

BirdLife International submission to the Public Consultation on the European Investment Bank Energy Lending Policy

Dear Sir/Madam,

BirdLife International welcomes the opportunity to provide comments and inputs into the Public Consultation on the European Investment Bank (EIB) Energy Lending Policy.

Background:

The new EIB Energy Lending Policy is currently under discussion, and decisions taken now will affect the future of European emissions for future decades.

Climate change is an issue of immediate urgency; we need to act now to avoid large-scale catastrophic impacts such as sea-level rise, flooding, droughts, ocean acidification and extreme weather events. By the end of the century, climate change and its impacts may be one of the largest direct drivers of biodiversity loss. Severe effects are predicted, including the extinction of many bird species.

EIB needs to support transformative action to stabilise emissions and hence avoid shifting the burden of responsibility to future generations. The alarming rate of biodiversity decline worldwide is one of the most important human-induced environmental challenges that society faces today. Climate change is already having impacts on biodiversity; this is very important because ecosystems and biodiversity underpin biological productivity and socio-economic development through the provision of many goods and services to people and industry. These ecosystem services include resource provision such as food, water, timber, fuel and fibre, regulating services including those that affect climate, floods, disease, waste and water quality, and supporting services such as soil formation, photosynthesis and nutrient cycling. Humans are fundamentally dependent on the flow of ecosystem services, and climate change threatens the future of these provisions. In many cases, the impacts of these threats have already started to be observed.

Our overarching request for the EIB is to align all its activities with the objectives of the Paris Agreement; to limit global warming to 1.5°C and to achieve greenhouse gas emissions neutrality that is aligned with sustainable development, taking nature and biodiversity into consideration at all stages of project pre-screening, planning and operational processes.

General comments:

EIB thus must strive to address both the closely inter-related challenges of climate change and biodiversity loss at the same time. This can be achieved through strong implementation of EIB's environmental policy, while also highlighting these issues as an integral part of EIB's energy lending policy along with analysis of financial risks due to potential collapse of ecosystems in both developed and developing countries. Therefore, we suggest that the EIB scale-up support going to renewable

energy access in developing countries (supporting, among others, Sustainable Development Goal 7) and develop strategic country-tailored approaches which identify barriers, opportunities and relevant financial mechanisms for investments that do not have a negative impact on the environment (SDGs 14, 15 and, given their integrated and indivisible nature, all other SDGs).

In EIB's policy, there is a clear lack of investment pathways or themes for climate change adaptation; this is urgently needed to build the resilience and reduce the vulnerability of nature and people to the current and expected impacts of climate change. These clear investment pathways or themes for climate change adaptation need to be identified throughout the energy value chain from production and generation to consumption, management, and customer engagement both for value protection; resilience of physical assets as well as value creation¹.

Furthermore, poorly conceived and implemented renewable energy policies and projects can pose threats to birds, other species and their habitats² that may impede the EU's environmental commitments. Therefore, large-scale deployment of renewables will need careful consideration with regard to where they will be placed and how they are operated. This should ideally start with strategic environmental assessments (SEAs) conducted at national to landscape scale, alongside cumulative impact assessments, to identify environmental risk, guide appropriate development and conservation, and support sectoral planning and financing prioritisation. At project level, and before financing is agreed and a project is given the go-ahead, rigorous environmental impact assessments should be conducted to evaluate if the project is in or near protected areas (which include UNESCO Natural and Mixed World Heritage sites), Key Biodiversity Areas (KBAs)³ (which include Important Bird and Biodiversity Areas (IBAs) and Alliance for Zero Extinction (AZE) sites), Ramsar sites, intact habitats such as primary forests and migratory bird flyway bottle-necks, and if so, any development should adhere to the mitigation hierarchy as well as the EU Birds and Habitat Directives. The EIB may want to follow the recent (2018) guidance⁴ published by the International Finance Corporation to accompany its safeguards, in declaring AZE and World Heritage sites not acceptable for financing, with the possible exception of projects specifically designed to contribute to the conservation of the area and where conservation outcomes can be measured.

To support these assessments, the EIB's energy lending policy should stress that robust biodiversity screening tools should be applied across these projects, in addition to the projects described in paragraph 44. Tools such as the Integrated Biodiversity Assessment Tool (IBAT)⁵ which holds spatially explicit information on KBAs, protected areas and species ranges, the Critical Site Network Assessment Tool 2.0⁶ for assessing climate risk on ecosystems, and species sensitivity mapping tools that map species movements and vulnerabilities, can all be used to strategically identify trade-offs and risks between renewable energy developments (and associated infrastructure) and species and ecosystem resilience. For example, sensitivity maps are being used in

¹ https://www.bsr.org/reports/BSR_Climate_Adaptation_Issue_Brief_Energy_Utilities.pdf

² Thaxter, C.B., Buchanan, G.M., Carr, J., Butchart, S.H., Newbold, T., Green, R.E., Tobias, J.A., Foden, W.B., O'Brien, S. and Pearce-Higgins, J.W., 2017. Bird and bat species' global vulnerability to collision mortality at wind farms revealed through a trait-based assessment. *Proceedings of the Royal Society B: Biological Sciences*, 284(1862), p.20170829.

³ Key Biodiversity Areas - sites contributing significantly to the global persistence of biodiversity, in terrestrial, freshwater and marine ecosystems. <http://www.keybiodiversityareas.org>

⁴ Guidance Note 6, to accompany Performance Note 6 (in particular GN54):

https://www.ifc.org/wps/wcm/connect/a359a380498007e9a1b7f3336b93d75f/GN6_November+20+2018+.pdf?MOD=AJPERES

⁵ <https://ibat-alliance.org/>

⁶ <http://wow.wetlands.org/en>

Europe, the Middle East, Africa and other areas of the world to help avoid and reduce species collisions and electrocution from wind turbines and power lines⁷.

Theme 1 - Energy efficiency first

We welcome EIB's approach on energy efficiency first, and we think that this principle should be followed to prioritise all energy finance decisions. Reduction of emissions of greenhouse gases through reduced energy consumption by changing energy consumption patterns within society and increased energy efficiency through major investment is key to achieve the Paris Agreement.

Energy efficiency in the building and mining sectors should also address shadow emissions from extraction of materials in addition to encouraging the use of recycled materials and innovations in this area.

Theme 2 – Decarbonising power and heat generation

Shifting from fossil fuels to renewable energy is fundamental for mitigating climate change and reducing emissions. In EIB's energy policy it is therefore essential to include that renewable energy investments should have a substantial positive carbon balance across their entire life cycle including land use and management. Renewable energy only makes sense if it is resource efficient, and achieves lower greenhouse gas emissions over its whole life cycle. We believe that renewable energy investments will need to provide at least 60% greenhouse gas savings across their whole life cycle in order to add long-term value to the energy transition.

Theme 3 – Supporting new technologies and business models

Technologies and innovations need to be at a minimum both social and environmentally sustainable, and ideally add both social and environmental value. Any investment in new technologies should therefore include an assessment of potential risk to biodiversity and ecosystems, and innovations that are best aligned with the SDGs should be prioritised.

Innovations can also stem from and be inspired by nature and biomimicry and this should be recognised and equitable sharing of the benefits of biodiversity ensured. The use of nature-based solutions for green infrastructure in addition to climate mitigation and adaptation should be considered and prioritised where relevant.

Theme 4 – Securing the infrastructure needed during the energy transformation

Addressing climate change requires a massive scaling up of renewable energy, which in turn requires the development of infrastructure such as power lines to transmit energy to end users. This needs to be planned carefully as it can have detrimental impacts on birds and other wildlife, as well as causing habitat loss and fragmentation. Depending on the type of voltage of a power line, bird impacts will vary. It is well established that existing power lines are a major cause of bird mortality, with scientifically robust evidence of observed effects on bird populations⁸.

In order to avoid trading-off renewable energy development with wider environmental sustainability, strategic planning should be embedded in EIB's policy with the aim to minimise the development of new infrastructure in sensitive areas, and to prioritise projects that are using

⁷ <http://migratorysoaringbirds.undp.birdlife.org/en>

⁸ Loss, S.R., Will, T. and Marra, P.P., 2015. Direct mortality of birds from anthropogenic causes. Annual Review of Ecology, Evolution, and Systematics, 46.

existing infrastructure or alternatively, where relevant, developing within existing infrastructure corridors rather than creating new ones. This would thus prevent opening up or fragmenting new areas of natural habitat. Projects should use be constructed using technology that minimises impacts on birds, and where already in place they should be retrofitted accordingly.

We welcome the opportunity to comment, and look forward to continued constructive engagement with the EIB into the future.

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nature and people