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## PRESS RELEASE

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# JAPAN – NOW IS THE TIME TO ACT ON FINANCE FOR NEW COAL-FIRED POWER PLANTS

**Paris/London/ Tokyo:** Pressure is now building for a deal to be reached during OECD negotiations that will be held in Paris during the week of 16 November 2015.[1] Most significantly, the USA and Japan are now reported to have reached a common position, which increases the potential for an overall agreement.[2] A new E3G briefing sets out the current positions of the OECD negotiations, with recommendations as to how it can become a good deal for the climate.[3]

The OECD committee on export credits has been debating the issue for over a year, without success. This has mainly been due to opposition from Japan as it has sought to continue its promotion and financing of new coal-fired power plants overseas.

Kimiko Hirata, International Director from Kiko Network said:

“Japan has been the worst performer among the G7 in its support for coal plants overseas. There is no such thing as ‘clean coal’ and Japan should stop claiming otherwise. Now is the time for it to agree to restrict access to coal finance and export credit support, and ensure that this is applied internationally. Japan should prioritise the export of its clean technologies and energy efficiency expertise instead, just as France has announced already this year.”

Recent initiatives by the USA have seen China [4] and South Korea [5] agree to restrict their financial support for carbon intensive investments, increasing Japan’s international isolation.[6]

Yuki Tanabe, Program Coordinator at the Japan Center for a Sustainable Environment and Society (JACSES) said:

“The Japanese Government has become increasingly isolated over recent months as China has made additional commitments to restrict coal finance. Japan cannot continue to block the OECD’s leadership, and instead must take this opportunity to do a deal. Japan must accept that it needs to catch up with the standards already in place in the rest of the G7 to limit the climate impacts and financial risks of new coal plants.”

Japan continues to be out of step with other G7 countries, both in terms of international coal finance and domestic coal policies.[7]



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Chris Littlecott, Programme Leader at E3G said:

“The G7 can take a big step forward next week by securing an OECD agreement to restrict export credit support for coal power plants ahead of the Paris climate talks. Unfortunately, Japan continues to propose that financial support should be allowed for ‘efficient’ coal power plants without any requirement for them to integrate carbon capture and storage technology.

This is simply unacceptable. New coal plants are bad investments as well as being bad for the climate. They will rapidly become stranded assets, resulting in financial losses to taxpayers in countries that continue to provide export credit support.”

#### Notes to Editors:

[1] The OECD Working Party on Export Credits and Credit Guarantees meets in Paris during the week commencing 16 November 2015. High on its agenda will be to conclude an agreement to restrict the use of export credit finance for new coal plants, following more than a year of negotiations. On Tuesday 17 November E3G, JACSES and other international NGOs will present to members of the committee during their annual consultation meeting with civil society representatives.

[2] Politico, [How Japan pushes coal on the world](#), August 2015. See also NRDC, Oil Change

[3] A new E3G briefing setting out the current positions of the OECD negotiations is available on the E3G website <http://www.e3g.org/showcase/coal-phase-out>

[4] US-China agreement <https://www.whitehouse.gov/the-press-office/2015/09/25/us-china-joint-presidential-statement-climate-change>

“As part of an ongoing and serious commitment to strengthen low-carbon policies and regulations, the United States has ended public financing for new conventional coal-fired power plants except in the poorest countries. China will strengthen green and low-carbon policies and regulations with a view to strictly controlling public investment flowing into projects with high pollution and carbon emissions both domestically and internationally.”

[5] US-Korea agreement <https://www.whitehouse.gov/the-press-office/2015/10/16/joint-fact-sheet-united-states-republic-korea-alliance-shared-values-new>

"The United States and the ROK are committed to facilitating the transition to low-carbon growth and development in other countries. In line with this commitment, the United States and the ROK plan to work together to achieve an ambitious outcome in the Organization for Economic Cooperation and Development to limit export credit finance for coal-fired power plants in the near future."



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[6] WWF et al, **Will the OECD lag behind emerging countries because of Japan?**, October 2015

[7] In-depth analysis of Japan and other G7 countries' position on coal finance is available here <http://www.e3g.org/showcase/coal-phase-out>

**About E3G:**

E3G are the independent experts on climate diplomacy and energy policy. We work to accelerate the transition to a low-carbon economy.

E3G builds cross-sectoral coalitions to achieve carefully defined outcomes, chosen for their capacity to leverage change.

E3G is a European organisation with a global outlook and reach. We currently have offices in London, Brussels, Berlin and Washington DC, together with a regular presence in China.

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