



October 26, 2020

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The Climate Energy and Utilities Committee of the Danish Parliament

Invitation to take part in a Finance in Common initiative focused on ending fossil fuel finance and accelerating Paris Alignment efforts

Dear Kirstine Damkjær,

We are writing to invite you to join our initiative focused on ending fossil fuel finance and increasing support for a just transition to be launched at the upcoming Finance in Common Summit, at EIB's high level event on Paris Alignment, taking place on 12 November, online and in Paris.

The Finance in Common Summit, bringing together 450 public finance institutions controlling \$2 trillion in public money in November this year, presents an important opportunity to leverage leadership on this issue. This can be accomplished through the launch of a joint commitment from leading PFIs to end fossil fuel finance and increase just transition support, as part of commitments to align with the 1.5°C target of the Paris Agreement.

The commitment, supported by the EIB and the UN Secretary General's climate action team, is to end fossil fuel finance and increase support for a managed and just transition from oil, gas, and coal towards renewable energy sources. In delivery, this would be a concrete, tangible and media-friendly outcome that would be welcomed by the climate movement and help make the Finance in Common Summit a success. It would also send a strong political signal towards the private sector and help build momentum toward a successful COP26 in 2021, for which finance has been identified as a priority topic.

EKF has in recent years shown through its portfolio a firm commitment to providing project finance and guarantees supporting an export model prioritizing energy transition through renewables and away from fossil fuel. It is our view that as a practitioner of export credit,

92-gruppen – Forum for Bæredygtig Udvikling, er et samarbejde mellem 23 danske miljø- og udviklingsorganisationer.
92-gruppen arbejder for fremme af en bæredygtig udvikling i hele verden.

92-gruppen består af: Amnesty, Care Danmark, Danmarks Naturfredningsforening, Dansk International Bosætningservice, Dansk Ornitologisk Forening/BirdLife Danmark, FN-forbundet, Global Aktion, Greenpeace, IWGIA, Kvindernes U-landsudvalg, Klimabevægelsen, Mellempøkeligt Samvirke, Natur og Ungdom, Netværket for økologisk folkeoplysning og praksis/Øko-net, Nyt Europa, Oxfam IBIS, Red Orangutangen, Rådet for Grøn Omstilling, Sex & Samfund, U-landsforeningen Svalerne, VedvarendeEnergi, Verdens Skove, WWF Verdensnatur-fonden.

EKF is in a unique position to join and lead the league of leading public finance institutions including export credit agencies on this initiative.

To set a gold standard for climate leadership for other public and private finance institutions to follow, such a commitment should meet or exceed the fossil fuel exclusions in the Energy Lending Policy of the European Investment Bank (EIB), which covers all fossil fuels, all fossil fuel infrastructure and direct and indirect finance and through which the EIB is expected to end virtually all its unabated oil and gas financing by 2021. An increasing number of institutions are ending their support for coal, but to stay within climate limits they must go further and end their support for oil and gas.

We have selected your institution as a key candidate for this initiative

- Do you agree and would your institution be interested in taking part in this initiative?
- Do you support the spirit of the proposed draft language for the joint commitment (see below). This final language would of course need to be agreed by all participating institutions.
- Is your government/institution willing to support the establishment of this initiative including through outreach to key target governments and institutions to promote the initiative?
- If so, could you please put us in touch with the person in your government/at your institution who will be leading on this?

Proposed language for a flagship commitment to end fossil fuel finance and accelerate Paris Alignment efforts

On the occasion of the Finance in Common Summit, the first global meeting of all public development banks, and of the 2020 Paris Peace Forum, we recognise the urgency of implementing the Paris Agreement, which this year will celebrate its 5-year anniversary, including its objective to align financial flows with “pathways towards low greenhouse gas emissions and climate-resilient development” (article 2.1.c.).

We, the undersigned public development banks and export credit agencies,

Recognizing the clear scientific consensus that the combustion of fossil fuels has been and continues to be the leading driver of climate change,

Taking note of the [finding of the Intergovernmental Panel on Climate Change](#) (IPCC) that, in pathways towards Paris alignment that take a precautionary approach to negative emissions, the global production and use of fossil fuels must decrease significantly by 2030, in order to preserve limited or no overshoot of 1.5° Celsius of warming,

Understanding the increasing threat that climate change represents to the health, safety and livelihoods of people, to biodiversity and to sustainable development in many communities worldwide,

Recognizing that investing in fossil-related energy projects increasingly entails economic risks of stranded assets in developed and developing countries alike,

Recognizing the progress, driven in part by pathbreaking PDB investments over the past decade, in reducing the costs of renewable energy alternatives to become cheaper than fossil fuels in growing parts of the world,

Acknowledging the devastating impacts of the COVID-19 pandemic and the need to “recover better” for a sustainable economic recovery which saves lives and improves livelihoods,

Declare a shared commitment to,

- **Put a halt to new support for fossil fuels and other projects emitting more than 250gCO₂/kWh¹ and phase out all support for fossil fuels already in the pipeline, direct and indirect, by the end of [2021/2022].** This should cover associated facilities and include all financial instruments and forms of support including advisory services, technical assistance, and support through financial intermediaries. In so doing, we wish to prioritize our contributions as public development banks to the energy transition, using our resources to improve what can be delivered by the private sector;
- **Instead prioritize supporting non-fossil solutions** in power, heat and ground-based clean transport, including but not limited to renewable energy, energy efficiency savings, batteries and storage, interconnectors, smart-grid technologies and the electrification of heat and transport;
- **Rapidly scale up investments in energy efficiency and renewable energy, and in universal access to affordable, reliable, sustainable and modern energy (SDG 7) by 2030.** This finance should prioritize ‘high-impact’ countries, where access rates to electricity and clean cooking remain the lowest, as well as the mainstreaming of energy access, off-grid and mini-grid renewable energy into energy planning and targeted financing approaches;
- **Increase our support for a just transition away from fossil fuels**, including through support for the diversification of fossil fuel dependent economies, [the early retirement of fossil fuel assets], and support for workers and communities currently dependent on oil, gas and coal production as well as on other high carbon sectors;
- **Increase the share of finance dedicated to climate action** to assist countries in accelerating their chosen low carbon development pathways. This finance should

¹ In accordance with EIB Energy Lending Policy (2019) (Para. 27 refers)

observe the principle of “do no harm” — to the Paris goals, local communities, or local environments;

- **Commit to full alignment with the Paris Agreement’s ambition of limiting warming to 1.5°C, based on credible, robust scenarios**, and to encouraging our clients and financial intermediaries to do the same;
- **Respect the right to free, prior and informed consent and deliver gender-responsive support as closely as possible to local communities.** This will help ensure that support meets local development needs and that projects are financially, environmentally and socially equitable and sustainable;
- **Support other public development banks in their efforts to implement similar commitments in the lead up to COP26.** We pledge to share our experience with ending fossil fuel finance and aligning our finance with the Paris Agreement with peer Public Development Banks and Export Credit Agencies to support their Paris alignment efforts, including efforts to end fossil fuel finance and support a just and green recovery from COVID-19.

We look forward to hearing your views and comments, which can be addressed to **both Laurie van der Burg**, Oil Change International (laurie@priceofoil.org) and **Wawa Wang Øberg**, VedvarendeEnergi (ww@ve.dk). We would be delighted to have a call to discuss further.

Best regards,



Troels Dam Christensen

On behalf of the Danish 92 Group – Forum for Sustainable Development, which in this matter is represented by:

Amnesty
CARE Danmark
Danmarks Naturfredningsforening
Dansk International Bosætningservice (DIB)
Greenpeace
Klimabevægelse
Mellempøkeligt Samvirke
Rådet for Grøn Omstilling
VedvarendeEnergi