

Climate Resilience Screening

Implementation at the EIB and Review of Tools and Approaches to Climate Resilience Screening Elsewhere

Monica Scatasta – Head of Policy, EIB Environment Climate and Social Office

Rasmus Lauridsen – Senior Climate Change Specialist, EIB Environment Climate and Social Office

James Dunham – Senior International Climate Change Adaptation Consultant, Atkins

Overview

- Background
- Findings from the climate resilience screening tools review
- Next steps



Background

What is climate resilience screening?

Analysing a project to identify:

- Whether the concepts are vulnerable to climate change
- Whether climate risks have been taken into consideration
- Whether plans could lead to increased vulnerability
- What steps are needed to reduce risks and associated costs

ADB (2009) Understanding and Responding to Climate Change in Asia



Background

Ultimate aim: Develop a comprehensive and mainstreamed approach to climate screening of projects within EIBs Project Directorate (PJ) and throughout the Bank

Objectives:

- Support the systemic screening for climate risk under the EU External Lending Mandate; and
- Meet the Climate Action Review and Climate Action Strategy objective to screen 100% of EIB's projects/activities within 5 years.

Desired outcome:

- Ensure projects are suitably adapted
- Better portfolio of investment in projects both in terms of financial risk, output and reputational risk



Background

EIB has requested expert advice to assist in the:

- Climate risk screening of case study projects; and
- Assessment of procedures, approaches and obstacles to climate screening for EIB

Aim: Provide the foundation for the development of the processes, procedures and knowledge to effectively and efficiently screen for climate risks.



Background

Climate resilience screening:

- **Task:** Screening of pre-Board Approval case study projects
- **Aim:** Inform the EIB approach to climate screening – ‘Learn by doing’ approach
- **Approach:** Experts work alongside PJ Appraisal Teams



Background

MDB Adaptation Finance Tracking Methodology

Identifying climate finance: estimated incremental adaptation cost/investment - 'three steps':

- **Vulnerability:** set out climate vulnerability context
- **Risk:** articulate a clear and direct link between climate vulnerability and specific activities
- **Adaptation:** intent to address climate vulnerability



Climate screening tools review

Approach:

1. Identification and review of climate resilience screening tools and processes
 - Focus on tools and processes for investment and development projects
 - Expert review and interviews
2. SWOT analysis of tools/processes in relation the opportunity for facilitating the climate screening in EIB



Climate screening tools review

Key assessment criteria:

- Potential for integration within EIBs current processes, procedures and systems
- Whether it provides the foundation for a full project climate change risk assessment cycle
- Alignment with the MDB Adaptation Finance Tracking Methodology
- Enables the reporting of climate (adaptation) finance for project activities
- Capacity to support a client/promoter led, ECSO/PJ driven, process
- Length of assessment timeframe
- Whether the process is auditable and transparent



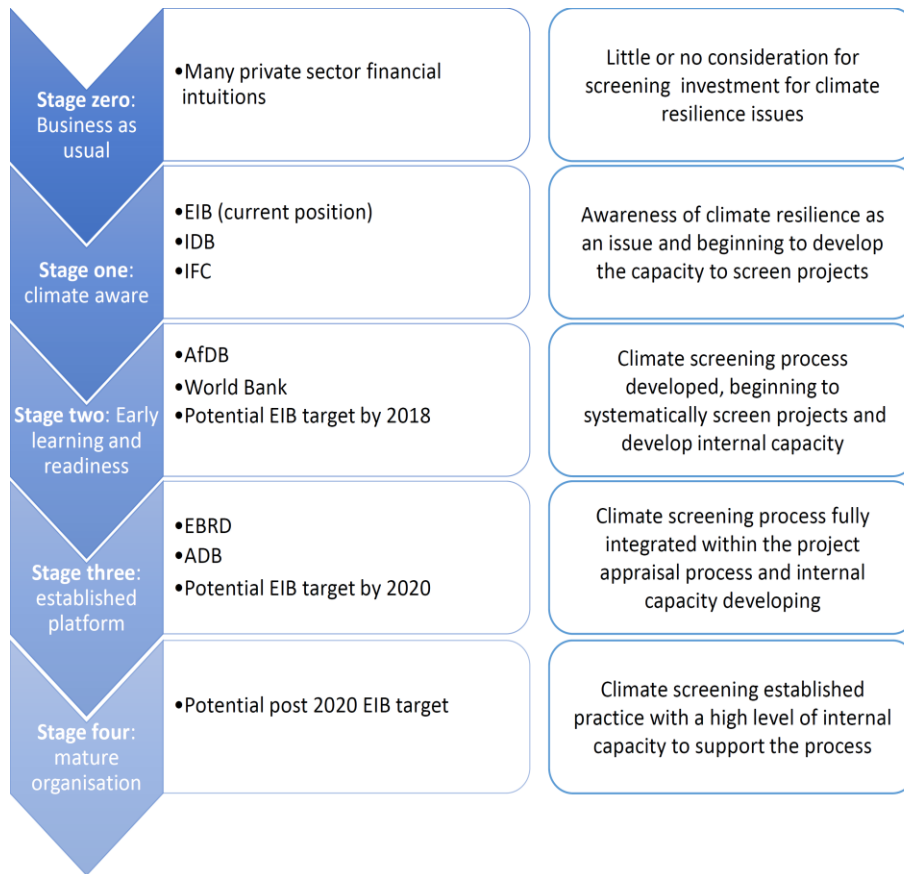
Climate screening tools review

Screening tools/processes identified:

- **Commercial organisations:** Acclimatise - Aware for Investment
- **Multilateral Development Banks**
 - ADB - Climate Resilience Project Screening
 - AfDB - Climate Safeguard System
 - EBRD - Climate change adaptation screening
 - IDB – Environmental and social safeguards and climate screening
 - WB/IFC - Climate & Disaster Risk Screening Tools
 - WB - Decision Tree Framework
- **Development agencies and Bilateral Development Banks**
 - AFD - Climate risk screening
 - KfW - Climate change assessments



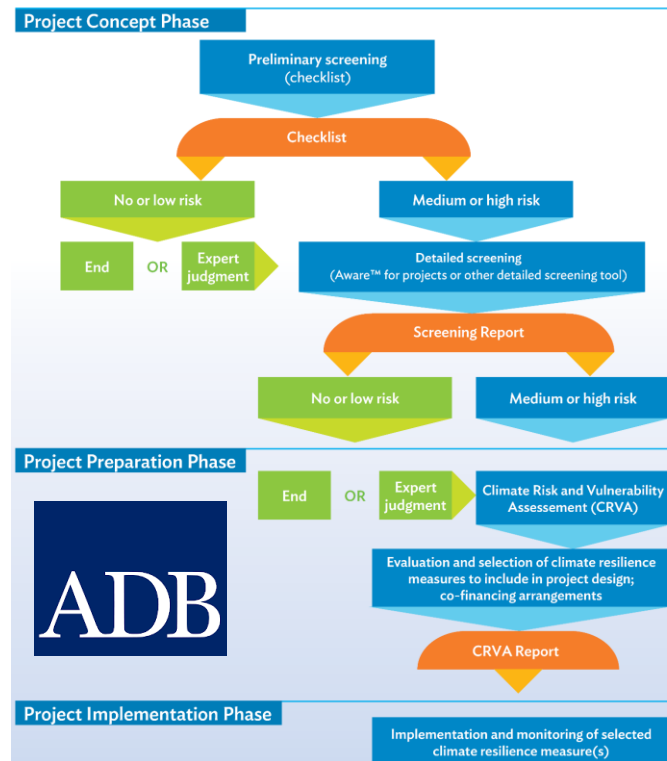
Climate screening tools review



Climate screening tools review

Findings

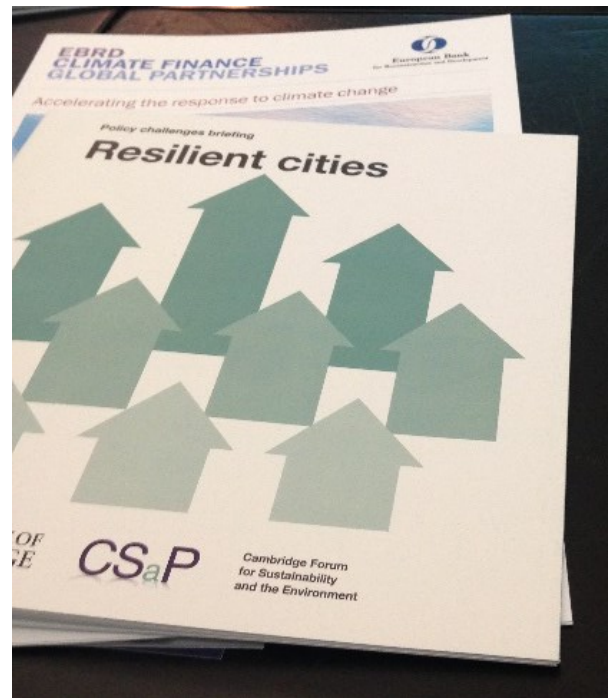
- Many successful examples, with no one size fits all approach
- Screening should provide the foundation for an integrated climate risk management process
- The role of climate vulnerability screening support tools should be carefully considered
- Implementation of a climate resilience screening process will require capacity building and time
- There is also an opportunity to build in consideration for wider risks
- There is a need for post-screening technical expert assistance



Climate screening tools review

The EBRD example:

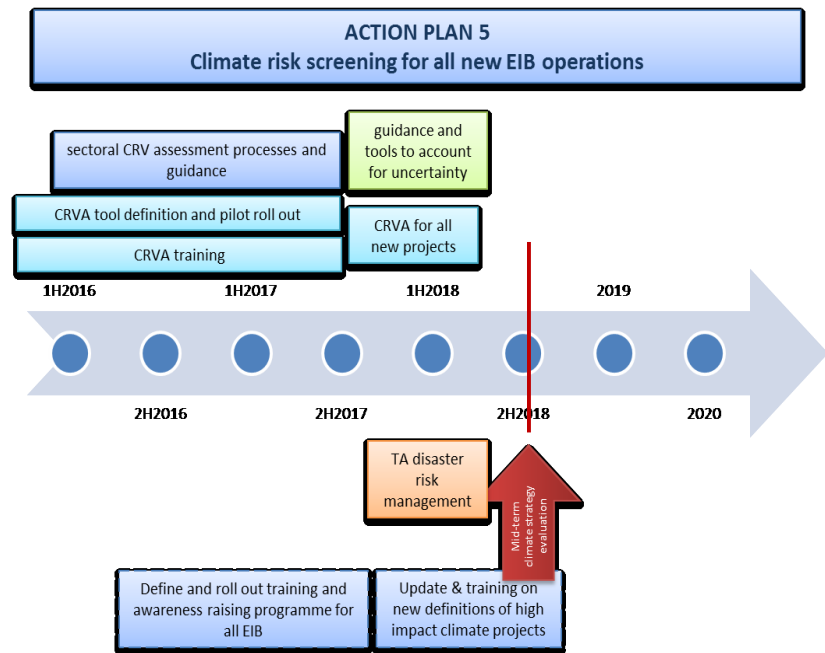
- Focus on integration within the project appraisal cycle, including tracking climate (adaptation) finance
- Climate has moved out safeguards into risk
- Significant consideration in board approval
- Developed a tool initially, this became redundant as capacity developed



Next steps

Review of EIB procedures

- Consider the skills, knowledge and behaviours of PJ staff and the opportunities to build their capacity
- Development of recommendations for the development of the processes, procedures and knowledge to effectively and efficiently screen for climate risks.





For info or further questions on this seminar and the activities of the JASPERS Networking Platform, please contact:

JASPERS Networking and Competence Centre

jaspersnetwork@eib.org

www.jaspersnetwork.org