Early Warning System

EIB-20230503

AURORA LITHIUM CONVERSION FACILITY

Quick Facts

Countries	Portugal
Specific Location	Setubal
Financial Institutions	European Investment Bank (EIB)
Status	Hold
Bank Risk Rating	U
Borrower	Galp Energia SGPS SA, Northvolt AB
Sectors	Construction, Energy, Industry and Trade, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 901.78 million
Loan Amount (USD)	$ 901.78 million
Project Cost (USD)	$ 1,202.37 million

Project Description

As stated by the EIB, the project concerns the construction of a commercial plant to produce lithium hydroxide from spodumene. Lithium hydroxide is one of key material used for electric vehicle (EV) batteries manufacturing.
The annual production is expected to total 32 000 metric tons, enough to power over 700 000 EVs.
The start of commercial operations is planned in 2028. The plant will be located in Setubal, Portugal.

The project supports the EU's CRM Act target to achieve the local processing capacity of at least 40% of the Union's annual consumption of strategic raw materials. Furthermore, the end-users use lithium hydroxide to manufacture EV batteries that play key role in enabling the EU's green transition and in achieving the European Green Deal ambition to become climate neutral by 2050.

As of 26 November 2024, Galp decided to not proceed with this project: https://www.galp.com/corp/en/investors/publications-and-announcements/investor-announcements/investor-announcement/id/1566/galp-decides-not-to-move-forward-with-aurora-project

Investment Description

- European Investment Bank (EIB)

Private Actors Description

As stated by Bloomberg:

Galp Energia, SGPS, S.A. is an integrated energy company with diversified activities Worldwide. The Company is focused in the prolific South Atlantic area, including Brazil's pre-salt Santos basin and the Angolan offshore, and in the world class Rovuma basin in Mozambique. Galp Energia SGPS focuses on refining and marketing, natural gas, and power businesses.

Northvolt AB manufactures renewable energy components. The Company offers batteries to replace fossil fuels with electricity that helps in energy generation and distribution from coal, oil, and natural gas. Northvolt serves auto industries in Europe.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
NorthVolt AB	Client	Energy	contracts with	Galp Energia SGPS SA	Client	Energy

Contact Information

No contacts provided at the time of disclosure.

Clients -

Galp Energia SGPS SA:

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Phone: (+351) 217 242 500
Email: galp@galp.com
Website: https://www.galp.com/corp/en/

Northvolt AB:

Address: Alströmergatan 20, SE-112 47, Stockholm, Sweden
Phone: +46761309427
Email: hi@northvolt.com
Website: https://northvolt.com/

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.eib.org/en/infocentre/registers/request-form/request-form-default.htm

ACCOUNTABILITY MECHANISM OF EIB

The EIB Complaints Mechanism is designed to facilitate and handle complaints against the EIB by individuals, organizations or corporations affected by EIB activities. When exercising the right to lodge a complaint against the EIB, any member of the public has access to a two-tier procedure, one internal - the Complaints Mechanism Office - and one external - the European Ombudsman. A complaint can be lodged via a written communication addressed to the Secretary General of the EIB, via email to the dedicated email address: complaints@eib.org, by completing the online complaint form available at the following address: http://www.eib.org/complaints/form via fax or delivered directly to the EIB Complaints Mechanism Division, any EIB local representation office or any EIB staff. For further details, check: http://www.eib.org/attachments/strategies/complaints_mechanism_policy_en.pdf

When dissatisfied with a complaint to the EIB Complaints Mechanism, citizens can then turn towards the European Ombudsman. A memorandum of Understanding has been signed between the EIB and the European Ombudsman establishes that citizens (even outside of the EU if the Ombudsman finds their complaint justified) can turn towards the Ombudsman on issues related to 'maladministration' by the EIB. Note that before going to the Ombudsman, an attempt must be made to resolve the case by contacting the EIB. In addition, the complaint must be made within two years of the date when the facts on which your complaint is based became known to you. You can write to the Ombudsman in any of the languages of the European Union. Additional details, including filing requirements and complaint forms, are available at: http://www.ombudsman.europa.eu/atyourservice/interactiveguide.faces