To: Werner Hoyer, President of the EIB

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Members and alternates at the EIB Board of Directors
Andrew McDowell, Vice-President of the EIB
Ursula Von der Leyen, President of the European Commission
Frans Timmermans, Executive Vice-President of the European Commission for the European Green Deal

It's time to stand firm and go Fossil Free

Dear President Hoyer,

We are facing a climate emergency, with devastating consequences for people and the environment. Climate strikes all over the world demonstrate that citizens are mobilising to counter global heating and demand climate justice.

In this context, as NGOs and local authorities pushing for financial institutions to align their operations with the objectives of the Paris Agreement, we commend the ambitious draft energy lending policy published by the European Investment Bank (EIB) in July 2019. We are grateful for the leadership of the EIB and its Management Committee in producing such a strong draft.

In particular, we welcomed the strong climate focus of the first draft, including the recognition that net-zero emissions are necessary to stay within 1.5 degrees of global temperature rise, the priority given to the 'energy efficiency first principle' and renewable energy and the necessity to support a just transition for workers in those sectors that will see fundamental changes.

Further to this, the commitment in the first published draft of the policy to "*stop lending to fossil-fuel energy projects by the end of 2020"* would constitute a major step forward in responding to the climate challenge.

However, we are deeply disappointed to see that certain EIB stakeholders – in particular, the European Commission – appear to have succeeded in weakening the original strong draft. Upon review of the revised draft released September 27, we express great disappointment in the number of loopholes that may allow for continued financing of certain fossil fuel projects. We fear the revised language could allow many projects to sneak in before the door is truly closed on new financing for gas. In particular we are concerned about the following:

- The support for "low-carbon gases" and carbon capture and storage creates loopholes as clear requirements are missing. Specifically, we are concerned that language supporting "connections to new sources of low-carbon gases" and "adaptation of existing infrastructure towards a credible, imminent use of a high blend of low carbon gases" is too vague, and that predominantly fossil gas projects may still be eligible to receive financing;
- The 250 gCO2 per kWh emissions limit for power generation is to be "averaged over the lifetime for gas-fired power plants seeking to integrate low-carbon fuels". This risks allowing financing for new gas power projects just as they would have been financed prior to the revised policy, so long as there is a "credible plan" (a threshold which is not clearly defined) that they will blend in lower-carbon gases at an unspecified future date;
- Continued support for gas boilers could also be problematic given low certainty about the future carbon intensity of the gas supply;
- There may be a rush to approve new gas projects before the end of 2020, given that the revised language appears to allow the EIB to approve PCI projects receiving CEF financing through the end of 2020, even if those projects are not already under appraisal ("in the EIB system").

The proposed changes run counter to the spirit of the EIB's draft proposal and to the EU's proposed overall goal of reaching climate neutrality by 2050, which should guide future investment decisions of the EIB. The clarity of the initial draft in signaling a rapid transition away from fossil fuels has become blurred.

Nevertheless, we believe the EIB can still lead the way in the world of public finance: we call on you to stand firm, not delay further an end to fossil fuel finance, and to recapture a high level of ambition for the future EIB energy lending policy. If the EIB is to become the EU's climate bank and play a pivotal role in a European Green Deal, then it should go fossil free and not subsidise yet more fossil fuel projects whose lifetimes are likely to extend into the second half of this century.

We therefore urge you to put the original draft of the new Energy Lending Policy to a vote at the October 15 meeting of the EIB Board of Directors. This draft reflected a high level of ambition from the EIB management, and we support that ambition.

This is a unique opportunity for the European Investment Bank – the EU Bank – to help avert climate breakdown, by putting itself at the heart of Europe's transition to a fossil-free economy.

The signatories of this letter assure you of their support in this fight to phase out public lending to fossil fuel projects.

Yours sincerely,

350 Colorado

350 Klimabevægelsen

350.org

Abibiman Foundation

Academia Cidadã - Citizenship Academy

Amazon Watch

Association 'Common Earth' / Stowarzyszenie

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Centre for Transport and Energy

Change Finance

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Ecologistas en Acción

EKOenergy

Energy Cities

Environics Trust

Environmental Association "Za Zemiata"

Environmental Foundation for Africa - UK

Environmental Justice Foundation

Focus, drustvo za sonaraven razvoj (Focus Association for Sustainable Development)

Food & Water Europe

Frack Free United

Friends of the Earth England, Wales and Northern Ireland

Fundacja "Rozwoj TAK - Odkrywki NIE"

Germanwatch

Global Catholic Climate Movement

Global Witness

Green Education and Legal Fund

GreenFaith

Greenpeace

International Work Group for Indigenous Affairs

Les Amis de la Terre

Madden Sainsbury Foundation

Market Forces

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NatureBank Asset Management

Nature Trust Malta

Oil Change International

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Stowarzyszenie Pracownia na rzecz Wszystkich Istot

Thomas Pringle TD (Member of the Irish Parliament)

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VedvarendeEnergi (SustainableEnergy), Denmark

Women Power Our Planet

WWF European Policy Office

www.flockgen.com

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Citizens' Climate Lobby Europe

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