

NOW is the moment when we can stop the EIB and EBRD using public money to finance COAL projects.

Join us!

The European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) are public development banks, which should lend money only for environmentally sustainable projects. Yet in reality, while both banks are increasing their investments into energy efficiency and renewable energy, they are undermining this by financing coal and other fossil fuels. Both the EIB and EBRD are adopting new energy policies in 2013 and we need to send them a strong message that public development banks must stop financing fossil fuels and concentrate their limited resources on the transformation to an energy-efficient, new renewables-based economy. The banks must:

- Stop financing fossil fuels, especially coal.
- Commit not to finance shale gas.
- Continue to avoid financing nuclear new-build, but must also refuse other support to nuclear, except for decommissioning reactors and managing waste.¹
- Increase their demand-side energy efficiency lending and renewable energy lending, subject to strict sustainability criteria.

The EIB predominantly operates in the EU, but also operates in most other regions of the world and is the world's largest public lender by volume. There are some signs of progress at the EIB, with its EU fossil fuel lending decreasing and renewables lending increasing in 2011², but it has still financed nine coal projects since 2007, including the scandal-hit Sostanj 6 lignite power plant in Slovenia, which looks set to lock the country into dirty coal power until beyond 2050. Unless the EIB adopts a clear 'No Coal' policy, we can't be sure that it won't repeat such mistakes.

In June the EIB's Board of Directors will adopt a new energy lending policy. The draft of the document will not be available for public consultations. EU Member States and European Commission, through their representatives on the Board of Directors will however be able to comment and propose changes to the draft and influence the Board's decision. Some bank staff already share our opinion that the bank should not finance coal, but there is resistance from some shareholder countries, and we need YOUR help to break this deadlock.

The EBRD meanwhile, is in danger of taking on the dirty fossil fuel projects that even the EIB won't touch. Operating in the former Communist countries, Turkey, Egypt, Jordan, Morocco and Tunisia, far from halting support for coal, the between 2006 and 2011, the EBRD increased its coal lending from EUR 60 million to EUR 262 million. 48 percent of its energy lending (EUR 3.26 billion) supported fossil fuels during this period.³

¹ The EBRD does not support nuclear new-build, but does support some dubious 'safety' projects which allow lifetime extensions of old reactors. The EIB formally allows itself to finance nuclear but recognises the problems with it. Thus so far it has not financed reactors in recent years, but has financed some fuel processing.

² For more details see: <http://bankwatch.org/sites/default/files/briefing-EIB-energy-14Jan2013.pdf>

³ For more details see: <http://bankwatch.org/sites/default/files/briefing-tug-of-war-ebrd-energy.pdf>

Even after the problems that have befallen the Sostanj 6 plant in Slovenia that the EBRD is co-financing with the EIB, the EBRD looks set to finance several coal projects right on the EU's doorstep in south east Europe – Kolubara in Serbia, Kosovo e Re in Kosovo, and an as yet unnamed plant in Macedonia. If they go ahead, these will threaten the EU's ability to meet its long-term climate goals once these countries join.

With around EUR 1 billion per year and its region of operations including some of the world's most energy-wasting and coal-dependent countries, the EBRD needs to be more careful with its money and learn to say no: No to fossil fuels, especially coal, and yes to demand-side energy efficiency and sustainable renewables.

The EBRD is expected to give an outline of its new Energy Strategy at its annual meeting on 10–11 May in Istanbul and a formal consultation should start in June. But if we leave it to chance, we know how it will look: like most of the bank's strategies it will leave all options open, including coal. Too few of the EBRD's staff and shareholders are currently willing to close the door on coal and firmly steer the bank on a decisive course towards energy efficiency and sustainable renewables.

We therefore need **YOUR** help to put pressure on your national and European Union representatives at the EBRD and EIB to finally take their words about sustainable energy and make them reality.

EBRD and EIB: Stop financing coal!

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