

The Southern Gas Corridor project is a 3,500km long chain of pipelines intended to bring gas from Azerbaijan to Europe, crossing through Georgia, Turkey, Greece and Albania, all the way to Italy.

Despite repeated warnings by civil society groups on the disastrous impacts this mega infrastructure project will have on human rights and the environment, the construction is ongoing.

The European Bank for Reconstruction and Development (EBRD) has recently committed to align itself with the Paris Agreement goals. On the 30th anniversary of the bank, the new EBRD President, Odile Renaud-Basso, announced: “Our proposal is that by the beginning of 2023, everything we do will be aligned with the Paris Agreement”.

A first proposal on Paris Alignment is to be presented to the Bank’s Board of Governors during their annual meeting from June 28 to July 2, 2021. The bank is expected to define its approach by 2022.

A major pending question is whether or not the EBRD will finally move away from fossil fuels. Despite voicing its commitment to tackling the climate crisis, the bank has continued giving out public money to fossil fuel companies. Between 2014 and 2019, the EBRD spent €4.15 billion on fossil fuel projects, with most of these consisting of fossil gas.

The biggest beneficiary, receiving a total of €1.46 billion in EBRD support, was the Southern Gas Corridor, one of the largest and most controversial infrastructure projects that has ever seen the light of day in Europe.

The Southern Gas Corridor was heavily supported by the European Union (EU), which portrayed the project as a means to improve Europe’s energy security by reducing its reliance on Russian gas and increasing the resilience of the gas system in Southeastern Europe.

Two of its key components, the Trans-Adriatic Pipeline (TAP) and the Trans-Anatolian Pipeline (TANAP) were listed as Projects of Common Interest, a priority status granting privileged access to EU public funding. Ultimately, the EBRD provided loans to both TAP and TANAP.

The project comes with a high price tag of more than EUR 35 billion, and has been financially backed by several multilateral development banks, including the World Bank, the Asian Infrastructure Investment Bank, the European Investment Bank (EIB) and the EBRD. From an environmental standpoint, the Southern Gas Corridor is a very costly project that contributes to locking the EU into fossil fuels for many decades to come, while also distracting public funding from real climate-friendly alternatives. In 2018, we illustrated some of the most blatant failures of this pipeline in the cartoon “This is not a pipe – The

treachery of the EU gas plans” and in the web documentary “Walking the Line”.

The actual climate impact of the project has been underestimated, and there is a high risk that the gas coming from the pipeline will turn out to be just as damaging as coal, in part due to fugitive methane emissions. The assumptions that the gas from the Southern Gas Corridor will replace other sources of gas or other fossil fuels are also highly hypothetical. In reality, the gas from this mega project could delay energy efficiency measures or the expansion of renewable energy sources which will have to compete with this subsidised gas. Besides the climate and environmental issues, the project is also fraught with corruption concerns and human rights violations.

A report from CEE Bankwatch disclosed how, in Turkey, all subcontractors hired by the state-owned energy company for the project were closely tied to Erdogan’s party and regime. An international journalistic investigation similarly unveiled the extensive network of political actors in both Turkey and Azerbaijan that are likely to directly benefit from the project.

Furthermore, by working hand in hand with the increasingly authoritarian regimes in Turkey and Azerbaijan, the EBRD contributes to reinforcing oppression and human rights violations in these countries. In both countries, criminal proceedings against numerous NGOs and intimidation tactics targeting critical voices are making it almost impossible for civil society to monitor and challenge the real impacts of the project.

The project is also being built against the will of local populations, with communities all along the route communities being subject to repression and failing to be properly consulted.

In Italy in particular, the project has been heavily contested by civil society. Two trials are currently taking place over the TAP section of the Corridor, one against the promoter of the pipeline – the Swiss multinational TAP AG – and the other one against the local people who have attempted to stop the construction of the project.

The final catch is that this project actually isn’t an alternative to Russian gas at all. The Russian energy giant Lukoil is one of the companies controlling the tap of the Shah Deniz gas field in Azerbaijan, the source of the Southern Gas Corridor. The EBRD has invested \$310 million in Lukoil and \$110 million in the state company of Azerbaijan SOCAR for the development of the Shah Deniz field between 2004 and 2014. It was also considering another loan to Lukoil for the extension of the gas exploration and production in the Shah Deniz gas field, before the loan was cancelled.

Using public money to fund this fossil fuel mega project is hard to comprehend during a time where all of our efforts should go to tackling climate change. The decision to support

the Southern Gas Corridor, despite civil society's efforts to shed light on its harmful impacts, completely went against the EBRD's climate commitments and its Human Rights mandate.

If the EBRD is serious about aligning its operations with the Paris Agreement, then fossil fuels, including gas, can no longer be a part of the picture. It is high time for the EBRD to follow the example of the European Investment Bank (EIB), which in November 2019 decided to cease support for all fossil fuels by the end of 2021.

Civil society organizations will be keeping a watchful eye on the EBRD's proposal on Paris Alignment to make sure that it truly lives up to its promises. There can be no more public money going into locking our planet into more fossil fuels.

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