

Client Earth and Bankwatch Romania filed complaint as Romania used public money to evict people for coal company

Romanian government has been funding the evictions of home-owners by coal company Complexul Energetic Oltenia (CEO) for expansion, to the tune of several million euros and this is why Client Earth's lawyers and Bankwatch Romania have submitted a complaint to the European Commission.

Client Earth has a history of raising the alarm in cases of expropriation. During October last year, they supported the villagers of an area in western Germany during a legal battle when energy giant RWE – Europe's biggest carbon emitter – threatened their homes with bulldozers in an attempt to reach a lignite reserve under the villages.

They also took legal action against PGE GiEK, the company that owns the biggest coal plant in the EU, Belchatow, in Poland after they began attempts to dig a third lignite mine, which would displace 3000 people, resulting in the destruction of 33 villages, including highly specialised modern farms, homes, schools, shops, chapels and fire stations. The local population is having to fight for their lands as the mine threatens to take over. Meanwhile, Belchatow is already five times the size of the average plant and has already emitted about a billion tonnes of CO₂. The European Commission dubbed it "the most climate-damaging power plant in the European Union".

Unlawful state aid

In Romania, the government has been unlawfully using taxpayers' money to cover over €6 million in compensation owed by energy company CEO for forcing villagers out of their homes for coal mine expansions.

As the operator of the mines, CEO itself is responsible for compensating evicted villagers. However, as the Romanian authorities found the landowners' compensations claims "excessive", they decided that the mine expansions are "national interest public utility projects" and should therefore be fronted by the State.

Client Earth argued, with Bankwatch Romania, that the government's payments qualify as State aid and are therefore unlawful, as the Romanian government did not notify the European Commission, as EU law requires. Furthermore, lawyers believe that on top of the lack of proper process, the nature of the aid also goes against EU law and should never have been granted in the first place.

ClientEarth lawyer Juliette Delarue said: "The Romanian government claims that expropriating villagers is in the national public interest. But this is not justifiable when people are losing their homes for a climate-destructive product. Public money should be going to communities and regions to modernise the energy system and to help reshape local economies, especially in a country that has untapped renewable energy potential, instead of

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propping up an industry facing severe financial difficulty and that is subject to bankruptcy.” Unfortunately, this is not the only instance of EU countries using public money unlawfully to fossil fuel companies. Client Earth has also been working with partners to submit an additional two State aid complaints to the European Commission: one with Za Zemiata, against Bulgaria, and another with Bankwatch Romania against Romania.

Source: clientearth.org