



## PRESS RELEASE

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### Germany: Fair and climate-friendly economy after lignite phase-out

- **EIB supports social and green transformation in Lusatia with €150 million**
- **To insure high standards of living after phase-out of lignite, EIB invests in renewable energy, public transport, reskilling, municipal development and health**
- **Close cooperation with Investitionsbank des Landes Brandenburg (ILB) under the 2038 Lusatia coal phase-out programme**

The European Investment Bank (EIB) is contributing €150 million to the 2038 Lusatia programme, which aims to minimise the social and economic impact of the phase-out of lignite and the transition to climate neutrality in the region. The EIB is cooperating closely on this with the regional promotional bank Investitionsbank des Landes Brandenburg (ILB).

The federal state of Brandenburg's 2038 Lusatia programme, financed by the European Union and the federal government, coordinates and promotes municipal activities in the region. It follows a bottom-up approach in which local people propose and develop individual projects for the transition from a carbon-intensive to a carbon-neutral economy.

One example of this is the efficient and sustainable conversion of the port of Königs Wusterhausen into a nationally important logistics hub. Between 1986 and 2017, the port was used for lignite transshipment, running four trains a day and handling 2 million tonnes of lignite a year. After a series of investments, most recently in 2023 with an additional 740 metres of loading track, all areas have now been marketed. The site hosts 35 companies with 447 employees and operates from 6 a.m. to 6 p.m. 2022 was its most successful year ever — and all without any handling of fossil fuels.

Lusatia is a lignite mining area in the eastern part of Brandenburg on the border with Poland. Lignite provides 13 000 specialised and well-paid jobs in the region. Two-thirds of these jobs will disappear with the phase-out of coal by 2030 when the last two open-cast mines close.

Lusatia is one of the last cohesion regions in Germany. These are regions with a gross domestic product per capita below the EU average. The plan for Lusatia is to create a carbon-neutral energy supply and to renature the landscape with the aim to create a climate-friendly economy that offers highly qualified follow-on job opportunities. The EIB has previously supported the rehabilitation of former lignite and coal-mining sites, also in Germany.

Lusatia's green transformation is supported by the European Union through the European Regional Development Fund, the European Social Fund and the Just Transition programme. The region also receives funds from the federal government through the Coal Regions Structural Development Act and the Coal Phase-out Act, as well as from the federal state of Brandenburg.

The EIB financing can be used for local and regional development, public transport, health, energy and training.

EIB Vice-President **Nicola Beer**, who is responsible for financing in Germany, said: "Green transformation is a major challenge, especially in the European coal regions. Our goal at the EIB is to make this transition from a carbon-intensive economy to carbon-neutrality economically successful and socially just. We are therefore pleased to support the efforts of the federal state of Brandenburg together with our long-standing partner ILB."

ILB chief executive officer **Tillmann Stenger** said: “Making Lusatia into a European model region with a broadly carbon-neutral economy will require a considerable financial commitment. The loan from the EIB, our European partner institution, can really help to overcome the financial challenges this entails.”

## Background information

The [European Investment Bank \(EIB\)](#) is the long-term lending institution of the European Union, owned by its Member States. It finances sound investments that contribute to EU [policy objectives](#). EIB projects bolster competitiveness, drive innovation, promote sustainable development, enhance social and territorial cohesion, and support a just and swift transition to climate neutrality. The EIB Group, which also includes the [European Investment Fund \(EIF\)](#), signed a total [of €88 billion in new financing for over 900 projects in 2023](#). These commitments are expected to mobilise around €320 billion in investment, supporting 400,000 companies and 5.4 million jobs.

All projects financed by the EIB Group are in line with the Paris Climate Accord. The EIB Group does not fund investments in fossil-fuels. We are on track to deliver on our commitment to support €1 trillion in climate and environmental sustainability investment in the decade to 2030 as pledged in our [Climate Bank Roadmap](#). Over half of the EIB Group’s annual financing supports projects directly contributing to climate change mitigation, adaptation, and a healthier environment. Approximately half of the EIB’s financing within the EU is directed towards cohesion regions, where per capita income is lower. This underscores the Bank’s commitment to fostering inclusive growth and the convergence of living standards.

The **Investitionsbank des Landes Brandenburg (ILB)**, based in Potsdam, has served as the promotional bank of the federal state of Brandenburg since 1992. It supports the federal state and other public institutions in promoting public and private investment projects in the fields of business, employment, infrastructure and housing. ILB advises investors on funding programmes and financial instruments. Using its own funds and funds from the federal state, the federal government and the European Union, it offers low-interest loans, grants, liability exemptions, guarantees, and venture and equity capital. ILB works with savings banks and cooperative and private banks in Brandenburg and is a partner of the promotional institutions of the federal government and of the European Investment Bank.

The **2038 Lausitz programme** is the policy strategy that was adopted in 2020 to implement the Coal Regions Structural Development Act in Brandenburg. It defines the fundamental objectives and structures required for doing so. It was revised in 2023 and is set to be reviewed by the federal state government in January 2024, after which it will be sent to the federal government for approval.

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