

EIB gas lending in 2013-2016

For more information

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Since the EIB revised its Energy Lending Criteria in 2012 and established an Emissions Performance Standard in 2013, it has limited its support for fossil fuels projects in the energy sector and eliminated the most polluting power plants from its portfolio.

The Bank's lending to fossil fuels reached peaked at EUR 5 billion in 2010 and has decreased twice since. In the last four years (2013-2016) the bank committed on average EUR 2.5 billion annually in support to fossil fuels energy projects whereas in the four years preceding the adoption of the revised energy lending criteria (2009-2012) this support reached EUR 3.3 billion.

However, the policy developments had less impact on the bank's contribution to various gas projects which remained on a high level. Between 2013 and 2016 the bank committed over EUR 9.6 billion to gas infrastructure, among others to gas power plants, storage, transmission and distribution infrastructure.

Table 1. EIB support to gas projects, EUR million, 2013-2016

	2013	2014	2015	2016
gas transmission and distribution (including storage, smart metering and LNG)	1 827,4	1 593,0	2 056,6	1 255,5
gas power plants	173,3	250,0	664,5	105,0
gas exploration	200,0	1 280,0	200,0	0,0
Total	2 200,7	3 123,0	2 921,1	1 360,5

Projects for the development of gas transmission and distribution infrastructure, including gas storage, smart metering and LNG terminals, constituted the lion share of the EIB's gas commitment (70%). The second biggest share belonged to gas extraction (17.5%) whereas the remaining share was for gas power plants (16.5%).

Over 80% of the financing for gas transmission and distribution infrastructure, including gas storage and LNG terminals, were granted to projects located in just three countries: Italy (EUR 2.6 billion), Spain (EUR 1.8 billion) and the UK (EUR 1.1 billion).

In 2017 the bank continued lending to gas transmission and distribution and may soon approve two loans worth up to EUR 2.5 billion to the Trans Adriatic Pipeline¹ and the Trans-Anatolian Gas Pipeline², both parts of the Southern Gas Corridor³. The bank continues its due diligence of these projects despite their damaging impacts on the climate, environment and human rights in Azerbaijan, Turkey, Greece, Albania and Italy.

Gas extraction was financed in Italy (EUR 1.3 billion) and in Tunisia (EUR 380 million).

Seven gas power plants (CHP and CCGT) were financed over this period in Egypt, Germany, Poland, Estonia, Russia and Bangladesh.

European Fund for Strategic Investment support for gas loans

Loans granted by the EIB to gas infrastructure projects were also backed by the latest EU guarantee mechanism, the European Fund for Strategic Investment (EFSI), which started its operation in 2015. It is an initiative to mobilise private investments and catalyse new projects that implement strategic, transformative and productive investments with high economic, environmental and societal added value.⁴

In 2015 and 2016 the EFSI backed EIB loans totalling almost EUR 1.2 billion. More than 70% of the EFSI guaranteed loans were granted for investments in Italy. Other countries involved are Spain, UK and

Germany. Except for the loan for the CCGT plant construction in Germany, the remaining money was used for the development of gas transmission and distribution infrastructure.

Conclusions

1. EIB investments in the gas sector are highly concentrated in just a few countries with Italy leading the ranking. Other countries are Spain, UK and Germany.
2. Usually, the stated objectives for EIB loans in the gas sector are to contribute to the security of energy supply or to shift from less efficient and more polluting sources of energy. Yet, the investments were made at a time when the countries in question have repeatedly made commitments to phase out fossil fuel subsidies and in cases where renewable alternatives to gas can further be developed.
3. The supported gas projects take place in countries that are not particularly dependent on Russian gas.
4. EFSI-supported gas infrastructure projects make gas more available and competitive and crowd out renewable energy projects and energy efficiency projects.

¹ <http://www.eib.org/projects/pipelines/pipeline/20140596>

² <http://www.eib.org/projects/pipelines/pipeline/20150676>

³ <https://bankwatch.org/project/southern-gas-corridor-euro->

[caspian-mega-pipeline](http://ec.europa.eu/priorities/jobs-growth-and-investment/investment-plan_en)

⁴ http://ec.europa.eu/priorities/jobs-growth-and-investment/investment-plan_en