CEE Bankwatch Network

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Notes:

[1] Bankwatch's report Energy Doublethink: Contradictions at the EU bank in combatting climate change (September 2018): **http://bit.ly/EIBenergy** or

[2] https://bankwatch.org/publication/european-public-funding-for-fossil-fuel-dependent-companies

For more about Bankwatch's campaigr on European public banks' energy lending: **http://bit.ly/MakeEnergySustainable**

CEE Bankwatch Network's mission is to prevent environmentally and socially harmful impacts of international development finance, and to promote alternative solutions and public participation.

Learn more: bankwatch.org

Time for the EU's bank to lead on the clean energy transition

As world finance paces up to adapt to the global fight against climate change, one main player is lagging behind: **the European Investment Bank (EIB)**, the European Union's bank.

A year ago the World Bank announced it will stop financing upstream oil and gas extraction after 2019, and private groups such as Allianz or ING have taken initiatives to support the transition to clean energy. But **the EIB is procrastinating its obligation to translate the EU's commitments under the Paris Agreement into practice**.

The EIB has so far kept supporting fossil fuel projects: according to a recent Bankwatch report, between 2013 and 2017 the bank disbursed **EUR 11.8 billion of direct support to fossil fuels,** the majority of which focused on unneeded gas infrastructure [1]. In addition, in early 2018 the bank decided to channel **more than EUR 2.4 billion** into one of the most controversial infrastructure projects of all times – the Southern Gas Corridor – despite myriad concerns over corruption, human rights abuses, and a major climate impact.

For the world's biggest multilateral lender, the opportunity to facilitate the clean energy transition is just around the corner. **In 2019 the EIB will review its Energy Policy**, making choices that will be decisive for EU citizens, European public finance and the global climate.

This will be the chance for the bank to act on the current climate urgency by **shifting its funds: from propping up fossil fuels to stepping up support for renewable energy and energy efficiency projects**. This is the only option of the EIB is to be in ling with the climate commitments undersigned by the EU and its shareholders.

Earlier this year, the European Parliament has called on the bank to "*align its portfolio with the global average temperature increase target of 1.5° in line with the Paris Agreement, through the swift and complete phasing-out of fossil fuel projects and the prioritisation of energy efficiency and renewable projects*".

Bankwatch, Counter Balance, and a growing number of civil society groups urge the EIB to **end financing oil and gas.**

The bank also needs to choose wisely the **energy companies** it finances. Another Bankwatch report [2] also revealed that, while virtually halting their direct investments in coal in the last five years, the EIB has provided corporate level financing and extended loans for distribution and renewable energy projects to five European fossil fuels-based companies. The bank needs to exclude the companies that plan coal power, mining or infrastructure expansion, and only support companies with a Climate Transition Plan.

As the IPCC's 1.5 degree report pointed out, we have barely 12 years to make the radical changes needed to avert a climate catastrophe. **The EIB can't keep lagging behind – if it to truly align with the Paris Agreement it must phase out all support for fossil fuels.**