final conclusions used to determine commitment and impact, in order to determine what their true contribution to tackling climate change is.

Accountability:

- The [EIB Complaints mechanism](#) should be transparent and the details of it should be shared with project implementers and the communities in which the project is being implemented; it should be available in the languages of all countries where the EIB is active; and it should be in a format that is accessible for communities. The grievances should be handled by an independent body. Those impacted by projects must feel able to share lessons learned and seek compensation.

Transparency:

- All relevant documentation – including final projects, project proposals, analyses, technical reports, financial reports, methodologies, modelling, assumptions – must be publicly available.

IV: INCLUSIVENESS, GENDER-EQUALITY AND CLIMATE DIPLOMACY

Investing in projects that contribute to global climate change mitigation and adaptation and have co-benefits with other international agreements help us all. To ensure that the goals of the Paris Agreement and Sustainable Development Goals (SDGs) are achieved, it is essential that the EIB pursues a gender-responsive approach to finance, facilitates the inclusive development of projects, policies and standards, and engages in climate diplomacy with other multilateral banks.

Pursuing partnerships that inspire active collaboration

The dual crises of climate change and COVID-19 highlight the extent to which cooperation is needed to address these challenges. There needs to be sustained multilateral effort to ensure that all countries are able to address both crises and embark upon a path of sustainable development towards achieving zero-net greenhouse gas emissions. That means that existing partnerships (either between countries, banks or a mixture) need to move from a foundation of cooperation to active collaboration.

The EIB should foster partnerships based on collaboration, in order to equitably achieve international agreements, including by providing finance and supporting access to finance for local communities at a national level. Doing so will help to rebuild trust in multilateral institutions, help empower local stakeholders to tackle climate change, and ensure that the challenge of the climate crisis is a shared effort.

Active participatory processes

The work of the EIB should help bring communities together. Doing so will ensure that as many people as possible within a country, region or community can benefit, including those who work in the informal economy. Projects that invest in the public good should be prioritised (e.g. projects that generate decent jobs, provide adequate communal facilities, respond to locally identified needs etc). This should also help to maintain strong social ties in the local community, and increase buy-in to the project from the local community, as well as helping to ensure that rights are upheld (e.g. ownership and land rights).

The EIB should:

- Support processes to institutionalise the participation and engagement of local communities, local businesses and stakeholders in policy, decision-making and project development and implementation.
- Identify change agents within a country, region and community and support processes to connect them to industry and investors, to ensure that private investments are also based on local expertise, knowledge and needs.
- Continuously seek the input and expertise of the scientific community and civil society to refresh the pool of knowledge and information that the EIB is drawing from.

Gender equality and women's empowerment

Women and children are disproportionately impacted by climate change, and are finding [their access to food and gender specific health services increasingly compromised](#). Indigenous women living in rural areas are often the last to experience support after a climate hazard. Climate disasters also [aggravate women's unpaid care and domestic work](#) in their homes and communities. In addition, women [face a heightened risk of gender-based violence during and following disasters](#). Therefore, women's leadership in decision-making around climate and environmental policies is critical. [Yet women are still under-represented in climate policy development, decision-making and implementation](#), especially indigenous women and the transgender community.

Tackling climate change also provides an opportunity to transform power structures within a country, region and local community, to help advance gender equality and women's empowerment.

- **The EIB must work harder to implement its [Strategy on Gender Equality and Women's Economic Empowerment](#) and [Gender Action Plan](#) and inspire a willingness for its clients to actively pursue gender-responsive finance investments.** A lot of investments are made without taking into account the perspectives of women and thus only benefit certain parts of a society. Research shows that [women can have differing solutions to the same climate impact](#), and often these solutions are more inclusive of all parts of a society. This means there is a real benefit to pursuing gender-response finance investments.
- **Projects most provide data on how they are contributing to gender equality and women's empowerment:** The Paris Agreement's implementation guidelines state that countries should include information in their biannual UNFCCC communications on finance regarding whether finance provided is gender-responsive and takes into account gender considerations. Doing so will also enable the EIB to determine more accurately how it is contributing to the [EU framework for Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations \(2016-2020\)](#).

CLIMATE DIPLOMACY FOR LEADERSHIP

The EIB's goal to become a climate bank would make it Europe's first climate bank. Doing so requires the EIB to lead by example, and to promote a new, sustainable, climate action vision. As a well-regarded member of the multilateral bank community, including various relevant multilateral bank networks (e.g. [European Development Finance Institution \(EDFI\)](#)), the EIB should use its position to:

- **Promote the end of fossil fuel subsidies:** It is admirable that the EIB will stop lending to fossil fuel projects by the end of 2021, but in order to effect change, the EIB must also play its part to make this a global normality, by promoting its own climate action commitments and divesting its portfolios to focus on **providing subsidies for renewable energy and energy efficiency**. The November Global Banks Summit '[Finance in Common](#)' is an excellent opportunity for the EIB to work towards ensuring that a commitment from joint multilateral banks to end direct and indirect fossil fuel subsidies by 2024 is made.
- **Assert that EIB clients must develop binding decarbonisation plans** that include a 'do no harm' principle. The EIB must become an enabler of change. By encouraging clients and private investors to develop and implement ambitious decarbonisation plans, the EIB will also be doing its part to ensure that the polluter pays principle is enforced in Europe.
- **Encourage allies and other multilateral banks to develop binding decarbonisation plans** that include a 'do no harm' principle. The EIB must demonstrate leadership and encourage others to follow its lead.
- **Encourage EIB clients** (particularly those with central banks) and partner countries **to consider engaging in ecological fiscal transfers (EFT)** (redistributed non-earmarked tax revenue that goes to ecological/environmental projects). All opportunities to invest in a truly climate resilient and zero-net future should be maximised by countries, banks, investors and relevant stakeholders to ensure that the climate crisis is addressed.