BANKTRACK | Les Amis de la Terre France | FOSSIL BANK BRIEFING

BNP PARIBAS: QUIT FOSSIL FUELS!

This briefing is one in a series published by BankTrack, the international tracking, campaigning and NGO support organisation targeting private sector banks. Visit www.banktrack.org for extensive data and coverage of the banking sector's finance for fossil fuels and other environmental and social impacts. This briefing is published in partnership with Friends of the Earth France, For any additional information or feedback, contact Yann Louvel at: yann@banktrack.org or Lucie Pinson at : lucie.pinson@amisdelaterre.org

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CLIMATE: AFTER COAL, BNP PARIBAS MUST TACKLE OTHER FOSSIL FUELS PROJECTS

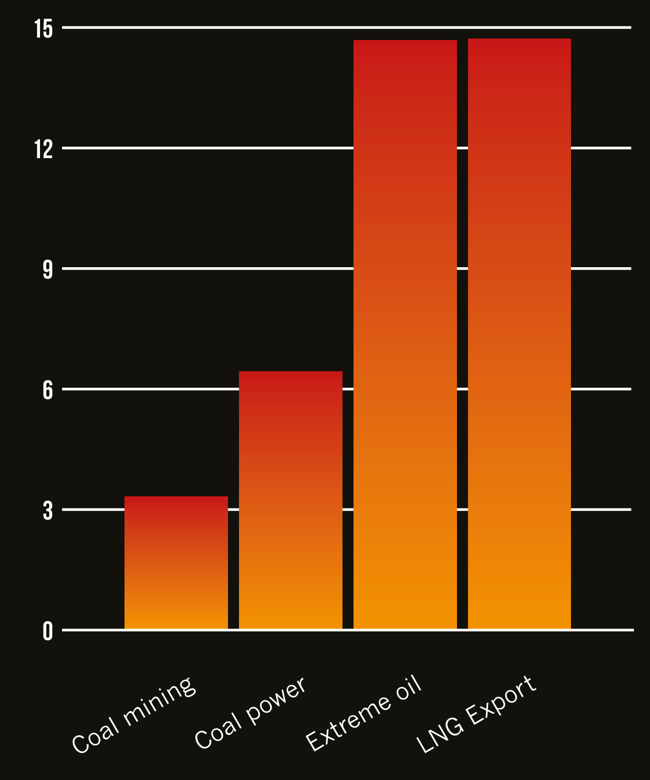
As one of the official sponsors of the Paris climate conference, BNP Paribas boasted of its climate credentials in November 2015, announcing measures to reduce its involvement in the coal sector. But a year and a half later, the bank still continues to support coal projects indirectly, and has not taken any significant measures to limit its financing for the oil and gas sectors. On the contrary, the bank is directly involved in new fossil fuel projects in the United States.

However, these projects are totally incompatible with climate science which tells us that to stay under the Paris Agreement objective of 1.5°C, and even to limit global warming to 2°C, no new fossil fuels projects should be built around the world (Oil Change, 2016). There is not only no space in the world's carbon budget for the emissions of the more than 1000 coal plants still planned in the coming years, and unconventional fossil fuels like tar sands or shale gas are the next ones that must stay in the ground.

During the Paris climate summit, BNP Paribas signed the Paris Pledge for Action, committing to 'ensure that the ambition set out by the Paris Agreement is met or exceeded to limit global temperature rise to less than 2 degrees Celsius.' It must then adopt new measures to meet this commitment, especially given an international context in which the President of the United States threatens to pull out of the Paris Agreement. The only solution for BNP Paribas is not to become an accomplice of the climate sceptics who took power in Washington. It is also the way it can do its fair share in the global fight against climate change, which already impact millions of people around the world, worsening human rights violations and corruption.

Concretely, BNP Paribas must commit by the end of the year to stop all fossil fuels project finance, as well as general corporate finance for companies active in unconventional fossil fuels. After its involvement in the Dakota Access Pipeline scandal and the violation of the Standing Rock Sioux rights, BNP Paribas must start to turn the page on fossil fuels and exclude all infrastructure projects planned in North America, including LNG export terminals from shale gas or Canadian tar sands pipelines like Keystone XL.

BNP PARIBAS FINANCING (IN $ BILLION, 2014-2016) TO COMPANIES ACTIVE IN:



All financing figures are taken from research published in the Fossil Fuel Finance Report Card 2016, see: www.ran.org/shorting_the_climate

URGENT: BNP SHOULD NOT BE ACCOMPLICE OF TRUMP'S ANTI-CLIMATE STANCE

The election of Donald Trump to the White House last November sent shockwaves around the world in the fight against global warming. The new president threatens to withdraw the US from the Paris Agreement, and back away from its climate commitments.

Donald Trump has wasted no time in dismantling environmental regulations and facilitating the expansion of fossil fuels in the United States… with the complicity of BNP Paribas.

Among his first acts was to resurrect the controversial Dakota Access Pipeline and Keystone XL projects. Additionally, two tar sands pipelines as well as 40 LNG export terminals are expected to get the same treatment soon.

BNP Paribas is already involved in the Dakota Access Pipeline scandal, a project denounced by the Standing Rock Sioux for threatening their access to water and their identity. The project has also been condemned globally after serious human rights violations, for which the project promoters are responsible.

Other planned infrastructure projects all involve the same risks and unacceptable impacts on climate, since they will provoke more shale gas and more tar sands extraction, as well as on local communities and indigenous rights. They also comprise reputation risks for all banks getting involved, particularly for banks active on the US retail market.

That's why it is urgent for BNP Paribas, which has a retail bank subsidiary in the US, Bank of the West, to learn all the lessons from the Dakota Access Pipeline and commit to not finance further pipelines or LNG terminals in the country.

TEXAS LNG: BNP PARIBAS EXPORTS CLIMATE CHAOS

BNP Paribas must first withdraw from the Texas LNG terminal project, in the Rio Grande valley in the Southern US, in which it is already involved.

The French bank is indeed arranging the finance for this project, for a total amount of 2 billion dollars. Building this terminal will only increase the use of fracking, forbidden in France because of its heavy impacts on water and health of local communities. And the gas to be transported would generate the same emissions as those produced by three coal power plants. Moreover, risks for some protected species and the absence of consultation with the Esto'k Gna tribe already raise similar issues as for the Dakota Access Pipeline. Except if BNP Paribas withdraws from the project.

Friends of the Earth France, in partnership with local group 'Save RGV from LNG', and its US partners Rainforest Action Network, have launched a recent campaign demanding BNP Paribas withdrawal from the project.

Protest at Standing Rock, photo : Rob Wilson

DESPITE THE EFFORTS MADE, THERE IS STILL A LOT TO DO TO QUIT COAL FOR REAL

In January BNP Paribas became the last big French bank to announce the end of its coal power project finance everywhere in the world.

However, there is still a lot to do for the bank to completely abandon its financing of the most climate-destroying of all fossil fuels. Direct project finance to coal projects only represents a small part of all these investments, the vast majority being channeled through general corporate loans and the issuance of shares and bonds to companies active in this sector.

BNP Paribas did adopt some analysis and exclusion criteria for these companies, but they are still wholly inadequate. One concrete example of this is the fact that the bank does not systematically exclude companies planning new coal expansion around the world.

This is the case, for instance, for AES Corporation, KEPCO and San Miguel Corporation, which BNP Paribas financed to the tune of more than 400 million dollars in the past three years, despite all of them planning new coal power plants in the Philippines. It is also the case for PGE and Energa, two Polish companies building new coal plants in the European Union, which BNP Paribas financed almost 540 million dollars since 2014. While BNP Paribas will not finance any of these projects directly, nothing blocks the bank from supporting these companies, unless they are blacklisted.

It is then urgent for the French bank which is the most involved in the coal sector to reinforce its exclusion criteria, and to stop financing all companies planning new coal expansion. It must also stop financing companies deriving more than 30% of their revenues from coal mining, or 30% of their power production from coal, as well as companies producing or burning more than 20 million tons of coal a year.