



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Kwasi Kwarteng MP
Secretary of State for Business, Energy and Industrial Strategy
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Our Ref: SO13718

22 February 2021

Dear Kwasi,

I am writing to you regarding the Government's announcement on the 12th of December 2020 to end UK Export Finance backing for fossil fuel projects abroad. Seventeen fossil fuel projects are currently being considered and they could be given financial backing at any point up until the institution of the ban on funding for fossil fuel projects overseas.

Before this announcement was made, reports emerged that the agency had committed £59.9 million for coal mining purposes in Russia and £3.5 billion to oil and gas in the preceding four years. This funding was contrary to the commitments made by the UK Government when signing the Paris Agreement in 2015. This committed the Government to limiting global warming to 2oC and ideally 1.5oC.

The UK has now assumed the Presidency of COP26, the most important set of international climate negotiations since the signing of the Paris Agreement, but is continuing to consider 17 fossil fuel projects internationally in Algeria, Azerbaijan, Brazil, Canada, China, Egypt, Iraq, Italy, Malaysia, Thailand, Turkey, Turkmenistan and the UK.

UK Export Finance have made no calculation of the emissions expected by the burning of oil and gas extracted through the offshore oil and gas project in Brazil which is being considered for funding. However, the construction and operation of the plant is expected to be more than 2 million tonnes of CO2 a year.

On top of these disastrous plans internationally, Cumbria County Council has committed to reconsidering their approval for a new coal mine for coking coal to be used in steel making. The council had approved extraction until 2049 but have since realised that the Climate Change Committee recommends the use of coking coal should be curbed from 2035.

The UK Government has refused to call-in the application for this coal mine several times, potentially allowing the first deep coal mine to open in 30 years – despite the UK committing themselves and urging other countries to move away from coal and other fossil fuels.

I urge you to uphold your own Net Zero commitments and consider bringing the ban on UK Export Finance funding overseas fossil fuel projects forward and immediately halt any consideration of new fossil fuel projects.

The funding of fossil fuel projects abroad in 2021, despite the announcement of the end of such funding last year, would seriously undermine the UK Government's credibility as the hosts of COP26.

With severe backlash to reports of the billions of taxpayer money which had been spent setting up fossil fuel projects abroad last year, it is vital that the public are reassured that their money will not be spent on such polluting projects.

I look forward to receiving your response.

Yours sincerely,

A handwritten signature in cursive script that reads "Sarah Olney". The signature is written in black ink and is positioned below the typed name.

Sarah Olney
Liberal Democrat Spokesperson for Business, Energy and Industrial Strategy