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## “A socially just energy transition is in our grasp”: New collaboration to speed up the move from coal to clean power

- European Climate Foundation launches accelerator to support best practices in coal transition
- Laurence Tubiana: Focus on social justice needs to accompany economic and climate policies to succeed in urgent move away from coal
- Coal Asset Transition Accelerator (CATA) is funded by leading philanthropies, including IKEA Foundation and the Growald Climate Fund.

4 November 2021, Glasgow: Laurence Tubiana, CEO of the European Climate Foundation (ECF), today introduced at the UN Climate Change Conference (COP26) a new collaborative initiative which aims to speed up a fair transition to clean, prosperous energy systems. Funded by philanthropies, the Coal Asset Transition Accelerator (CATA) provides a unique platform to empower governments, utilities, companies, financiers and civil society organisations with the latest resources and best practices to implement and scale Coal Transition Mechanisms (CTMs) globally with a focus on social justice.

In her address to COP26 delegates, Ms Tubiana highlighted the urgent need to end pollution by coal fired power generation and accelerate the socially just switch to renewables:

“The need to act is critical, and we need to seize this key moment at the Energy Day of COP26. ECF and partners are therefore taking the opportunity to present solutions. It is clear that economics and climate policy alone will not take coal off the system as quickly as the climate science urges. It is also clear that financial mechanisms which respect regional and local contexts and emphasize a socially just transition are key. We need to elaborate key best practices now to ensure that the right steps are taken quickly and that moral hazards are avoided.”

Pointing out that coal transition financing was a new trend in development finance institutions and private finance, Ms Tubiana emphasized that principles of just transition, transparent pricing and the urgency of the shift to renewables had to be observed.

Funded by several philanthropies, including the IKEA Foundation and the Growald Climate Fund, CATA has been incubated by the European Climate Foundation as a pathfinder for cutting edge policy to serve the wider climate community. CATA will initially be working in geographies and states that are already deeply engaged in discussing the energy transition, such as South Africa, Indonesia and the Philippines, as well as others that are considering future options.

The initiative is currently in its inception phase and will be formally launched in spring 2022. CATA's initial set of partners worldwide include Climate Smart Ventures (Singapore), the Carbon Trust (UK), RMI (formerly Rocky Mountain Institute) (US) and the International Network of Energy Transition Think Tanks, which represents 20 local think tanks from across the world. CATA seeks to advance the dialogue on the global coal transition, and it welcomes additional partners to continue its globally balanced and collaborative approach. Partner countries are to include economies already in transition away from coal as well as coal-dependent countries from around the world.

This initiative will provide cutting-edge analysis and expertise as well as a Technical Assistance fund to provide advice to those wishing to pursue Coal Transition Mechanisms (CTM). CATA will work collaboratively with existing dialogues such as those initiated by the COP 26 Energy Transition Council and Powering Past Coal Alliance. Furthermore, CATA aims to be a knowledge centre for those leading countries and financial organisations which have contributed towards developing and facilitating CTMs, such as the World Bank Climate Investment Funds Accelerating Coal Transition Investment Program (CIF ACT) and the Asian Development Bank Energy Transition Mechanism.

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## Quotes

Elizabeth McKeon, Head of Climate Action Portfolio at the IKEA Foundation, says:

"The IKEA Foundation is supporting CATA because we believe it will help ensure a rapid but careful transition away from coal. This is crucial if we are to minimise the impacts of climate change and protect the planet for children and families everywhere.

CATA is innovative in the way it brings together private and public finance, energy specialists, and social and economic experts. Through unprecedented collaboration, it will promote financial mechanisms to replace coal with renewables while taking the importance of energy security into account. It will also address what plant closures mean for workers who depend on coal for their livelihoods. In this way, it will support a just transition to zero-carbon economies."

Joanna Messing, CEO Growald Climate Fund

"Coal Retirement Mechanisms can be an extremely useful tool to accelerate coal phase out. They need to involve local governments, local experts and impacted communities to maximize the benefits, minimize risks and make sure that a just transition is at the center of these efforts."

Tom Delay, CEO of the Carbon Trust

"This initiative could not be more timely. As we rapidly approach the 1.5°C threshold, the urgency of accelerating the transition away from coal grows by the day. Unless we establish pioneering coal transition mechanisms that significantly shorten the lives of existing coal plants, we will fail to reach a decarbonised future in the necessary timeframe. CATA will help us achieve this."

Jules Kortenhosrt, CEO RMI

"Coal-powered generation remains the largest single source of carbon emissions in the world. A rapid, equitable and managed transition away from it is critical for transforming the global energy system to secure a clean, prosperous, zero-carbon future for all.

RMI is excited to join CATA as a core partner and help develop a global platform that aims to equip local stakeholders with the analyses, resources and networks they need to lead their country's transition from coal to clean energy."

Sara Jane Ahmed, V20 Finance Advisor

"No one in the financial industry, donor governments and host nations wish to be left with stranded assets. If left unaddressed, we know it will lead, sooner or later, to credit default situations brought about by infrastructure damage from climate disasters, shifting project economics and complex transition risks. Fossil fuel displacement strategies need to be immediately matched with an energy sector modernization agenda backing renewable energy, storage, and rapid grid upgrades built on flexible power generation. The faster the transition is, the greater the generation of job opportunities, which means we also get to bake in robust public support for bold action towards climate prosperity."

Further information

See CATA inception phase slide deck on the ECF COP 26 landing page  
<https://europeanclimate.org/cop26/>