

How the £1.3 Billion EIB Loan Uses Public Money to Muddy Democracy, the Environment and Climate Change Targets

The European Investment Bank's (EIB) board granted its biggest ever investment this week, a £1.3 billion loan for the Trans Adriatic Pipeline (TAP). This contentious grant has been attacked by those fighting for democracy and climate justice. KATIE HODGETTS dissects 2018's most controversial decision...

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If you listen carefully on a quiet day, you can hear the gasps of future generations. They are looking back into a distant past where the decisions are being made that will erode any fair or equitable future.

This gasp – shared even today by many of us – reverberated across Europe at 17:50 (CET) on Tuesday when the EIB approved a loan of £1.3 billion (€1.5 billion) of Europeans' money to fund the Trans Adriatic Pipeline (TAP).

The TAP will be one part of the Southern Gas Corridor (SGC); a series of inter-connected gas pipelines that seeks to pump 120 billion cubic meters of Caspian gas from Azerbaijan, across six countries to Europe. The TAP itself is a planned 870km long pipeline running from Greece to Italy, through Albania and the Adriatic Sea, making it just as ambitious as it is controversial.

Fossil fuel dependency

The EIB has succeeded in simultaneously undermining science, the Paris Accord, and democracy, by granting a loan irrespective of last week's report that the SGC could be [as emissions-intensive as coal power](#). The decision was taken in spite of widespread public resistance and the contribution to catastrophic climate change.

The TAP has faced a significant public backlash over the years, stalling the loan at many stages. Last year, 4,000 emails from concerned citizens were sent during EIB discussions, and this year a viral campaign began to circulate with global citizens campaigning with the slogan, '[not with my money](#)'.

But beyond the keyboard, there has been resistance on the ground. In Italy, 94 mayors have spoken out against the pipeline. There is widespread concern about the impact of TAP on water supplies. In Albania and Greece, the pipe will be built directly through farmland.

However, rather than diplomatic discussion, this resistance has been met with militarisation

and strong repression, with one Italian community being put on [military lock-down](#). Within civil society, there is a deep feeling that TAP will undermine meaningful democracy.

The decision is at odds with the EU 2030 and 2050 energy and climate objectives. As Colin Roche, extractive industries campaigner for Friends of the Earth Europe argues:

“The European Investment Bank is now shamelessly locking Europe into decades of fossil fuel dependency even as the window for fossil fuel use is slamming shut.”

Corruption and torture

“The banks’s biggest ever investment in dangerous fossil fuels undermines the EU’s commitment to climate action when we urgently need to be transitioning to a fossil free future.”

This loan comes after a wave of scientific warning against gas, for example a report released late last year which concluded categorically that if the EU is to deliver a mitigation programme of 2°C then there can be [no new gas infrastructure built](#). In short, gas is not a bridge to a clean energy future. It is a dead-end.

So why did the EIB grant such a contentious loan? The current line of the EU is that it will support ‘diversification of gas supply to meet future energy demands’. But perhaps we need to consider deeper political motives.

Russia currently provides 30 percent of EU’s natural gas, which has been a source of unease since the country historically halted its gas supply to Ukraine in 2014.

Hence, the EU seeks to ensure its own energy security by diversifying its supply chain away from alleged authoritarian regimes. However, TAP will import gas from Azerbaijan, a country that has never had a free election and is marred by allegations of corruption and torture.

Planning for failure

On top of this, the Azerbaijani Laundromat scandal last year exposed a \$2.9 billion fund that was used by Azerbaijan to curry influence, and [pay lobbyists, apologists and European politicians](#). So if the EU wants to diversify its gas supply away from what they decree to be less stable regimes, then perhaps this TAP logic doesn’t quite add up?

Perhaps switching from Russian gas is in fact a geopolitical move to undermine Russian influence? Or perhaps it is profit that is the puppet master of diplomacy? Or perhaps – as is so often the case – the lines between the two become further blurred.

The building of the pipe indicates the high levels of gas supply that Europe predicts for the future. With increased supply, price signals change and gas becomes cheaper. This in turn crowds out investment in gas’s future competitor – renewables.

Gas is not a companion to a renewable energy future, it is competition. The European Union now has €1.5 billion less to invest in renewable energy, pushing forward a decision that will lock us into a high-carbon future.

The the crux of TAP? Enormous sums of public money are being used to fund a programme that will be detrimental to both people and planet, meaning that the EU is actively planning for failure.

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