

A group of 27 NGOs sent an open letter to the President of the European Investment Bank (EIB) today urging the Bank not to finance the Southern Gas Corridor, a 3500 kilometres-long chain of gas pipelines from Azerbaijan to Europe. As the EIB considers granting the biggest loan of its history to the Consortium in charge of developing the western section of the project, the Trans-Adriatic Pipeline (TAP), a group of NGOs warns about its most controversial aspects:

Supporting this project would not be coherent with the bank's commitment to fight climate change announced during the COP21 in Paris. Pumping more gas through the Southern Gas Corridor would hinder the accomplishment of the EU's climate objectives and longer-term decarbonisation goals.

Demand for gas in Europe is actually dropping, as the European Commission's own projections for the next 35 years show. The Southern Gas Corridor therefore risks not being used to full capacity and turning into a stranded asset which will ultimately be paid for by taxpayers, gas consumers and those living along the route of the pipeline.

Azerbaijan is one of the most undesirable partners the EU could tie itself to. The Aliyev regime is known for its appalling human rights record and repression of political opposition. Concluding a business partnership with Azerbaijan would thus stand in contradiction to the EU Charter of Fundamental Rights, which binds the EIB not to finance projects that would encourage or support human rights violations. This is underlined in the European Parliament's September 2015 resolution calling for the suspension of EU funding to the Azeri government.

The fiscal accountability of the project is quite opaque, as the consortium of companies that promote TAP is registered in the Swiss city of Baar, a renowned tax haven.

The authorisation process of the Italian section of TAP raised many issues and led to large protests by residents and local authorities of the province of Lecce, where the pipeline will enter the Italian soil. The population's apprehensions particularly concerned the lack of transparency in the procedures that led to the full approval of the project by the Italian government as well as the still unfulfilled prescriptions needing to be complied with from the Environmental Impact Assessment of the project.

The signatories claim that "the Southern Gas Corridor is one of the biggest and most controversial infrastructure projects that have ever seen the light of day in Europe. This massive financial investment entails serious environmental and geopolitical risks. Therefore, we call for no public money to go to the Southern Gas Corridor".

"As an EU institution, the EIB is morally and legally obliged to guarantee that all its projects respect the human rights and climate principles it is committed to. As President of the EU



NGOs urge the European investment bank not to finance the southern gas corridor

bank, Mr Hoyer should take on full responsibility and recognize all the implications attached to the loan”, they conclude.

source: counter-balance.org