



To: Minister Pierre Gramegna
Ministry of Finance
3, rue de la Congrégation
L-1352 Luxembourg

Luxembourg, 16 June 2021

The EIB needs your guidance to stop greenwashing and instead be a true climate bank

Dear Minister Pierre Gramegna,

As a Governor of the European Investment Bank (EIB), you will meet with your counterparts on 18 June. We are writing to call upon you to ensure that the EIB, the biggest multilateral financial institution in the world, truly aligns with the Paris Agreement. This means no more greenwashing or support for climate killers, making the EIB the EU's "climate bank" and a true climate leader.

The Paris Agreement commits the European Union and its financial institutions to ensure a green energy transition towards zero greenhouse gas emissions, and climate-resilient development. In 2019, the EIB promised to align all of its operations with the Paris Agreement by 2020.

However, since then, the EIB has invested €890 million in fossil gas projects. The bank still supports fossil fuel-heavy companies and other major greenhouse gas emitters, who do not have any intention of stopping pollution. This is happening now, under President Werner Hoyer's watch and under your supervision as Governor (1). Compared to its promises and claims, the EIB is greenwashing its climate commitments and thus the chances of reaching the objectives of the Paris Agreement. This proves the bank is not yet a "climate bank". One of the reasons for this is that the EIB currently lacks a strong corporate-level engagement strategy in its operations and remains to date a project-driven bank. In particular, the bank does not yet have a dedicated procedure requiring clients to have decarbonisation plans in place. It also has no dedicated approach to validate the credibility of such plans (2).

However, the EIB now has a great opportunity to take an important step towards becoming a true climate bank as it develops action plans associated with its climate roadmap and the "counterparty alignment framework". The bank is expected to set further criteria for EIB clients to be eligible for financing. This criteria should exclude EIB support for carbon-emitting companies,

including fossil-fuel dependent companies, and for financial intermediaries without decarbonisation plans that are aligned with the Paris Agreement goal to limit global heating to 1.5°C. The EIB should only support companies bound to credible decarbonisation plans, and any loans should only contribute to climate efforts.

In 2021, the EIB will also review its transport lending policy. From 2016 to 2020, the EIB has invested more than €4 billion in loans for the expansion of airports, €12.6 billion for roads and motorways, and almost €3 billion in polluting investments for the maritime sector. The EIB climate roadmap halted investments in airport expansion, following a [NGO-led campaign](#), but the bank still needs to put an end to investments in all carbon intensive transport projects, like motorways. The EIB must focus on the deep transformation of the transport system to give all Europeans access to sustainable mobility.

The time for action is now. If the right decisions are taken, the EIB will become the world's first public bank to align its operations with the Paris Agreement and set a precedent for other financial institutions. If not, the EIB will miss an opportunity to strengthen its corporate-level approach and continue to contribute to the climate crisis. It will keep lagging behind other financial institutions, exposing itself to unnecessary risks and will undermine the goal of limiting global heating to 1.5°C, as outlined in the Paris Agreement. Your active support for a clear and strong criteria for the EIB's clients and a climate friendly transport lending policy would be extremely significant.

We would be more than happy to meet you in person to discuss the opportunity for the EIB to become a climate leader.

Yours sincerely,

Frank Thinnès
Renewable Energy Campaign Officer at Greenpeace Luxembourg

(1) For more information, please see this comment piece by the Executive Director of Greenpeace International and the Director of Counter Balance:

<https://www.climatechangenews.com/2021/06/07/eib-wont-become-climate-bank-fully-stops-supporting-fossil-fuels/>

(2) Please see the attached briefing:

<https://counter-balance.org/uploads/files/Documents/Briefings-and-Policy-Files/2021-Counterparts-Alignment-Briefing.pdf>

Contact:

Frank Thinnès - Renewable Energy Campaign Officer | frank.thinnes@greenpeace.org | (+352) 661 261 184