

Treasury Announces \$1 Billion Loan for Clean Technology Fund, Advancing U.S. Climate Commitments and Just Energy Transition Partnerships

October 6, 2022


WASHINGTON—Today, U.S. Secretary of the Treasury Janet L. Yellen announced that Treasury has signed a loan agreement for the Clean Technology Fund (CTF)—a multilateral trust fund which helps to scale up low carbon technologies in developing countries--using resources appropriated by Congress and signed into law by President Biden. This contribution also makes good on the United States' pledge to support the CTF's Accelerating Coal Transition Investment Program made at the 2021 G7 Summit alongside G7 partners. The loan will be used to support U.S. climate commitments, including Just Energy Transition Partnerships (JETPs).

“Today’s \$950 million loan to the Clean Technology Fund – the first of its kind from the U.S. Treasury – is a strong down payment on the President’s \$11 billion climate finance pledge and an indication of our continued support for emerging market countries committed to transitioning toward clean and renewable sources of energy,” **said Treasury Assistant Secretary for International Trade and Development Alexia Latortue.** “We expect this contribution to help drive the overall Just Energy Transition Partnership programs, while building on multilateral development bank expertise and engagement in these countries. This loan also represents an innovative approach to financing that is highly leveraged and thus allows us to achieve much needed greater scale of climate finance.”

The nearly \$1 billion loan will fund CTF projects developed by the multilateral development banks, including those developed in alignment with the priorities of the national accelerating coal transition investment plans that will be presented by the governments of South Africa, Indonesia, India, and the Philippines starting in October 2022. Programs to be financed could include projects to install new renewable energy, retire older coal plants and repurpose their infrastructure for new uses, and support programs to promote new investment and employment in communities affected by energy transition.

Today’s strong support for climate action internationally complements work being done domestically. This week, during Treasury’s annual Freedman’s Bank Forum, Treasury officials



outlined the ways in which the Inflation Reduction Act will help support building an equitable clean energy economy. [Read more](#)  .

