Submission of Evidence to the House of Commons International Development Committee for the Inquiry into the UK's International Climate Finance

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Our submission is based on our multi-institutional, multi-stakeholder project **Equity and the Global Climate Finance Architecture: An Evaluation of the JETP Framework** (hereinafter known as the JETP Project) and draws on work conducted and papers published as part of this ongoing research as well as work conducted by the project partner organisations. The project is conducted under the auspices of the Climate Finance for Equitable Transitions (CLiFT) initiative aimed at exploring the climate finance supply chain within the context of the multilateral climate change regime, international financial architecture and the multi-layered landscape of international economic law.

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Executive Summary

This submission examines Just Energy Transition Partnerships (JETPs) as a key mechanism through which the UK delivers its international climate finance (ICF). While JETPs have emerged as a flagship initiative for supporting developing countries' energy transitions away from fossil fuels, this evidence identifies significant concerns regarding their design, financing architecture, and implications for achieving the UK's climate finance commitments and global climate objectives.

We highlight ten interconnected concerns that could undermine the efficacy of UK's ICF and broader global climate action and sustainable development:

1. **Limited financing commitments** relative to energy transition costs
2. **Over-reliance on debt instruments** rather than grants, creating fiscal burdens
3. **Market-led derisking approach** to catalyse private finance at the cost of public-led approaches to financing energy transitions
4. **Questionable additionality of committed finance**, potentially diverting from other ODA needs
5. **Extensive conditionality** attached to JETP financing, including policy and regulatory reforms that can undermine rather than progress climate action
6. **Inadequate focus on social and economic transition risks** and limited funding to mitigate these risks
7. **JETPs confer substantial policy leverage to the IPG** over host countries relative to financing provided and less commitment from the IPG states
8. **Regulatory risks** emerging from policy and regulatory reforms and financial instrument design without corresponding reform to the international financial architecture (IFA)
9. **Legal risks from investment protection frameworks** that may constrain current and future climate action
10. **(In)compatibility with multilateral climate commitments** under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement

Our analysis reveals a critical tension: while JETPs claim to advance country ownership and locally developed policy processes, the initiative remains premised on a donor-dominated aid framework rather than as a genuine implementation of international cooperation and developed countries (including the UK)'s obligations under the multilateral climate regime. This design means that strategic priorities of the JETPs and climate finance more generally are driven by the interests of developed countries, multilateral development banks and private financial institutions that constitute the 'International Partners Group' (IPG) for each JETP rather than by stakeholders in JETP host countries. This can lead to a loss of policy space in developing countries and can undermine the core principles of the multilateral climate regime and weaken climate action globally.

JETPs go goes beyond the transfer of financial resources and involves legal, regulatory and policy reforms in developing countries and reshapes state engagement with

markets and civil society. This means the JETP has wider implications for developing countries beyond access to climate finance and can impact on local and national law and policymaking and their interactions in the broader global economy and international law.

1. Introduction: The JETP as a Climate Finance Modality

The Just Energy Transition Partnership (JETP) initiative represents a strategic initiative by a group of developed countries, including the UK, to respond to the urgent financing gap for energy transition in developing countries while addressing the social and economic dislocations which may arise from such transition. The UK has played a leadership role in establishing this multilateral coordination platform, launched at COP26 in Glasgow in 2021 with South Africa as the first recipient.[1] The initiative was expanded to Indonesia and Viet Nam in 2022 and Senegal in 2023.

The JETP is a form of 'country platform', a multi-stakeholder partnership coordinated by national governments to generate financial resources to deliver a set of country priorities on sustainable development, climate action or other public goods objectives and to coordinate the policy, regulatory and institutional support needed to achieve them.[2] In the case of the JETP, the aim is to mobilise international public and private financing to support the national decarbonisation of energy sectors through country coordination with an International Partners Group (IPG) consisting of bilateral donors, including the UK[3], multilateral development banks (MDBs) and development finance institutions (DFIs) and private sector institutions, represented by the Glasgow Financial Alliance for Net Zero (GFANZ).

The 'programmatic approach' adopted by country platforms is viewed as a more effective means of supporting medium- to long-term sustainable development interventions – such as clean energy transition – than the piecemeal project approach to energy infrastructure development adopted by traditional MDB/ DFI financing.[4] It is also seen as a means of scaling up private sector investment in energy transition and climate action through policy and regulatory reforms in host states to incentivise private capital and finance.[5]

2. The JETP Financing Architecture: Areas of Concern

JETPs have been welcomed as a more expedient mode of accelerating climate action and channelling climate finance to developing countries outside the more protracted negotiations under the under the multilateral climate regime.[6] However, questions

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[1] Foreign, Commonwealth and Development Office (FCDO) (2025), 'Joint article on Just Energy Transition Partnerships', 17 January 2025.
[2] Hadley, S et al (2022), 'Country Platforms for Climate Action? Something Borrowed, Something New?'. ODI Emerging Analysis, June 0222, ODI; Semebene, D et al (2022), 'Country Platforms and Delivery of Global Public Goods', CGD Policy Paper 249, January 2022, Center for Global Development (CGD).
[3] The IPG was initially comprised of the USA, UK, Canada, Germany, Denmark, France, Italy, Norway, Japan. Switzerland, Canada, Spain and Netherlands but the US withdrew in 2025 (see FCDO (2025), 'Joint Statement from the International Partners Group on the US Withdrawal from the Just Energy Transition Partnership in South Africa'. 19 March 2025.
[4] Ibid. Also see Group of Seven (G7) (2022), 'G7 Chair's Summary: Joining Forces to Accelerate Clean and Just Transition towards Climate Neutrality', 27 June 2022.
[5] Ibid.
[6] Stone L (2023), 'JETPs 101: Helping Emerging Economies Go from Coal to Clean', RMI, 25 May 2023,

remain as to whether this financing model is appropriate for developing countries and what are the implications of this climate finance framework on domestic pathways for 'just transition' and global climate action.

A key takeaway from our research is that **JETPs are promoting market-led green transition and enabling wide-ranging structural reforms** in host countries that can paradoxically **constrain the fiscal, policy and regulatory space** for countries to undertake nationally owned just energy transitions while **providing little sustainability or security in financial commitments** for such structural transformations in domestic economies and societies.

For the UK government, not addressing these operational and systemic constraints **risks undermining its stated international climate ambition** and **diluting the efficacy of public resources** committed not only to just energy transition in developing countries and broader climate finance but also to other sustainable development and poverty reduction goals, especially in the context of declining official development assistance (ODA).

Our research has identified **ten key areas of concern** in relation to the financing of energy transitions in developing countries based on case studies of three JETPs currently progress – South Africa, Indonesia and Viet Nam.

2.1. Limited Financing Commitments

The amount of financing committed by the IPG, including the UK, and the GFANZ is insufficient relative to the scale of investment required under JETP plans. Financing committed by the IPG ranges from eight to 12 percent of the total costs of the transition plans for host states. Meanwhile, GFANZ commitments are uncosted and unclear beyond playing a convening role for private financial actors and general commitments to match funding to IPG commitments in Indonesia and Vietnam.

At time of writing, IPG commitments to South Africa amount to around USD 12.8 billion (after US withdrawal), representing around 13 percent of the USD 98.7 billion required to finance South Africa's JETP Investment Plan (JETP-IP).[7] In Indonesia**,** IPG commitments total an estimated USD 11.4 billion, representing 12 percent of the USD 97 billion required to meet the country's energy transition plan, with another USD 10 billion ostensibly to be mobilised from the private sector.[8] In Viet Nam, total IPG pledges amount to USD 7.5 billion, representing approximately six percent of the over USD 100

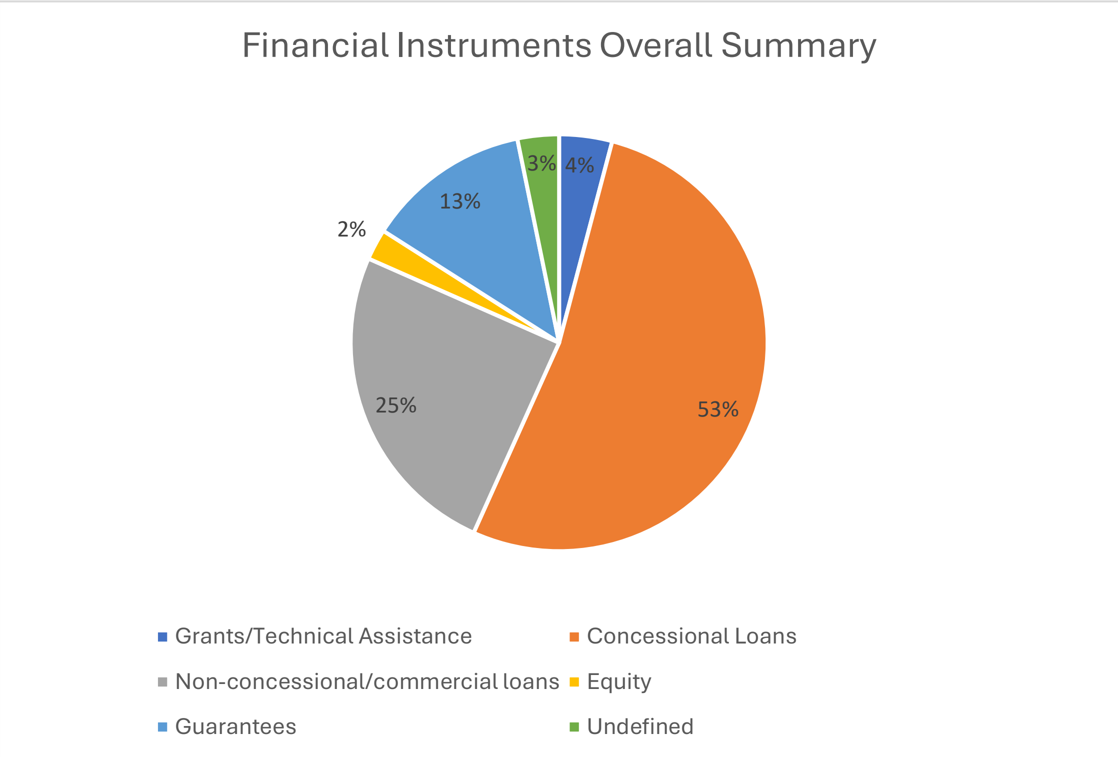
[7] South Africa (2022), 'South Africa's just Energy Transition Investment Plan (JET IP) for the Initial period 2023- 2027', The Presidency of the Republic of South Africa, Section 6; South Africa (2025), 'South Africa's Just Energy Transition Project Management Unit Acknowledges the United States' Withdrawal from the Just Energy Transition Partnership', Press Release, 6 March 2025.
[8] Indonesia (2023), 'Comprehensive Investment and Policy Plan 2023', Section 7; Indonesia (2025), 'JETP Progress Report 2025', section 4; Antara (2025), 'Minister confirms US$3.1 billion from JETP funds available for project', 5 December 2025.

billion required to finance the energy transition plans.[9] In terms of the UK, the government has committed around USD 3.2 billion across South Africa, Indonesia and Viet Nam.[10]

This funding gap raises fundamental questions about JETP feasibility and effectiveness as a climate finance mobilisation mechanism. It is especially concerning given significant cuts to ODA – the source of most climate finance – across IPG countries, with UK drastically reducing its ODA funding from 0.5 percent of GNI to 0.3 percent GNI from 2025.

2.2. Over-Reliance on Debt Instruments

The JETP is heavily reliant on debt instruments to finance energy transition. Most IPG finance will be delivered in the form of loans, concessional or market-based, or guarantees. In both the South African Just Energy Transition Investment Plan (JET-IP) and the Indonesian Comprehensive Investment and Policy Plan (CIPP), the current IPG offer consists primarily of concessional loans and commercial loans and guarantees.[11] For all three countries in our study, it is estimated that almost 80 percent of IPG commitments are pledged in the form of concessional or non-concessional loans (see figure 1 below).



Source: JETP Project Preliminary Data Snapshot

[9] Viet Nam (2023), '[Resource Mobilisation Plan: Implementing Viet Nam's Just Energy Transition Partnership (JETP)]', November 2023; FCDO (2025), '[Statement: UK and EU welcome Viet Nam JETP Progress]', Press Release 29 May 2025.
[10] See notes 7 – 8 above.
[11] South Africa (2022) and Indonesia (2023), note 7 and 8.

Reliance on loans, even official loans on concessional terms, will **impact on developing countries' fiscal position and debt sustainability** while reliance on commercial finance can increase **contingent liabilities on the state** (for state-guaranteed loans) and expose countries to **volatility in international financial markets** and legal risks of disorderly sovereign debt defaults in the absence of appropriate mechanism to deal with private creditors.[12]

2.3. Market-led Derisking Approach

A key JETP feature is the focus on mobilising private sector finance. This means financing for grants and technical assistance, blended finance and policy-based lending aimed at: (a) creating **enabling environments** for mobilising private capital, including regulatory reforms; and (b) creating **'bankable' pipelines of investable projects** for energy transition through financial incentives, such as guarantees via credit enhancement facilities.

Participating countries are undertaking measures to enhance their ability to raise debt financing through the capital markets through regulatory and policy reforms to create 'enabling environments' for private sector capital. This includes development of carbon exchanges, financial sector reforms (to develop markets for sustainable investments), development of derivative financial instruments and credit enhancement facilities as well as liberalisation of capital markets to enable greater financialisation of the energy sector.[13]

This 'de-risking' approach often prioritises investor protection over host state or community interests. This **focus on 'de-risking' private finance using official or state-backed resources can be a costly exercise and less financially sustainable than direct funding** of transition projects.[14] Public-private partnerships (PPPs) can prove expensive to administer with high termination costs and questionable operational efficiencies compared to direct public procurement. Even developed countries with substantial technical and legal expertise have struggled to manage these complex, long-term contracts effectively. [15]

2.4. Questionable Additionality of Committed Finance

Article 4.3 of the UNFCCC provides that financial resources for climate action have to be 'new and additional' which means that the financial resources provided to

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[12] Connelly, S, Patricio Ferreira Lima, K and Tan, C (2024), '[UK Parliament Responses to Deal with Sovereign Debt Crises: Proposals for Legislative Reform]' GLOBE Centre and CBLP Briefing Paper, February 2024; Tan, C (2922), 'Private Investments, Public Goods: Regulating Markets for Sustainable Development", *European Business Organization Law Review*, Vol 23, No 1.See further section 2.8.
[13] South Africa (2022), Indonesia (2023) and Viet Nam, note 7, 8 and 9.
[14] See IEJ (2022), '[Towards a Just Energy Transition: A Framework for Understanding the Just Energy Transition Partnership on South Africa's Just Transition]', Climate Finance Policy Brief Series No 1, Institute for Economic Justice (IEJ), November 2022.
[15] See National Audit Office (NAO) (2018), '[PF1 and PF2]', Report by the Comptroller and Auditor General, HM Treasury, HC 718 Session 2017–2019 18 January 2018.

developing countries by developed countries for climate action should be additional to ODA and other financial flows for other sustainable development purposes.

There are question marks over whether the financing committed by the IPG under the JETPs is 'new and additional' for three reasons: (a) a significant proportion of the funding committed by the IPG are for **pre-existing projects;** (b) a significant proportion of committed IPG funds come from the **official development assistance (ODA)** budget; and(c) there is a significant **use of guarantees** which are predicated on the identification of viable projects. If projects do not materialise, the funding will not be forthcoming.

Additionally, there are concerns raised over the allocation of grants where funding has been allocated to organisations, private corporations, and implementing agencies based outside the host state, including funding for technical assistance for regulatory and policy reforms. For example, recent investigation revealed that 65 percent of the grant funding for the South Africa JETP so far as been allocated to private corporations or agencies based outside South Africa and less than a quarter of funds have gone to local agencies and organisations.[16]

UK's practice is consistent with the approach taken by other developed countries in the OECD. The UK's JETP commitments are mostly derived from the ODA-funded ICF. This represents reallocation rather than new financing. With the UK statutory commitment to ODA reduced to 0.5 percent of GNI (much lower than the statutory 0.7 percent), reallocating ODA toward climate finance necessarily reduces resources available for other development priorities, such as education, healthcare and poverty reduction.[17] Additionally, a significant portion of UK JETP finance is pledged in the form of guarantees, including loan guarantees to MDBs as well as commercial debt and guarantees through its bilateral DFI, the British International Investment (BII) and the public-private platform, Private Infrastructure Development Group (PIDG). Across all four JETPs, the UK has committed slightly over USD 3 billion (GBP 2.3 billion) in guarantees.[18]

2.5. Extensive Conditionality

Substantial JETP financing is conditional on host states adopting specific regulatory, policy, and legal reforms. This **transforms climate finance from an instrument of support into an instrument of policy leverage, with implications for developing countries' policy autonomy**. Sectoral and structural adjustments are viewed as necessary under JETP investment plans to create the aforementioned enabling environments and creating bankable pipelines of investable projects (see section 2.3) for private capital.

[16] Open Secrets (2025), 'The Climate Consultants: How Management Consultants Cash n on the Climate Crisis', June 2025, see also IEJ (2025), 'International Financial Institution Lending: Problems and Solutions', June 2025.
[17] See Independent Commission on Aid Impact (ICAI) (2024), 'UK Aid's International Climate Finance Commitments', December 2024.
[18] ICAI (2025), 'UK Aid for Energy Transition', 5 November 2025, p 29.

For example, GFANZ's Viet Nam commitment stressed that private finance mobilisation was conditional on: (i) continued policy and enabling environment improvements locally and internationally; (ii)) the availability and deployment of catalytic public finance to derisk and crowd-in private finance; and (iii) a robust pipeline of competitively tendered projects. [19]

Financing conditionalities can restrict governments' ability to determine energy transition pace, scale and nature, constraining policy choices based on national processes rather than private investor preferences, thereby undermining JETP principles of country ownership and public participation.

Regulatory and policy reforms undertaken as part of the JETP but which are not adequately financed by developed countries can also be considered as 'green conditionality' or mitigation 'through the back door'. This undermines the CBDR-RC principle which provide that developing countries' commitments to undertake mitigation measures is dependent on developed countries meeting their commitments to provide financial resources and technology transfer to developing countries, reflecting the historical responsibility of developed countries for carbon emissions.[20]

2.6. Inadequate Focus on Social and Economic Transition Risks

While JETPs aim to ensure energy transition does not undermine social and economic development needs, emphasis has fallen on financing large-scale infrastructure and regulatory reform rather than mitigating community dislocations or developing social and environmental safeguards. The focus on private financing and limited grant funding constrains host countries' capacity to support impacted communities, such as workers and local businesses. Experience, such as during the COVID-19 pandemic, have demonstrated that private investors do not typically fund social programmes, essential services or social safety nets that have no prospect of commercial returns.[21]

Additionally, social and economic risks are narrowly defined in the JETP to communities, such as communities in coal-mining regions, directly impacted by energy transition, rather than broader macroeconomic and fiscal risks of energy transition that impact on the national economy. For example, declining public revenues from traditional energy production sources curtail countries' expenditure on public services, such as healthcare and education, exacerbating the structural economic challenges faced by many African countries today. Without a holistic, cross-sectoral approach to decarbonisation, finance and investment plans under the JETP may undermine rather than support 'just' energy transitions.

[19] GFANZ (2022), 'GFANZ Establishes Working Group to Support Capital Mobilization for the Viet Nam Just Energy Transition Partnership', 14 December 2022.
[20] See Article 4 of the UNFCCC and Articles 2.2 and 9of Paris Agreement.
[21] See for example, Lisinge-Fotabon, E (2022), 'Funding those with the Greatest need', SDG Action, 22 April 2022.

Further, reliance on private finance can **exacerbate existing gaps in project finance safeguards and compromise limited recourse available to communities displaced or harmed by project operation**s. Accountability becomes more challenging in a financing landscape where multilateral and bilateral DFIs, commercial lenders and other private financiers are involved in a fragmented way. There is greater opacity surrounding private sector projects in development projects compared to those undertaken by the public sector through an official sector grant or loan (for example, through an MDB as opposed to a DFI). DFIs and PPPs tend to have weaker transparency and information disclosure policies than their public counterparts on grounds of commercial sensitivity or client confidentiality.[22] They also present unique challenges for community participation and access to information, both at the pre-project consent stage and at the later grievance/complaint stage.[23]

2.7. JETPs Confer Substantial Policy Leverage to the IPG

The relatively small amounts of public finance committed by the IPG and conditional pledges by GFANZ contrast with the extensive policy reforms that are required, primarily to the energy and financial sectors. Grants and technical assistance are focused on developing 'expertise' to enable these reforms. For example, in Indonesia, USD 32.1 million had been ringfenced for the Energy Transition Mechanism Partnership Trust (ETMPTF) managed by the Asian Development Bank (ADB) and Germany's International Climate Finance (IKI) to supports project preparation, regulatory frameworks and knowledge generation linked to early retirement of coal-fired power plants and clean energy replacement, with a pilot project focused on the now-shelved flagship early retirement of coal-fired power plant, Cirebon-1.[24]

Our research also demonstrates the close interconnections between the policy conditionalities in JETP-linked loans from MDBs and bilateral donor agencies and DFIs and the linkages between JETP loans and non-JETP loans. For example, two JETP-linked loans to South Africa from the French Agence Française de Développement (AFD) and the German KfW contained prior actions (a form of conditionality) draw their conditions from a World Bank Development Policy Operation (DPO) COVID-19-related loan which includes measures by the South African government to clearing regulatory hurdles,

[22] Vervynckt, M (2015), 'An Assessment of Transparency and Accountability Mechanisms at the European Investment Bank and the International Finance Corporation', Eurodad, 30 September 2015.
[23] Tan, C, Erdem Türkelli, G and Jebechii Sago, J (2023), 'Call for Input on 'Development Finance Institutions and Human Rights', Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises, UN Human Rights Council: Submission by researchers on the New Frontiers in International Development Finance (NeF DeF) Project', 3 March 2023.
[24] Selvaraju, S, Pratiwi, A I, Sabogal, L and Ahlgren, V (2025), 'Just Energy Transition Partnership Grants and Country Platforms Lessons from Indonesia and South Africa', Policy Report, LSE Grantham Institute on Climate Change and the Environment Just Transition Fiannr Lab, November 2025, p 14. See also Hasan, K (2024), 'Manfaat kesehatan dan ekonomi dari pensiun dini pembangkit listrik batubara pertama di bawah JETP Indonesia', Press Release, 20 June 2024, Centre for Research on Energy and Clean Air (CREA).

passing enabling legislation, and financing public infrastructure to crowd in private investment, including for energy transition.[25]

The focus has been on host state commitments rather than IPG and GFANZ commitments which is unpredictable now given the withdrawal of the US from climate finance, reduction in ODA and private financial institutions exiting GFANZ.

2.8. Regulatory Risks

Reliance on debt instruments – official and commercial – and private investments generates under the JETP generate significant financial, regulatory and legal risks for the host countries. Commercial financing instruments specifically increase the state's debt risks : (a) they form **contingent liabilities on the state** if backed by state guarantees or funded through blended finance instruments; (b) contractual **terms** of these arrangements may stipulate **high financial exit costs** for state parties; and (c) they **heighten the state's exposure to volatility** in international financial markets.

Existing systemic regulatory gaps in the global financial system mean that the turn to private debt instruments will increase JETP countries' vulnerability to the speculative and pro-cyclical nature of financial markets. Without systemic reform of the current international financial architecture, including changes to the fragmented sovereign debt regime, reliance on private finance and bond finance in particular, creates significant legal and regulatory risks on top of financial risks which can risk the viability of JETP projects and programmes.[26] Recent experience with developing country debt restructuring processes have demonstrated the reluctance and/or refusal of private creditors to engage in multilateral negotiations, prolonging access to financing and debt restructuring.[27]

Increased dependence on external private investors governed by regulatory frameworks (including corporate governance or financial conduct rules) in external jurisdictions mean that failures of regulation in these external jurisdictions (such as banking supervisory failures in the investors' home state) may create contagion and spill-over impacts on investments located in JETP countries. Changes in the regulatory system in developed countries (such as pension fund, securities or capital requirements regulations) may also impact on investor behaviour and the value and security of investments abroad. At the same time, as more financial institutions seek to integrate climate risk assessments into investment decisions, developing countries, especially climate vulnerable countries, will likely face increase in borrowing costs, thereby

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[25] Preliminary JETP Project research; see also Mdutyana, L, Ramburuth, K and Makoga, S W (2025), 'International Financial Institution Lending: Problems and Solutions', IEJ Policy Brief, May 2025.
[26] Tan, C (2022), 'Private Investments, Public Goods: Regulating Markets for Sustainable Development', *European Business Organization Law Review*, Vol 23, No 1 and Tan, C (2022), 'Regulating Financial Markets for Sustainable Development Investments', 'Regulating Financial Markets for Sustainable Development Investments', NeF DeF Policy Brief Series No 3, September 2022.
[27] Connelly, S et al (2022), note 12.

increasing debt burdens and impacting on countries ability to attract capital for energy transition.[28]

2.9. Legal Risks from Investment Protection Frameworks

Key policy reforms under each JETP focus on the creation of enabling regulatory and financial environments for scaling up renewable energy generation and reforms geared to moving away from reliance on coal fired energy production. International legal frameworks that promote and protect foreign investments run in parallel to national implementation of JETPs. Investment law commitments by developing states may pose significant legal risks, including regulatory chill and making energy transition mor costly. Regulatory chill describes situations where governments refrain from or postpone regulating due to potential or actual threats of investment disputes and exposure to significant financial burdens for breaches of investment protection standards.[29]

We identify three main concerns emanating from the potential impact of investment law obligations of host states on JETP commitment:(a) **creation of enabling environments** through regulatory reform to incentivise clean energy investments and the **potential impact of investment law obligations on future regulatory space of states in adjusting such regulations to evolving needs**; (b) **liabilities that may emerge from early retirement of coal power plants** owned and operated by private investors and the use of public funds to compensate investors for early coal-retirement; (c) **governance structures created under JETPs to drive reform and transformations and the potential frictions between different policy goals driven by different actors** which may exacerbate concerns a and b above.

Investment treaties and contracts typically guarantee economic rights of foreign investors and safeguard against interference from regulatory changes that diminish value of investments, even where such regulatory reforms are in furtherance of public interest. When governments amend the terms of or cancel projects in the energy sector for public policy reasons, this may give rise to investor-state disputes. Additionally, the issuance of thematic bonds, such as green or sustainability-linked sovereign bonds, to finance energy transition can also attract liability under investment law.[30]

International investment protections may act as a hindrance to green transition policies.[31] The risks are most acute for fossil fuel asset stranding, but a recent wave of investment treaty claims by renewable energy investors against several EU countries illustrate that international investment treaty and contract commitments may interfere

[28] Aren, M-L (2023), 'Climate Justice and Debt: Exploring Regulatory Complexities in the Global Climate Finance Architecture Inhibiting Finance Flows for Africa's Climate Action' in Gathii, J T, Majekolagbe, A and Tamala, N (eds), *Transforming Climate Finance in An Era of Sovereign Debt Distress*, Sheria House Publishing; Woolfenden, T (2023), 'The Debt-Fossil Fuel Trap: Why Debt is a Barrier to Fossil Fuel Phase-Out and What We Can Do About It', July 2023, Debt Justice et al.
[29] Tienhaara, K and Cotula, L (2020), 'Raising the Cost of Climate Action? Investor-State Dispute Settlement and Compensation for Stranded Fossil Fuel Assets', October 2020, Institute for Environment and Development (IIED) Land, Investment and Rights Series, London: IIED.
[30] *Abaclat and Others v Argentine Republic*, ICSID Case No. ARB/07/5.
[31] IPCC (2022), *Climate Change 2022: Impacts, Adaptation and Vulnerability*, chapter 14, pp.1505-1506.

with policy space on renewable energy policies, when changes to policy undermine investor profit margins.[32] When crafting climate finance frameworks, the UK should consider the restrictive impact of investment law on all aspects of decarbonization measures.

2.10. (In)Compatibility with Multilateral Climate Commitments

Operating outside the UNFCCC and Paris Agreement and supervision of the Conference of Parties (COP), JETPs may conflict with multilateral climate regime commitments and undermine the coherence of the global climate response and creates accountability gaps, furthering eroding international environmental law. Policy and regulatory fragmentation is likely to impede coordinated action on climate action and financing outside the UNFCCC may undermine commitments and negotiations in the multilateral climate regime. This includes undermining and diluting the CBDR-RC principle.

ODA diversion to climate finance undermines the principle of 'additionality' of climate finance and can impact on the mobilisation of resources to meet other Sustainable Development Goals (SDGs) (see section 2.4 above). There is also a risk that strategic priorities will be driven by the IPG and the private sector while interventions to create enabling environments for private investments can accelerate the loss of policy and regulatory autonomy in developing countries and undermine sustainable development pathways.

While the aim of the JETP is to enable countries to mobilise finance in support of their Nationally Determined Contributions (NDCs), there are question marks over how much autonomy developing countries will have in aligning their domestic priorities with donor/ investor commitments and action. Despite rhetorical commitments to country ownership, the JETP remains premised on a donor-dominated aid framework. The International Partners Group (IPG) determines strategic priorities, mobilisation targets, and conditions for financing. Developing countries participate in their own financing arrangements but lack veto power or meaningful control over priorities. This reproduces the power dynamics of traditional development assistance within the climate finance architecture.

3. Conclusion

JETPs represent an important attempt to mobilise finance for energy transitions in developing countries. The UK's leadership in establishing this framework reflects its recognition of the scale of financing required and the need for innovative coordination mechanisms.
However, our analysis reveals substantive concerns regarding the current design and financing architecture of JETPs. These concerns are not operational or technical issues. They raise fundamental questions as to whether JETPs and country platforms more

[32] Yilmaz Vastardis, A (2025),' A Just and Equitable Transition in the Shadow of Investment Treaties', 27 January 2025, Investment Treaty News, IISD,

broadly, can effectively advance climate action in a just and equitable manner consistent with multilateral climate commitments.

JETPs go goes beyond the transfer of financial resources and involves legal, regulatory and policy reforms in developing countries and reshapes state engagement with markets and civil society. This means the JETP has wider implications for developing countries beyond access to climate finance and can impact on local and national law and policymaking and their interactions in the broader global economy and international law.

The JETP finance and investment approach can generate significant social and economic transition and governance risks that can compromise the climate objectives of the initiative and developing countries' human rights and environmental obligations. There is a risk that a financing agenda that is oriented to private can **subordinate countries' priorities to the interests and priorities of private investors without the necessarily social, economic and environmental safeguards** to facilitate a just and equitable energy transition for countries and communities.

Key to our concerns is the fundamental tension which exists between the JETP's premise of justice, equity, country ownership and participation and its embeddedness within a donor-dominated aid framework in which strategic priorities are driven by the interests of developed countries, multilateral institutions, and private financiers. This inevitably constrains developing countries' ability to determine nationally owned pathways to energy transition that reflect their own development priorities, social and economic circumstances, and democratic preferences. There is a need for a rethink of the strategic aims of the JETPs and country platforms as modalities for mobilising and delivering climate finance.