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US climate summit declarations deal major blow to coal in Asia

S. Korea's new pledge to end overseas coal financing and Japan's commitment to enhance its 2030 emissions target by 46-50% below 2013 levels at the Leaders Summit on Climate signal an accelerating shift away from coal

April 22, 2021 – Coal in Asia is facing a far more challenging future, with South Korean President Moon Jae-in today pledging to end public overseas coal financing and enhance its 2030 emissions target within this year, and Japan's Prime Minister Suga committing to toughening emissions cuts at the Leaders Summit on Climate.

At the virtually held summit, which was livestreamed to the public, President Moon committed to enhancing Korea's Nationally Determined Contribution (NDC) by the end of the year and to end all public financial support to overseas coal power projects.

South Korea has been called a "climate villain" by the international community for failing to meet unambitious emissions targets and consistently ranking among the world's [top three overseas coal financiers](#), along with China and Japan. Most recently, the Korean government drew fire for pushing a Green New Deal domestically while its public institutions backed the Jawa 9, 10 coal power projects in Indonesia and Vung Ang 2 coal power project in Vietnam.

Prime Minister Suga committed to enhancing Japan's NDC by 46-50% below 2013 levels by 2030, and China's President Xi Jinping committed to phasing down coal consumption in the country's 15th five-year plan period.

NGOs and civil society coalitions globally welcomed the announcements as a significant blow to coal power in Asia, while also urging for additional ambition for the region to meet Paris Agreement goals. **Joojin Kim, managing director of Korea-based NGO Solutions for Our Climate**, said:

"We welcome President Moon Jae-in's declaration to end coal financing, a positive first step to rehabilitating the country's reputation as one of the top three overseas coal power financiers. Korea's moratorium on overseas coal financing spells the near end of cheap finance for coal power projects in Asia. With the controversial Jawa 9, 10, and Vung Ang 2 coal power projects still in very early stages, it is not too late for the Korean, Indonesian, and

Vietnamese governments to work together to convert the projects toward renewable energy infrastructure expansion instead.

The Moon administration must now show that it is serious about this new direction, and present concrete plans to end all fossil fuel financing. With Korea being the host of next month's P4G Summit, Japan's announcement puts additional pressure on the Moon administration to enhance Korea's NDC, which is currently aligned with catastrophic warming scenarios, to 59% below 2017 levels. Announcing a plan to phase out coal power by 2030 will put it firmly on the path to be 1.5°C-compatible."

Lidy Nacpil, coordinator of the Asian Peoples' Movement on Debt and Development, said:

"South Korea, Japan, and China have been financing coal power projects that have led to not only premature deaths from air pollution but also devastating climate impacts felt most acutely in the countries hosting these very projects. While we do welcome Korea's announcement to end coal export financing, we reiterate the call of the peoples of the Global South for China, Japan, and South Korea to show genuine climate leadership and commit to ending support for all fossil fuel projects -- oil, gas, and coal -- across the supply chain. This policy should apply to not only public financial institutions but also their participation in all multilateral development banks and institutions."

Khanh Nguy Thi, executive director of Vietnam-based Green Innovation and Development Centre, said:

"The Korean announcement for ending overseas coal financing gives a strong signal for the recipient countries like Vietnam to reverse their current plans for expansion of coal. We appreciate the effort from the Korean government to align their commitment with the Paris Agreement and encourage them to increase their financial support for clean energy transition in Vietnam."

Fabby Tumiwa, executive director of the Jakarta-based Institute for Essential Services Reform in Indonesia:

"The end of international coal financing from South Korea and Japan will encourage domestic steps in moving away from coal and proliferating renewable energy deployment faster."

Nic Clyde, coordinator of the Lock the Gate Alliance, a coalition fighting a coal mine project in Bylong Valley pushed by majority state-owned utility KEPCO, which recently appealed a court ruling rejecting its proposed project, said:

"The South Korean Government is showing global climate leadership in its move to prevent public financial institutions investing in coal, and KEPCO should now act in the same spirit and end its coal ambitions in Australia. If KEPCO continues in its pursuit of the Bylong project, it will not only be signing up for a stranded asset that has no future, but it will be undermining the strong

standing that South Korea is achieving on the global stage by acting swiftly on the climate challenge.”

While Prime Minister Suga did not announce an overseas coal financing moratorium, only a vague line on “accelerating transition of developing countries including Indo-Pacific countries to a decarbonized society,” his commitment to enhance Japan’s NDC will likely require an accelerated domestic phase-out of the country’s 48GW coal fleet which has lagged behind other G20 countries’.

Yuki Tanabe, program director of the Japan Center for a Sustainable Environment and Society (JACSES), said:

“I am disappointed that Japan didn't commit to end public financing for overseas coal-fired power projects, while Korea did. Japan should commit to end its public financing for all overseas coal-fired power projects including Indramayu in Indonesia and Matarbari 2 in Bangladesh.”

Kimiko Hirata, international director of Kyoto and Tokyo-based Kiko Network, said:

“Japan’s announcement to cut emissions by 46% below 2013 levels by 2030 and continue the challenge to raise to 50% level. It is a significant step in the right direction to avoid a dangerous climate crisis but still not sufficient to be Paris- 1.5°C aligned. Japan needs to enhance the target further to the Paris compatible level, 60% and more, leading up to G7 and COP26. The announcement will spur discussions on Japan's coal phase-out. Considering the EU, US, and UK have also made 2030 emissions target enhancements, Japan, too, should reference peer plans, exiting from coal-fired electricity by no later than 2030.”

Kathrin Gutmann, Campaign Director for Europe Beyond Coal, said:

“The announcements from Japan and South Korea today are long awaited signals that they are starting to take Paris climate agreement goals seriously. We urge both countries to demonstrate their seriousness by also committing to phase out coal by 2030 at the very latest. More than half of all coal plants in Europe are now closed, or committed to closing by 2030, and the phase out is happening faster than anyone expected. As a result, Europeans are already seeing the health, environmental, and financial benefits of moving to clean, renewable energy, and this will inevitably happen across Asia, too. The only question is: will leaders make comprehensive, proactive and fair energy transition plans, or face difficulties and higher costs with delaying.”

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