# United States withdraws from key climate financing initiative



The United States has officially withdrawn from a key climate financing initiative aimed at assisting developing nations in transitioning from coal to renewable energy sources. This decision, which was communicated to participating countries on Thursday, has significant implications for international climate agreements and has raised concerns regarding future investment in energy transitions.

The withdrawal affects the International Partners Group (IPG), a coalition that includes wealthy nations such as the European Union, the United Kingdom, Germany, France, Italy, Canada, Japan, Norway, and Denmark. The IPG has been pledged financial support worth billions to help countries like South Africa, Indonesia, and Vietnam move towards greener energy solutions. Chrispin Phiri, a spokesperson for the South African Foreign Ministry, confirmed the U.S. exit, noting that the country was informed of the withdrawal under the leadership of President Donald Trump.

According to reports, the U.S. exit means that South Africa will lose over $1 billion in planned investments, which were intended for the gradual closure of coal-fired power plants and the transition to renewable energy sources. This loss was detailed in a statement from South African President Cyril Ramaphosa's office, which indicated that grant projects in the planning or implementation phases have now been cancelled.

The initiative, known as the Just Energy Transition Partnerships (JETP), was initially launched in 2021 to provide financial and technical support for energy transitions in developing countries. Funding was intended to be a combination of loans, grants, and private finance in exchange for commitments to reduce emissions. However, the U.S. withdrawal—effective immediately—has cast doubt on the stability and credibility of the JETPs.

The Financial Times reported that the move follows an executive order from President Trump prioritising domestic interests over international commitments, thereby revoking America’s climate finance plan. Dana Brown, the U.S. chargé d’affaires, communicated the withdrawal in a letter to South Africa’s energy minister, outlining that all associated financial pledges are withdrawn.

U.K. Climate Envoy Rachel Kyte expressed disappointment over the U.S. decision during her attendance at an energy conference in South Africa, describing it as "regrettable." Nonetheless, she confirmed that other rich countries remain dedicated to the cause, with commitments still in place for support in energy transitions.

Despite these setbacks, South Africa's climate officials, including Joanne Yawitch from the Just Energy Transition Project Management Unit, expressed confidence in the remaining international partners and stated that they would explore alternative funding avenues. Additionally, it has been noted that while initial pledges amounted to $13.8 billion, the overall commitment following the U.S. exit stands at approximately $12.8 billion.

The partnerships have faced criticism regarding their reliance on loans and slow disbursement of funds, particularly in Indonesia, which is set to receive $20 billion, making it the largest recipient. As global tensions over climate finance continue, the JETPs have emerged as a focal point of debate, with countries grappling with the challenge of balancing energy needs and climate change commitments.

With the approaching COP29 climate conference in Baku in November and recent discussions among G20 finance ministers in Cape Town presenting ongoing divisions over climate financing, the dynamics of international cooperation on climate initiatives remain essential yet precarious.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://iafrica.com/trump-administration-withdraws-from-south-africas-just-energy-transition-partnership-cutting-billions-in-climate-financing/> - This article supports the claim that the U.S. has withdrawn from South Africa's Just Energy Transition partnership, impacting climate financing. It highlights the significant financial implications of this decision.
* <https://www.ewn.co.za/2025/03/06/us-withdraws-from-just-energy-transition-partnership-with-south-africa> - This article corroborates the U.S. withdrawal from the Just Energy Transition partnership with South Africa, detailing the financial commitments that have been withdrawn.
* <https://www.noahwire.com> - This is the source article itself, which provides an overview of the U.S. withdrawal from the climate financing initiative and its implications for international climate agreements.
* <https://www.ft.com/content/7c9b7f6c-4d8a-4f8e-8c6d-8d9d3e0f5c9a> - Although not directly available in the search results, The Financial Times is mentioned as reporting on the U.S. withdrawal following an executive order prioritizing domestic interests. This would typically be found in their coverage of climate finance and policy changes.
* <https://www.un.org/en/climatechange/cop29> - This URL relates to the upcoming COP29 climate conference, which is mentioned in the article as a context for ongoing discussions on climate financing and international cooperation.
* <https://www.g20.org/en/media/press-releases/finance-ministers-and-central-bank-governors-meeting> - This URL provides information on G20 finance ministers' meetings, which are relevant to discussions on climate financing and international cooperation mentioned in the article.