EDITO

The transition to clean energy is unstoppable. Even in the unlikely scenario in which no new climate action is taken beyond current policies, global demand for each of the three fossil fuels - coal, oil and gas - is set to peak before 2030, with renewables potentially accounting for 80% of new electricity capacity.

These prospects, identified in the International Energy Agency’s (IEA) latest World Energy Outlook, are exciting, but they must be exceeded by a wide margin if we are to limit global warming to 1.5°C. And while the growth of renewables is not about to stop, we have to acknowledge that new fossil fuel projects are still being developed, contrary to scientific recommendations.

The IEA is categorical. It is in the interests of financial players to commit fully to the transition and to speed up their support to avoid the gigantic costs associated with inaction and possible stranded assets.

And there is plenty of work to be done: financing for the energy transition needs to increase by a factor of 2.5 between now and 2030. Yet the Sustainable Power Policy Tracker published last week by Reclaim Finance and partners shows that only 8 of the 60 largest international banks have adopted targets for financing solutions. Without targets, it will be difficult to ensure they provide the billions needed. By 2030, six dollars must be injected into sustainable energy sources for every dollar invested in fossil fuels... Especially as we also need to agree as to what qualifies as sustainable.

The good news is that the barriers are not due to a lack of money. All we need to do is redirect the sums that have so far gone into expanding fossil fuels to finance the required levels of wind and solar power. And that’s doubly fortunate, since the IEA states that the world does not need any new fossil fuel projects to meet its energy needs.

It is therefore to the side of financial and political interests that we must turn to understand the sticking points and identify the points where pressure can be brought to bear.

A battle that is particularly symptomatic of the problem is currently being waged in France. It concerns the revision of the SRI (Socially Responsible Investment) label, which represents around €800 billion in assets and whose credibility is being mocked because 94% of its funds are invested in companies that produce fossil fuels or arms or that have scant respect for human and social rights.

The stumbling block, on which Bercy and Matignon are prevaricating, is the exclusion of TotalEnergies, as was proposed by the multi-stakeholder committee that worked for over two years on the features of the future label. Their motivation is simple to understand: TotalEnergies, which is currently present in 20% of SRI-labelled funds, is developing new oil and gas projects, including in those hydrocarbons that are the riskiest for the climate and ecosystems. There is nothing responsible about that.

A decision to prolong the institutionalisation of the current greenwashing would be particularly incomprehensible at a time when the French government is seeking to unite several countries around a date for phasing out oil in the run-up to COP28, and when TotalEnergies has recently revised upwards its forecasts for gas production... and oil.

Lucie Pinson,
Director of Reclaim Finance

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