

The European Investment Bank (EIB) decided to again, postpone the long overdue adoption of a new Energy Lending Policy. This delay is mostly due to tensions around the EIB's proposal to phase out lending to fossil fuels. Several shareholders, including Germany, and the European Commission are pushing back on what would be a precedent in the fight against climate change.

Counter Balance, Bankwatch and a large number of civil society groups and local authorities part of the Fossil Free EIB campaign have been urging the EIB to stop lending public money to fossil fuels. Back in July 2019, the EIB came up with a first proposal for its new Energy Lending Policy which featured an ambitious plan to stop support to fossil fuels by the end of 2020.

But since then, several EIB shareholders - the EU Member States - and the European Commission have succeeded in watering down this proposal by expanding loopholes to this fossil fuels ban - allowing for more gas projects to be financed. Driven in particular by Germany, they have succeeded, following September's EIB Board meeting, in pushing the EIB to publish a weakened second draft.

And now the decision on the policy is further postponed to the next EIB Board of Directors meeting on 14 November 2019.

"The EIB Directors need to adopt a Fossil Free energy policy at their next meeting in November. As of 1st January 2021, the EIB should stop handing out public money to fossil fuels projects. Otherwise, the whole idea of turning the EIB into a climate bank will inevitably fall apart.

The EIB President Werner Hoyer committed to align all the EIB operations with the Paris Agreement by the end of 2020. When announcing this plan to the European Parliament last week, he received significant support from most political groups. But if a weak energy policy is adopted, this objective will not be reached.

It is now time for the European Commission, Germany and those countries that opposed the EIB's fossil fuel ban to stop acting as climate laggards and recognise the urgency of stemming the climate crisis. The European Commission should also clean up its act, as it cannot on the one hand publicly promote its European Green Deal as a game changer and on the other object to climate commitments at the EU's financial arm. It's now time to act., Business as usual won't work for the climate or for citizens," said Xavier Sol, Director of

Counter Balance.

“The European leaders are again confirming that climate protection is an empty phrase for them. They are not making necessary decisions that should have been made long time ago and are undermining the right proposals made by the EU’s bank, the EIB. We are disappointed by this delay but still hope that the initial proposal will be adopted in November” - said Anna Roggenbuck, Policy Officer, CEE Bankwatch Network.

Source: bankwatch.org