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**SCORECARD REPORT** AUGUST 2019

## G7 COAL SCORECARD – FIFTH EDITION COAL FINANCE HEADS FOR THE EXIT

**LOUISE BURROWS, IZUMI KOTANI, PELIN ZORLU,  
REBEKKA POPP, ARTUR PATULEIA, CHRIS LITTLECOTT**





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**Cover image:** Coal mining cars from Lower Bankhead mine, Banff national park, Alberta, Canada

**Graphics:** by Seb Neerman [digital-pencil.com](http://digital-pencil.com)



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# SUMMARY

Canada, UK and Germany have all improved their performance over the past year. Private sector actors have been slow to move, but positive progress is now being made. Progressive governments must work together to reinforce real world trends.

Figure 1 presents the 2019 G7 coal scorecard ranking, which reviews the status of market drivers and government policies in each country to provide a comparable assessment of performance. We consider whether there is a risk of new coal power plants being constructed; whether existing plants are being retired; and whether a country's actions have a positive international impact.

Figure 1: G7 Coal scorecard assessment



Source: E3G analysis

Compared to September 2018, we assess that there have been the following changes to country performance and ranking:



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- > **Canada** has moved ahead into first position, demonstrating clear progress across all categories except for the international impact of its private sector. Over the past year the federal government has adopted new regulations that implement its commitment to phase out coal-fired power generation by 2030.<sup>1</sup> The Canadian government's international efforts on coal have been strengthened through the allocation of CAD \$275m for coal-to-clean transition initiatives,<sup>2</sup> while Export Development Canada has adopted a new climate change policy that ends its coal-related investments.<sup>3</sup>
  - > The **UK** has moved up into second position ahead of France, as electricity market conditions have resulted in further reductions in electricity generation from coal and further closures of coal power plants. Unlike Canada, the UK has not yet introduced legislation to implement its coal phase out commitment and is still considering how it might tighten its approach to export credits and development finance.
  - > **France** has moved down from joint first to third position in the ranking, mainly due to improved performance by the UK and Canada. France is also yet to implement its domestic legislative approach to deliver its coal phase out. Internationally, France holds the G7 Presidency during 2019 and is co-leading efforts on Climate Finance and Carbon Pricing for the UN Climate Action Summit in September 2019. However, there has been relatively limited direct emphasis on coal across these initiatives, resulting in a slight reduction in France's diplomatic leadership score.
  - > **Italy** remains in fourth position in the G7 ranking. Domestically, the coalition government reconfirmed the 2025 phase out date proposed by its predecessor but is yet to legislate for its implementation. However political tensions within the coalition have reduced Italy's international influence on both climate change and coal, which has resulted in a weakening of its diplomatic leadership performance.
  - > **Germany** has made progress across four of the categories in our assessment over the past year and now moves up to joint fifth position alongside the United States. Significantly, the multi-stakeholder Commission for Growth, Structural Change and Employment ("Coal Commission") concluded with recommendations for a phase-out of coal by 2038 at the latest, together with transition support for affected regions.<sup>4</sup> This positive step forward needs to be implemented in law, while the end date should be accelerated to 2030 to align with international climate goals. Internationally, the national development agency KfW has also moved to end coal finance, but existing KfW loans as well as export credits administered by Euler Hermes have not yet been fully included.
  - > The **USA** remains in fifth position in the ranking, now jointly with Germany. Retirements of coal power plants have continued at pace over the past year,
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despite the Trump Administration's attempts to prop up the coal industry. A slew of negative policy changes have been proposed by the Federal Government and regulators, but most are held up in legal challenges and are not impacting on real world trends as utilities and states continue to support a move from coal to clean energy.

- > **Japan**, for the fifth year running, remains in last place in the ranking. It is the only G7 country still pursuing new coal power plants domestically and overseas. However private sector dynamics continue to run ahead of government policy, with close to 4 GW of proposed coal power plants being cancelled over the past year. The Japanese government advocated for an aligned international approach to 'Quality Infrastructure' under its G20 Presidency, but failed to take the opportunity to integrate necessary restrictions on high carbon infrastructure, including coal based power generation, at its G20 summit<sup>5</sup> or as part of its Long-Term strategy (LTS).<sup>6</sup>

### **Cancellations and retirements continue**

In all five editions of our G7 coal scorecard, we have found that cancellations and retirements have been the major trends across the G7, except for Japan. Now, in 2019, we find that even Japan is also seeing an increase in the cancellation of proposed new power plants, leaving just 4.5 GW in its development pipeline.

At the same time, the momentum towards retirement of existing coal power plants has intensified with the addition of Germany to the group of countries actively seeking to phase out coal use. Across the G7, 118 GW of power plants are planned for closure prior to 2030, equivalent to 31% of current G7 operational capacity. Completed and planned retirements now total 264GW, a 22% increase since September 2018.

### **Coal finance heads for the exit**

Over five editions of the G7 scorecard, we have consistently found the weakest areas of action have been those assessing public and private coal finance. However, going forward they have the potential to be the most transformative, where rapid and substantial progress can be made. This fifth edition of the G7 coal scorecard report reviews the extent to which financial institutions from G7 countries are still supporting coal overseas.

Government finance has seen incremental improvements across the five editions of the scorecard report, predominately through the tightening of export credit and development finance policies. The private sector category has seen the least progress, with relatively fewer improvements year on year. Positive steps are now being taken by finance actors in Germany, Japan, France and the UK.



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Since the previous edition of this report, at least 30 new or improved policies limiting coal finance have been announced from both public and private institutions. These announcements demonstrate the increasing geographical diversity and size of institutions exiting coal, including across the G7. They include the Export Credit Agencies (ECAs) of Canada<sup>7</sup> and Germany,<sup>8</sup> US insurer Chubb,<sup>9</sup> Italian insurer Generali,<sup>10</sup> and the Japanese trading houses Itochu<sup>11</sup> and Sumitomo<sup>12</sup> (amongst others).

The writing is on the wall for coal, it is now up to financial institutions across the G7 to take the lead in setting global norms. Not only will this have a strong influence on their financial peers, but such actions will reinforce the soft power reach of government diplomacy. There is no doubt that progress in 2019 has been positive, the key question is how quickly all G7 countries will join the exit from coal finance to clean energy?

#### **Progressive G7 countries must deepen their cooperation on coal**

Altogether, the evolution of these trends is fuelling coal's demise across the G7, setting a point of no return for the use of coal in the power sector. As a result, we expect more countries to present domestic policy frameworks that enable a managed phase-out of coal power generation. In response to these policy and market trends, governments have an opportunity to deepen their cooperation and exchange of best practice.

However, Japan failed to grasp the opportunity presented by its G20 Presidency in 2019, instead continuing to advocate in favour of exports of coal power generation technology. Similarly, the USA will hold the Presidency of the G7 in 2020, increasing the likelihood of a last gasp, pro-coal push, despite the evidence that coal generation is on its way out in the USA.

Progressive G7 members must therefore work together to continue to accelerate the transition away from coal power generation, including as a means of supporting the efforts of United Nations Secretary General Antonio Guterres, who has called for countries to stop building new coal power plants by 2020 and to curtail current coal capacity.<sup>13</sup> In addition to its Presidency of the G7, France is co-leading efforts on Climate Finance and Carbon Pricing for the United Nations Climate Action Summit in September 2019.<sup>14</sup> France can use this platform to bring together a coalition of countries and progressive private sector institutions that commit to ending coal finance.



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## ABOUT THE G7 COAL SCORECARD

E3G developed the G7 coal scorecard format in 2015 to provide a framework for tracking how G7 countries are meeting the challenge of phasing out coal use for electricity generation.<sup>15 16</sup>

On 8<sup>th</sup> June 2015, G7 members agreed that the decarbonisation of the global economy should be completed by the end of this century; that this requires deep cuts in CO<sub>2</sub> emissions; and that it must include a transformation of their own energy sectors by 2050. Subsequently, all G7 members participated in the negotiation of the Paris Agreement in December 2015, and the New York signing ceremony in March 2016.<sup>17</sup>

The Paris Agreement and the 2015 G7 communiqué do not mention any particular fossil fuel, but the implication is clear: there is no future for unabated<sup>18</sup> coal power generation in a world that is acting to avoid dangerous climate change. Indeed, analyses point to the need for all OECD countries to have completed a coal phase out by 2030 if emissions reductions are to be on track.<sup>19</sup>

The G7 coal scorecard assesses country performance across three categories of action:

1. Is there a risk of new coal power plants being constructed?
2. Are existing coal power plants being retired?
3. Do country actions have a positive international impact?

The first two domestic issues are analysed in respect to market drivers and government policies. The international impact of each country is then assessed by considering how private sector investments and government finance impact on coal power plants abroad. In 2018 we added a third sub-category of Diplomatic Leadership, recognising real world developments in this space.

There are significant differences between the G7 countries in respect to the scale and relative importance of coal-fired electricity generation. This reflects the overall size of each economy and historical investment trends. The G7 coal scorecard tracks country performance across the three categories of action outlined above to enable meaningful comparisons of market dynamics and government policies irrespective of the significant differences in the scale of coal use in each country.



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## G7 COAL USE: TRENDS AND PROGRESS

In all five editions of our G7 coal scorecard, we have found that cancellations and retirements have been the major trends across the G7, except for Japan. Now, in 2019, we find that even Japan is also seeing an increase in the cancellation of proposed new power plants.

At the same time, the momentum towards retirement of existing coal power plants has intensified with the addition of Germany to the group of countries actively seeking to phase out coal use.

### Operating capacity, retirements, and phase outs

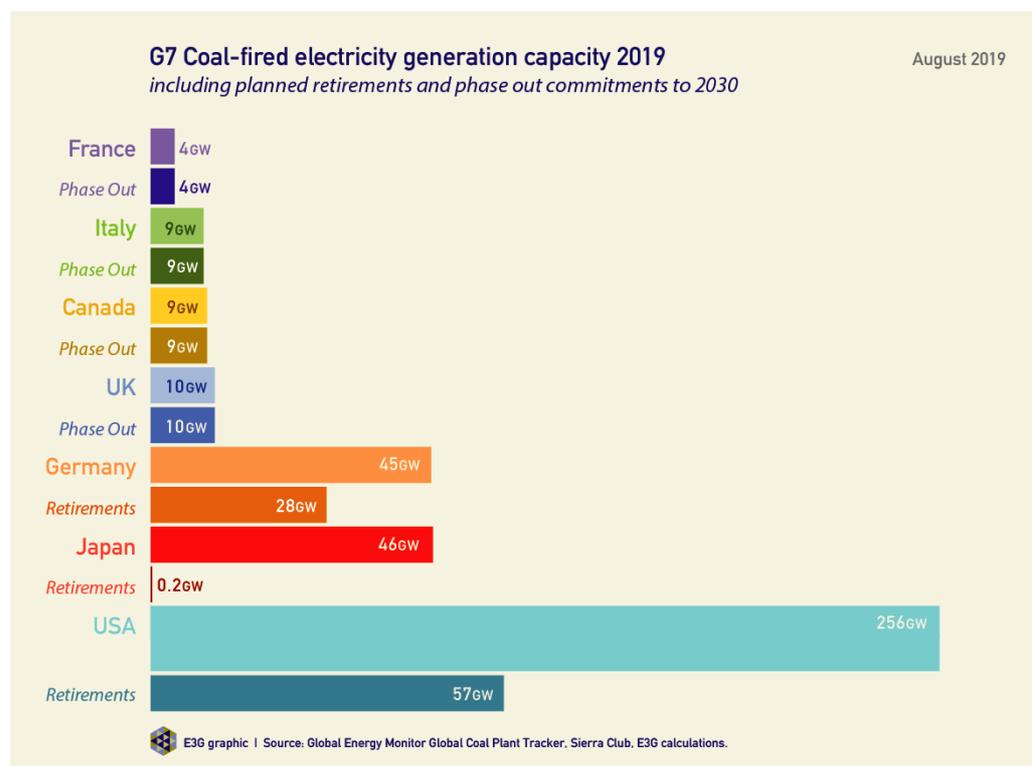
G7 countries currently have 380 GW of operational coal capacity, with 67% of this capacity in the USA alone (256 GW). Across the G7, 118 GW of power plants are planned for closure prior to 2030, equivalent to 31% of current G7 operational capacity. Figure 2 below depicts the extent to which current coal-fired capacity in each country is scheduled for closure.

The USA has already retired 94 GW of capacity since 2010, which is more than the current capacity of Germany and Japan combined. Nearly 22% (57 GW) of the remaining US fleet is already lined up for retirement, representing 48% of the announced G7 coal capacity scheduled for retirement. These figures do not include the August 2019 announcement by Vistra that it will close 4 power plants in Illinois, totalling 2 GW capacity – a development that neatly demonstrates how individual states and utilities are gripping the coal transition challenge.

France, Italy, UK, and Canada have made national political commitments to phase out all remaining coal power plants before 2030 (in line with the goals of the Paris Agreement). The recommendations of Germany's Coal Commission include a full coal phase out by 2038 and the retirement of 28GW (62% of the current capacity) by 2030, with recent market trends suggesting this could be increased. Retirements and announced closures across the G7 now total 264 GW, a 22% increase from September 2018.



Figure 2: Size of the coal fleet in G7 countries, August 2019



Source: Global Energy Monitor, Sierra Club, E3G calculations

Japan is the only G7 country with significant new power plant projects in development and low levels of confirmed retirements (0.2 GW). Yet Japan has now seen 10 GW of projects cancelled or placed on pause. The remaining 4.5 GW in the pipeline is now directly in the spotlight and should be cancelled instead of entering construction. Moreover, the positions of some government ministry and business groups are starting to shift away from supporting coal and suggesting that there should be a closure of older, less efficient power plants. We discuss the emerging shifts in Japan further below.

## Electricity generation from coal in decline

Figure 3 below illustrates the shifting role of coal power generation in each of the G7 countries. Apart from Japan, all G7 countries saw a reduction in the share of electricity generated from coal-fired power plants in the period 2010-2018.

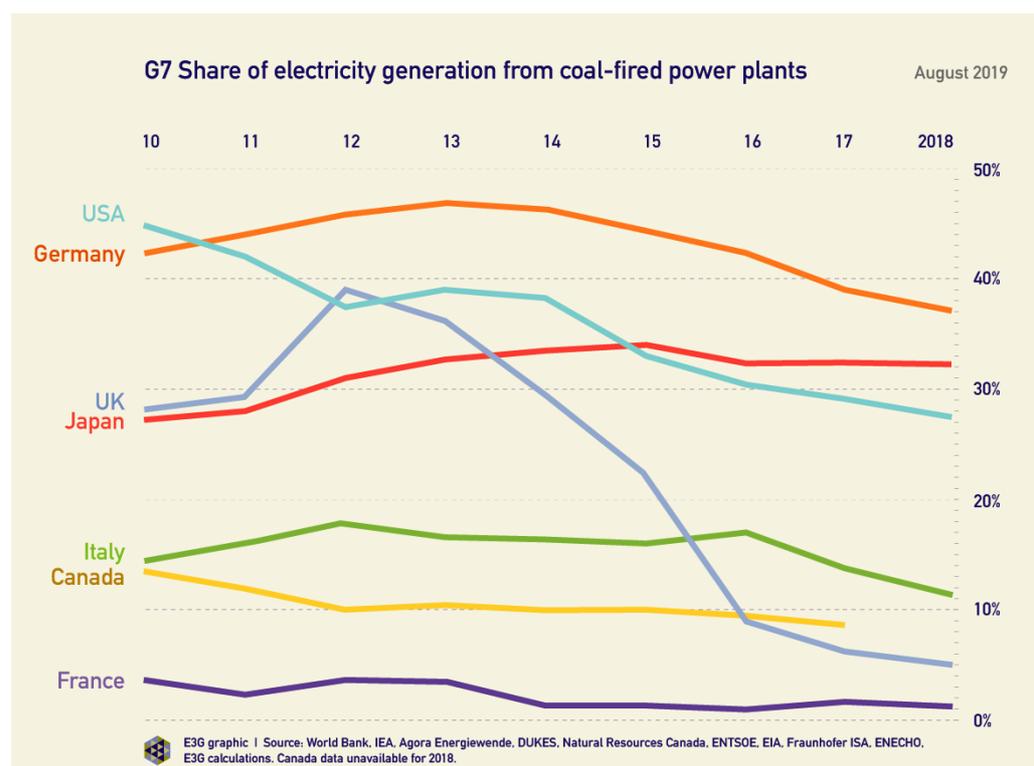
The UK has seen the most dramatic decline, falling from 40% in 2012 to a record low of 5% in 2018. Moreover, in June 2019, the GB grid experienced a ‘coal free fortnight’<sup>20</sup> and a new national record of 18 days and 6 hours of consecutive coal-free grid operations, up from 72 hours in 2018.<sup>21</sup>



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In the US, coal now contributes around a quarter of electricity generation, compared to over 40% prior to 2012. Germany's share of coal-fired electricity has now been below 40% for the past two years. During the first half of 2019, coal generation fell dramatically across Europe in response to increased costs of CO2 emissions under the EU Emissions Trading System. Analysis by Sandbag found that coal generation was down -22% year-on-year in Germany, -28% in Italy, -65% in UK, and -75% in France.<sup>22</sup>

Figure 3: Share of electricity generation from coal-fired power plants, 2010-18



Source: World Bank, IEA, E3G Calculations.

## G7 coal dynamics: cancellations and retirements dominate

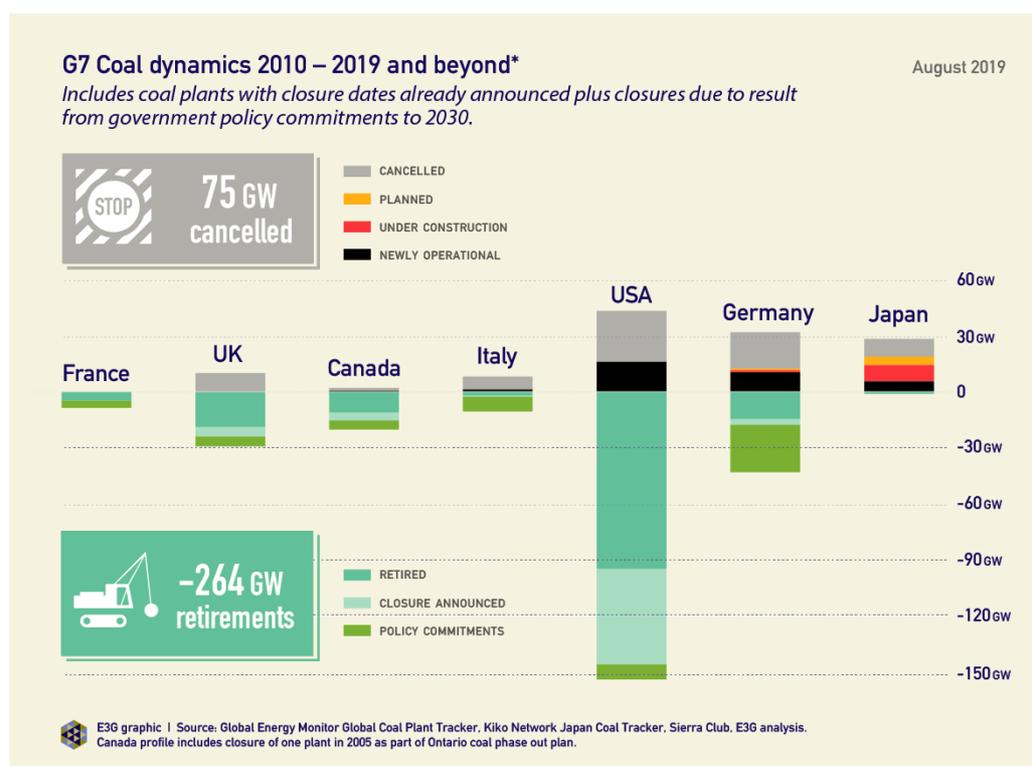
Figure 4 below illustrates the swing away from coal power plants in G7 countries since 2010. Retirements and cancellations now total 264 GW. Of the 121GW of coal power plants that had been proposed for development across G7 countries since 2010 just 34 GW have entered operation, principally in the early years of the decade in Germany and the USA.

Significantly more than double this amount of capacity has been cancelled by project developers, now totalling 75GW, which is an increase of 3 GW since

September 2018. There are no active coal power projects under development in Canada, France, Italy, UK or the USA. As of August 2019, only Japan (13 GW) and Germany (2 GW) have coal power plants in the planning or construction phases.

In Germany, the recommendations of the Coal Commission will mean that Uniper’s 1.1 GW Datteln coal plant still under construction has a low probability of entering operation. It is also unlikely that Dow Chemical’s planned project will move to the construction phase.

Figure 4: G7 coal dynamics – cancellations and retirements



Source: Global Energy Monitor Global Coal Plant Tracker, Kiko Network Japan Coal Map, Sierra Club, E3G analysis.

In Japan, there is currently 8.7 GW of coal plant capacity currently under construction (+1.2GW since September 2018) with a further 4.6 GW in the development pipeline, going against the trend among G7 countries. Despite having a market structure that limits competition and effectively protects utilities’ thermal asset portfolio, economic conditions have also been affecting new projects, leading to 3.3 GW of cancellations and 1.3 GW of capacity placed on pause since September 2018. It would be prudent for Japan to cancel the projects in the planning and construction pipeline, avoiding locking itself into expensive stranded assets.



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As Figure 4 shows, the dominant trend across the G7 since 2010 continues to be the retirement of existing coal plants. Completed and planned retirements now total 264GW, a 22% increase since September 2018. The USA alone has 152 GW retirements in train, of which 95GW have already closed.

The 'Policy commitments' category incorporates coal plant retirements that will result from the implementation of intended policy measures by national and regional governments. This category totals 54 GW, a net increase of 11 GW since last year – comprising 21 GW of new policy commitments and 10 GW of plant closures

The current level of CO<sub>2</sub> prices in Europe may further fuel early retirements across Europe, although it is still not clear if it will lead to a full phase-out in Germany by 2030. Additionally, market factors such as the reduction in cost of renewables, will lead to further pressure for managed coal-to-clean transition plans at national and sub-national level. We therefore expect that the retirement pipeline will continue to grow over the coming years in both Germany and the USA. The key question for Japan is how quickly it will grasp the nettle of enabling a pathway for the coal phase-out.

Altogether, the evolution of these trends is fuelling coal's demise across the G7, setting a point of no return for the use of coal in the power sector. As a result, we expect more countries to present domestic policy frameworks that enable a managed phase-out of coal power generation. In response to these policy and market trends, governments have an opportunity to deepen their cooperation and exchange of best practice.

However, Japan failed to grasp the opportunity presented by its G20 Presidency in 2019, instead continuing to advocate in favour of exports of coal power generation technology. Similarly, the USA will hold the Presidency of the G7 in 2020, increasing the likelihood of a last gasp, pro-coal push, despite the evidence that coal generation is on its way out in the USA.



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# 2019 G7 COAL SCORECARD ASSESSMENT

Figure 5 sets out our assessment of G7 countries' performance and their relative ranking in this August 2019 edition of the G7 coal scorecard.

Figure 5: G7 coal scorecard assessment



Source: E3G analysis

Compared to September 2018, we assess that there have been the following changes to country performance and ranking:

- > **Canada** has moved ahead into first position, demonstrating clear progress across all categories except for the international impact of its private sector (which is yet to introduce restrictions on coal finance and investment). Over the past year the federal government has adopted new regulations that implement its commitment to phase-out coal-fired power generation by 2030.<sup>23</sup> The Canadian government's international efforts on coal have been



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strengthened through the allocation of CAD \$275m for coal-to-clean transition initiatives,<sup>24</sup> while Export Development Canada has adopted a new climate change policy that ends its coal-related investments.<sup>25</sup>

- > The **UK** has moved up into second position ahead of France, as electricity market conditions have resulted in further reductions in electricity generation from coal and further closures of coal power plants. 3 GW of capacity has retired over the past year, with a further 5 GW due to close by March 2020. Unlike Canada, the UK has not yet introduced legislation to implement its coal phase out commitment and is still considering how it might tighten its approach to export credits and development finance.
- > **France** has moved down from joint first to third position in the ranking, mainly due to improved performance by the UK and Canada. France is also yet to implement its domestic legislative approach to deliver its coal phase out, contributing to the sale rather than closure of two coal power plants. Internationally, France holds the G7 Presidency during 2019 and is co-leading efforts on Climate Finance and Carbon Pricing for the UN Climate Action Summit in September 2019. However, there has been relatively limited direct emphasis on coal across these initiatives, resulting in a slight reduction in France's diplomatic leadership score.
- > **Italy** remains in fourth position in the G7 ranking. Domestically, the coalition government reconfirmed the 2025 phase out date proposed by its predecessor but is yet to legislate for its implementation. Positively, coal power generation has been excluded from its capacity market. However political tensions within the coalition have reduced Italy's international influence on both climate change and coal, which has resulted in a weakening of its diplomatic leadership performance.
- > **Germany** has made progress across four of the categories in our assessment over the past year and now moves up to joint fifth position alongside the United States. Significantly, the multi-stakeholder Commission for Growth, Structural Change and Employment ("Coal Commission") concluded with recommendations for a phase-out of coal by 2038 at the latest, together with transition support for affected regions.<sup>26</sup> This positive step forward needs to be implemented in law, while the end date should be accelerated to 2030 to align with international climate goals. Internationally, the national development agency KfW has also moved to end coal finance, but existing KfW loans as well as export credits administered by Euler Hermes have not yet been fully included.
- > The **USA** remains in fifth position in the ranking, now jointly with Germany. Retirements of coal power plants have continued at pace over the past year, despite the Trump Administration's attempts to prop up the coal industry. A slew of negative policy changes have been proposed by the Federal



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Government and regulators, but most are held up in legal challenges and are not impacting on real world trends.

- > **Japan**, for the fifth year running, remains in last place in the ranking. It is the only G7 country still pursuing new coal power plants domestically and overseas. However private sector dynamics continue to run ahead of government policy, with close to 4 GW of proposed coal power plants being cancelled over the past year. The Japanese government advocated for an aligned international approach to 'Quality Infrastructure' under its G20 Presidency, but failed to take the opportunity to integrate necessary restrictions on high carbon infrastructure, including coal based power generation, at its G20 summit<sup>27</sup> or as part of its Long-Term strategy<sup>28</sup> (LTS).

## Coal scorecard highlights and country assessments

More broadly, in tracking progress since September 2018 we have found that:

- > **Market drivers leading to coal power plant retirements and cancellations have gained momentum over the last year.** The structural decline of the coal industry has continued across the US, UK and Germany, as ageing coal fleets have continued to retire aided by competition from renewables and higher carbon prices in Europe. In Japan, coal-fire power projects are continuing to be cancelled on economic viability grounds in the face of falling projections of electricity demand and increased prospects of competition from renewables.<sup>29</sup>
- > **Reduced risk of new coal power plants remains very positive.** There continue to be no new coal power plants under development across five of the G7 countries, with a strong likelihood that all projects under development in Germany will be cancelled. In April 2019, the Germany utility RWE stated that it will cancel future investment in coal-fired power to focus on renewables.<sup>30</sup>
- > **Diplomatic leadership** by the UK and Canadian governments has remained strong over the past year through their co-leadership of the Powering Past Coal Alliance (PPCA).<sup>31 32</sup> Since the last scorecard edition, the Alliance has gained 11 new members and launched a series of initiatives targeting the technical, social and financial barriers of the transition from coal to clean energy, including financial support via the World Bank.<sup>33 34</sup>
- > **Private coal finance:** Private sector action remains the weakest category across the scorecard assessment. There continues to be positive developments across leading insurance and banking institutions, with even previously major coal supporters adopting coal exclusion policies. However, there is still scope for further improvements across private sector institutions

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to adopt policies with credible climate targets and consistent exclusions across all business lines.

In reviewing progress across the G7 countries we highlight the following developments over the past year.

### Canada

- > Canada has improved its performance across both domestic and international government policies, moving ahead into first place in the ranking.
- > Domestically, in December 2018 the federal government published final regulations that implement an end to coal-fired power generation by 2030.<sup>35</sup> Canada is the first G7 country to implement its phase out commitment through regulation. To support this transition, the Canadian Government also launched a Task Force on the Just Transition for Canadian Coal Power Workers and Communities.<sup>36</sup> In March 2019, the Task Force concluded its work with the delivery of two reports with recommendations regarding the social impacts of the phase-out and how best to minimise them. The 2019 Federal budget furthermore allocates funds to assist coal communities in the transition.<sup>37</sup>
- > Internationally, Export Development Canada (EDC) adopted a new policy in early 2019 that commits the agency to no longer finance new coal power plants, thermal coal mines or dedicated thermal coal infrastructure.<sup>38</sup> The policy sets stricter limits on financing for additional coal-related activities compared to the OECD coal sector understanding for ECAs.<sup>39</sup> Encouragingly, EDC joins its French peer in adopting unilateral coal policies that are more progressive than the OECD arrangement.
- > Canada has continued its diplomatic leadership and international engagement on the coal transition. This is predominately through its co-leadership of the PPCA alongside the UK, with both governments working to increase the PPCA's impact and influence. Canada has also pledged CAD \$275m to the World Bank to fund an Energy Transition and Coal Phase-Out Programme, supporting developing countries across Asia.<sup>40</sup>

### United Kingdom

- > The UK has improved its performance thanks to further reductions in coal generation and capacity, moving up to second place in the ranking.
- > The UK's decline in coal generation has been the most rapid among the G7 (as shown in Figure 3 above), with coal generation records being broken year on year. Since the last scorecard edition, the UK's use of coal has fallen to a



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record low of just 5% of generation in 2018.<sup>41</sup> As of August 2019, the GB grid has operated for 2952 hours without using coal, already smashing last year's total record of 1856 hours.<sup>42</sup> In June 2019, the GB grid experienced a 'coal free fortnight'<sup>43</sup> and a new national record of 18 days and 6 hours of consecutive coal-free grid operations.<sup>44</sup>

- > The economics of coal generation continue to deteriorate at pace and electricity market trends have led to a further wave of coal plant retirements. Over the past year, both Eggborough coal power station and Fiddlers Ferry unit 4 have retired after failing to win capacity market contracts.<sup>45</sup> Drax has also completed the conversion of unit 4 to biomass.
- > This dynamic is set to continue following recent announcements by utility companies that they intend to close Fiddler's Ferry, Aberthaw, and Cottam power plants (totalling 5 GW of capacity) by March 2020, due to "challenging market conditions".<sup>46</sup> This will cut remaining coal capacity by half and leave just three coal plants operational on the GB grid. This compares to a significant 20 coal power plants and 29 GW of total capacity as recently as 2010.<sup>47</sup>
- > Despite Brexit distractions, the UK has continued to advocate internationally for further action to address climate change, including seeking to host COP26 in 2020. Coal features strongly in the UK's diplomatic outreach, including through its co-leadership of the PPCA alongside Canada.
- > In July 2019, the UK launched the PPCA Finance Principles as part of its Green Finance Strategy, which aim to give greater clarity to the role of financial institutions in advancing the objectives of the PPCA and help align financial services and investments with the Paris Agreement.<sup>48</sup>

## France

- > France has moved from joint first to third position in the scorecard ranking this year, overtaken by improvements in performance by the UK and Canada.
- > When it comes to domestic coal phase-out, France is still on a positive trajectory. In November 2018, the government presented the Multiannual Energy plan which confirmed the closure of its last four coal power plants by 2022.<sup>49</sup> The state plan is however yet to be put into law.
- > Utilities operating in France are now facing decisions on whether to convert their assets to biomass or fully close.<sup>50</sup> Controversially, the German energy group Uniper recently received approval from the government to sell their coal assets to the Czech-based group EPH.<sup>51</sup> This will likely delay the decommissioning of the power plants and hinder the development of Just Transition strategies.



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- > The intention to cease coal power generation has led to ongoing coal worker strikes since the state plan was announced. The French government is now working with local authorities on a 'territory plans' programme as a framework for Just Transition.
  - > Encouragingly, the French banking giant Credit Agricole set the industry gold standard this year on restricting coal finance. In June 2019, the bank announced that it is stopping all new coal finance, as well as phasing out all current coal assets consistent with ambitious, Paris aligned targets.<sup>52</sup> Other financial institutions are yet to take similar steps, with BNP Paribas, Société Générale, SCOR, and the utility Engie still supporting a variety of coal projects and developers.<sup>53</sup>
  - > The French Government has recognised the need for further private sector action, with Minister of Economy and Finance Le Maire announcing in late 2018 that he would force banks, insurers and asset managers to stop supporting coal, if they fail to act on their own accord.<sup>54</sup>
  - > In addition to its G7 Presidency, France is co-leading efforts on Climate Finance and Carbon Pricing for the United Nations Climate Action Summit in September 2019.<sup>55</sup> This offers an opportunity to bring together a coalition of countries and institutions that commit to ending coal finance.

## Italy

- > Italy remains in fourth position in the ranking, with a steady decline in its coal generation, falling to ~6% to date during 2019 compared to 11% last year.<sup>56</sup>
- > Italy's National Energy Strategy set an ambitious 2025 coal phase out target, yet the path to implementation is as yet unclear and risks an over-reliance on gas.<sup>57</sup> The private sector is pushing hard for a coal-to-gas switch with Enel, ENI, Edison and A2A (Italy's largest power producers) looking to boost their gas capacity. This is in contradiction with Italy's overall decarbonisation strategy.
- > Positively, in June 2018 Italy took steps to revise its capacity market to no longer allow coal-fired power plants to participate in capacity auctions. This has the potential to lead early coal plant closures, prior to the 2025 deadline.<sup>58</sup> However, the revision is also designed to facilitate investment into new gas capacity rather than the deployment of zero-carbon technology.
- > Italy's international influence on climate is undermined by the continued willingness of export credit agency Servizi Assicurativi del Commercio Estero (SACE) and state lender Cassa depositi e prestiti (CDP) to continue investing in coal projects overseas, such as the Vietnamese coal plant Long Phu 1. SACE and CDP should take steps to align their policies with French and Canadian peers and commit to restricting coal finance.



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- > When it comes to private sector support for coal, the Italian utility Enel has indicated that it will phase out its coal assets across its entire group by around 2030, including in Spain (through the utility Endesa) and Chile.<sup>59</sup> Enel, however, is yet to publish plant closure dates with clear 2030 timeframes. For example, Enel's agreement with the government of Chile refers only to the closure of its final unit by 2040 in line with the indicative end date proposed by the Chilean government.<sup>60</sup>

### Germany

- > Germany's performance has improved over the past year across four categories and it now shares joint fifth position in our G7 scorecard ranking alongside the United States.
- > In January 2019, the Coal Commission concluded its work with a recommendation that Germany should phase out coal by 2038 at the latest, shut down an additional 7GW of coal capacity by 2022 and a continuous reduction to leave 17GW operational in 2030, accompanied by social and economic transition measures (investments of €2 billion per year over 20 years).
- > However, the final report of the commission only sets out recommendations. The laws that will translate these into concrete political action at the national and state level still need to be fully developed and adopted.<sup>61</sup> Moreover, the recommended phase out of coal between 2035 at 2038 is substantially slower than the 2030 timeframe identified as necessary for delivery on the climate change temperature goals of the Paris Agreement.<sup>62</sup>
- > The Coal Commission report discourages new coal plants going into operation, even if they are permitted or under construction. However, the Government support for the Coal Commission's suggestion to compensate operators for early closures has created a potential incentive to continue construction.
- > Despite growing economic pressure on coal, there therefore remains a limited risk of new coal plants entering operation. Plans to finalise construction of Uniper's Datteln IV (1.1 GW) by summer 2020 have not yet been cancelled and Dow Chemical's Stade unit (1 GW) is still in the new coal development pipeline. In contrast, RWE confirmed in April 2019 that Niederaussem L (1.1 GW) will not be built.<sup>63</sup>
- > Existing coal power plants have faced increased pressure from market dynamics over the past year, notably including an increased carbon price under the EU ETS, continued uptake of wind and solar, and increasing use of fossil gas generation. These factors have drastically reduced the profitability of German coal mines and power plants, with lignite profits collapsing over the last eight months, running a loss of 650 million EUR in the first half of



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2019. This undermines the claims by utility companies that they should receive substantial compensation payments for the closure of power plants.<sup>64</sup>

- > Perversely, the prospects of potentially high compensation payments for plant closures (which are currently being negotiated) have created an incentive for operators to keep their plants open at lower capacity instead of closing them down as a result of poor market conditions.<sup>65</sup>
- > The international impact of Germany's private sector actors has improved with further incremental steps away from coal. In April 2019, the reinsurance firm Hannover RE, following Allianz and Munich RE, committed to divest from companies which depend on coal for more than 25% of their revenues.<sup>66</sup> However this policy does not restrict all insurance for coal plants. Other finance actors, such as Deutsche Bank, need to follow suite with greater ambition and clarity in their policies.
- > The German Government's approach to international coal finance has improved through the commitment of development bank KfW Group to no longer finance any projects in the coal sector.<sup>67</sup> However, this does not yet impact ongoing projects such as the Ptolemaida V unit in Greece, despite the European Commission having rejected the request of the Greek government to provide capacity payments for the plant.<sup>68</sup> Similarly, this new KfW policy does not apply to export credits issued via Euler Hermes. A national sustainable finance strategy is currently under development and could have direct implications for investments into coal.
- > As one of the largest (and richest) users of coal, the outcomes of Germany's Coal Commission are relevant for coal phase out elsewhere.<sup>69</sup> The German experience shows multi-stakeholder commissions can play a role in managing transitions. However, the proposed phase out date of 2038 lags behind other Western European countries<sup>70</sup> and is substantially later than the 2030 timeframe identified as a target for OECD and EU28 countries to meet the Paris Agreement goals. Additionally, this 2038 timeframe adds little to phase out scenarios that anticipate coal retirements due to market conditions responding to increased carbon prices under the EU ETS yet comes with a high cost of potential compensation payments. Upcoming climate legislation such as a planned Climate Law might however further weaken the role of coal in Germany.
- > As a consequence, the late 2038 date undermines Germany's international leadership credentials and may be used as a delaying tactic by other countries. Similarly, the outlook of potentially high compensation to utilities and transition payments to regions could also become a perceived barrier to action by economically weaker countries.



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## USA

- > The US is now in joint fifth position in the scorecard alongside Germany, compared to its first place in the ranking in 2015 and 2016. Over recent years other countries have improved their performance while previously positive government policies in the US have been removed or rewritten by the Trump Administration.
- > However, we continue to find that most of the pro-coal policy changes proposed by the Trump Administration are failing to have an impact on real world dynamics and will be subject to lengthy implementation timelines and legal challenges. Domestic federal government policy in the USA, therefore, retains a mid-ranking score in this edition of the scorecard.
- > Meanwhile, the continued structural transition away from coal in the US electricity sector continues at pace with relatively younger, larger coal power plants moving to retirement.<sup>71</sup> Market forces are leading to a spate of coal mining company bankruptcies, now impacting six of the 10 largest coal companies this year.<sup>72</sup> Similarly, a Pennsylvania power plant at the centre of Trump's efforts to revive the coal industry has announced it will close 19 months ahead of schedule due to 'economic viability' reasons.<sup>73</sup>
- > This dynamic is set to continue, with utility company Vistra announcing that four coal plants will close in the state of Illinois at the end of 2019. This is in response to state-level regulatory requirements as well unfavourable economic conditions.<sup>74</sup> Multiple US cities and states are now pursuing policies aimed at advancing renewable electricity production.<sup>75</sup>
- > Due to the continued closures and reduced generation, coal now accounts for around a quarter of total US generation. This is compared to 40% just five years ago.<sup>76</sup>
- > The USA's international impact continues to score badly, with GE actively promoting coal power plant construction abroad, most recently pursuing projects in Mozambique<sup>77</sup> and Kosovo.<sup>78</sup>
- > The US government is still pursuing pro-coal positions through its international relations. For example, the US Ambassador to Kenya has spoken out in favour of the proposed coal plant at Lamu, even though it is being developed by a Chinese-led consortium, potentially with the involvement of GE,<sup>79</sup> and despite the plant's location in a World Heritage site. This may be an indication that the Federal Government will seek to provide export credit funding for projects via the US Exim bank, depending on the provision of congressional authorisations.<sup>80</sup>
- > On a more positive note, Chubb has become the first major US insurer to commit to underwriting no new coal, as well as phasing out its current investments within the next three years.<sup>81</sup>



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## Japan

- > Japan remains in last place in the ranking, maintaining its position as the clear laggard among its G7 peers. Due to its significant role in expanding coal plant development both domestically and overseas, this report has dedicated an additional section to analysing Japan's consistently poor scorecard ranking. See detailed discussion below.
- > Within the past year, an additional 3.7 GW of new coal power projects started construction going against the trend among G7 countries. More positively, the economic case for the remaining projects is worsening, with cancellations of planned plants increasing. Since September 2018, 5 power plants (a total of 3.3 GW) have been cancelled.<sup>82</sup> The Fukushima Iwaki Yoshima Power Plant has been transitioned to 100 percent biomass.<sup>83</sup> Most recently, in August 2019 Kansai Electric and Marubeni have confirmed that they have delayed the construction of the 1.3 GW Akita project, with no decisions made on the future of the project.<sup>84</sup> There are also ongoing local lawsuits against some of the new coal projects, such as JERA's Yokosuka coal-fired power plant which is technically under construction.
- > Existing coal power plants in Japan are relatively new and remain unaffected by broader structural shifts seen in other electricity markets, with utility companies effectively protected within the current market structure that limits competition. They are also protected by a lack of effective carbon pricing. However, by 2025, 26% of Japan's operational coal units will reach retirement age and new renewables will be cheaper than existing coal.<sup>85</sup> By 2030, nearly 40% will reach retirement age. The Japanese government therefore needs to use this impending shift as the basis for a fast and orderly phase out of its coal generation in line with the Paris Agreement.
- > The Japanese government remains supportive of both domestic and overseas coal power generation. While its recent Long-Term Emissions Strategy, published alongside the G20 Summit in Osaka, mentioned reducing reliance on coal generation domestically, the Strategic Energy Plan 2018 envisages a quarter of electricity will still come from coal in 2030.<sup>86</sup>
- > Japan's public finance institutions, such as JBIC, JICA and NEXI, are scaling up their green portfolio. In the meantime, they continue to actively support the export of Japanese coal technologies overseas, having provided over \$21bn of taxpayer's money.<sup>87</sup> Japan is globally the second biggest supporter of coal power generation overseas after China, in particular in South East Asia.<sup>88</sup>
- > On a positive note, Japanese banks and trading houses, which are major financiers and investors in coal projects overseas, have been tightening their coal policies. In May 2019, MUFG announced it will no longer finance new



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coal projects.<sup>89</sup> Following Marubeni's announcement last year, Sumitomo Corporation has also recently announced that it will no longer invest in new coal power generation and thermal coal mining businesses.<sup>90</sup>

## Japan – addicted to coal?

Japan is the only G7 country still pursuing coal domestically, and it is an outlier among the economically developed nations.

Despite PM Abe's calls for climate leadership at the Davos forum this year<sup>91</sup>, there was little to show of this intention at the Osaka G20 Summit in June. Japan advocated for its international partners to support a 'Quality Infrastructure' agenda yet continued to advocate for new coal plant construction.

The Japanese G20 presidency also came under heavy criticism for its handling of divisions between the US administration and the other G20 members, being seen to respond to pressure from the US in watering down any language related to climate change.<sup>92</sup> Civil society organisations criticised that the final communique was weak and that Japan had missed a key opportunity to signal faster and scaled up action to tackle climate change in line with the latest IPCC 1.5C report.<sup>93</sup> The Japanese presidency concluded the summit with very light touch announcements of a series of conferences, including a summit on the Task Force on Climate-Related Financial Disclosures and RD20 (focusing on energy Research and Development) in October 2019, to be hosted by Japan.

The UN Climate Action Summit in September 2019 offers a fresh opportunity for Japan to change tack and join its peers by increasing its climate ambition and taking decisive action on coal in line with the latest science and Paris Agreement. The UN Secretary General Antonio Guterres has called for countries to stop building new coal power plants by 2020.<sup>94</sup> This is low-hanging fruit for Japan giving the deteriorating market conditions for new coal.

Looking ahead to 2020, the eyes of the world will remain on Japan as it hosts the 2020 Tokyo Olympics. Japan's continued support for coal puts at risk its international reputation for being a high tech environmentally conscious country.

Instead, Japan would see major reputational benefits and commercial opportunities if it pivots from coal to clean energy. Polling by YouGov of six



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countries for E3G in early 2019 found strong majorities of citizens would prefer foreign investment in wind or solar rather than coal.<sup>95</sup> Such an approach would also increase regional peer pressure towards South Korea and China, the other two biggest international supporters of coal power expansion-

### **Japan's ongoing support for coal**

Both JBIC and JICA finance the Cirebon expansion coal-fired power plant (1 GW) and Indramayu coal-fired power plant (1 GW) in West Java, Indonesia. Local opposition to the projects remains strong. In March 2019, the local citizens handed in a petition signed by 280 civil society organizations in 47 countries to the Ministry of Foreign Affairs, Ministry of Finance, JICA and JBIC.<sup>96</sup>

NEXI and JBIC have financed the controversial Van Phong 1 coal-fired generation project<sup>97</sup> in Vietnam, which has been approved. A request to withdraw support was signed by 78 organizations in 39 countries stating that the project does not fall under OECD guidelines and local citizens were not consulted in the decision-making process.<sup>98</sup>

Japan's support for coal power plants overseas will also impact local resident's health through poor air pollution standards. Recent research by Greenpeace demonstrates that Japan continues to finance coal power plants with environmental standards up to 30 times worse compared to what it would allow domestically.<sup>99</sup>

Japan's provision of poorly functioning coal plant technology in South Africa has contributed to the near-collapse of national electricity provider Eskom.<sup>100</sup> Considerable problems with the boilers at new power stations, which were built by Mitsubishi Hitachi Power Africa, will mean long-term cost increases on the already over cost and over time plants.<sup>101</sup> The proposed Thabametsi plant, to be built by Marubeni with KEPCO, will require at least USD850 million in subsidies from consumers.<sup>102</sup>

Despite widespread civil society protests across South East Asia against Japan's support for coal,<sup>103</sup> the governor of JBIC recently stated that Japan will continue to support coal overseas using public finance.<sup>104</sup>

### **Japan's domestic long-term climate policy lags behind peers**

Japan is lagging behind its G7 peers, in failing to set out a high ambition vision for tackling climate change. There has been no tangible change in government policy on coal in the past five years. Both the 2018 Strategic Energy Plan and the LTS



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envisage a significant ongoing role for coal in Japan's power system, way beyond 2030.<sup>105</sup> The Ministry of Environment recognises that this is a problem, and in March 2019 it tightened the environmental impact assessment requirements. However only one project under development is subject to the new rules,<sup>106</sup> while METI remains responsible for overall permitting.

While the LTS has supposedly put renewables (including hydrogen from renewables) at the heart of its decarbonisation strategy, it maintains unchanged the 2050 target of 80% reductions without a clear baseline. In contrast, Bloomberg analysis suggests that coal is still set to dominate Japan's power generation in 2030, increasing to almost 40% of electricity generation from 31% today driven by lower than expected nuclear re-starts and retail competition.<sup>107</sup> On the upside, renewables are also likely to be deployed at a much higher rate than METI envisaged in its latest Strategic Energy Plan. However, this is likely to be insufficient to curb CO<sub>2</sub> emissions. Japan will fail to achieve its 2050 emissions reduction targets at this rate.

The influential business federation Keidanren and heavy industry strongly favour coal going forward, both in the domestic energy system and in export markets. This position is very much reflected in government's official policy. Asahi Shimbun reported that the earlier recommendations of the LTS advisory committee and its chair, JICA president Kitaoka, suggested for Japan to work to end all coal-fired power generation. However, these recommendations were objected to and eventually watered-down by other members on the panel including the chairman of Keidanren, Hiroaki Nakanishi.<sup>108</sup> The official LTS states that the "the Government will work to reduce reliance on coal-fired power generation as much as possible by phasing out inefficient coal-fired thermal power generation."<sup>109</sup> This focus on 'efficiency' reflects Japan's continuing blind spot on lifetime CO<sub>2</sub> emissions and leaves the door open for further construction of new coal power plants.



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## G7 COAL FINANCE: HEADING FOR THE EXIT

Over five editions of the G7 scorecard, we have consistently found the weakest areas of action have been those regarding public and private coal finance. However, going forward they have the potential to be the most transformative, where rapid and substantial progress can be made. This fifth edition of the G7 coal scorecard report reviews the extent to which financial institutions from G7 countries are still supporting coal overseas.

Globally, over 100 significant financial institutions have committed to restricting forms of coal finance.<sup>110</sup> Across 2018, institutions announced new coal restrictions, on average, every two weeks.<sup>111</sup> These include 40 percent of the top 40 global banks and at least 20 globally significant insurers, with over \$6 trillion (€5.4 trillion) of investments under management. This equates to around 20 percent of the coal industry's global assets.<sup>112</sup> Despite these shifts, \$478bn was still invested in coal between 2016-2018.<sup>113</sup>

Since the previous edition of this report, at least 30 new or improved policies limiting coal finance have been announced from both public and private institutions. These announcements demonstrate the increasing geographical diversity and size of institutions exiting coal, even across the G7. They include the ECAs of Canada<sup>114</sup> and Germany,<sup>115</sup> US insurer Chubb,<sup>116</sup> Italian insurer Generali,<sup>117</sup> and the Japanese trading houses Itochu<sup>118</sup> and Sumitomo<sup>119</sup> (amongst others).

E3G's G7 coal scorecard assessment considers coal finance under the 'private sector actions' and 'government finance' categories. Government finance has seen incremental improvements across the five editions. This has predominately been through the tightening of export credit and development finance policies. The private sector category has seen the least progress, with relatively fewer improvements year on year. Positive steps are now being taken by finance actors in Germany, Japan, France and the UK. However, this area remains consistently weak compared to other elements of the scorecard, especially as many institutional policies include unambitious targets and / or significant loopholes.



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### Shifts in coal finance

Financial institutions are increasingly adopting policies that aim to help meet the Paris Agreement climate targets<sup>120</sup> and respond to changing market dynamics that are increasingly reducing the economic viability of coal plants globally. According to Carbon Tracker, already 42% of current global coal capacity is unprofitable, increasing to 72% in 2040.<sup>121</sup> Financial institutions still supporting coal are therefore exposed to high stranded asset risk and unrecoverable long-term investments.<sup>122</sup> Even Moody's, the credit rating agency, raised the alarm in May 2019, stating that coal plants could be rendered uneconomic due to fast renewable energy deployment.<sup>123</sup>

The combination of market and environment-related risks are driving public and private financial institutions to shift their investments from coal to clean technology. This shift has been accelerated through the Finance Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD)<sup>124</sup>, which requires companies to evaluate and report on systemic climate risk in underlying assets and liability exposures.<sup>125</sup>

### G7 public finance

Bilateral development institutions and ECAs are the main source of public coal finance, totalling \$28bn per year on average.<sup>126</sup> The direct finance they provide is relatively small compared to the disproportionately large role and influence these institutions play in unlocking further private finance for coal projects and developers.

Across the G7, Japanese export agencies and development institutions have been the leading providers of capital for coal plants in emerging markets, particularly Vietnam, Indonesia, Pakistan, Bangladesh and African countries.<sup>127</sup> Remarkably, research from Greenpeace shows how Japan continues to finance coal power plants with environmental standards up to 30 times worse compared to what it would allow domestically.<sup>128</sup> On a global scale, Japan is the second largest provider of public coal finance, second to China and ahead of Korea. Unfortunately, the governor of JBIC recently stated that Japan will continue to support coal overseas using public finance, despite strong civil society opposition and deteriorating economics of coal power across recipient country markets.<sup>129</sup>

As host of the 2020 Olympics, Japan will be in the international spotlight once again. This is an opportunity for Japan to demonstrate real climate leadership and commit to no longer financing coal overseas. This has the potential to positively influence its South Korean and Chinese peers and help bring an end to coal finance globally. Encouragingly, China's largest state-owned investment company, SDIC, announced in March 2019 that it will exit coal.<sup>130</sup>



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Japan claims that its continued coal investments are aligned with the OECD coal sector guidelines. The guidelines were tightened in 2017, with ECA support for coal plants restricted depending on the recipient country, efficiency and type of power plant, and size. However, some project developers and ECAs claim that they can be assessed under the previous rules, while it appears ECAs are also providing finance under the cover of ‘development aid’ in order to get around restrictions. Financing from Japan’s ECA has therefore remained significant. The OECD coal guidelines will be reviewed in 2020 will be reviewed as part of a mandatory revision process. This is an opportunity for progressive governments to advocate for an end to ECA support for coal and tighter implementation of the OECD framework, including via cooperation with China which is the largest provider of export finance to coal but is not a party to the OECD arrangement.

Among the G7, the French, Canadian, and (to a certain extent) German export finance groups have taken a more progressive stance. Each have adopted unilateral policies on coal that are more advanced than the OECD guidelines, granting them mid to high scores in the ‘government finance’ category of the G7 scorecard. These institutions are the most progressive globally, alongside Sweden that has committed to restricting all fossil fuels from its export finance.<sup>131</sup> Positively, UK export finance has not supported thermal coal since 2002 but is yet to adopt a policy confirming its coal exclusion commitment.<sup>132</sup> Together, this group of ECAs can collectively influence their peers and other public finance institutions to adopt no-coal policies ahead of revisions of the OECD arrangement.

In contrast, Italy’s export agency SACE is considering whether to support the Vietnamese coal plant Long Phu 1, together with Korea export finance and Germany’s Euler Hermes. This supercritical coal plant is ineligible for support under the new OECD guidelines.<sup>133</sup> Italy should retract its potential finance and align its ECAs energy policies with its more progressive G7 peers and PPCA membership. This would improve its ongoing low score in the scorecard ranking.

Even US Exim Bank committed to stop supporting coal in 2013, warranting the US a mid-ranking score for this category.<sup>134</sup> Recent years have seen US Exim unable to take major spending decisions, however there is a chance that it may enter into full operations once again if Congressional approval is granted. In light of the Trump Administration’s pro-coal rhetoric it will be important to monitor whether US ExIm seeks to support coal projects (such as those involving GE) and whether it challenges the application of the OECD arrangement.

While export finance remains a problem, in contrast development finance has seen a real shift out of coal since 2013. The World Bank’s initial coal restriction set off a wave of similar announcements across both multilateral and bilateral



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development institutions.<sup>135</sup> Most G7 groups followed suit, with Japan's International Cooperation Agency (JICA) remaining as the outlier still supporting coal. JICA's position has the potential to shift, as the Ministry of Foreign Affairs is publicly opposed to coal<sup>136</sup> however METI continues to exert pro-coal pressure across the Japanese government. Overall, there is still scope for the remaining G7 country positions to be tightened further to rule out country exceptions and include intermediary lending to coal finance. This would follow actions of the International Finance Corporation, who last October announced strong policies that would reduce the group's coal exposure through financial intermediaries.<sup>137</sup>

### **G7 private sector finance**

Across the G7, there are an increasing number of financial institutions in the banking, insurance and asset management sectors that are exiting from coal at pace. In some cases, corporates are even taking the lead in driving the coal to clean transition, ahead of political consensus and government policy.

Japan is the clear example where leading businesses are moving ahead of government policy on coal. Japanese banks are the largest private sector investors and lenders to global coal plant developers, accounting for 30% of lending across 2016-2018.<sup>138</sup> However, the last 18 months have seen the start of a major pivot away from coal across Japan's leading corporates. This year alone, the trading houses Itochu, Sojitsu, and Mitsui Busan, along with the banking giant MUFG, announced coal restriction policies.<sup>139</sup> They follow Japan's three oldest life insurance companies,<sup>140</sup> banks, and trading giant Marubeni.<sup>141</sup> Many of these announcements, however, only apply to new coal or less efficient plants.<sup>142</sup> Despite these weaknesses, their impacts are becoming visible. For example, Marubeni has postponed the 1300MW coal-fired power plant in Akita.<sup>143</sup> This set of actors serve as critical pathfinders for the rest of the Japanese business community, which largely still follow the pro-coal position of business lobby group Keidanren.

While banks play a central role in financing global coal, institutional investors are also key providers of capital, with combined holdings of \$130bn in the top 120 coal plant developers.<sup>144</sup> US companies (such as Blackrock and Vanguard) hold the largest stakes in coal plant developers with 35% of institutional investments.<sup>145</sup> On the contrary, the US insurance industry has begun to signal its exit from coal, with the US insurer Chubb recently announcing coal restriction policies that will impact utility giants such as RWE.<sup>146</sup> Chubb is the first major US insurer to action on coal. The spotlight is now on Berkshire Hathaway, AIG and others to act.

In sharp contrast to the US, the European insurance industry is exiting coal at pace. Since the last edition of the scorecard, Germany's Allianz, Hannover RE and

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Italy's Generali have limited underwriting for coal companies.<sup>147</sup> UK insurers have made less progress, with Lloyds of London facing criticism for not encouraging its syndicates to follow its lead and stop insuring coal.

In general, French financial actors across both the insurance and banking sectors are taking leadership action on coal, warranting its strong position on the scorecard ranking. A high number of its leading institutions have announced progressive coal policies including Société Générale, BNP Paribas and SCOR, further joined by Credit Agricole and BNP Asset Management this year<sup>148</sup> while AXA further tightened its position in June 2019.<sup>149</sup> With France leading the climate finance track for the UN Climate Action Summit this September, it can use its financial leadership on coal as a positive platform to advocate it both its private and public peers to adopt stringent coal restrictions.

To date, most leading European investors and banks have adopted coal restriction guidelines, with Italy's Unicredit lagging. Over the last year UK's Standard Chartered and Barclays banks adopted progressive coal policies, joining mayor players like RBS and Germany's Deutsche Bank.<sup>150</sup> Such shifts are welcome, however the gap between many of these institutional policies and the Paris Agreement goals remains large, due to selective exclusion criteria.

Notably, Canada's lowest score in the G7 scorecard relates to private sector actions as many of its corporate actors are yet to move away from investments in coal power generation and coal infrastructure assets.<sup>151</sup> This contrasts with Canada's positive international engagement on coal through the PPCA. The recent publication of the PPCA Finance Principles, may provide a route for Canadian private sector actors to improve their performance. The Principles aim to: provide greater clarity to the role of financial institutions in advancing the coal to clean transition; help align financial services and investments with the Paris Agreement; build upon the accounting and transparent reporting of climate risks; and complement the TCFD guidelines.<sup>152</sup> More broadly, PPCA members, including Italy and France, can use these Principles as a platform to engage with their domestic and international financial institutions and advocate for an end to coal financing.

### **Addressing weaknesses in coal finance restrictions**

Although there has been substantial progress across the G7 in restricting coal finance, quality and effectiveness of these policies vary widely. Improvements across these categories will depend on strong thresholds that include ambitious targets and consistent coal restrictions across all business lines. The following weaknesses are most prominent across both public and private institutions:



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- > Project finance for coal is excluded but corporate finance to the parent entity is not. Most lending to coal plant developers is in the form of corporate loans. Standard Chartered Bank, for example, adopted policies that restrict project finance in 2018. Simultaneously, its corporate lending across Asia jumped by 69% to \$1.1bn in the first three quarters of 2018.<sup>153</sup>
  - > Institutions will commit to excluding one form of coal finance, but not impose these restrictions across other business lines. For example, Société Générale has committed to restricting coal lending, but not investments or underwriting services.<sup>154</sup>
  - > Investors commit to selling shares they hold in companies, but not the assets they manage for third parties. This applies to the German insurer Allianz.<sup>155</sup> BNP Paribas are among the few asset managers who apply the same policy to both company assets under management and third parties.<sup>156</sup>
  - > Restrictions on coal finance are applied selectively to new coal projects or inefficient coal plants, or large portions of the global pipeline are not included, for example on the supposed grounds of coal being required to provide improved access to energy.<sup>157</sup> These substantial weaknesses are particularly prevalent across Japanese institutional policies.

Civil society groups such as Europe Beyond Coal<sup>158</sup> and Urgewald<sup>159</sup> extensively monitor the coal policies of global financial institutions and the extent to which their respective loopholes are still funding coal plant developers. The results are alarming, with over 670GW of coal currently under financial consideration.<sup>160</sup> Similarly to the PPCA, these civil society groups have drawn up a set of principles<sup>161</sup> that define the quality of policies required to fully eliminate coal assets from their current and future portfolios. Looking across both the PPCA and civil society principles, best practice constitutes institutions adopting policies such as a complete ban on financing coal projects and companies; excluding finance across all coal investment, lending and underwriting practices; and setting ambitious divestment timelines aligned with climate science.

### Conclusions

Financial institutions are critical to facilitating a rapid global coal phase out. A growing number are choosing to exit coal, with momentum particularly building across the G7. Encouragingly, even previously heavy supporters of coal are recognising the need to shift to clean markets. The global trend is clear and major G7 financial institutions are playing a leading role in finding credible solutions to restricting all forms of current and new coal finance. However, tighter restrictions, greater ambition, and strong government leadership are needed to secure an end to coal finance globally.



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Progressive G7 governments and institutions can collectively advocate in multilateral forums such as the OECD and multilateral, development banks to further restrict all forms of coal finance. Incorporating best practice policies into relevant multilateral guidance such as IFC / World Bank Group Environmental, Health, and Safety Guidelines for Thermal Power Plants<sup>162</sup> will significantly influence pro-coal institutions to exit coal. This also has the potential to support developing countries leapfrog coal, many of which are targets for the developers of new coal power projects.

Over five editions of the G7 scorecard, we have consistently found the weakest areas of action have been those assessing public and private coal finance. However, going forward they have the potential to be the most transformative, where rapid and substantial progress can be made. The writing is on the wall for coal, it is now up to financial institutions across the G7 to take the lead in setting global norms. Not only will this have a strong influence on their financial peers, but such actions will reinforce the soft power reach of government diplomacy. There is no doubt that progress in 2019 has been positive, the key question is how quickly all G7 countries will join the exit from coal finance to clean energy?



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## ENDNOTES

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<sup>1</sup> In December 2018, Canada announced regulations to phase-out traditional coal-fired electricity by 2030, see [Canada's action on coal phase out](#).

<sup>2</sup> Powering Past Coal Alliance (2019) [Support for coal to clean](#)

<sup>3</sup> The policy commits Export Development Canada to: no new financing for coal plants, thermal coal mines or dedicated thermal coal-related infrastructure – regardless of geographic location; measuring, monitoring and, commencing in 2020, setting targets to reduce the carbon intensity of EDC's lending portfolio; increasing transparency around EDC's climate-related risks and opportunities, including working toward implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD); and integrating climate-related considerations, such as carbon intensity, into EDC's risk assessment processes. See [Export Development Canada's new climate change policy](#).

<sup>4</sup> Commission on Growth, Structural Change and Employment (2019) [Final Report](#), for an overview of the outcomes see E3G (2019) [The End of Coal – Germany Needs to Get real on Ambition](#)

<sup>5</sup> Kiko Network (2019) [G20 Osaka Summit Host Prime Minister Abe Failed to Lead on Climate Issue](#)

<sup>6</sup> The Long-term Strategy takes 1.5C as its goal but neither commits to cancelling construction of planned plants nor early closures, see Kiko Network (2019) [Japan's Long-term Strategy](#)

<sup>7</sup> See [Export Development Canada's new climate change policy](#).

<sup>8</sup> KfW (2019) [Exclusion List and Sectoral Guidelines of KfW Group](#)

<sup>9</sup> Chubb (2019) [Chubb coal exclusion policy](#)

<sup>10</sup> Generali (2018) [Climate Change Strategy](#)

<sup>11</sup> Power Technology (2019) [Itochu announces divestment from coal](#)

<sup>12</sup> Reuters (2019) [Kansai Electric, Marubeni delay construction of coal-fired power plant](#)

<sup>13</sup> Business Green (2019) [UN Secretary-General calls for end to new coal plants after 2020](#)

<sup>14</sup> See UN Climate Action Summit [Action Areas](#)

<sup>15</sup> Our G7 Scorecard analysis draws on E3G reviews of each of the G7 countries' domestic performance on coal undertaken during 2015 and incorporates additional data and assessments of countries' international impact. Detailed reviews of G7 countries were first undertaken in advance of the 2015 G7 summit, as an analytical input to Oxfam's report '[Let them eat coal](#)'. Versions of these papers are available on the E3G website at <http://www.e3g.org/showcase/coal-phase-out>

<sup>16</sup> Coal use is currently the source of significant emissions from industrial sectors such as steel production. Those industries are now on notice that they will need to reduce their CO<sub>2</sub> emissions over the coming decades. But a transition out of fossil fuels needs to start with where emissions can be reduced most quickly. The electricity sector is now firmly in the spotlight as the arrowhead of a coal phase out effort.



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<sup>17</sup> The Paris Agreement commits countries to: “*Holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels, recognising that this would significantly reduce the risks and impacts of climate change;*” (Article 2). Together with the commitment to reach a ‘*balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century*’ the Paris Agreement sets a new baseline for national actions to address climate change. (Article 4). See UNFCCC (2015) **Paris Agreement**

The forward process under the UNFCCC intends that countries will further reduce their intended national emissions reductions for the coming years, in particular under the review process scheduled for the period 2018-19. A central focus will be on the development of decarbonisation strategies for the period to 2050.

<sup>18</sup> ‘Unabated’ coal refers to coal-fired electricity generation without the application of carbon capture and storage technology to directly ‘abate’ (reduce) CO<sub>2</sub> emissions.

<sup>19</sup> For example, analysis by Climate Analytics finds that EU and OECD countries should phase out coal by 2030 in order to deliver emissions reductions compatible with the commitments made in the Paris Agreement. See **Implications of the Paris Agreement for Coal Use in the Power Sector**

<sup>20</sup> BBC (2019) **Britain in two-week coal-free record**

<sup>21</sup> Environment Journal (2019) **UK’s longest ever coal-free run comes to an end**

<sup>22</sup> Sandbag (2019) **The Great Coal Collapse of 2019**

<sup>23</sup> In December 2018, Canada announced regulations to phase-out traditional coal-fired electricity by 2030, see **Canada’s action on coal phase out**.

<sup>24</sup> Powering Past Coal Alliance (2019) **Support for coal to clean**

<sup>25</sup> See note 3 above

<sup>26</sup> Commission on Growth, Structural Change and Employment (2019) **Final Report**, for an overview of the outcomes see E3G (2019) **The End of Coal – Germany Needs to Get real on Ambition**

<sup>27</sup> Kiko Network (2019) **G20 Osaka Summit Host Prime Minister Abe Failed to Lead on Climate Issue**

<sup>28</sup> The Long-term Strategy takes 1.5C as its goal but neither commits to cancelling construction of planned plants nor early closures, see Kiko Network (2019) **Japan’s Long-term Strategy**

<sup>29</sup> See Kiko Network (2019) **Ube City coal plant**

<sup>30</sup> Reuters (2019) **RWE cancels plans for new coal plants**

<sup>31</sup> See **Powering Past Coal Alliance**

<sup>32</sup> Full disclosure: E3G has provided advice and support to the leadership of the Powering Past Coal Alliance by the Governments of Canada and the UK, drawing on our analytical work on international coal trends and policies. In Summer 2019 E3G and The Pembina Institute were selected to host an independent secretariat team for the PPCA. The analysis undertaken for this report applies the same framework as per previous editions of the scorecard.

<sup>33</sup> Powering Past Coal Alliance (2019) **New initiatives and members**

<sup>34</sup> Powering Past Coal Alliance (2019) **Support for coal to clean**



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- <sup>35</sup> See **Canada’s action on coal phase out**
- <sup>36</sup> See **Canada’s Just Transition Support**
- <sup>37</sup> Government of Canada (2019) **Budget 2019 - A Just Transition for Canadian Coal Power Workers and Communities**
- <sup>38</sup> See **Export Development Canada’s new climate change policy.**
- <sup>39</sup> ECAs from industrialised countries coordinate their policies within the OECD Export Credit Group (ECG). In 2015, the ECG agreed on new restrictions on export credits for coal-fired power plants, taking effect on January 1, 2017. They included partial restrictions on financing for coal-fired power plants, depending on their location, type, and size. See **OECD guidelines**
- <sup>40</sup> Powering Past Coal Alliance (2019) **Support for coal to clean**
- <sup>41</sup> See Carbon Brief’s **Tracking the UK coal phase-out**
- <sup>42</sup> See **UK coal electricity tracker**
- <sup>43</sup> BBC (2019) **Britain in two-week coal-free record**
- <sup>44</sup> Environment Journal (2019) **UK’s longest ever coal-free run comes to an end**
- <sup>45</sup> See Carbon Brief’s **Tracking the UK coal phase-out**
- <sup>46</sup> Business Green (2019) **RWE to close Aberthaw B next year**
- <sup>47</sup> Guardian (2019) **UK to be left with 5 plants after latest closure**
- <sup>48</sup> Powering Past Coal Alliance (2019) **Finance Principles**
- <sup>49</sup> See **France’s multiannual energy programme**
- <sup>50</sup> Reuters (2019) **France mulls coal conversion**
- <sup>51</sup> Uniper (2019) **Agreement to sell French assets to EPH**
- <sup>52</sup> Credit Agricole (2019) **Climate Strategy**
- <sup>53</sup> See the **Global Coal Exit List** full list of coal financiers
- <sup>54</sup> La Tribune (2018) <https://www.iai.it/sites/default/files/iai1825e.pdf>
- <sup>55</sup> See UN Climate Action Summit **Action Areas**
- <sup>56</sup> Sandbag (2019) **The Great Coal Collapse of 2019**
- <sup>57</sup> Bergamaschi (2018) **Italy and Coal: How to Phase It Out by 2025 in a Safe, Just and Sustainable Way**
- <sup>58</sup> Energy Live News (2019) **EU approves new emissions limits in Italian capacity market scheme**
- <sup>59</sup> World Coal (2017) **Enel coal phase down**
- <sup>60</sup> Enel Chile (2019) **Enel Chile anuncia el retiro de sus plantas a carbón**
- <sup>61</sup> Commission on Growth, Structural Change and Employment (2019) **Final Report**, for an overview of the outcomes see E3G (2019) **The End of Coal – Germany Needs to Get real on Ambition**
- <sup>62</sup> Climate Analytics (2016) **Implications of the Paris Agreement for Coal Use in the Power Sector**
- <sup>63</sup> RWE (2019) **RWE Cancels Plans for BoAplus Project at Niederaussem Site**
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<sup>64</sup> See for example Sandbag (2019) **The Cash Cow Has Stopped Giving – Are Germany’s lignite plants now worthless?**

<sup>65</sup> Carbon Brief (2019) **German coal power is falling fast**

<sup>66</sup> Unfriend Coal (2018) **Half of global reinsurance market divests from coal**

<sup>67</sup> KfW Group (2019) **Exclusion List and Sectoral Guidelines of KfW Group**

<sup>68</sup> WWF (2019) **Say No to Ptolemaida-V**

<sup>69</sup> For an analysis of the lessons learnt from the Coal Commission see E3G (2019) **The German Coal Commission – A Role Model for Transformative Change?**

<sup>70</sup> Europe Beyond Coal (2019) **Overview: National Coal Phase-out Announcements in Europe**

<sup>71</sup> See US EIA (2019) **More U.S. coal-fired power plants are decommissioning as retirements continue** which notes that “*The U.S. coal units that retired in 2018 had an average capacity of 350 megawatts (MW) and an average age of 46 years, compared with an average capacity of 129 MW and average age of 56 years for the coal units that retired in 2015.*”

<sup>72</sup> S&P Global (2019) **US Coal bankruptcies**

<sup>73</sup> Bloomberg (2019) **Coal Unit at Center of Trump Bailout Bid to Shut 19 Months Early**

<sup>74</sup> See Chicago Business (2019) **Downstate coal-plant closures to cost 300 jobs**

<sup>75</sup> See Sierra Club (2019) **100% Commitments in Cities, Counties, & States**

<sup>76</sup> See Financial Times (2019) **Businesses struggle in coal country**

<sup>77</sup> IEA Clean Coal Centre (2019) **GE joins Ncondezi as codeveloper** of Mozambique plant in Tete Province

<sup>78</sup> Reuters (2019) **GE to build Kosovo plant**

<sup>79</sup> Forbes (2019) **US pushes Lamu plant in Kenya**

<sup>80</sup> NortonRoseFulbright (2019) **The US ExIm Bank has been revived**

<sup>81</sup> Guardian (2019) **US insurer Chubb to stop investing in or selling policies to coal firms**

<sup>82</sup> The plants that have been cancelled are the Soma Core Industrial Park plant (112MW), Fukushima Iwaki Yoshima Power Plant (112MW) in Fukushima, Soga Coal Power (1070MW), Chiba Sodegaura No.1 (1000MW) and No.2 (1000MW)

<sup>83</sup> Kiko Network (2019) **Able Co. switches to biomass only at planned coal-fired power plant in Fukushima**

<sup>84</sup> IEEFA (2019) **Japanese firms delay construction of 1.3GW coal plant**

<sup>85</sup> Carbon Tracker (2018) **Powering down coal: Navigating the economic and financial risks in the last years of coal power**

<sup>86</sup> Japanese Government (2018) **5<sup>th</sup> Strategic Energy Plan**

<sup>87</sup> Overseas Development Institute (2019) **G20 coal subsidies: Japan**

<sup>88</sup> Overseas Development Institute (2019) **G20 coal subsidies: Tracking government support to a fading industry**

<sup>89</sup> Reuters (2019) **Japanese bank MUFG rethinks policy on coal-fired power projects**



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- <sup>90</sup> Asia times (2019) **Asian banks joining trend away from coal**
- <sup>91</sup> Ministry of Foreign Affairs (2019) **Speech by Prime Minister Abe at the World Economic Forum Annual Meeting**
- <sup>92</sup> Kiko Network (2019) **20 Osaka Summit Host Prime Minister Abe Failed to Lead on Climate Issue Japan should Raise its Ambition Level to Reduce GHG Emissions**
- <sup>93</sup> NRDC (2019) **Japan G20 Lacked Ambition on Climate Change & Coal Phaseout**
- <sup>94</sup> Business Green (2019) **UN Secretary-General calls for end to new coal plants after 2020**
- <sup>95</sup> E3G (2019) **Clean Energy Not Coal: citizens views of foreign investment in six countries**
- <sup>96</sup> Friends of the Earth Japan (2017) **280 CSOs from 47 Countries Call on Japanese Government to Reject Financing for Cirebon and Indramayu Coal Plants in West Java, Indonesia**
- <sup>97</sup> According to JBIC, the bank will loan USD 1,199 million to Van Phong Power Company Limited (VAN PHONG), a Vietnamese company invested in by Sumitomo Corporation, for the Van Phong 1 Coal-Fired Power Generation Project in Vietnam. The loan is co-financed with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Oversea-Chinese Banking Corporation Limited and DBS Bank Ltd., and the Bank of China, with a total co-financing amount of approximately USD 1,998 million. The co-financed portion will be covered by insurance from Nippon Export and Investment Insurance (NEXI). See JBIC (2019) **Project Finance for Van Phong 1 Coal-Fired Power Generation Project in the Republic of Vietnam**
- <sup>98</sup> FoE Japan (2019) **Japan shamelessly continues to finance coal ignoring the voices of the local people as well as international society JBIC and NEXI should stop supporting Van Phong 1**
- <sup>99</sup> Greenpeace (2019) **Japan funds toxic coal plants abroad emitting more pollution than domestic plants**
- <sup>100</sup> Washington Post (2019) **Why Eskom's Power Crisis Is South Africa's Top Risk**
- <sup>101</sup> See Yelland (2019) **The crisis at Kusile and Medupi continues** and Mail and Guardian (2019) **Medupi and Kusile: Costly and faulty**
- <sup>102</sup> Ireland & Burton (2018) **An assessment of new coal plants in South Africa's electricity future**
- <sup>103</sup> Eco Business (2019) **Green groups in Asia rally for Japan to quit coal**
- <sup>104</sup> Nikkei (2019) **Governor of International Cooperation continues financing for coal fired power**
- <sup>105</sup> Government of Japan (2019) **The Long-Term Strategy under the Paris Agreement**, June 2019.
- <sup>106</sup> Kiko Network (2019) **MoE announces more rigorous EIA screening of coal power projects: It's time to cancel all projects at the phase of EIA and construction**
- <sup>107</sup> Bloomberg New Energy Finance (2019) **Japan's Love Affair with Coal is Over but Marriage is Not**
- <sup>108</sup> Asahi Shimbun (2019) **Watered-down strategy against global warming draws criticism**
- <sup>109</sup> See UNFCCC (2019) **The Long-term Strategy under the Paris Agreement**
- <sup>110</sup> IEEFA (2019) **Over 100 Global Financial Institutions Are Exiting Coal, With More to Come**
- <sup>111</sup> Banktrack (2019) **Every two weeks a bank, insurer, or lender announces new coal restrictions**
- <sup>112</sup> DW (2019) **Banks around the world opt to offload coal**
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<sup>113</sup> Urgewald (2018) **COP24: New Research Reveals the Banks and Investors Financing the Expansion of the Global Coal Plant Fleet**

<sup>114</sup> See **Export Development Canada's new climate change policy**.

<sup>115</sup> KfW (2019) **Exclusion List and Sectoral Guidelines of KfW Group**

<sup>116</sup> Chubb (2019) **Chubb coal exclusion policy**

<sup>117</sup> Generali (2018) **Climate Change Strategy**

<sup>118</sup> Power Technology (2019) **Itochu announces divestment from coal**

<sup>119</sup> Reuters (2019) **Kansai Electric, Marubeni delay construction of coal-fired power plant**

<sup>120</sup> See UNFCCC **Notes on finance in the Paris Agreement**

<sup>121</sup> Carbon Tracker (2018) **Powering down coal: Navigating the economic and financial risks in the last years of coal power**

<sup>122</sup> Carbon Tracker's **What are stranded assets?**

<sup>123</sup> Moody's (2019) **Risks are rising for coal-fired generators in Asia as transition towards renewables continues**

<sup>124</sup> The Task Force on Climate-related Financial Disclosures (TCFD) will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The Task Force will consider the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries. The work and recommendations of the Task Force will help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks and encourage firms to align their disclosures with investors' needs. See **TCFD**

<sup>125</sup> See **TCFD**

<sup>126</sup> Overseas Development Institute (2019) **G20 support to coal power plants more than doubles**

<sup>127</sup> IEEFA (2019) **ITOCHU Corporation announces coal exit**

<sup>128</sup> Greenpeace (2019) **Japan funds toxic coal plants abroad emitting more pollution than domestic plants**

<sup>129</sup> Nikkei (2019) **Governor of International Cooperation continues financing for coal fired power**

<sup>130</sup> Financial Reviews (2019) **China state investment giant drops coal**

<sup>131</sup> Swedish Society for Nature Conservation (2019) **The world's first fossil-free export credits?**

<sup>132</sup> See **written evidence** submitted by E3G for parliamentary inquiry into UK Export Finance support for fossil fuels.

<sup>133</sup> Friends of the Earth US (2018) **ECA support for coal in the face of the OECD financing restrictions.**

<sup>134</sup> Washington Post (2013) **The US will stop financing coal plants abroad**

<sup>135</sup> Reuters (2013) **World Bank to limit financing of coal fired plants**

<sup>136</sup> Guardian (2013) **Japan to oppose new or expanded coal-fired power plants in blow to Australian exports**



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- <sup>137</sup> See this piece by CEO of the IFC, Philippe Le Hou  rou (2018) **A new IFC vision for greening banks in emerging markets**
- <sup>138</sup> BankTrack (2018) **COP24: New research reveals the banks and investors financing the expansion of the global coal plant fleet**
- <sup>139</sup> Reuters (2019) **Japanese bank MUFG rethinks policy on coal-fired power projects**
- <sup>140</sup> Meiji Yasuda Life Insurance, Nippon Life Insurance and Dai-ichi Life Insurance have each adopted policies to restrict financing to coal power plants. See: Kiko Network (2018) **Meiji Yasuda Divestment**
- <sup>141</sup> Mitsubishi UFJ Financial Group, Mizuho Financial Group and Sumitomo Mitsui Banking Corporation have all announced policies on lending to the coal-fired power sector. See: Kiko Network (2018) **Sumitomo Mitsui Trust Divestment**
- <sup>142</sup> The policies of Marubeni and Meiji Yasuda Life Insurance Company for example, also still allow for the support of ultra-supercritical (USC) technology without carbon capture and storage.
- <sup>143</sup> See IEEFA (2019) **Japanese firms delay construction of 1.3GW coal plant**
- <sup>144</sup> See the **Global Coal Exit List** full list of coal financiers
- <sup>145</sup> See the **Global Coal Exit List** full list of coal financiers
- <sup>146</sup> Financial Times (2019) **US insurer Chubb pulls back from coal**
- <sup>147</sup> Greenpeace (2018) **Europe’s 3<sup>rd</sup> largest insurance company turns away from coal**
- <sup>148</sup> Reuters (2019) **BNP Paribas fund arm to exclude some coal and mining companies**
- <sup>149</sup> See AXA press release (2019) **Coal phase out: The Investment case**
- <sup>150</sup> Share Action (2018) **Banking Beyond Coal: Sustainable development with coal finance**
- <sup>151</sup> The Globe and Mail (2017) **Canadian financial companies investing in coal overseas as feds push phase-out**
- <sup>152</sup> Powering Past Coal Alliance (2019) **Finance Principles**
- <sup>153</sup> See Urgewald **media briefing**
- <sup>154</sup> Europe Beyond Coal (2019) **The coal break up: How financial institutions are phasing-out support to European coal utilities**
- <sup>155</sup> Unfriend Coal (2018) **Insuring coal no more: 2018 scorecard on insurance, coal and climate change**
- <sup>156</sup> Europe Beyond Coal (2019) **The coal break up: How financial institutions are phasing-out support to European coal utilities**
- <sup>157</sup> See for example ODI **FAQ: coal and energy poverty**
- <sup>158</sup> Europe Beyond Coal (2019) **Fool’s Gold - The financial institutions bankrolling Europe’s most coal-dependent utilities**
- <sup>159</sup> See the **Global Coal Exit List** full list of coal financiers
- <sup>160</sup> Urgewald (2018) **NGOs Release List of World’s Top Coal Plant Developers**
- <sup>161</sup> See Europe Beyond Coal **Policy Principles for Financiers**
- <sup>162</sup> IFC **Technical Revision of the World Bank Group Environmental, Health, and Safety Guidelines**
-