



Accelerating Coal Transition (ACT) Investment Program

CTF Trust Fund Committee

Background

- Launched at COP26 in Glasgow
- Four countries selected based on independent assessment
- Indicative allocation of \$200-500m each based on needs assessment
- Investment Plans under preparation by host countries in partnership with relevant MDBs
- Deadline: May 2023



IP preparation progress update

	South Africa	Indonesia	India	The Philippines
Scoping mission				August
Joint mission			September	2022-23
Preliminary scope	<p>Under consideration:</p> <ul style="list-style-type: none"> Decommissioning of coal plants Repowering to add RE generation capacity Just transition and economic diversification Additional private sector activities 	<p>Under consideration:</p> <ul style="list-style-type: none"> Accelerated retirement of coal plants Just transition and repurposing Scaling up RE through private sector <i>National Strategic Env. and Social Assessment</i> 	<p>Under consideration:</p> <ul style="list-style-type: none"> Just Transition of Mines Just Transition of Power Plants Retirement and Repurposing Net-zero roadmap 2070 	<p>Recent elections caused delays but discussions with government initiated</p> <p>Preparatory work underway incl. power system-level studies, Just Transition, Social and Environmental Safeguards Assessments</p> <p>Early engagement with private sector</p>
Lead MDB	World Bank	ADB	World Bank	ADB
Expected date	COP27	End-2022	End-2022	2023

CIF role as JETP Secretariat



- COP27
JETP-IP finalized
- May 2022
JETP Preliminary Consultations
ACT Joint Mission
- February 2022
Head of Presidential Climate Finance Task Team appointed
- January 2021
ACT scoping mission
- December 2021
Draft work plan
- November 2021
Glasgow Declaration

Priority areas

Electricity decarbonization

Coal phase down (decommissioning and repurposing of existing coal assets)
Grid strengthening
Energy storage

Just transition

Active labor markets (e.g., skills development)
Social protection measures (e.g., social safety nets)
Economic diversification (e.g., new industries)
Effective governance (e.g., planning and implementation mechanisms)
Climate finance (e.g., climate-smart activities)

*Source: PCC Just Transition Framework

Eskom creditworthiness

Policy reforms (e.g., unbundling)
Role of private sector

New economic opportunities

Green hydrogen
Electric vehicles
Green jobs
Local value chains

Financing

- Initially mobilize USD 8.5 billion
- Three to five years
- Combination of financial instruments
 - Multilateral/bilateral
 - Grants
 - Concessional loans
 - Guarantees
 - Private investments
 - Technical support
- Additional financing sources to be explored

JETP and ACT Interplay



JETP
IP

Anchor: JET Partnership

Reflects multi-year (JETP) investment framework agreement, translates it into an investment strategy and comprehensive financing plan.

Covers both ACT investments as well as other bilateral, multilateral, private and other initiatives.



ACT
IP

Anchor: ACT Investment Program

Reflects country priorities with regard to coal phase down focused on three core program areas: *governance* (policy and institutional reforms), *people* (just transition) and *infrastructure* (coal decommissioning) with associated financing needs.



Women Lead Coal Transitions (WOLCOT) Mechanism

Fostering women's climate leadership and effective participation in designing and implementing coal-to-clean transition strategies

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areas

Direct grants

Capacity building

Design & pilot access to finance and training programs

Evidence generation and knowledge sharing

Timeline: To be submitted for TFC consideration in July



Proposed options for non-IP countries



Key question: Nature and timing of support

Technical Assistance (TA) Assist countries to develop coal phase out, decarbonization and just transition strategies; identify the first set of specific actions, among others.

Private Sector Window (PSW) Drive transformational change by identifying priority private sector funding opportunities incl. early ventures in host countries.

Investment Plan (IP) for select (2-3) countries based on similar considerations like country ambition, readiness, potential for transformational change, among others.

Forward look

ACT-IP Preparation Continue working closely with MDBs and recipient countries to support the IP preparation process.

Non-IP Countries Support Initiate engagement with (10) remaining countries based on TFC guidance on appropriate modality/ies.

JET Partnership Continue driving the development and delivery of the JETP-IP under the guidance of the governments of RSA and IPG.

WOLCOT Mechanism Next steps incl. approval and implementation of the dedicated grant mechanism focused on gender-based outcomes.

Knowledge & Learning Continue providing learning platforms for knowledge sharing and building capacity on coal transition.

CIF



CLIMATE INVESTMENT FUNDS

Investing in the future

