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### **CSOs welcome historic 20+ country-strong commitment to end international oil, gas, and coal finance by end of 2022, say others need to follow**

**Glasgow** - Today at COP26, more than 20 countries and institutions, including the United States, Canada, Mali and Costa Rica, launched a joint statement committing to end direct international public finance for unabated coal, oil and gas by the end of 2022 and prioritize clean energy finance. After a [wave of commitments](#) to end international coal finance this year, this is the first international political commitment that also addresses public finance for oil and gas. If implemented effectively this initiative could directly shift more than USD 15 billion a year of preferential, government-backed support out of fossil fuels and into clean energy — and much more if initial signatories are successful in convincing their peers to join.

Shifting public finance for energy out of all fossil fuels and into clean energy is an urgent task. The International Energy Agency (IEA) [says](#) that to limit global warming to 1.5°C, 2021 needs to mark the end of new investments in not just coal, but also new oil and gas supply.

Yet, [new research](#) by Oil Change International and Friends of the Earth US shows that between 2018 and 2020, G20 countries' international public finance institutions and Multilateral Development Banks (MDBs) still backed at least \$188 billion in fossil fuels abroad. This was 2.5 times more than G20 and MDB support for renewable energy, which averaged \$26 billion per year. Public finance for clean energy has stagnated since 2014, despite the need for it to grow exponentially to ensure universal access to clean energy and to stay below the 1.5°C limit. The IEA finds that annual public and private investments into clean energy should reach nearly [\\$4 trillion](#) by 2030.

The joint statement unites some of the largest historic providers of public finance for fossil fuels — Canada, the United States, the UK and the European Investment Bank (EIB). However, other large financiers have yet to join them.

Laggards include Japan (\$10.9 bn/yr), Korea (\$10.6 bn/yr), and China (\$7.6 bn/yr), which are the largest providers of international public fossil fuel finance in the G20 and together account for 46% of G20 and MDB finance for fossil fuels. Italy (\$2.8 bn/yr) and Spain (\$1.9 bn/yr), some of the biggest EU fossil fuel financiers, are also missing.

But campaigners hope that the joint statement can help raise pressure on these countries that are lagging behind, similar to the momentum in place on ending coal finance. On the same

morning of the statement launch, activists took to the streets of Glasgow in inflatable Pikachus to urge Japan to stop funding fossil fuels.

The EIB has signed the statement and the civil society coalition, Big Shift Global, is [urging](#) the other MDBs to also get on board, including the World Bank Group, the African Development Bank, the European Bank for Reconstruction and Development, the Asian Development Bank, and the Asian Infrastructure Investment Bank. Collectively the MDBs still provided at least \$6.3 billion each year to fossil fuel projects between 2018 and 2020. Earlier this week the MDBs [provided](#) an update on their joint Paris alignment efforts in which they confirmed their framework will have no exclusions for oil and gas projects.

The combination of big polluters and low-income countries signing the statement is positive, and challenges the assumption that developing country signatories want or need investments in fossil fuels to achieve their development objectives. Alongside fulfilling their stated goal of “prioriti[zing] support fully towards the clean energy transition”, campaigners remind signatories that the ability of this initiative to support a just and 1.5°C-aligned global energy transition will also hinge on avoiding loopholes allowing for a dash for gas, acting on debt relief, increasing grant-based climate finance, and securing a growing number of signatories to the statement.

#### Quotes:

#### **Tasneem Essop, Executive Director, Climate Action Network International, said:**

“Shutting fossil fuels down is critical for tackling the climate crisis. This announcement is a step in the right direction but must be scaled up with more governments and public finance institutions, including the Multilateral Development Banks, committing to end finance for fossil fuels. This public money needs to be urgently redirected into a just energy transition that ensures clean universal energy access for communities in the global South and support for communities and coal, oil and gas workers without saddling countries with any further debt.”

#### **Laurie van der Burg, Global Public Finance Campaigns co-Manager at Oil Change International, said:**

“The signatories of today's statement are doing what's most logical in a climate emergency: stop adding fuel to the fire and shift dirty finance to climate action. Only this way can we avoid the worst climate crisis scenarios. We need to see much more of this to help deliver and exceed climate finance promises and support real solutions that meet community needs - particularly in the Global South. Other countries and institutions must follow suit.”

#### **Kate DeAngelis, International Finance Program Manager, Friends of the Earth US, said:**

“Last year at this time I would not have thought we would see countries commit to ending billions of dollars in support for international fossil fuel projects. While this is welcome progress, countries, especially the US, must hold firm to these commitments, shutting off the spigot to fossil fuel companies like Pemex and Exxon. Laggards like Japan and Korea must also step up and join this commitment to enhance its efficacy.”

**Lidy Nacpil, Asian's Peoples Movement for Debt and Development, said:**

“We have been calling for an end to public financing of fossil fuels for so long, governments should have responded earlier. The world has no more space or time left to accommodate the expansion of fossil fuel energy. Instead governments must act immediately and decisively for a swift and just transition to 100% renewable and democratic energy systems. There should be no exceptions, no reliance on unproven and unreliable carbon capture and storage technologies that hide the lack of ambition and justify some level of continued GHG emissions. Governments must also compel the private sector to stop funding new fossil fuel projects. We call on all countries, public financial institutions, and private financiers to commit and disclose concrete plans to end all support and financing, direct and indirect, for all fossil fuels — coal, gas and oil. Anything less will not be enough to limit global temperature rise to 1.5°C.”

**Ayumi Fukakusa, Friends of the Earth Japan, said:**

“While world leaders commit to phasing out fossil fuel financing, Japan is the second largest public financier for fossil fuel and even still supports new coal projects both domestically and internationally. Japan, again failed to show its leadership for climate action. In addition to that, right before the COP26 started, a Japanese public financier decided to finance the LNG Canada project. The associate Coastal GasLink Pipeline is quite controversial. Next to being completely incompatible with climate goals, a UN Committee called out the lack of "Free prior, and informed consent (FPIC)" for the project. This is unacceptable.”

**Joojin Kim, Solutions for Our Climate, said:**

“While the commitment represents a step forward in the global response to climate change, it is disappointing to find that major fossil fuel financing countries like South Korea have not joined the announcement. When it comes to public financing of fossil fuels, Asian economies like South Korea and Japan are among the largest contributors in the world. The world must know that the amount of fossil fuel public financing provided by these countries is several times (in the case of South Korea, thirteen times) higher than the amount they have provided for coal power project financing. These nations should immediately end public fossil fuel financing, instead of contributing to the build up of stranded assets around the world.”

**Daniel Willis, climate campaigner at Global Justice Now, said:**

“This joint statement is welcome and necessary progress in the struggle to shift public finances away from fossil fuels, but that should not distract us from the challenges ahead. Just last week, MPs in the UK condemned the British development bank CDC Group’s failure to stop funding gas infrastructure. When it comes to the climate crisis, every investment in fossil fuel infrastructure is like pouring petrol on a house fire. Hopefully we will now see the UK government get its own house in order by ending trade and development finance for gas power and rescinding licenses for North Sea oil exploration.”

**Paul Cook, Head of Advocacy, Tearfund, said:**

“There is no room for new fossil fuels if we are to deliver climate justice for millions of the most vulnerable people around the world. This announcement is another nail in the coffin for the fossil fuel era as we seek to build a cleaner, safer and fairer world. We now urgently need others to join this commitment and go further by phasing out fossil fuels at home and abroad.”

**Dean Bhebhe, African Climate Reality Project, said:**

"The African Development Bank and other Development Financial Institutions need to prioritize the development and implementation of a fossil fuel finance exclusion policy that will not fund, provide financial services, or capacity support to any coal, gas, or oil project or related infrastructure project that is carbon intensive on the African continent by 2022. At the least, establish an immediate ban on any new fossil fuel projects and publish a roadmap for phasing out all fossil fuel development financing to advance the just transition in line with the Paris Agreement. The policy should guide a managed and equitable phase-out, taking into account principles of equity and justice for those most affected. We need real climate action now."

**Bronwen Tucker, Canada Lead at Oil Change International, said:**

“The Canadian government should hear loud and clear that this commitment on international finance must extend to Export Development Canada’s closely related domestic finance for oil and gas as well. Nevertheless, this is one of the only Canadian climate commitments to ever concretely address the oil and gas sector. It means Canada will likely no longer be the largest international backer of fossil fuels, that we will face lower risk of economic shocks from our overexposure to this sunseting industry and that this influential financial support can be redirected to just transition and renewable energy globally instead. Today’s announcement is a credit to the climate movement and Indigenous land defenders that have been pushing Trudeau to take real climate action since the day he took office.”

**Nick Bryer, European Campaigns Director, [350.org](https://www.350.org), said:**

“Every cent that goes into fossil fuels is taking us further in the wrong direction. It’s shocking that public money is still going into coal, oil and gas, when we so desperately need to keep fossil fuels in the ground, and invest in real solutions instead. It’s hypocritical for any country to call themselves a climate champion if they’re still helping to bankroll the fossil fuel industry.”

**Jon Sward, Environment Project Manager, Bretton Woods Project, said:**

“The statement is an important first step in building international consensus that ending finance for fossil fuels and increasing support for a just energy transition in low- and middle-income countries are key aspects of achieving the goals of the Paris Agreement. It is disappointing that the World Bank - and many of its MDB counterparts - has chosen not to sign on to the statement. The UK, US, and other government signatories to the statement must continue to push for the World Bank and other international financial institutions to end support for fossil fuels while scaling up their support for clean energy systems that ensure a just transition for workers and communities.”

**Robin Mace-Snaith, Policy Lead - Climate and Energy, CAFOD, said:**

“This statement is a start, but we urgently need more countries on board. Public finance shouldn’t be anywhere near fossil fuels if we want any chance of keeping within 1.5°C. We challenge all signatories to ensure that the limited and clearly defined circumstances they reference are not just loopholes to continue supporting the fossil fuel sector. What’s needed is a just energy transition, bringing electricity to the over 750 million people without and ensuring no community is left behind as a result. For many communities on the frontline of climate change, time has already run out, we must consign all fossil fuels to history now.”

**Lisa Fischer, Programme Leader Climate Neutral Energy Systems, E3G, said:**

“This statement is a powerful signal to policy makers and investors alike that high climate and investment risks are an inherent part of oil and gas finance, and that no investment in new oil and gas supply is needed. It shows growing confidence that employment and revenue opportunities are strongest in the clean energy sector. Every cent of public finance should be used to open these opportunities for nations across the globe.”

**María Marta Di Paola - Research area director, Fundación Ambiente y Recursos Naturales (FARN), said:**

“While Global North countries and institutions are signing pledges on climate finance, they are still investing millions in extractive projects in Global South countries. For example, between 2016 and 2020, 88% of the [World Bank Group](#) investments in the energy sector in Argentina went to fossil fuels and the rest to renewables.

Global North countries should play a lead role in the transition to zero carbon economies coping with the singularities and needs of the Global South. This statement could be a clear sign of the risk associated with relying on fossil fuels to develop in the Global South.”

**Lucile Dufour, Senior Policy Advisor, International Institute for Sustainable Development, said:**

“Shortly after the world’s largest economies have ruled out overseas finance for coal, this statement shows that a much bigger shift is underway: one that could soon mark the end of not just coal, but also oil and gas finance. The science is clear that public support must be directed towards clean energy to avoid locking countries into high-carbon pathways, imperiling economies, and the global climate. Signatories should deliver boldly on their commitment and continue building momentum after COP26, to ensure other governments and institutions follow suit.”

**Katharina Rall, Senior Environment Researcher, Human Rights Watch said:**

“This commitment to end international public finance for fossil fuels by 2022, if followed by effective implementation, will be an important step toward governments meeting their human rights obligations to address the climate crisis. All governments need to urgently end all support for fossil fuels and ensure a just transition to affordable clean energy to help prevent catastrophic climate impacts on human rights. Countries that choose not to sign on—including Japan, South Korea, Italy — are signaling a lack of regard for their human rights obligations and

for the rights of communities around the world already facing a mounting toll from climate impacts.”

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Notes:

- The joint statement will be launched at the UK pavilion at 10.30 GMT 4 November 2021. The launch event can be followed here: <https://www.youtube.com/channel/UCpq-q7dcyzAc8Mi99UXegwg>.
- The countries and the institutions that have signed the joint statement include: Agence Française de Développement (AFD), Albania, Canada, Costa Rica, Denmark, Banco de Desenvolvimento de Minas Gerais (BDMG), The East African Development Bank (EADB), Ethiopia, Fiji, Finland, Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), Mali, Marshall Islands, New Zealand, Moldova, Portugal, Slovenia, South Sudan, Switzerland, the European Investment Bank, The Gambia, The United Kingdom, The United States and Zambia.
- The estimate of a direct \$15 billion shift is based on annual average public finance for fossil fuels from the participating countries and institutions from 2016-2020. Data for AFD, Canada, EIB, the United Kingdom and the United States are from Oil Change International’s Shift the Subsidies Database. Data for Denmark, Finland and Sweden is taken directly from government reporting. No data was available for other donor signatories.
- “[Past Last Call](#)” is OCI and Friends of the Earth US’s latest briefing analyzing G20 public finance figures and trends. It shows that between 2018 and 2020 G20 governments and public finance institutions provided at least USD 188 billion in public finance for fossil fuels.
- In September 2021, 200+ [CSOs launched a statement](#) calling on world leaders to end public finance for fossil fuels in 2021 and launch a joint commitment to do so at COP26.
- In June 2021, [100+ Economists called on the G7](#) to put an end to not only coal finance, but also oil and gas finance in 2021.
- A [legal opinion](#) by Professor Jorge E Viñuales from the University of Cambridge and Barrister Kate Cook of Matrix Chambers argues that governments and public finance institutions that continue to finance fossil fuel infrastructure are potentially at risk of climate litigation.
- A [comment piece](#) by Harro van Asselt, professor at University of Eastern-Finland Law School and affiliated researcher at Stockholm Environment Institute, and Gita Parihar, an environmental advocate and in-house consultant for environmental NGOs and the UN, and a board member of the Climate Justice Fund, suggests that the ruling in the Shell court case should be a wake-up call for governments to end fossil fuel support.
- In October in the lead up to COP26, a global group of campaigners organized [Climate Debt Justice Days of Action](#) calling on governments and lenders to take decisive action to address the debt problem in the global south and to provide grants, not loans in order to free up resources to enable countries to respond to the climate crisis.