



## OECD countries to limit overseas financing for coal plants

According to the new OECD rules, the export credit agencies of the involved OECD countries will only be able to support export of coal-fired plants when it is clear that no less polluting power generation technology is available.

Representatives of the world's richest countries agreed a deal to end export credits for inefficient coal plant technology to take effect in January 2017, with a review in 2019 that could allow the deal to be strengthened. The Obama administration announced in 2013 that it would unilaterally end USA financing for overseas coal power plants, and has been pressuring others to join. The European Union plans to end domestic coal subsidies by 2018. The agreement limits – but doesn't entirely eliminate – export financing for coal plants. The Chinese government agreed to strictly control its support

for overseas projects with high carbon emissions as part of its most recent climate agreement with the U.S. in September, which allowed Japan and the U.S. to forge a compromise proposal. The latest agreement still allows Japan to provide support for advanced ultra-supercritical power generation, which is considered a highly efficient form of coal-fueled thermal power generation. That was a main sticking point for Australia which negotiated the exemption for countries, such as India, where at least 90 per cent of their population didn't have access to electricity. EU Commissioner for Trade, Cecilia Malmström said: "This agreement demonstrates that our trade policy can make a significant contribution towards the production of cleaner energy and fighting climate change". Andrea Clavarino, Chairman of Assocarboni, the Italian coal association, has called for the COP21 climate change negotiations in Paris next month to recognise coal's role in the global energy mix and the progress the coal industry has made in developing cleaner generation solutions. At a meeting in Turkey this week, leaders of the world's largest economies, the G20, reaffirmed their commitment "to rationalise and phase out inefficient fossil fuel subsidies". OECD countries to phase out coal export credits