

**Briefing Note Two<sup>1</sup>**  
**The Accelerated Coal Transition (ACT) Investment Program (November 2023)**

**Highlights**

**At Cdn\$1 billion, the Accelerated Coal Transition program is Canada’s largest international climate mitigation project within its \$5.3 billion climate pledge.** Canada’s contribution of \$1 billion to the Accelerated Coal Transition (ACT) Investment Program is the largest single mitigation project, making up close to 20% of the \$5.3 billion pledge. The ACT is a new facility housed under the Climate Investment Funds (CIFs), managed by the World Bank. Canada’s contribution is approximately 40% of the ACT facility.

**CIF-ACT is an integral part of the roll out of bilateral Just Energy Transition Partnerships (JETPs)** The first allocations from ACT were commitments of US\$500 million each to South Africa and Indonesia in the context of their JETPs. The US\$500 million for South Africa is expected to mobilize US\$2.7 billion in private finance, and both are part of the \$8.5 billion JETP pledge to South Africa. JETPs are under discussion also in Viet Nam and Senegal.

**The CIF-ACT intends that 25% of its investments are directed to socio-economic measure in support of people and communities** Minimizing the impacts of the transition include up-skilling and re-skilling people to retain jobs where feasible and prepare for new jobs. Canada is also providing \$15 million for a parallel initiative, a **Women-led Coal Transition Mechanism**, which is intended to enhance women’s leadership in the design and decision making on coal-to-clean energy transitions. The financing modalities for JETPs, however, with very small amounts provided as grants, undermine these “just” aspects of the transition. There is no information on the priorities and early activities of the Women-led Coal Transition Mechanism. It is unclear how Canada is maximizing these areas in the several JETPs it has joined.

**JETPs have limited transparency on financing and its terms, but evidence suggests high levels of commercial loans and loan guarantees, which is resulting reduced ambition for partner countries, already facing resistance from vested interests in the coal sectors.** For many it seems that JETPs, rather than transformation, are much less enticing “business-as-usual” model of donor financing.

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<sup>1</sup> This Briefing Note was research and written by Brian Tomlinson, AidWatch Canada, in July 2022. It has been prepared on behalf of the [Canadian CSO Coalition on Climate Change and Development \(C4D\)](#). It was updated November 2023.

## 1. An Introduction to the Accelerated Coal Transition Investment Program

In November 2021, Prime Minister Trudeau announced at COP26 a Cdn\$1 billion investment for the recently established **Accelerated Coal Transition (ACT) Investment Program**.<sup>2</sup> ACT is a new facility established in early 2021 under Climate Investment Funds (CIF) managed by the World Bank.<sup>3</sup> In June 2021, the G7 countries had announced up to US\$2 billion on the part of Canada, Germany, the United Kingdom and the United States in support for the ACT and other complementary CIF programs.

Canada's contribution is substantial at approximately 40% of the projected US\$2 billion for the first phase of this facility. Canada's financing is a repayable grant (loan) with disbursements to the CIF completed by 2024/25. To date, however, only US\$1 billion has been committed to South Africa and Indonesia, but nothing has been disbursed.<sup>4</sup>

The goal of ACT is to finance a holistic approach to supporting country transitions away from coal, working with South Africa, Indonesia, India, and the Philippines in support of an integrated, socially-inclusive and gender-equal transition, partnering with both public and private utility operators.

Project activities will include:

- (1) supporting the closure and decommissioning of coal mines and coal power plants;
- (2) supporting power plant repurposing toward renewable energy and energy storage;
- (3) providing funding support for labour retrenchment packages and reskilling/retraining packages, including a gender action plan; and
- (4) developing a transition strategy as part of implementing investment projects through close consultation with key stakeholders across different ministries and agencies within a recipient country.<sup>5</sup>

Specific activities will fall under three Pillars: (I) Governance (5% of finance) developing governments' technical and institutional capacities; (II) People and Communities (25% of finance) in line with a Just Transition, supporting socio-economic measures to minimize the impacts of transition on people and

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<sup>2</sup> See Prime Minister Press Release, November 1, 2021, accessed at <https://pm.gc.ca/en/news/news-releases/2021/11/01/prime-minister-trudeau-announces-enhanced-and-ambitious-climate>

<sup>3</sup> See <https://www.climateinvestmentfunds.org/> and <https://www.climateinvestmentfunds.org/topics/accelerating-coal-transition>.

<sup>4</sup> Climate Investment Funds, "Climate Investment Funds endorses new blueprints unlocking \$1 billion for just coal transitions in South Africa and Indonesia, October 27, 2022, accessed at <https://www.cif.org/news/climate-investment-funds-endorses-new-blueprints-unlocking-1-billion-just-coal-transitions>.

<sup>5</sup> See the project information and description in GAC's project browser at <https://w05.international.gc.ca/projectbrowser-banqueprojets/project-projet/details/P010807001>. See also a more detailed description of ACT in "Danish Support to Climate Investment Fund's Accelerated Coal Transition Investment Program," accessed at <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKewjahaq55Lf6AhVpMlkFHY7ZDwKQFnoECBsQAQ&url=https%3A%2F%2Fum.dk%2Fen%2F%2Fmedia%2Fwebsites%2Fumen%2Fdanida%2Fabout-danida%2Fdanida-transparency%2Fpublic-consultations%2Fcif-act-project-document-incl-annexes.ashx&usq=AOvVaw1pin7KSTibOCrqtRt6KgT>

communities. This includes a focus on upskilling and re-skilling to help people retain jobs where feasible and prepare for new jobs; and (III) Land and Infrastructure (70% of finance) reclaiming and repurposing existing infrastructure, including coal mines, coal-fired power plants and land.<sup>6</sup>

Different MDBs will coordinate implementation: the Asia Development Bank (ADB) for Indonesia and the Philippines; the World Bank for India; and the World Bank and the Africa Development Bank for South Africa. ACT's concessional resources will be implemented alongside these MDBs' own resources. Including other public and private sector entities, the expectation is a total leverage of the US\$2 billion to about US\$5.34 billion.<sup>7</sup>

Canada is also providing a Cdn\$15 million grant to the CIFs for a parallel initiative, a **Women-led Coal Transition Mechanism**, which aims "to enhance women's climate leadership and effective participation in the design and decision-making of coal-to-clean transition strategies and implementation." Among the intended project activities will be support for women-led organisations and other CSOs to build women's capacities to lead and effectively participate in the coal-to-clean transition planning and decision-making strategies of CIF ACT-funded projects as well as other climate actions. It will support advocacy activities with public and private stakeholders at global, national, regional and local levels to promote gender lens investing. A National Women-led Coal Transition Coalition will be created aiming to promote peer-to-peer exchange and knowledge activities with women's organizations from other ACT-funded countries.<sup>8</sup>

This parallel project is a welcomed complement to Canada's \$1 billion support for ACT as a dedicated gender-focused envelope, which should be implemented alongside, but not as a substitute for the integration of gender equality in all ACT's main investments.

## 2. Canada's Support for "Powering Past Coal" and Related Initiatives

International efforts to phase out coal through just transitions has been a strong priority for Canada's climate change initiatives over the past decade. Canada has played a major role in developing the Powering Past Coal Alliance, which was launched in the fall of 2017, and is co-chaired by Canada and the UK, as its founding partners. The Alliance currently has 120 members with the purpose of bringing together all levels of government, businesses, and organizations, to take action to advance the transition away from traditional coal power generation. Alliance members commit to achieving this phase-out in a sustainable and economically inclusive way, while providing appropriate support for workers and

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<sup>6</sup> "Danish Support to Climate Investment Fund's Accelerated Coal Transition Investment Program," op. cit., page 6.

<sup>7</sup> Ibid., page 2.

<sup>8</sup> See the project description in the GAC project browser at <https://w05.international.gc.ca/projectbrowser-banqueprojets/project-projet/details/P010807002>. See also the CIF brochure, "Women-Led Coal Transitions (WOLCOT) Grant Mechanism under the Accelerated Coal Transitions Program (ACT)," November 2022, accessed at <https://www.cif.org/knowledge-documents/women-led-coal-transitions-wolcot-grant-mechanism-under-accelerated-coal>.

communities. Its focus is to sustain political momentum in support of these goals.<sup>9</sup> In this context, the \$1 billion investment, which is close to 20% of Canada’s \$5.3 billion climate pledge, is not surprising.

There were also a number of initiatives under the \$2.65 billion climate allocations relating to transitioning from coal to renewable energy. In 2019 Canada committed \$275 million to the World Bank’s Energy Transition and Coal Phase Out Program. This initiative will “assist a number of developing countries, particularly in Southeast Asia, to phase-out their dependence on traditional coal-fired electricity generation through energy-efficient and renewable-energy alternatives.”<sup>10</sup> The program also mobilizes private-sector financial resources for climate action, and provide training and employment opportunities for women in clean-energy sectors. (See the Canada-World Bank Clean Energy and Forest Climate Facility (CCEFCF) initiative in **Briefing Note Sixteen.**)

### 3. Just Energy Transition Partnerships

Canada’s \$1 billion allocation for the CIF ACT Investment Program will be implemented in relation to the roll out of the **Just Energy Transitions Partnerships (JETPs)**.

The JETPs are being developed as bilateral arrangements by several large climate finance providers with a number of partner countries. Germany, the UK, the United States, France and the European Union announced the first such arrangement at COP26 with a US\$8.5 billion package for South Africa.<sup>11</sup> At the June 2022 G7 summit, the G7 Chair’s Summary pointed to several potential JETPs that are being negotiated with India, Vietnam, Indonesia and Senegal.

At COP27 in 2022, Canada announced that it was “partnering with other countries and other donors to establish Just Energy Transition Partnerships in emerging economies.” In particular, it has joined the JETP for Indonesia.<sup>12</sup> Although there are no details, it seems that Canada has also joined other donors in

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<sup>9</sup> See <https://www.canada.ca/en/services/environment/weather/climatechange/canada-international-action/coal-phase-out.html>.

<sup>10</sup> GAC, Coal Phase Out – Powering Past Coal Alliance, accessed at <https://www.canada.ca/en/services/environment/weather/climatechange/canada-international-action/coal-phase-out.html#toc2>.

<sup>11</sup> UK Government, Joint Statement, November 2, 2021, accessed at <https://www.gov.uk/government/news/joint-statement-international-just-energy-transition-partnership>.

<sup>12</sup> See G7 C” Canada supports the global transition to clean and secure energy with investments to phase-out coal electricity around the world,” November 15, 2022, accessed at <https://www.canada.ca/en/environment-climate-change/news/2022/11/canada-supports-the-global-transition-to-clean-and-secure-energy-with-investments-to-phase-out-coal-electricity-around-the-world.html>. See also “Joint Statement by the Government of the Republic of Indonesia (GOI) and the Governments of Japan, the United States of America, Canada, Denmark, the European Union, the Federal Republic of Germany, the French Republic, Norway, the Republic of Italy, and the United Kingdom of Great Britain and Northern Ireland (together the “International Partners Group” or IPG)” accessed at <https://www.pm.gc.ca/en/news/statements/2022/11/15/joint-statement-new-just-energy-transition-partnership>.

the development of the South African JETP.<sup>13</sup>

JETPs and CIF-ACT are closely integrated. As noted above, the first commitments from CIF-ACT have been US\$500 million each for South Africa and Indonesia. Canada's financial commitment (\$550 million)<sup>14</sup> to the Indonesian JETP involved no new finance beyond the CIF-ACT, other Canadian contributions to multilateral programs in which Indonesia is a beneficiary, and several individual bilateral projects already announced. A GAC official notes that "the JETPs were in development over much of the period when Canada was preparing its \$1B CIF ACT contribution, and one informed the other in terms of our approach."<sup>15</sup>

Several JETPs – South Africa, Indonesia, Viet Nam, India and Senegal – are complex and dynamic with different challenges and various stages of development. The experience to date of these JETPs provide some interesting lessons in financing energy transitions and realizing a "just" impacts on people and communities.

#### **a) South Africa**

South Africa has set out a US\$98 billion investment plan to initiate its energy transition over the next five years and has attempted to embed this challenging transition into broader development processes. The energy sector is highly dependent upon coal, which has powerful political advocates among both the industries involved and two major trade unions – NUM and NUMSA. Coal mining is an important source of employment and also export revenue for South Africa.<sup>16</sup>

The Government reports that total financial commitments to its Just Energy Transition currently stands at US\$11.9 billion, including the original US\$8.5 billion from the JETP, but still a long way from the US\$98 billion goal. Beyond JETP donors, additional providers include the New Development Bank and China.<sup>17</sup>

Transparency remains a big issue for financing, although more is known for the South Africa JETP as a

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<sup>13</sup> Mukherjee, P, "South Africa's climate grant funding from rich nations doubles to \$676 million," Reuters, October 19, 2023, accessible at <https://www.reuters.com/sustainability/cop/south-africas-climate-grant-funding-rich-nations-doubles-676-mln-2023-10-19/>.

<sup>14</sup> Prime Minister of Canada, "Prime Minister advances Indo-Pacific engagement and shared priorities at G-20 Summit," November 16, 2022, accessed at <https://www.pm.gc.ca/en/news/news-releases/2022/11/16/prime-minister-advances-indo-pacific-engagement-and-shared-priorities-g20>.

<sup>15</sup> Personal communication, May, 15, 2023.

<sup>16</sup> Molelekwa, T., "South Africa's coal lobby is resisting a green transition," Climate Home News, June 19, 2023, accessed at <https://climatechangenews.com/2023/06/19/south-africa-coal-energy-fossil-fuels-climate-lobby/> and Fakir, S., "South Africa's Just Energy Transition Partnership: A novel approach transforming the international landscape on delivering NDC financial goals at scale," South Africa Journal of International Affairs, Volume 30, 2023, Issue 2, accessed at <https://www.tandfonline.com/doi/full/10.1080/10220461.2023.2233006>.

<sup>17</sup> See Molelekwa, T., "Pledges roll in for SA's energy transition," Mail and Guardian, September 24, 2023, accessible at <https://mg.co.za/the-green-guardian/2023-09-24-pledges-roll-in-for-south-africas-energy-transition/>.

result of a leak earlier in 2023. Controversially, at 3%, grants form a very small share of total resources committed (US\$8.5 billion) by JETP donors. Concessional loans make up 63% of this overarching commitment. The United States, an uncertain donor, is indicating at best US\$1 billion in commercial loans. The United Kingdom is seemingly committing little real cash, but will issue US\$1.3 billion in loan guarantees for private sector finance. Similarly, the US\$500 million from the CIF-ACT is intended to mobilize US\$2.1 billion in private finance, with the latter included in the JETP's US\$8.5 billion total commitment. There are also indications that donors are conditioning these commitments to specific policy outcomes and approaches to the transition. High levels of uncertainty on JETP finance, particularly the lack of grant finance, its terms and conditions, compounds and plays into strong political push back from vested interests, making progress at this stage highly tentative.<sup>18</sup>

The CIF-ACT is committed to close consultations with key stakeholders. Almost 80% of the 80,000 residents in the main coal region of South Africa are dependent on coal and energy generation. How have South Africa's affected regions, communities and workers in the coal fields been consulted and included in the elaboration of these plans?<sup>19</sup> Local leaders in the coal region suggest that communities are largely "in the dark when it comes to the transition because the government is not bringing consultations to the communities."<sup>20</sup> According to Saliem Fakir, Executive Director of the African Climate Foundation, only 1% of JTEP finance has so far been earmarked for investments in skills development, economic diversification and social investment.<sup>21</sup>

The South African Government has established a Presidential Climate Finance Task Team to focus on the JETP and to guide necessary regulatory changes and coordination with other departments. This Task Team is working alongside a Presidential Climate Commission (PCC), which is a multi-stakeholder body. The PCC is mandated "to advise on the country's climate change response and pathways to a low-carbon, climate-resilient economy and society" and to "facilitate dialogue between social partners including civil society."<sup>22</sup>

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<sup>18</sup> See Fakir, op. cit.

<sup>19</sup> This section relies in part on a study by Power Shift Africa and Germanwatch e. V., "Implications of the Just Energy Transition Partnership in South Africa, Lessons Learnt for Civil Society Organizations," Policy Brief, August 2022, accessed at [https://www.germanwatch.org/sites/default/files/g7-g20\\_track-2\\_just\\_energy\\_africa\\_policy\\_brief\\_rev-1\\_met\\_1.pdf](https://www.germanwatch.org/sites/default/files/g7-g20_track-2_just_energy_africa_policy_brief_rev-1_met_1.pdf). See also Molelekwa, T., "Coal-mining communities left in the dust for a green future," Heinrich Boll Stiftung, Cape Town, South Africa, January 31, 2023, accessed at <https://za.boell.org/en/2023/01/31/coal-mining-communities-left-dust-greener-future>

<sup>20</sup> Molelekwa, T., "Coal communities fear South Africa's clean energy transition," Climate Home News, February 2 2023, accessed at <https://www.climatechangenews.com/2023/02/02/coal-communities-left-behind-fear-south-africa-green-energy-transition/>.

<sup>21</sup> Farand, C., "Can 'just transition partnerships' usher in the end of coal?," China Dialogue, September 14, 2023, accessed at <https://chinadialogue.net/en/climate/can-jetp-usher-in-the-end-of-coal/>.

<sup>22</sup> Power shift Africa., p. 8.

Civil society in South Africa have raised a number of concerns with the JETP:<sup>23</sup>

- **Inclusion and equitable access** While civil society did participate in the development of the Framework governing the energy transition, so far, there are no civil society representatives in working groups created under this Framework to inform the development and implementation of the JETP. South African civil society have called for their early engagement in planning partnerships and in their implementation through a formal and representative platform that includes affected communities.
- **Transparency** There is little transparency and accountability to date in the evolution of the negotiations on the JETP and how the \$8.5 billion will be allocated. While there have been several meetings between the PCC and the Task Force, the outcomes have not been shared with civil society or the public. Regular and transparent flows of information to civil society and affected communities is essential.
- **Community engagement** While affected communities have been consulted in the early stages, they have indicated that they will cooperate with government only if they are integrated into the decision-making process. There are serious levels of distrust of government due to high levels of corruption and poor governance. Communities are seeking consultations on major skills and capacities gaps, which must be addressed for a Just Transition.<sup>24</sup>

Civil society in other potential partner countries for the CIF ACT (and/or for other JETPs) will be watching closely the experience of accelerating the coal transition in South Africa.

## b) Indonesia

In November 2022, a US\$20 billion JETP for Indonesia was announced on the side of the G20 meeting in Bali. The US, Japan, the EU, the UK, Canada, France, Germany, Italy, Denmark and Norway are the partners in this JETP. Half of the US\$20 billion will be provided through private sector partners that are part of the Glasgow Financial Alliance for Net Zero (GFANZ). Indonesia committed to retire coal early, reach peak emissions by 2030, and provide 34% renewable energy by 2030. However, analysts suggest that coal consumption could still increase. The commitment to stop new coal plants does not include plants to power “strategic industrial projects”, which are massive, as long as these plants reduce their emissions 35% in 10 years and close by 2050.<sup>25</sup> Indonesia currently ranks third next to China and India for coal power capacity under development.

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<sup>23</sup> Power Shift Africa, pp 9 – 10 and 12.

<sup>24</sup> See Life After Coal Coalition (South Africa), Letter to Head of the Presidential Climate Finance Task Team, February 17, 2022, accessed at <https://lifeaftercoal.org.za/virtual-library/letter-to-head-of-the-presidential-climate-finance-task-team-17-feb-2022> and Letter to the Head of the Presidential Climate Finance Task Team, September 2, 2022, accessed at <https://lifeaftercoal.org.za/virtual-library/submissions-and-correspondence/letter-to-head-of-the-presidential-climate-finance-task-team-2-september-2022>. Both letters provide detail on civil society perspectives on the development of the JETP, and particularly ensuring full civil society participation and input.

<sup>25</sup> Farand, C., “Can ‘just transition partnerships’ usher in the end of coal?,” China Dialogue, September 14, 2023, accessed at <https://chinadialogue.net/en/climate/can-jetp-usher-in-the-end-of-coal/>.



Through a period of negotiations in 2023, Indonesia first delayed the release of its investment plan for the JETP and then in November watered down further its plans to shut down coal power plants early. Now Indonesia plans to start shutting down these plants no earlier than 2035. The plan is to scale up renewables, but Indonesia's overall targets for emissions excludes so-called captive plants that provide power to specific industries.<sup>26</sup>

The reason provided by the Indonesian Government for this scaling back is inadequate donor funding, with many loans at commercial terms. Grants make up only 2.5% of the public finance, with concessional loans at three-fifths. The US is the largest donor, but almost all of its finance is commercial loans (\$1 billion) or guarantees (\$1 billion). Canada is listed as providing US\$10 million in grants and US\$81 million in concessional loans (but as noted above these are not new commitments under the \$5.3 billion pledge). The UK's contribution of \$1 billion is a World Bank guarantee. Germany has the largest share of grants at \$162 million.<sup>27</sup>

### **c) Vietnam**

In December 2022, G7 countries and other donors offered Vietnam US\$15.5 billion in a JETP to scale back its coal mining and energy production. However, similar to Indonesia, only half (US\$8 billion) is official finance. The other half will be private resources coordinated by the Glasgow Financial Alliance for Net Zero. Vietnam committed in turn to reach peak emissions in 2030, five years earlier than planned.<sup>28</sup> This funding is to be mobilized over the next three to five years. Vietnam estimates its power generation needs to 2030 at US\$135 billion.

Similar to earlier JETPs, the Vietnam agreement lacks transparency on what has been agreed and the amount and terms for finance. It appears that Vietnam, a Lower Middle-Income Country, is being offered only US\$321 million in grants, accounting for 2% of the financing package. More than half of this package is loans at commercial rates, with \$2.7 billion in concessional loans. The government has produced more than 400 projects consistent with the purposes of the JETP, but reports suggest that it is reluctant to accept the terms of current financing on offer.<sup>29</sup>

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<sup>26</sup> Civillini, M., "Indonesia delays coal closure plans after finance row with rich nations" Climate Home News, November 2, 2023, accessed at <https://climatechangenews.com/2023/11/02/indonesia-delays-coal-closure-plans-after-finance-row-with-rich-nations/>

<sup>27</sup> See chart in Ibid.

<sup>28</sup> Civillini, M., "Vietnam's energy transition deal is a 'black box', partner warns," Climate Home News, March 13, 2023, accessed at <https://www.climatechangenews.com/2023/03/13/vietnams-energy-transition-deal-is-a-black-box-partner-warns/>.

<sup>29</sup> Reuters and Joe Lo, "Rich nations offer loans not grants for Vietnam's coal transition," Climate Home News, October 30, 2023, accessed at <https://climatechangenews.com/2023/10/30/rich-nations-offer-loans-not-grants-for-vietnam-coal-transition/>.



The negotiations for the JETP in Vietnam have been severely compromised by the actions of the Government in arresting and imprisoning over the past two years six environmental activists who have been constructively critical of the country's energy policies. These arrests include Ngo Thi To Nhien, Executive Director of the Vietnam Initiative for Energy Transition, who had been working on the JETP. Germany and other donors have been raising human rights concerns in the negotiations, but have received "significant push back."<sup>30</sup> Such arbitrary measures in closing civic space for environmentalist belies the justice principles of JETPs and CIF-ACT's commitment to ensure full engagement of NGOs, media and affected communities.

#### **d) Senegal and India**

In June 2023, a US\$2.7 billion JETP has been signed with the emerging gas producing country, Senegal, whose goal is to increase renewable energy to 40% of installed electricity capacity by 2030. France, Germany, Canada and the EU are JETP partners, with support from several multilateral development banks.<sup>31</sup>

Gas as a transition fuel for Senegal (for both domestic use and export) has been implicitly endorsed by this JETP, but will not be finance through the JETP.

Again, the majority of the financing will be concessional loans, with only €150 million as grants. These terms are stark in the face of the fact that Senegal is a Least Developed Country with 30% of the country's households without access to electricity. The government aims to provide electricity to all people by 2025.

Initial work on the JETP in Senegal included in-depth dialogues involving government, academia, civil society and the private sector, over a period of one and a half years.

While India is listed as a potential partner for a JETP, the Government has largely stalled any negotiations, arguing that it did not want to be "bullied into a partnership" that would compel the country to move towards a coal phase out. Coal is the mainstay of India's energy system and is forecast to grow over the next decade. It is estimated that 13 to 20 million Indians work in coal or related industries. An energy transition in India to meet renewable energy targets is estimated to cost about \$900 billion over 30 years.

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<sup>30</sup> Civillini, M., "Vietnamese climate activist jailed in 'unjust' government crackdown," Climate Home News, September 28, 2023, accessed at <https://www.climatechangenews.com/2023/09/28/vietnamese-climate-activist-jailed-in-unjust-government-crackdown/> and Agence France-Presse, "Vietnam details energy thinktank chief in latest arrest of environmental expert," Guardian, October 1, 2023, accessed at <https://www.theguardian.com/world/2023/oct/01/vietnam-detains-energy-thinktank-chief-in-latest-arrest-of-environmental-expert>.

<sup>31</sup> See Farand, C., "Can 'just transition partnerships' usher in the end of coal?," China Dialogue, September 14, 2023, accessed at <https://chinadialogue.net/en/climate/can-jetp-usher-in-the-end-of-coal/>; Sarr, S., et. al, "Behind the scenes at Senegal's 'just energy transition partnership,'" Carbon Brief, September 9, 2023, accessed at <https://www.carbonbrief.org/guest-post-behind-the-scenes-at-senegals-just-energy-transition-partnership/>; Lo, J., "Rich nations pledge \$2.7 billion for Senegal's renewable rollout," Climate Home News, June 22, 2023, accessed at <https://www.climatechangenews.com/2023/06/22/senegal-jetp-energy-transition-2-billion-renewables/>.

Public resources on offer through a JETP, in the order of \$8.5 billion, were almost inconsequential in this context.<sup>32</sup>

#### 4. Conclusions

The experience with JETPs to date suggests that agreements and ambition in making transitions are unravelling as partner countries realize the diminished value of donors' contributions. In all JETPs, partners see massive loans on offer, and only very modest allocations of grants, against the very high financial and human costs of energy transitions. For many, it seems that JETPs, rather than transformational, are a much less enticing "business-as-usual model". While the general economic environment of mounting unsustainable country debt is a factor, limited grants undoubtedly marginalize commitments to communities and affected workers' transition needs. The participation and support (or at least acquiescent) of affected communities is an essential ingredient in a just transition process.

Moreover, beyond public finance for JETPs, there seems to be a growing aim to plug a private sector finance gap through carbon offset credits, using greenhouse gas emissions avoided in the transition. If JETPs are even modestly successful, this will amount to massive credits available to companies, largely in the global north, to continue producing emissions. Environmentalists warn that such credits will undermine climate ambition if they are not truly addition – i.e. whether the project would have been possible without carbon credit financing. The latter is questionable given the scale of large public finance in transitions.<sup>33</sup>

Given the focus of Canada's contribution to the CIF ACT in support of both people and communities and the integration of gender equality in just transitions, it is unclear how Canada is maximizing these areas in the several JETPs that it has joined. Engaging people and communities are challenging in most countries, and particularly Vietnam, where a more restrictive civil society environment is seriously limiting CSO and environmentalists' capacities to work closely with communities and people, dependent on coal for their livelihoods.

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<sup>32</sup> See Farand, C., "Can 'just transition partnerships' usher in the end of coal?," China Dialogue, September 14, 2023, accessed at <https://chinadialogue.net/en/climate/can-jetp-usher-in-the-end-of-coal/>; Chandrashekhar, V., "Why India is rebuffing a coal-to-clean deal with rich nations," Climate Home News, September 13, 2023, accessed at <https://www.climatechangenews.com/2023/09/13/why-india-is-rebuffing-a-coal-to-clean-deal-with-rich-nations/>.

<sup>33</sup> Civillini, M., "Carbon credits touted as saviour of coal-to-clean energy deals," Climate Home News, June 21, 2023, accessed at <https://www.climatechangenews.com/2023/06/21/carbon-credits-touted-as-saviour-of-coal-to-clean-energy-deals/>.