

The Prime Minister
Rt Hon Boris Johnson MP
10 Downing Street
SW1A 2AA London

Friday 26 November 2021

Dear Prime Minister,

Cc: Rt Hon Alok Sharma MP - COP26 President
John Murton - COP26 Envoy

We would like to congratulate you on your efforts to secure a historic joint commitment with 39 countries and institutions to end international public finance for unabated oil, gas and coal projects by the end of 2022.

We welcome the momentum this statement generated. The large number of global South signatories underlines the reality that fossil fuels do not provide a viable development pathway and that greatly increased clean energy support is needed instead. The joint statement has also united some of the largest historic providers of public finance for fossil fuels. As the COP26 Presidency stated, with strong implementation, this initiative has the potential to directly shift at least USD 24 billion in influential, government-backed finance out of fossil fuels and into clean energy on an annual basis. This is likely to help shift even larger sums of private finance.

The real work starts now. To live up to high expectations, the statement must be implemented with integrity. Signatories must deliver on schedule, promote gold standard practices and build momentum towards COP27, including by adding new signatories. This is particularly important as large financiers, including Japan, Korea and China, which collectively are responsible for 46% of G20 public finance for international fossil fuel projects, have not yet signed the statement.

The large and growing group of signatories increases the potential impact, but also means that ensuring strong implementation will be a serious task. If just a few signatories use a broad interpretation of the statement to justify continued financing for fossil fuel projects, the credibility and effectiveness of this initiative will be undermined.

We see a key role for CSOs in supporting the implementation of the initiative and in monitoring progress made by signatories. In order to be able to fulfil this role we call on the UK to launch a series of dialogues with signatories and other stakeholders, including civil society representatives. These should focus on the following next steps:

- **Define the term “unabated” to avoid any misuse or continued support for fossil fuels.**
The best way to limit emissions is to avoid creating them in the first place. We understand

the statement as putting an end to all new upstream and midstream oil and gas finance, without exception. Only fossil fuel-based power generation already equipped with proven Carbon Capture and Storage (CCS) or Capture Capture Utilisation and Storage (CCUS) should be classified as “abated” (not CCS/CCUS-ready), and only if these technologies are not combined with Enhanced Oil Recovery (EOR) or Enhanced Gas Recovery (EGR). Given the limitations, environmental health risks, and high costs associated with equipping power plants with CCS or CCUS, we expect signatories to have virtually ended all new direct overseas support for fossil fuels by the end of next year. Renewable electricity production is already cheaper than fossil fuel electricity production with CCS or CCUS. While some suggest that fossil fuel infrastructure built today can be repurposed for clean fuels later, doing so is costly, risky, and would only delay the energy transition while renewable alternatives are largely available and affordable.

- **Clarify the “limited and clearly defined exceptions”.** Signatories should exclude any new support to long-lived gas infrastructure, including LNG infrastructure and gas-fired power plants. This is critical given the majority of G20 and multilateral development bank (MDB) public finance for the energy sector (51%) now flows to gas projects (USD 32 billion). Expanding gas infrastructure is incompatible with keeping global warming to 1.5°C, is not the most effective means to respond to energy access needs and locks countries into high-carbon pathways, exposing them to stranded assets risks. Exceptions such as for liquefied petroleum gas for cooking or heating, and fossil fuel generators in emergency response settings could be acceptable, where needed.
- **Clarify how clean energy investments will be scaled up** in a way that responds to the energy access, job creation and sustainable development needs in the Global South.
- **Avoid an increase in direct support for fossil fuel projects before the 2022 deadline.** This would undermine the effectiveness of the statement.
- **Undertake efforts to extend the commitment to indirect support for fossil fuels,** including policy-based lending, technical assistance, diplomatic support through embassies and investments through financial intermediaries. Indirect finance and policy lending accounts for over 50% of the portfolio of some lending institutions, and this is growing.
- **Work with fellow signatories to secure a growing number of signatories to the statement.** Some of the largest providers of public finance for fossil fuels (Japan, Korea and China) and most MDBs have not yet signed the statement, though signatories together account for a significant share of the votes at the MDBs.
- **Establish a robust governance framework to ensure sufficient capacity for implementation and for maintaining political momentum towards COP27.** This should include providing resources to expand the initiative, whilst ensuring inclusivity and a balance between participation from Global North and South signatories. This can also help clarify the relationship with other flagship initiatives such as the Beyond Oil and Gas Alliance, the Powering Past Coal Alliance and the Export Finance for Future coalition. Clear benchmarks, criteria and a process should be defined for monitoring and evaluating implementation by the end of 2022.
- **Cement the commitments made in the statement in existing international policy processes** including at the MDBs, in the G7, G20 and the OECD.

Shifting public finance for energy out of all fossil fuels and into clean energy is an urgent task. The statement has created high expectations and now needs to be implemented effectively. As civil society, we stand ready to support efforts to implement this initiative with integrity and to

expand the list of signatories. We will also work to hold signatories accountable for action taken under their pledges.

Signed,

Lyn ADAMSON, Co-Chair, ClimateFast
Samuel ADUNREKE, Executive President, Innovea Development Foundation
Alejandro ALEMAN, Node Coordinator, CAN Latin America
Kenneth Nana AMOATENG, CEO, AbibiNsroma Foundation
Richard BROOKS, Climate Finance Director, Stand.earth
Nick BRYER, European Campaigns Director, 350.org
Peter CARTER, Director, Climate Emergency Institute
Lawrence CONNELL, Environment Director, Bank Information Center
Paul COOK, Head of Advocacy, Tearfund
Eliana DARROCH, Coordinator, Auckland Peace Action
Kate DEANGELIS, International Finance Program Manager, Friends of the Earth United States
Julia FISH, Coordinator, Fund Our Future
Kate GEARY, Co-director, Recourse
Isabelle GEUSKENS, Just Energy Transition Senior Officer, Milieudéfense
Alexandra GORITZ, Policy Advisor, Germanwatch
Lorraine GREEN, Co-Chair, Grand(m)others Act to Save the Planet GASP
Joyce HALL, Coordinator, Just Earth
Karen HAMILTON, Director, Above Ground
Rev. Fletcher HARPER, Executive Director, GreenFaith
Hozue HATAE, Researcher, Friends of the Earth Japan
Niels HAZEKAMP, Senior Policy Adviser, Both ENDS
Nicole KEMENY, President, 350 Silicon Valley
Joy KENNEDY, Convenor, Fast For the Climate
Katherine KRAMER, Climate Policy Lead, Christian Aid
Martin KRENN, Policy Officer, Co-ordination Office of the Austrian Bishops' Conference for International Development and Mission (KOO)
Julia LEVIN, Senior Climate and Energy Program Manager, Environmental Defence
Davide MANESCHI, Programme Officer, Swedwatch
Nick MARPLE, Trustee, Gower Street
Richard MATEY, Chief Executive Officer, Alliance for Empowering Rural Communities
Ed MATTHEW, Campaign Director, E3G
Edwin MUMBERE, Coordinator, Centre for Citizens Conserving Environment
Diana NABIRUMA, Senior Communications Officer, Africa Institute for Energy Governance
Lidy NACPIL, Coordinator, Asian Peoples' Movement on Debt and Development
Simone OGNO, Finance and Climate Campaigner, ReCommon
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Cathy ORLANDO, National Director, Citizens Climate Lobby Canada
Eddy PEREZ, International Climate Diplomacy Manager, CAN Canada

Clare PERRY, Climate Campaign Leader, Environmental Investigation Agency
Gligor RADECIC, Gas Campaigner, CEE Bankwatch Network
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Xavier SOL, Director, Counter Balance
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Murray WORTHY, Gas Campaign Leader, Global Witness
Ellie WYATT, Founder, Eco Action Families