JACQUES CHEMINADE

Why I Oppose the Proposed Policy Change of the European Investment Bank

The following is an edited translation of the policy statement released on November 9, 2019 by Jacques Cheminade, twice a candidate for the French presidency. He is a long-time LaRouche associate and founder of the French political party, Solidarité et Progrès (Solidarity and Progress).

The current debate among European governments on the proposed European Investment Bank (EIB) change in lending policy, points to the severe risk actually posed by such a change.

The proposed dangerous changes, detailed in the EIB's July 2019 draft, are designed to comply with the Paris COP21 climate targets as follows (emphasis in the original):

> 18. The Bank will focus on meeting the long-term investment challenge associated with the EU 2030 targets. A consequence of the focus on these priorities is that the Bank will **phase out financing of investment in energy infrastructure directly associated with fossil fuels.**

To meet those targets, the EIB, under the new policy, would cease, starting in 2030, any funding for any fossil-fuel related energy infrastructure, not only for peat, lignite, coal, and oil, but also for natural gas.

The draft change includes the following stark provisions:

> 19. Once in effect, this means that the Bank will have a clear position not to support upstream oil or gas production, coal mining, infrastructure dedicated to coal, oil and natural gas (networks, liquefied natural gas terminals, storage), and power generation or heat production from fossil fuel sources (coal, gas, oil, peat).
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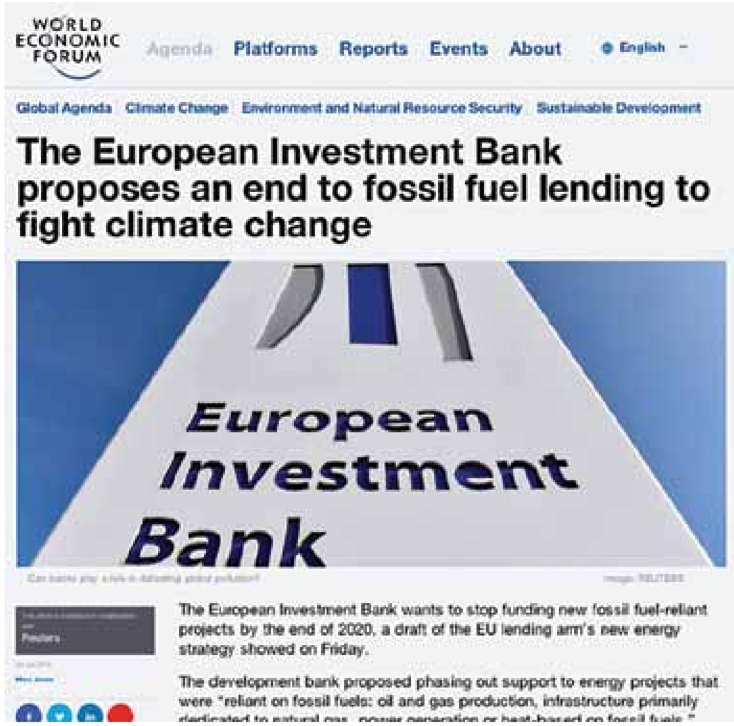
> 20. The Bank's decision to phase out lending to fossil fuels is a significant change in its policy. To manage this change smoothly, the Bank will no longer originate projects after the adoption of this policy and will stop lending to fossil-fuel energy projects by the **end of 2020**.
>
> 21. The Bank acknowledges that fossil fuels will continue to play a role within the global energy system up to 2030 and that switching from oil or coal to natural gas may reduce greenhouse gas emissions in the short term. Such investments are very likely to take place even without EIB financing, in any case. Phasing out support for fossil fuel projects reflects a decision by the Bank to focus its limited resources on investments needed to meet the EU 2030 targets and 2050 objectives, which present high investment needs, a longer-term perspective and a greater investment challenge.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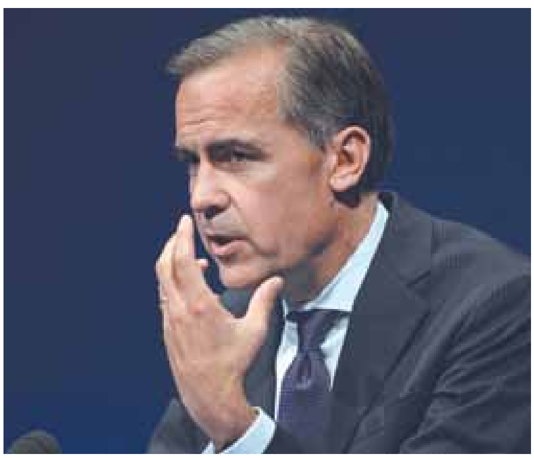
The European Investment Bank proposes an end to fossil fuel lending to fight climate change

The European Investment Bank wants to stop funding new fossil fuel-reliant projects by the end of 2020, a draft of the EU lending arm's new energy strategy showed on Friday.

The development bank proposed phasing out support to energy projects that were "reliant on fossil fuels: oil and gas production, infrastructure primarily

So far only Germany, which is already phasing out of nuclear and coal, is opposing this project, and seems aware of the extreme difficulties such a decision will bring. Solar and wind energy are expensive and provide very low energy density. In addition, by their intermittent nature, solar and wind cannot be managed currently without the use of efficient gas turbines.


BoE

Bank of England Governor Mark Carney,

Beyond the destructive impact on the physical economy as a result of the lowering of energy density and therefore energy efficiency, such a radical halt by the EIB of all funding for fossil fuel energy infrastructures, could become a "tipping point" for the entire world financial system, the "Minsky climate moment," about which the Bank of England's Governor Mark Carney and others have been warning the world for years, while in fact doing everything possible to get us precisely there. Divesting from coal, oil and gas could brutally depreciate the value of an estimated $20 trillion in carbon-related assets worldwide.

Are the European governments going to play the game of industrial scorched earth and leave room for this Green New Deal to generate a financial bonanza for the megabanks, with the consequent social destruction?