

# JOINT CSO INPUT TO THE REVIEW OF EIB'S CLIMATE BANK ROADMAP

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Dear Mr. Fayolle,

We write to you regarding the upcoming Phase 2 of the EIB Group Climate Bank Roadmap 2026–2030. We welcome that the EIB has kept climate as its number one priority in its 2024–2027 Strategic Roadmap and that President Calviño referred to this commitment during the Board of Governors meeting in June this year.

However, even though the Bank is meeting its main climate finance targets, we are also deeply concerned about the broader business model and strategy to prioritise derisking of the private sector while not sufficiently recognising the ability of the public sector to implement large-scale, democratically available mitigation and adaptation projects that combine long-term economic viability and public benefits. We also want to raise to your attention that existing loopholes have resulted in [€10 billion in EIB loans](#) going to companies and financial intermediaries that keep on expanding the production of fossil fuels. Under the veil of climate finance, the EIB also supports technologies such as Carbon Capture and Storage, which prolong the life of fossil fuels, [burn forests and waste public money](#) that could have had much better climate impacts. Support for clean technologies such as battery production for electric vehicles (EVs) also fails to take into account the broader resource intensity, environmental impact and public benefits.

The EIB is increasing its lending and plays a larger role in the EU's economic policy through various instruments to support the Clean Industrial Deal, but also the Pan European Investment Plan for Affordable and Sustainable Housing. It is evermore important to close loopholes and set priorities straight to ensure climate finance under Phase 2 of the Climate Bank Roadmap ensures climate finance no longer supports fossil fuels; recognises the key role of the public sector; prioritises a just transformation inside and outside the EU; and takes the lead by strictly financing companies and projects that fully contribute to tackling climate change and environmental destruction with the highest social standards.

Finally, we also deeply regret the fact that a stakeholder event has taken place in the middle of the summer and announced with very short notice, severely limiting the possibility of civil society to make a meaningful contribution. Moreover, the Energy Lending Policy will also be replaced by a Sector Orientation Policy without a public consultation process. The 7 August deadline to provide written input announced during the stakeholder event equally makes it impossible for many civil society organisations to contribute. If left unaddressed, this is a highly undemocratic process. We therefore call on the Bank to organise a public consultation including a follow up meeting between the Bank and civil society after the summer break,

but well ahead of the final approval, based on the draft text of phase 2 of the Climate Bank Roadmap and the Sector Orientation Policy and inform stakeholders well in advance.

Meanwhile, we call on the Bank to take into account the following recommendations:

**1) Focus the climate strategy on the advantages of public finance and less on derisking the private sector, prioritising a just transformation across all climate finance and maximise public benefits.**

- Recognise the key role of the public sector ([the main recipient of EIB's climate finance in 2023](#)) in climate finance due to its ability to implement large-scale, democratically available mitigation and adaptation projects. Particular focus should be put on projects with long-term economic viability, despite returns that are below market value. Focus less on derisking the private sector and use more of the increased lending to support public projects in combination with guarantees, grants and technical assistance for public sector projects with high environmental and social benefits.
- Prioritise a just transformation with a holistic approach to cover all regions. This should include targeted financing based on social needs for sustainable solutions, a balanced geographical spread inside the EU and more resources for low-income countries outside the EU. Moreover, all projects should be checked to ensure any climate finance is compatible with the needs for a just transformation that respects human rights and protects the environment.
- Make a plan to support public actors, especially local governments, to provide essential green public services in key sectors, such as sustainable and affordable housing, energy and transport. This could be done by adapting and expanding the Public Sector Loan Facility. In the housing sector, the Bank should improve its definition of affordable housing, limit the role of for-profit investors and ensure sufficient funds are available for the housing needs of lowest incomes. In the energy sector, the Bank should make affordability a priority and expand public sector energy projects to this end. This should include support for grids and transmission lines that focus on public benefits.
- Provide climate finance outside the EU in the form of increasing concessional loans for projects with high development additionality that tackle energy poverty, transfer technology and prioritise high added value in the local economy, job creation and support for local communities, while respecting human rights and protecting the environment. This should include improving its human rights due diligence and project assessments and increasing support for the Least Developed Countries.

**2) Improve the climate finance methodology and stop financing fossil and other highly polluting activities, while focusing on proven and resource efficient use of technologies.**

- Adapt the climate finance methodology in order to end funding for technologies and infrastructure that extends the life of fossil fuels, as well as other activities with highly negative environmental impacts. As the taxonomy will be weakened, the Bank should implement strong “do no significant harm” criteria and adopt strong environmental - including biodiversity - and social criteria. This also means improving due diligence and project assessment, especially for loans via financial intermediaries. Moreover, only activities that are the most efficient option to reduce energy and resource use should be considered as climate finance.
- Stop financing activities such as Carbon Capture and Storage, motorways, highways, port and airport expansions, industrial livestock farming and biofuels. The EIB should

also adopt strict criteria for hydrogen. Do not support fossil based hydrogen or projects in the Global South that take away renewable energy capacity from local, and/or direct

renewable energy needs and lose a lot of energy during long-distance transport. Ensure that only hydrogen produced using renewable energy is supported and only when it is proven to be the most efficient option, it is produced for local use and does not divert renewable energy from direct electricity needs. The Bank should also strengthen its emissions criteria and environmental criteria for bioenergy and hydropower. It must also evaluate its support for industries such as the digital sector which heavily increase energy or resource use, and no longer consider them as climate finance.

- Enhance the transparency of the Climate Risk Assessment system by making the methodology publicly available to strengthen accountability and build trust. For instance, it is unclear how the “1 to 5 score” scale for risk exposure is established. Furthermore, the updated Roadmap should include information related to the announced Biodiversity Risk Assessment system. Initially announced for the second half of 2021, it was delayed for implementation in 2024, with application to EIB counterparts from 2025. The EIB should detail the use of this system and the methodology used.

### **3) Ensure climate finance stops funding fossil giants and ensure supported companies and financial intermediaries have strong and binding transition plans by investing in proven clean technologies and adopting strong social standards.**

- Take the lead in guiding the business models of companies when supporting the private sector, instead of focusing on making projects more profitable. In addition, the EIB, including via the implementation of [InvestEU and other new instruments to support industries](#), should support companies and financial intermediaries that reinvest their profits in full decarbonisation and develop proven sustainable and affordable solutions, while upholding strong social standards and human rights.

- End fossil exposure via companies and financial intermediaries. Close the loopholes in the PATH Framework and exclude fossil fuel companies that do not phase out fossil fuels. In addition, the Bank must create solid and binding criteria for financial intermediaries that require them to phase out their fossil fuel investments. The Bank must demand transition plans from companies and financial intermediaries that include binding short-term (3–5 years) and long-term targets in line with science-based targets and indicators. It must also incorporate a mechanism to suspend EIB loans when its clients do not respect targets and ensure these plans are easily accessible by publishing them on the EIB’s website.

- Avoid investing in inefficient solutions when supporting clean technology development, while also taking into account a solution’s energy and resource intensity. In addition, when supporting clean technologies such as battery production for EVs, the Bank should prioritise public interest and contribute to affordable and environmentally-friendly access to essential services such as clean public transportation, job quality, sustainability, and enable technology transfer outside of the EU. It should also distribute funding fairly within the EU to avoid deepening internal inequalities.

### **4) Increase climate environmental finance targets, especially in areas such as adaptation finance, where the Bank is missing its targets.**

- Increase climate and environmental finance targets based on an improved methodology, including for EIB Global to respond to the [New Collective Quantified Goal](#). Apply the example of the Asian Development Bank by increasing the threshold towards at least 75%.

- Consider setting an absolute GHG emissions target at the portfolio level for its EU-wide operations. This initiative would strengthen the Bank’s contribution to the EU’s climate objectives and set a meaningful example for other international financial institutions to follow.

- Increase adaptation finance. The EIB is currently missing its 15% adaptation finance target.

As the impacts of climate change worsen, this becomes increasingly important. It should look into the reasons why it is missing its target, especially by looking at the lack of short term profitability of many adaptation projects and increasing its financing of the public sector for such projects. The vast majority of estimated adaptation needs in developing countries are typically publicly funded with a small proportion of commercially viable adaptation opportunities typically concentrated in agriculture, water and infrastructure. The Bank should increase its target to the level of its peers, such as the World Bank and the Asian Development Bank, which have at least 50 percent adaptation targets.

- Act on the need to provide concessional climate finance, especially in low-income countries, as the [New Collective Quantified Goal invites MDBs to do](#) and as already recognised in the Climate Bank Roadmap. Reverse the dramatic drop and significantly increase such concessional loans which prioritise benefits for end users of projects and local communities.

### **5) Strengthen the protection of biodiversity and forestry.**

- Prioritise environmental and biodiversity benefits over commercial interests when assessing nature protection projects and finance nature projects directly, instead of via financial intermediaries to increase the amount of eligible projects and promoters. By looking at nature as a form of natural capital, the Bank is often focusing on commercial projects via financial intermediaries and fails to find a sufficient amount of good projects and also supports carbon offsets, which are problematic, because they incentivise companies to keep on polluting and often lead to land grabs and privatisation of lands with negative local social impacts and environmental degradation.

- The EIB should increase concessional financing capacity that specifically targets high-quality nature protection and restoration of biodiversity that have long-term economic viability, but are not profit-oriented and respect local communities including their right to free, prior and informed consent. Increasing high-quality financed projects also requires more technical support to design and enable viable projects to reach approval.

- In light of the EU's commitment to deforestation-free products, the EIB should integrate an explicit commitment to zero deforestation across the portfolio.

The fight against climate change and environmental destruction, together with the mobilisation of public investment for a just transformation inside and outside the EU, are more important than ever to reach long term social progress as well as economies respectful of human rights and of the environment. We hope you will take into account our recommendations and provide sufficient space for civil society to contribute to the review of the Climate Bank Roadmap.

We look forward to engaging with you and invite you to reach out to us if you have any questions or comments.

Best regards,

## Signatories

Counter Balance

Recommon

CEE Bankwatch Network

Jamaa Resource Initiatives, Kenya

urgewald

MenaFem Movement for Economic, Development And Ecological Justice

FIDH

Climate Action Network (CAN) Europe

