

Setting precedent, EU bank to drop all fossil fuels funding beyond 2020

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The European Investment Bank, the house bank of the EU, is proposing to end financing for all fossil fuels beyond 2020, becoming the first multilateral financial institution to make such a commitment in line with the Paris Agreement.

A draft of its Energy Lending Policy, dated 24 July 2019, commits the bank to “phase out the financing of investment in energy infrastructure directly associated with fossil fuels... [and] no longer originate projects after the adoption of this policy and will stop lending to fossil-fuel energy projects by the end of 2020.”

The draft also proposes to exclude fossil fuels funding across other EU policy frameworks, including the Modernisation Fund for Europe’s less developed regions. In addition, the draft proposes to set up an Energy Transition Package that could be a key source of financing and technical advice on energy infrastructure in some of the EU’s most carbon-intensive regions. Such a move could stimulate a just transition.

Petr Hlobil, campaigns director with CEE Bankwatch Network, said, “This draft shows commendable leadership from the EIB in becoming the first among public banks to commit to a total phase out of investments in fossil fuels after 2020.

The EIB recognises the need to transform the energy sector in central and eastern Europe and aid this transition by investing in zero-carbon technologies and energy efficiency and putting in place an Energy Transition Package.

We expect incoming Commissioner Von der Leyen to honour these commitments in front of the European Parliament and ensure that her cabinet, especially those in Energy and Climate Action, are fully behind this strategy. The Commission must take a similar approach by allocating additional funding from the EU budget after 2020 that is currently under



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negotiation.”

Source: bankwatch. com