

RE: Clean Energy Transition Partnership

Dear Clean Energy Transition Partnership signatories,

At COP 26, you signed the Clean Energy Transition Partnership (CETP), a commitment to align international public finance with a 1.5°C warming limit, ending signatories' new direct public support for the international unabated fossil fuel energy sector by the end of 2022. The initiative was celebrated by civil society organizations, and we thank you again for your leadership.

Because of strong implementation in the majority of signatory countries that provide significant levels of international public support for energy, in the first year of its implementation the CETP signatories already shifted an estimated USD 6.5 billion out of fossil fuels.

Alongside ending international fossil fuel support, you also committed to *“prioritise [their] support fully towards the clean energy transition, using [their] resources to enhance what can be delivered by the private sector. This support should strive to “do no significant harm” to the goals of the Paris Agreement, local communities and local environments.”*

Recent research from the International Institute for Sustainable Development (IISD) has found that in 2022, CETP signatories increased their clean energy financing by USD 5.2 billion over and above 2019-2021 levels. However, this is less than signatories' USD 6.5 billion cut in fossil fuel financing in the same year. Nor does it live up to the CETP's potential to shift USD 28 billion from fossil fuels to clean energy each year over and above pre-existing financing levels. Moreover, the overall increase in clean energy financing in 2022 can be traced to a small number of signatories: many CETP signatories actually decreased their international public finance for clean energy in this period. While we understand that there will necessarily be a lag in redirecting finance from fossil fuels to clean energy, we note that so far no signatory has a policy or strategy fully aligned with the ambition of the CETP clean energy commitment. In particular, concrete targets for scaling up clean energy finance are often missing, as well as provisions for ensuring that financing is fair and transformative.

In 2024, you have a critical opportunity to fulfill the CETP commitment to fully prioritize international public finance for the clean energy transition in a just and equitable way that “does no significant harm”. We call on you to:

1. Set targets to increase the scale and quality of your public support for the clean energy transition in the coming years, starting in 2024. To start with, you should increase your annual public financing for clean energy to at least the level of financing that you have removed from fossil fuel support, by the end of 2024. As part of these efforts, you should scale up grant-based and highly concessional support for clean energy.
2. Direct international support to enabling clean energy subsectors, such as off-grid and distributed renewables for energy access, smart grids, and storage infrastructure. You should prioritize this support for the communities that need it most, including low-

income countries, least developed countries, and small island developing states. You should prioritize financing through the types of institutions that can provide fair and transformative financing terms.

3. In aligning its support with the “do no significant harm” principle, ensure that all clean energy financing is rights-based, community-led, gender-sensitive, and implemented through democratic and participatory processes including free, prior, and informed consent by Indigenous Peoples.
4. Update its national and institutional policies and strategies to prioritize international support for clean energy to reflect the above objectives by the end of 2024.
5. Annually report publicly, collectively with other CETP signatories, on progress in increasing international public finance for clean energy, both in terms of the magnitude and quality of the financing provided.

The CETP provides a framework under which signatories could collectively develop joint guidelines for national and institutional policies for international public finance to clean energy. High-income CETP signatories should take guidance from the 15 low- and middle-income CETP signatories on their financing needs and support them in developing Global South-led requests for clean energy finance.

We thank you in advance for your leadership and look forward to seeing you fulfill its clean energy commitment under the CETP from early 2024. As civil society and expert organizations we remain at your disposal to discuss the above in more detail. We stand ready to support your efforts to fully prioritize international public finance for the clean energy transition.

Signed,

350.org

AbibiNsroma Foundation

AnsvarligFremtid

Bank Climate Advocates

Big Shift Global

Both ENDS

Center for Oil and Gas Organizing

Centre for Citizens Conserving Environment & Management (CECIC)

Environment Governance Institute

Environmental Defence Canada

Food & Water Action Europe

Friends of the Earth United States

Fund Our Future

Greenpeace UK

Innovation pour le Développement et la Protection de l'environnement

Innoeva Development Foundation

International Institute for Sustainable Development

Lumière Synergie pour le Développement

Natural Resources Defense Council

Oil Change International

Recourse

Tearfund

Trend Asia

University of Sussex

Urgewald