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## “Under the Rug” Report Reveals G7 Nations Financed \$42 Billion in Coal Development Worldwide, Contradicting Climate Goals

*Within the industrialized world Japan and Germany continue to stand out for sizable financing of coal plants and development that worsen climate change, harm public health and undermine the Paris climate accord*

WASHINGTON (May 24, 2016) – In a blatant contradiction of their public declarations to limit dangerous carbon pollution and other greenhouse gases, Japan and Germany are quietly financing the global development of coal-fired power plants and coal mining, a new report released today reveals.

Japan ranks as the worst offender among the G7 nations for supporting more than \$22 billion in overseas coal plants and development from 2007-2015, and for plans to add another \$10 billion in future coal projects. The other G7 nations also financed coal development: Germany, \$9 billion; the United States, about \$5 billion; France, \$2.5 billion; Italy, \$2 billion; United Kingdom, \$1 billion; and Canada, less than \$1 billion.

Emissions from coal-fired power plants financed by the G7 countries from 2007 to 2015 total 100 million metric tons of carbon pollution per year, adding a carbon burden to the atmosphere that damages the world’s climate and public health, according to the report. It calls for an immediate end to all international public financing for coal plants.

The report by the Natural Resources Defense Council, World Wide Fund for Nature and Oil Change International and others, “*Swept Under the Rug: How G7 Nations Conceal Public Financing for Coal Around the World*,” comes as the G7 countries prepare to attend their 42<sup>nd</sup> summit May 26-27 in Japan.

“Financing new coal plants and coal development in the era of dangerous climate change is blatantly reckless. It undermines the promise of Paris. And it ties developing countries to the fossil fuels of our past, not the clean energy of our future,” said Jake Schmidt, director of NRDC’s International Program. “Countries such as Japan and Germany should immediately shut down publicly financed dirty energy projects. They should boost investment in clean renewable power. That’s how we, and they, can take smart steps today that will protect our children tomorrow.”

Just weeks ago, 175 countries signed the Paris climate agreement, which commits the world to hold global warming temperature rise to well below 2 degrees Centigrade to avoid climate catastrophe.

Despite those commitments, the report finds that G7 governments continue to support billions of dollars in financing for fossil fuels that exacerbate climate change.

Alex Doukas, senior campaigner with Oil Change International, said, “Japan's support for obsolete coal plants in a world of affordable renewable energy is like selling typewriters in the computer age. As China shut down hundreds of coal plants and mines, Japan increased financing for filthy coal at home and abroad. Japan’s continued coal finance undermines the country’s long-standing reputation as a technological innovator.”

Sebastien Godinot, economist, WWF European Policy Office, said, “It is outrageous that Japan and Germany still massively support coal plant exports with public money despite scientific evidence that more coal is not compatible with 1.5/2°C climate pathways. G7 countries need to implement their Paris Agreement commitments and immediately end all public support for coal.”

Kimiko Hirata, international director, Kiko Network, said, “Japan was once again ranked number one among G7 countries as the largest coal financier. The OECD agreement and the Paris Agreement last year clearly showed that there's no room left in the global carbon budget to allow new coal projects. Sticking to the same position of promoting “clean coal” is a clear violation of these agreements that Japan has signed. Japan should take responsibility and commit to stopping coal finance at the Ise Shima G7 summit.”

The report finds that, from 2007 to 2015, this misguided coal finance has flowed largely through 11 key international institutions such as the Japan Bank for International Cooperation, Euler Hermes, Nippon Export and Investment Insurance, and the World Bank.

In addition to seeking a ban on financing coal power plants, NRDC, Oil Change International, and WWF call for limits on other coal development; more disclosure of public financing for coal, which currently is difficult to track; and shifting financing to clean energy projects such as wind and solar power.

Key findings in the report include:

- From 2007 to 2015, G7 countries have provided more than \$42 billion for coal in the form of direct finance, guarantees, technical assistance, and aid for coal power, coal mining, and related projects.
- In 2015 alone, G7 countries provided \$2.5 billion for coal finance—despite new commitments to limit export credits for coal finance.
- Japan not only financed \$1.4 billion in coal projects in 2015 but is considering nearly \$10 billion in future coal projects, a figure that is likely an underestimation since it is based mostly on publicly available data.
- Several multilateral banks and the export credit agencies for countries in the Organisation for Economic Co-operation and Development (OECD) have pledged to restrict funding for coal plants and other, related activities. Even so, new publicly funded coal projects still loom on the horizon.
- These funding mechanisms unfairly favor the use of coal over clean energy and impede the transition to a low-carbon economy. Given the grave climate risks and health impacts linked to coal use, it is time to end financing for coal projects

The report authors note that their findings may underestimate the extent of overseas coal finance. Currently, financing moves through little-known and opaque institutions, such as export credit agencies, which have hidden their support for fossil fuel development. The report compiled findings from export credit agency and public finance reporting, news articles, an international infrastructure journal and data from the Organisation for Economic Co-operation and Development.

The new report builds on one released a year ago titled “[\*Under the Rug: How Governments and International Institutions Are Hiding Billions in Support to the Coal Industry.\*](#)” It documented, for the first time, that key governments and financing organizations had backed more than \$73 billion in coal-related projects worldwide over the previous eight years, and called for the immediate end of such dirty energy financing.

The new report “*Swept Under the Rug: How G7 Nations Conceal Public Financing for Coal Around the World,*” is here: <https://www.nrdc.org/sites/default/files/swept-under-rug-coal-financing-report.pdf>

A blog on the overall results by Han Chen, NRDC International Climate Advocate, International and Climate & Clean Air programs is here: <https://www.nrdc.org/experts/han-chen/some-g7-countries-still-providing-billions-financing-coal-plants>

A blog on Japan’s coal financing by Jake Schmidt is here: <https://www.nrdc.org/experts/jake-schmidt/coal-financing-and-japan-actions-speak-louder-words>

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The Natural Resources Defense Council (NRDC) is an international nonprofit environmental organization with more than 2 million members and online activists. Since 1970, our lawyers, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC has offices in New York City, Washington, D.C., Los Angeles, San Francisco, Chicago, Livingston, Montana, and Beijing. Visit us at <http://www.nrdc.org> and follow us on Twitter @NRDC.

Oil Change International is a research, communications, and advocacy organization focused on exposing the true costs of fossil fuels and facilitating the coming transition toward clean energy. Oil Change International, 714 G Street S.E., Washington, D.C. 20003, [www.priceofoil.org](http://www.priceofoil.org).

World Wide Fund for Nature’s mission is to stop the degradation of the planet’s natural environment and to build a future in which humans live in harmony with nature. WWF European Policy Office, 168 Avenue de Tervurenlaan, Box 20 1150 Brussels, Belgium, [www.wwf.eu](http://www.wwf.eu).

Kiko Network, a Japanese non-profit environmental organization, conducts policy research, advocacy, communication and networking with experts and NGOs to tackle with climate change. Kiko Network, #305 Takakura Bldg. Takakura-dori, Shijo-agaru, Nakagyo-ku, Kyoto 604-8124, JAPAN, [www.kiconet.org/](http://www.kiconet.org/) .