

Mr. François Hollande
President of the French Republic
Elysée Palace
55 rue du Faubourg Saint-Honoré
75008 Paris - France

To: President François Hollande
Cc: Prime Minister Manuel Vall, Finance, Economy, Trade, Ecology, Foreign Affairs Ministers

17th of July 2015

Protect policy ending public export support for coal: France must show leadership five months from the COP21.

Dear Mr President François Hollande,

We are alarmed by a recent issue paper from your government regarding the implementation of your decision to end France's public support for coal exports.

On 27th November 2014, you announced the end of all export support for coal through COFACE. On 4th February 2015, the French Prime Minister indicated that such support would be provided only for coal power plants that can capture and store the CO₂ they produce (operational CCS plant, not CCS-ready plant).

We and other international civil society organizations warmly welcomed this announcement, even while acknowledging deep concerns about CCS and recognizing the need to keep the vast majority of fossil fuel in the ground, including almost all coal reserves, if the international community's mutually agreed climate change goal is to be achieved.

Given that expanded coal and other fossil fuel use is not compatible with the 2°C internationally agreed climate limit¹, continued public support for coal with taxpayer money is unacceptable. Export credit agencies' support for coal represents the biggest source of international public finance for coal overseas². A recent OECD report states that even the most advanced (and costly) coal-fired power plants are not going to be consistent with a 2 degree goal unless they can capture and store the CO₂ they produce³. The G7 and the OECD committed to discuss how to curb public financing for coal overseas in order to fight climate change⁴. It is now imperative that the OECD can finalize its agreement prior to COP21 in Paris. No agreement is likely to be reached if France reverses its progressive position.

We are therefore appalled to learn that the issue paper recently released by your government includes policy proposals that follow the coal industry's approach and fails to make any significant progress

¹ Statement by leading climate and energy scientists, *New unabated coal is not compatible with keeping global warming below 2°C*, <http://www.europeanclimate.org/documents/nocoal2c.pdf>.

² "Under the Rug: How Governments and International Institutions are Hiding Billions in Support to the Coal Industry", Natural Resources Defense Council, Oil Change International, and World Wide Fund for Nature, June 2015, <http://priceofoil.org/2015/06/02/rug-governments-international-institutions-hiding-billions-support-coal-industry/>

³ Aligning Policies for a Low-carbon Economy, OECD, 2015, <http://www.oecd.org/environment/Aligning-Policies-for-a-Low-carbon-Economy.pdf>

⁴ Schloss Elmau, Leaders' Declaration G7 Summit, 7-8 June 2015.,

towards addressing the climate crisis. Indeed, some proposals amount to merely banning support for (least efficient) subcritical coal power plants – a technology which Alstom, the only beneficiary of COFACE's support to coal, is stopping to export. This would leave export support for the bulk of the coal market unaffected until 2020 or even 2030. The proposal would therefore not result in any significant and immediate climate benefit.

Five months ahead of COP21 in Paris, it is of utmost importance that France demonstrates leadership on critical mitigation issues such as ending public support for coal overseas – as a first step to end public support for fossil fuels. This is no time to walk back on your iconic decision. On the contrary, this is the time to reaffirm the need to address the climate crisis and to immediately end public support to coal power plants.

We view the issue note as incompatible with the French claim of climate leadership – especially when most of the implementation options that are envisaged by your government would be less ambitious than the weak German position and far behind the US position. These options neglect climate science. They introduce a double standard with the existing Agence française de développement's policy on coal support (no support for coal except for power plants equipped with operational CCS). They undermine the chances of a strong OECD outcome. They also threaten the chances to achieve the agreement we need in Paris.

Mr. President, we urge you to weigh in and reject the proposals for weakening the implementation of your commitment to end export support to coal. We call on you to immediately implement the policy as first announced and welcomed at the international level.

Yours sincerely,

The signatories

International and regional organizations and networks

BankTrack
Bankwatch
Climate Action Network International
Carbon Market Watch
ECA watch
Friends of the Earth International
Greenpeace
Oil Change International
Women in Europe for a common future
WWF
350.org

France

Amis de la Terre France
Attac France
Fondation Nicolas Hulot
France Nature Environnement
Oxfam France
Réseau Action Climat France

Australia

Jubilee Australia
Market Forces

Belgium

Fern
Bond Beter Leefmilieu

Germany

Countercurrent
German Climate Alliance – Klima Allianz
Germanwatch
Power shift
urgewald

India

Bharat Jan Vigyan Jatha
Beyond Copenhagen Collective

Italy

Legambiente

Japan

FoE Japan
Jacses
Kiko Network

Korea

Korea Federation for Environmental Movements (KFEM)

Netherlands

Both Ends

Kiribati

Kiribati Climate Action Network

Portugal

Euronatura
Quercus - Associação Nacional de Conservação da Natureza

Slovenia

Focus, Association for Sustainable Development

South Africa

Earthlife Africa
Groundwork – Friends of the Earth South Africa

Spain

Friends of the Earth Spain
Observatori del Deute en la Globalització

Taiwan

Taiwan Environmental Protection Union

United Kingdom

Corner House

United States

Center for Biological Diversity
Friends of the Earth United States
Pacific Environment
Rainforest Action Network
Sierra Club

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