

## **The Energy Sector Strategy 2024-2028 Must Mark the End of the EBRD's Support to Fossil Fuels**

The window of opportunity to keep a 1.5°C future in reach is rapidly closing. The IPCC's latest report shows that existing fossil fuel infrastructure, if operated as planned, would already push the world far beyond 1.5°C. This means that some of the fossil fuel-burning power plants that are already built will need to be decommissioned and retired early to keep the 1.5°C target within reach. After a summer of record high temperatures and extreme weather events around the world, the EBRD has the opportunity this year to align its energy policy with the requirements of 1.5°C by fully excluding finance to fossil fuels.

Ending support to fossil fuels, including gas, is necessary not only for climate security but also for energy security. Continued investment in gas exposes countries of operation to high and volatile energy prices that can have a severe impact on a country's ability to reach its development targets. Supporting new gas transportation infrastructure is not a solution to the current energy crisis, given that new infrastructure would not come online for several years, well after the crisis has passed.

Momentum is growing to end international public finance to all fossil fuels, including gas. In 2021, 39 countries and public finance institutions signed the Clean Energy Transition Partnership, also known as the Glasgow Statement on International Public Support for the Clean Energy Transition. This statement commits signatories to ending new direct public support for the international unabated fossil fuel energy sector, including gas. Most signatories have met this commitment by adopting robust restrictions on international fossil financing, including development banks like the European Investment Bank and the French Development Agency.

The EBRD has already taken positive steps in recent years, by excluding coal and upstream oil and gas financing. The EBRD's draft Energy Sector Strategy represents another step forward, with an emphasis on scaling up renewables, enhancing energy efficiency, and phasing out fossil fuels. We welcome its exclusion of midstream oil and oil-fired electricity generation. However, it is concerning that the draft Strategy still allows some investment in new midstream and downstream gas projects.

Any new support to gas risks locking in outdated energy infrastructure in places that need investments in clean energy the most. Gas pipelines, LNG terminals, and gas power generation projects inherently come with high lock-in risks, since their expected operational lifetimes span decades. Repurposing gas transportation infrastructure for hydrogen is infeasible. Moreover, new gas power generation projects are not aligned with 1.5°C, since forecasted generation from gas power plants already in operation is expected to deliver more capacity than would be consistent with 1.5°C pathways.

We call on the EBRD to amend the Energy Sector Strategy to:

- Fully exclude new investments in midstream and downstream gas projects. The EBRD could follow the same approach as the European Investment Bank in its 2019 energy policy and specify the date by which this exclusion will take effect.
- Avoid loopholes involving the use of unproven or uneconomic technologies, as well as aspirational but meaningless mitigation measures such as "CCS-readiness".
- Strengthen the requirements for financial intermediaries where the intended nature of the sub-transactions are not known, to exclude the financing of fossil fuels across the entire value chain.

We further call on the EBRD to sign on to the Clean Energy Transition Partnership, also known as the Glasgow Statement on International Public Support for the Clean Energy Transition.

Signed,

350.org

Aarhus Centres in Bosnia and Herzegovina

AbibiNsroma Foundation

ActionAid Denmark

Africa Institute for Energy Governance

Africa Network For Environment and Economic Justice (ANEEJ)

African Law Foundation (AFRILAW)

ALBAFOREST

Alliance of Associations Polish Green Network

Armenian Environmental Front (Armecofront)

Asia Indigenous Peoples Network on Extractive Industries

Asociacion Žmergo

Association of Young Ecologists of Niksic

Association Biom (BirdLife Croatia)

Association Green Istria / Zelena Istra

Association "Tatavaka"

Associazione Forumambientalista

Attac Austria

Bank Climate Advocates

Bank Information Center

Bankwatch Romania

Baterkaren

Belgrade Open School

Beyond Fossil Fuels

Brod Ecological Society - BED

Campagna Nazionale Per il Climate Fuori dal Fossile

CEE Bankwatch Network

Centar za životnu sredinu/Center for Environment

Center of Environmental Activities (CEA)  
Center for International Environmental Law (CIEL)  
Centre for Protection and Research of Birds  
Centre for Transport and Energy  
CEPTA  
CEZAM  
Civic Alliance  
Clean Air Action Group  
Climate Action Network (CAN) Europe  
Community Empowerment and Social Justice Network (CEMSOJ)  
COMPPART Foundation for Justice and Peacebuilding  
Coordinamento Ravennate per il Clima – Fuori dal Fossile  
Counter Balance  
Croatian Society for Birds and Nature Protection  
Declic  
Derecho Ambiente y Recursos Naturales (DAR)  
DOOR  
Dr Martin Schneider-Jacoby Association (MSJA)  
E3G (Third Generation Environmentalism)  
Ecohome  
Ecologistas en Acción  
EcoLur Informational NGO  
EcoZ  
Eko Element Bugojno  
Eko-svest  
Emergenza Climatica  
Energiaklub Climate Policy and Applied Science Centre  
Environmental Investigation Agency  
Estonian Green Movement

European Climate Foundation  
European Environmental Bureau  
Food & Water Action Europe  
Foundation Institute for Sustainable Development  
Friends of the Earth England, Wales and Northern Ireland  
Friends of the Earth Europe  
Friends of the Earth Malta  
Friends of the Earth US  
Fund Our Future  
Fundacja "Rozwój TAK - Odkrywki NIE"  
Global Witness  
Green Liberty  
Green Mazovia Association  
Green Network (Lithuania)  
Greenpeace  
Iliria  
Inclusive Development International  
Iniciativa Bratislava otvorene  
International Institute for Sustainable Development (IISD)  
Initiative for Right View (IRV)  
Jamaa Resource Initiatives  
Just Finance International  
Klíma Ťa potrebuje  
Klub Gaja  
Laudato Si Movement  
Lumiere Synergie pour le Developpement (LSD)  
Marine Explorers Society 20000 Leagues  
MenaFem Movement for Economic, Development and Ecological Justice  
Movimento No TAP/SNAM Brindisi

North Green Association  
NGO Brda  
NGO Ecoaction  
NGO Ecoclub  
NGO Jednako  
NGO ŠkArt  
NSC – Friends of the Earth Hungary (MTVSZ)  
NVO Centre for New Initiatives  
NVO Prima  
Oil Change International  
Oil Watch Africa  
Oil Workers' Rights Protection Organization Public Union  
Organic Agriculture Association  
Pan, udruga za zaštitu okoliša i prirode  
Pestrec  
Phenix Center  
Polish Foundation for Energy Efficiency (FEWE)  
Quantum Leap  
Razom We Stand  
Reclaim Finance  
ReCommon  
Recourse  
Renewables and Environmental Regulatory Institute  
Re-set: Platform for Socio-Ecological Transformation  
Rete "Legalità per il clima"  
Royal Albania Foundation  
Servisné centrum Ekofóra  
Stowarzyszenie BoMiasto  
Stowarzyszenie Ekologiczne EKO-UNIA  
Society for the Earth (TNZ)

SOSNA o. z.

South Durban Community Environmental Alliance

Transport and Environment (T&E)

Swedwatch

Udruga (Association) "Eko-Zadar"

University of Sussex

Urgewald

WeSmellGas

Witness Radio

Workshop for All Beings

Youth Initiative for Human Rights

Za Zemiata – Friends of the Earth Bulgaria

Zelena Akcija – Friends of the Earth Croatia

Znepokojene matky