

Mrs Cecilia Malmström
Commissioner for Trade

Copy to:
Mr Šefčovič
Vice-President of the European Commission

Mr Arias Cañete
Commissioner for Climate Action & Energy

Brussels, 29 January 2015

Dear Commissioner Malmström,

We are writing this letter with regards to the EU position for the OECD negotiations on publicly supported export credits for coal fired power plants.

Coal fired power plants are by far the most polluting energy technology today and significantly contribute to climate change through their emissions. Already in 2011, the EU decided to end public subsidies for coal in EU Member States by 2018.

This year, we have the opportunity to end EU/OECD public export credits for coal fired power plants overseas, which are the largest source of public funds for coal abroad. In 2014, the OECD and the G7 committed to negotiate and conclude an 'OECD Arrangement on public export credits' still before the United Nations Climate Change Conference COP21 taking place in Paris in December 2015. Such an agreement would apply to all EU Member States. This month, you started negotiating the EU position for the OECD negotiations.

With this letter, we would like to express our deep concerns about a non-paper for an EU position for the OECD negotiations drafted by your DG.¹ According to this paper, public subsidies for the export of coal fired plants would be maintained. We believe that this proposal would be inconsistent with EU policies, especially with the claim of international climate leadership in the year of the COP21 where the world will assess the credibility of

¹ Room document for the CWG on export credits, 13 January 2015, Proposal for an EU position on export credits and coal-fired power plants at the OECD's export credit committees in March 2015.

developed countries' commitments to fight climate change. Specifically, the proposal contradicts EU climate ambitions in the following ways:

- It would merely ban the least efficient coal fired power plants ('subcritical') that the market is progressively phasing out anyway, while maintaining subsidies for supercritical plants that still represent a highly polluting technology to produce energy;
- It would allow public subsidies for coal abroad, way beyond the 2018 deadline and in contradiction with domestic policies;
- It would introduce a significantly weaker standard compared to the benchmark of the European Investment Bank, whose energy lending policy has been ruling out subsidies for unabated coal plants since 2013 through an Emission Performance Standard of 550 g CO₂/kWh;
- It is a lost opportunity to refocus public subsidies for EU exports towards renewable energy technologies offering robust export opportunities for EU manufacturers, in line with President Juncker's goal to make the EU number one in renewable energies globally.

The governments of the UK and the US have been asking, during the last months, for a ban of publicly subsidized export credits for coal through an Emission Performance Standard that rules out unabated coal.

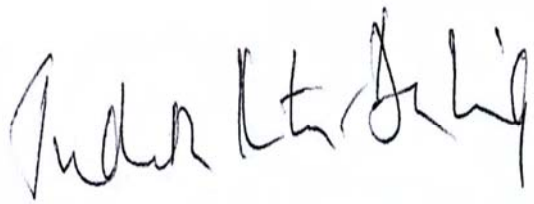
In this context, we want to urge you to use the opportunity of the upcoming OECD negotiations to demonstrate international climate leadership, propose an end of EU/OECD publicly subsidized export credits for coal through an ambitious Emission Performance Standard, at least in line with current EIB lending practices ruling out unabated coal, and to actively engage with EU Member States and OECD Member countries for that purpose.

We look forward to hearing from you in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rebecca Harms', with a long horizontal flourish extending to the right.

Rebecca Harms, Co-President of the Greens/EFA

A handwritten signature in black ink, appearing to read 'Jude Kirton-Darling'.

Jude Kirton-Darling, Member of the European Parliament, Socialists & Democrats

A handwritten signature in black ink, appearing to read 'Paul Brannen'.

Paul Brannen, Member of the European Parliament, Socialists & Democrats

A handwritten signature in black ink, appearing to read 'Sirpa Pietikäinen'.

Sirpa Pietikäinen, Member of the European Parliament, EPP group

A handwritten signature in blue ink, appearing to read 'Reinhard Bütikofer'.

Reinhard Bütikofer, Member of the European Parliament, Greens/EFA

A handwritten signature in blue ink, appearing to read 'Peter Eriksson', with a long horizontal flourish extending to the right.

Peter Eriksson, Member of the European Parliament, Greens/EFA

A handwritten signature in black ink, appearing to read 'Yannick Jadot', with a vertical line on the left and a horizontal line at the bottom.

Yannick Jadot, Member of the European Parliament, Greens/EFA

A handwritten signature in black ink, appearing to read 'Claude Turmes', with a vertical line on the left and a horizontal line at the bottom.

Claude Turmes, Member of the European Parliament, Greens/EFA