EU TAXONOMY AND CLIMATE ADAPTATION IN THE WATER SECTOR 14 November 2023

"Water is to Climate Adaptation what Energy is to Climate Mitigation"

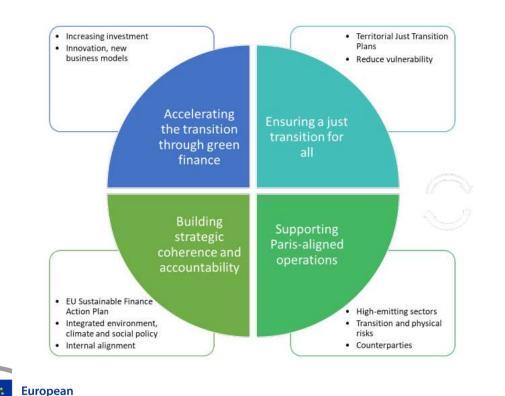


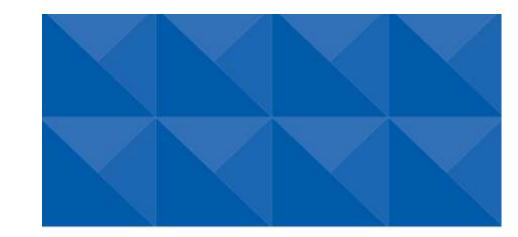
EIB THE CLIMATE BANK ROADMAP

Approved in December in 2020

Investment Bank

 EIB will increase its level of support to climate action and environmental sustainability to exceed 50% of its overall lending activity by 2025





EIB Group Climate Bank Roadmap 2021-2025

November 2020



EU Taxonomy. Climate Adaptation water sector (1 of 3)

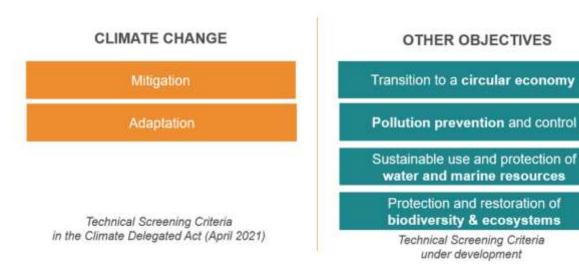
Urgent climate change challenge with clear goals

- European Green Deal
- 2030 -55% target
- 2050 net zero target

Solutions and We need tools to capital are available

- Markets can work
- make it easy to:
 - Identify the opportunities
 - create sustainable assets and activities
 - guide capital to the right place

"The EU taxonomy is a classification system, establishing a list of environmentally sustainable economic activities"





The Taxonomy Regulation mandates three user obligations:





EU Taxonomy. Climate Adaptation water sector (2 of 3)

ACE Macro-sector	Climate Change Climate Change Adaptation Mitigation Activities	NACE Macro-secto	r Climate Change Mitigation Activities	Climate Change Adaptation Activities	CE Macro-sector	Climate Change Mitigation Activities	Climate Change Adaptation Activities
orestry	Advestation Rehabilitation and restoration of lorests, including reforestationand natural lorest regreseration after an extreme event Eroset management.	Water Supply, Sewerage, Waste Management and Remediation	treatment and supply syste Renewal of water collection	d operation of water collection, ms, , treatment and supply systems d operation of waste water collection	Professional, Scientific and Technical Activities		Engineering activities and related technical consultancy dedicated to adaptation to climate change
	Conservation forestry		and treatment			Close to market research,	development and innovation
wironmental rotection and estoration Activities	Restoration of Wetlands		Renewal of waste water collection and treatment Collection and fransport of non-hazardous waste in source segregated fractions			Research, development and innovation for direct air capture of CO2	N/A
Manufacturing	Manufacture of examinative energy technologies Manufacture of equipment for the production of hydrogen Manufacture of low carbon technologies for transport Manufacture of batteries	Transport	Anaerobic digestion of sev Anaerobic digestion of bio- Composting of bio-watte Material recovery from non	wante	us wate	Professional services related to energy performance of buildings	N/A
	Manufacture of energy efficiency equipment for buildings Manufacture of other low carbon technologies		Landfill gas capture and ut Transport of CO2 Underground permanent g			N/A	Non-life insurance: underwriting of climate-related perils
	Manufacture of cement Manufacture of aluminium		Passenger interurban rail tr			N/A	Reinsurance
	Manufacture of iron and steel		Frieght for the entropy of		Education	N/A	Education
	Manufacture of hydrogen Manufacture of carbon black		Urban, suburban and road passenger transport Operation of personal mobility devices, cycle togatios Transport by motorbikes, persenger cars and light commercial vehicles Freight transport services by road	Human Health and Social Work Activities	N/A	Residential care activities	
	Manufacture of soda ash Manufacture of chlome Manufacture of organic basic chemicals			Arts, Entertainment and Recreation	N/A	Creative, arts and entertainment activities	
	Manufacture of anhydrous ammonia Manufacture of nitric acid Manufacture of plastics in crimary form		Inland pausanger water tra Inland height water transpo			N/A	Libraries, archives, museums and cultural activities
sergy	Electricity generation using solar photovoltac technology Electricity generation using concentrated solar power (CSP) todhyclogy Biochicity generation from ocean energy technologies Electricity generation from spectraming technologies Electricity generation from spectraming energy Electricity generation from spectraming energy Electricity generation from spectraming energy Electricity generation from technologies Electricity generation from technologies Factoricity generation from bioexergy Transmission and distribution of electricity		Sea and coastal fingit water transport, vessals for port operations and auxiliary activities Sea and coastal passenger water transport Reinotiting of sea and coastal fingith and passenger water transport infrastructures for personal mobility, cycle logistics infrastructures for personal mobility, cycle logistics infrastructures for all transport infrastructures areas ingliced and public transport infrastructures areas ingliced and transport and public transport infrastructures for mainter transport infrastructures for mainter transport infrastructures areas and inglice of energy efficiency equipment installation, maintersuros and repair of energy efficiency equipment installation, maintersuros and repair of energy efficiency equipment installation, maintersuros and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings installation, maintersuros and near of transports and devices for measuring, regulation and controlling energy performance of buildings installation, maintersuros and near of tenewable energy inchnologies			NA	Motion picture, video and televise programme production, sound rescording and music publishing activities
	Storage of sectiricity Storage of thermal energy Storage of hydrogen Manufacture of biogas and biohalis for use in transport and of biologiads Transmission and distribution networks for renewable and low- carbox gases District heating/cooling distribution Installation of sectiric teatr pumps Cogeneration of heaticool and power from solar energy Cogeneration of heaticool and power from solar energy	Construction and Rea Estate					
	Cogeneration of heat/cool and power from renewable non-fossil	Information and Communication	Data processing, hosting and related activities				
	generous and lead fuels Cogeneration of heat/cool and power from bioenergy Production of heat/cool from solar thermal heating Production of heat/cool from solar thermal energy		Data-driven solutions for GHG emissions reductions				
	Production of heat/cool from renewable non-fossil gaseous liquid take		N/A	Computer programming, consultancy and related activities			
	Production of heat/cool from bioenergy Production of heat/cool using wasts heat		N/A.	Programming and broadcasting			

European Investment Bank

- Taxonomy regulation A framework for sustainable investment. Approved by the Parliament in June 2020
- First Delegated Act on Sustainable Activities for Climate Change Adaptation and mitigation objectives. Approved by the Parliament in December 2021
- Second Delegated Act for the other 4 objectives and additional activities for CC Adaptation and Mitigation (e.g. Desalination. First report with recommendations published in March 2022. Second Delegated Act, to be in force by the end of 2023.

EU Taxonomy. Climate Adaptation water sector (2 of 3)

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Α

• Water	Supply
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- Urban Wastewater Treatment
- Phosphorus recovery from waste water
- Production of alternative water resources
- Sustainable urban drainage systems (SUDS)
- Remediation activities (protection of water and marine resources)
- Nature Based Solutions (NBs) for flood and drought risk prevention and protection for both inland and coastal waters
- Under objective Climate Adaptation:
 - Desalination (under objective 2 – with key emissions and EIA DNSH criteria)
 - Flood risk prevention and protection infrastructure for inland river, coastal and urban floods



Activity	Substantial contribution to climate change adaptation	
	1. The economic activity has implemented physical and non-physical solutions ('adaptation solutions') that substantially reduce the most important physical climate risks that are material to that activity.	
All Water & Wastewater Activities	2. The physical climate risks that are material to the activity have been identified from those listed in Appendix A to this Annex by performing a robust climate risk and vulnerability assessment with the following steps: screening of the activity to identify which physical climate risks from the li in Appendix A to this Annex may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to at risk from one or more of the physical climate risks listed in Appendix A to the physical climate risks listed in Appendix A to the physical climate risks listed in Appendix A to the physical climate risks listed in Appendix A to the physical climate risks on the economic activity; (c) an assessment of adaptation solutions that can reduce the identified physical climate risk. The climate risk and vulnerability assessment is proportiona to the scale of the activity and its expected lifespan, such that: (a) for activities with an expected lifespan of less than 10 years, the assessment performed, at least by using climate projections at the smallest appropriate scale; (b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.	
	3. The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications and open source or paying models.	
	4. The adaptation solutions implemented: (a) do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; (b) favour nature-based solutions or rely on blue or green infrastructure to the extent possible;(c) are consistent with local, sectoral, regional or national adaptation plans and strategies; (d) are monitored and measured against pre-defined indicators and remedial action is considered where those indicators are not met; where the solution implemented is physical and consists in an activity for which technical screening criteria have been specified in this Annex, the solution complies with the do no significant harm technical screening criteria for that activity.	

The EIB Climate Adaptation Plan

- Approved by the EIB on 13.10.2021
- The Plan describes the Adaptation Investment needs which depend on the scenarios:
 - EU's Annual Adaptation investment needs; range EUR 35 bn 500 bn
- The Plan builds on the European Commission's (EC) new EU Strategy on Adaptation to Climate Change in February 2021, and the ongoing EU Taxonomy preparation works.
- New objective. Minimum of 15% Climate Adaptation of EIB's overall climate financing
- Climate Risk systems, including CRVAs per project.



The EIB Climate Adaptation Plan Supporting the EU Adaptation Strategy to build

resilience to climate change

Lurspace Internation Back Group



THANK YOU

