



SERVICE DE PRESSE

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PRESS RELEASE

GLOBAL LEADERS GATHER AT COP28 TO LAUNCH A NEW INITIATIVE TO SUPPORT ACCELERATION OF JUST COAL TRANSITIONS

The global demand for coal has hit a record high in 2022 with 8,3 billion tonnes. Besides, more than 500GW of new coal capacity are planned and in construction and according the IEA, to meet the Paris agreement goals the world would need to retire the equivalent of 92GW equivalent of coal capacity per year.

The IPCC, UN, and IEA's projections are clear and participants reaffirmed the need to accelerate efforts towards the phasing out of unabated coal in the global energy mix if we want to keep 1.5C alive in line with the Paris agreement.

At the same time, unabated coal phase out raises legitimate concerns in terms of energy security, jobs and economic stability for coal-dependent economies, although it generates obvious public health benefits related to air quality. Fast, effective and orderly transitions should be country-driven and conducted in a just manner taking into account that: i) no country should have to choose between the fight against poverty and the protection of our planet; ii) each country may follow its own national path; and iii) enhanced public and private financial support is necessary to fast-track energy transition in developing economies as recalled in the Paris Pact for People and the Planet.

The world is at a crossroads today. Much work has been done over the last several years to explore energy transition in emerging markets and developing economies, and partnerships – notably the Just Energy Transition Partnerships (JETPs) formed. But a credible pathway for unabated coal phase-out implies a massive surge in clean energy capacity. However, without appropriate guidelines and incentives at the global level, the private sector will continue to finance new coal assets, while the market of renewable energy, highly capital-intensive, is jeopardized in times of high interest rates. Many countries also lack viable financial options to invest in the flexing repurposing and phasing-out of their existing coal fleet while protecting jobs, livelihoods and energy security.

Gathered today at UEA COP28 Dubai, participants launched the initiative “**Coal Transition Accelerator**” in order to share expertise, design new policies including through best practices and lessons learned, and unlock new sources of public and private financing to facilitate *just* transitions from coal to clean energy.

Through this initiative, participants will pursue work in three pillars:

1. To recall our joint endorsement of the pledge to triple the investment and deployment in renewable energies by 2030. We ask the World Bank to lead in the elaboration of a strategy to decrease the cost of capital for the investment in clean energies in developing and emerging markets.
2. To launch a Coal Transition Commission that will propose options and solutions taking into accounts existing initiatives to unlock new sources of public and private financing for transitioning the existing unabated coal fleet, including to fast-tracking coal repurposing to support clean energies, the choice of which may depend on national strategies. This work will aim at accelerating the implementation of the Just Energy Transition Partnerships (JETP). It will include recommendations on a new reporting system for emissions linked to private sector finance.
3. To ask the OECD, with the support of the IEA, to establish a “gold standard” to measure and assess the climate and financial risks attached to private sector investments in new coal assets, with a view to shift those investments into coal transition and clean energy capacities.

Countries who participated in this COP28 event were: Canada, European Commission, France, Malaysia, Senegal, United Kingdom, United States of America, Vietnam. Organisations who participated were: Asian Development Bank (ADB), Bloomberg Philanthropies, Glasgow Financial Alliance for Net Zero (GFANZ), Organisation for Economic Cooperation and Development (OECD), the Powering Past Coal Alliance (PPCA) and the World Bank.

The participants are planning to meet again in the margins of the next WB/IMF Spring Meetings and at the UN Summit of the Future in September 2024 to deliver results on these three pillars.

A working group will be set up that will report to the Commission, at the spring meetings, on how to effectively deploy public and private finance to support the accelerated transition of existing coal assets in Emerging Markets and Developing Economies.

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In the framework of COP28, it is worth noticing that new members and partners, including, the Czech Republic, Cyprus, Dominican Republic, Kosovo, Iceland and Norway also joined the Powering Past Coal Alliance (PPCA), the coalition of national and subnational governments, businesses and organisations working to advance the transition from unabated coal power

generation to clean energy. The move underscores a rapid shift towards a coal-free future in developed countries despite the energy crisis.

The United States also announced during the CTA event that it is joining the Powering Past Coal Alliance, building on President Biden's place-based approach to economic revitalization, targeting engagement and investment to the most hard-hit communities.