



EIB Management Committee
European Investment Bank
100, boulevard Konrad Adenauer
L-2950 Luxembourg

16th of July 2015

CSOs key points for the forthcoming EIB climate policy

Dear President Hoyer, dear members of the Management Committee,

We understand that you will soon discuss the draft EIB climate policy, before publishing it in the course of August for the Board discussion. As you know we have been involved from the start in this process, making concrete recommendations for an EIB climate policy that is consistent with the EU 2050 decarbonisation target.

We have been engaged with the EIB staff on several detailed technical issues, as there is room for improvement in existing EIB project appraisal process, carbon footprinting methodology, etc. Still, the policy cannot only be limited to repackaging previous climate commitments of the Bank or solely focusing on technical incremental changes. In the framework of the new EU 2030 climate and energy targets and the forthcoming international climate conference in Paris, **ambitious new policy commitments are indispensable to make the EIB credible.**

We therefore want to underline five key policy issues where we call for EIB bold commitments:

- The EIB Climate Policy principles should mainstream climate change across all EIB operations, by strongly **prioritizing support for low carbon projects and gradually reducing support for high carbon projects, and set up a clear 'efficiency first'** cross-cutting principle;
- The EIB should **strengthen its Emissions Performance Standard by lowering it to 350 g** CO₂/kWh in order to only support most efficient fossil fuel power plants;
- The EIB should **progressively increase its Climate Action target** in every three-year Corporate Operational Plan in order to reach at least 50% by 2030, and strengthen the Climate Action eligibility criteria;
- The EIB should **report on climate impacts of operations through financial intermediaries**, a huge part of the Bank's portfolio which is currently a black box;
- The EIB together with the Commission should **focus the European Fund for Strategic Investments (Juncker investment plan) and the Project Bond Initiative on low carbon** projects and rule out high carbon projects.

More elements of analysis about these issues can be found in our recommendations to the Bank¹.

In addition the EIB should set up a multi-stakeholder platform to gather inputs and make recommendations on a crucial missing tool to move from random project support to strategic infrastructure prioritisation: national/EU infrastructure investment roadmaps. Indeed, as the EU policy-driven Bank involved in all EU major funding initiatives for infrastructures, the EIB should develop a clear hierarchy to assess infrastructure projects, building on national/EU investment roadmaps for such infrastructures to ensure they are both compatible with the EU 2050 climate target and economically viable in their entire lifespan².

We would be pleased to explain you our recommendations in a meeting at your earliest convenience.

Yours sincerely,

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¹ http://www.wwf.eu/media_centre/publications/?247272/wwf-recommendations-for-the-eib-climate-policy-review and <http://bankwatch.org/publications/input-eib-climate-policy-consultation>

² For example in the case of the energy sector, such a hierarchy should prioritise long-term electricity demand reduction and greater system flexibility, then electricity storage and greater regional grid interconnections together with renewable power; EIB support to fossil fuel projects should be a last resort temporary option where necessary after all other options have been maximized; support for long distance pipelines and LNG plants that risk becoming carbon stranded assets should be stopped immediately. By 2020, the EIB should phase out fossil fuel support - with exemptions in exceptional cases-. What that means in practice is that the EIB should stop functioning on the basis of departments each looking for deals in its own domain but rather finance low carbon projects and only consider fossil fuel-based loans when there are no alternatives