Turning Pledges Into Action:

How Glasgow Statement signatories can meet their commitment to shift international public finance out of fossil fuels and into clean energy by the end of 2022

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June 2022

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Executive Summary

At the global United Nations climate conference in Glasgow in November 2021, 34 countries and five public finance institutions signed a joint commitment to end international public finance (IPF) for fossil fuels and instead prioritize public finance for clean energy by the end of 2022.[1] This is the first international political commitment that addresses not only public finance for coal but also for oil and gas. With some of the largest providers of energy finance joining the commitment—including Canada, the United States, Italy, and Germany—the initiative sets a potentially transformative precedent. With the 2022 deadline fast approaching, it is critical that signatories take urgent action to meet their commitments.

The war in Ukraine and the compounding debt, climate, and energy price crises mean that now more than ever, public finance needs to be prioritized for the energy efficiency and clean energy solutions that can accelerate the transition toward a more secure, sustainable, and peaceful future away from fossil fuel dependence.

This report identifies key opportunities and challenges for signatories to meet their commitments on time and in line with the agreed 1.5°C warming limit:

- The Glasgow Statement could directly shift **USD 28 billion** in IPF for fossil fuels toward a clean and just energy transition each year.
- Most countries and institutions have yet to publicize Glasgow-aligned policies. Export credit agencies' pre-existing policies lag behind most and need to be significantly improved.
- The main implementation risks that signatories must avoid are introducing large exemptions for gas support and the lack of concrete strategies to increase transformative clean energy support.
- Good practices exist: robust policies excluding IPF for fossil fuels are in place in Denmark and the United Kingdom, as well as at Swedfund, the French Development Agency, the FMO, and the EIB.
- Case studies on Ethiopia and Sri Lanka show that the Glasgow Statement can play an important role in avoiding fossil fuel lock-in and accelerating a clean and just energy transition in low- and middle-income countries.

[1] In this joint statement, signatories committed to "end new direct public support for the international unabated fossil fuel energy sector by the end of 2022," and instead "prioritise our support fully towards the clean energy transition." See the full text in Box 1. Signatories include Agence Française de Développement, Albania, Banco de Desenvolvimento de Minas Gerais, Belgium, Burkina Faso, Canada, Costa Rica, Denmark, The East African Development Bank, El Salvador, Ethiopia, the European Investment Bank, Fiji, Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO), Finland, France, Gabon, The Gambia, Germany, Republic of Ireland, The Holy See (Vatican City State), Iceland, Italy, Jordan, Mali, Marshall Islands, Moldova, The Netherlands, New Zealand, Portugal, Slovenia, Spain, South Sudan, Sri Lanka, Sweden, Switzerland, the United Kingdom, the United States, Zambia. The Holy See is not included in the high-income country analysis for this report. At the G7 Environment, Climate and Energy Ministers meeting in May 2022, a similar commitment was adopted. This means that in addition to the other G7 members, Japan has now also committed to ending direct public finance to unabated fossil fuels by the end of 2022. This report does not include a policy analysis for Japan.

Trends in Signatories' IPF for Energy

The successful implementation of the Glasgow Statement would dramatically shift energy finance. If signatories' development finance institutions (DFIs), export credit agencies (ECAs), and government departments fully redirect their USD 28 billion a year in public finance for oil and gas, they would more than double their clean energy finance, from USD 18 billion a year to USD 46 billion. The Glasgow Statement also has the potential to shift even larger sums of private and public finance by leveraging investments from other institutions and establishing a norm of fossil-free finance. This strategy has already shown some promise, with the G7 climate, energy, and environment ministers adopting a near-identical commitment in their May 2022 communiqué. This brings Japan, the only G7 member that had not yet signed the Glasgow Statement, on board and increases the potential finance shift to **USD 39 billion** a year.

Of the Glasgow Statement's signatories, Canada (USD 11 billion a year), the United States (USD 3.1 billion), Italy (USD 2.8 billion), Germany (USD 2.8 billion), and Spain (USD 2.4 billion) provided the most public finance to oil and gas between 2018 and 2020. ECAs are the source of over 80% of the support for fossil fuels between 2018 and 2020 and, as such, need to undergo a significant transformation.

Despite assertions that IPF for fossil fuels is supporting development, the largest recipients of Glasgow Statement signatories' finance were not low-income countries but rather upper- and upper-middle-income countries for both fossil fuel and clean energy.

Most signatories have yet to publish updated or new fossil fuel exclusion policies—when they do, loopholes for gas need to be avoided.

One third of the public finance institutions (PFIs) in high-income country signatories do not have a published fossil fuel exclusion policy. Most other PFIs have yet to update their pre-existing policies to turn their pledges into action. Apart from the ECAs in Denmark and the United Kingdom, none of the ECAs have published updated policies yet that are compatible with the statement. While most governments and institutions have ruled out most financing for coal projects, stringent gas finance restrictions are generally absent from pre-existing policies.

Table ES1. Summary assessment of publicly available policies in 18 high-income signatories of the Glasgow Statement and the EIB, as of May 2022

Country/Institution	DFI	ECA
Belgium	⊖	✖
Canada	⊖	✖
Denmark	✔ Whole of government (DFI, ECA, and others)	
EIB	✔	
Finland	⊖	✖
France	✔	⊖
Germany	✖	✖
Italy	⊖	✖
Netherlands	✔	✖
New Zealand		✖
Portugal	⊖	✖
Slovenia		✖
Spain	⊖	✖
Sweden	✔	⊖
Switzerland	⊖	✖
United Kingdom	✔ Whole of government (DFI, ECA, and others)	
United States[2]	⊖ Whole of government (DFI, ECA, and others)	

✔ All the assessment criteria (coal, oil, and gas restrictions, coverage [direct/indirect support] and timeline) are ranked as Glasgow-compatible or beyond Glasgow.

⊖ At least one assessment criterion is ranked as "below Glasgow." One criterion maximum is ranked as "off-track."

✖ At least two assessment criteria are ranked as "off-track."

Note: Iceland and Ireland are not included in this table as no PFI with an international mandate could be identified for these countries.

Source: Authors' own analysis based on policy documents.

[2] The United States developed an interim guidance that applies to bilateral finance (including the U.S. International Development Finance Corporation [DFC] and the Export-Import Bank of the United States [US EXIM], as well as a separate policy on its voice and vote at multilateral banks [MDBs]). We do take a leaked memo about this in-effect guidance into account in this report, noting that our assessment is limited by a lack of access to the full policy and its full details. It is important to note that currently published fossil fuel exclusion policies for DFC and US EXIM are well below the ambition of the Glasgow Statement.

There are strong fossil fuel exclusion practices to build on.

A handful of DFIs and governments have already adopted policies that are either compatible or go beyond the requirements of the Glasgow Statement and can serve as examples of good practices for other PFIs and governments. These include the Agence Française de Développement, Swedfund, the FMO, the EIB, and whole-of-government approaches from Denmark and the United Kingdom. They enforce a nearly complete or full ban of new support for fossil fuel projects, including for gas-fired power plants.

Signatories need to strengthen strategies to scale their clean energy support.

Efforts to end international public financial support for fossil fuels need to be matched by efforts to greatly increase support for clean energy to enable a globally just energy transition. Most high-income signatories lack publicly available, concrete targets and strategies to scale up clean energy. Strategies to grow support for energy access and locally just transitions away from fossil fuels based on community engagement can unlock the transformative role of public finance.

Following through on commitments could play a key role in unlocking community-led just energy transitions.

Case studies of two signatory countries, Ethiopia and Sri Lanka, suggest that the Glasgow Statement can play an important role in accelerating a clean and just energy transition for low- and middle-income countries. In Ethiopia, support for transmission and distribution; small-scale, off-grid renewables; and household-level energy access projects can help meet immediate access needs, achieve the renewable energy goals, and avoid locking in high-emitting and hazardous oil exploration and production plans. In Sri Lanka, which has been marked by economic and political instability linked to the energy price crisis, a dash for gas can still be avoided by building up domestic institutional frameworks for the deployment of renewable energy and increasing support for a just transition from coal to clean energy.

Recommendations

In order to meet their Glasgow Statement commitments with integrity, high-income signatories that provide international energy finance should aim to develop and publish updated policies for ending IPF for fossil fuels and advancing a clean and just transition by the 27th Conference of the Parties (COP 27) to the United Nations Framework Convention on Climate Change. These should:

1. **Implement robust fossil fuel exclusion policies.** Policies should end new international public support for the exploration, production, transportation, storage, refinement, and energy end uses of coal, oil, and gas, including liquefied natural gas (LNG) and power infrastructure.
2. **Use strict definitions of "limited and clearly defined exceptions" and "unabated" that do not allow for fossil fuel lock-in, including for gas.** The 1.5°C target and the widespread affordability of clean alternatives mean that long-lived gas infrastructure, including for LNG and gas-fired power, should be excluded from new financing. Carbon capture and storage (CCS) has significant technological

limitations, environmental health risks, and high costs, which mean it is not a necessary or highly effective tool for reaching 1.5°C aligned pathways. Any exceptions for "abated" fossil fuels should at minimum be defined as gas-fired power fully equipped with CCS, rather than CCS-ready, and should not allow for financing in any upstream or midstream infrastructure. A robust alternatives assessment should also be required before project approval. Given the high costs of CCS technology, this exemption is unlikely to lead to significant investments.

3. **Apply fossil fuel exclusions to indirect support.** Indirect support includes investments through financial intermediaries, policy-based lending at MDBs, technical assistance, and diplomatic support.
4. **Develop concrete plans for shifting public finance from fossil fuels to clean energy** and further increase clean energy support for a just energy transition in line with signatories' fair share of climate action. Signatories should prioritize support for energy access and community-led just transitions from fossil fuels and increase their use of grant-based or highly concessional instruments that avoid increasing the debt burdens of recipients.
5. **Strengthen and develop collaborations with low- and middle-income signatories** to ensure implementation efforts respond to the transition needs of the Global South country signatories. These partnerships should build on existing collaborations and uphold the Glasgow Statement's "do no harm" principle through community-led development practices.

Other influential and large financiers of fossil fuels—including most MDBs, Korea, and China—have not yet signed the Glasgow Statement. Signatories should use the statement as an opportunity to shift the wider IPF landscape and work together to:

1. **Secure new signatories to join the statement by COP 27** and, thereafter, establish fossil-free public finance and greatly increase support for a clean and just energy transition as an emerging global norm.
2. **Use their voice and vote, as MDB shareholders, against new financing for fossil fuel projects** and use their collective influence to ensure that MDBs adopt policies to end direct and indirect support for fossil fuels in line with the commitments of the Glasgow Statement.
3. **Secure oil and gas export finance restrictions at the Organisation for Economic Co-operation and Development (OECD)**, the main regulatory body for ECA finance. Fifty percent of OECD members have signed onto the Glasgow Statement. They have an opportunity to create a joint proposal for cementing their commitments at the OECD, which would bring other OECD members on board.
4. **Ensure that regional coalitions or associations align with the Glasgow Statement,** including the Export Finance for Future coalition for ECAs or the Association of European Development Finance Institutions for DFIs.

Finally, the success of the Glasgow Statement will also hinge on all signatory countries showing climate leadership domestically. Many signatories continue to provide significant domestic public finance and subsidies for fossil fuels and approve sizable fossil fuel expansion

plans—including Canada, Germany, the United States, and the United Kingdom. These activities risk undermining the transformative potential of the statement. Signatories should show integrity by committing to end domestic fossil fuel finance and subsidies, banning new licences for oil and gas production, and phasing out fossil fuel extraction on a globally just and 1.5°C-aligned timeline, including by joining the Beyond Oil and Gas Alliance that was launched alongside the Glasgow Statement in November 2021.

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Abbreviations and Acronyms

ADB	Asian Development Bank
AFD	Agence Française de Développement
the Arrangement	OECD Arrangement on Officially Supported Export Credits
BII	British International Investment
CCS	carbon capture and storage
COP	Conference of the Parties
DFC	U.S. International Development Finance Corporation
DFI	development finance institution
E3F	Export Finance for Future
ECA	export credit agency
EDC	Export Development Canada
EDFI	European Development Finance Institution
EIB	European Investment Bank
FMO	Financierings-Maatschappij voor Ontwikkelingslanden
GoSL	Government of Sri Lanka
IEA	International Energy Agency
IISD	International Institute for Sustainable Development
IPCC	Intergovernmental Panel on Climate Change
IPF	international public finance
LNG	liquefied natural gas
LPG	liquefied petroleum gas
MDB	multilateral development banks
NDC	nationally determined contribution
OCI	Oil Change International
OECD	Organisation for Economic Co-operation and Development
PFI	public finance institution
SID	Slovenska izvozna in razvojna banka, dd
SOFID	Sociedade para o Financiamento do Desenvolvimento
T&D	transmission and distribution
UNEP	United Nations Environment Programme
U.S. EXIM	Export-Import Bank of the United States

1.0
Introduction

1.1 The Glasgow Statement's Potential to Tip the Public Finance Balance From Fossil Fuels to Clean Energy

At the 26th Conference of the Parties (COP 26) to the United Nations Framework Convention on Climate Change in November 2021, 34 countries and five public finance institutions[3] signed a joint commitment (referred to hereafter as the "Glasgow Statement" and summarized in Box 1) to end international public finance (IPF) for fossil fuels by the end of 2022 and instead prioritize public finance for clean energy (UN Climate Change Conference UK 2021, 2021). Before COP 26, a series of commitments were made to end IPF for coal, including by the G7 and the G20 governments, by the end of 2021 (G7, 2021; G20, 2021). The Glasgow Statement followed these announcements and is the first international political commitment that also addresses public finance for oil and gas in addition to coal. With some of the largest historical providers of fossil fuel finance joining this commitment, including Canada, Germany, Italy, and the United States, it sets an important precedent.

The initiative could provide a breakthrough in the collective effort to align financial flows with the objectives of the Paris Agreement, as climate models are clear that a halt to the expansion of fossil fuel production and a rapid and deep reduction in the use of fossil fuels is needed to limit average global warming to 1.5°C (International Energy Agency [IEA], 2021; Intergovernmental Panel on Climate Change [IPCC], 2022b). A first example of it having this precedent-setting impact is the inclusion of a near-identical commitment in the G7 climate, energy, and environment ministers' communiqué adopted in May 2022 (G7, 2022). This means that Japan, the world's second-largest provider of public finance for fossil fuels, has joined the other G7 members in committing to shifting its finance. It reaffirms the COP 26 commitment for the other G7 members.[4]

If the right goals and policies are set, public finance can play a critical role in closing the mitigation finance gap, as well as enabling emission reductions and a just transition (IPCC, 2022b, ch. 15). It signals government priorities to the wider market helping to shift investments, can help reduce inequities in access to finance, and often reduces risks for private investors by leveraging large sums of private money (Venugopal et al., 2021). Prioritizing public finance for energy efficiency and renewable solutions, including for energy access, is critical to accelerating the transition to a more secure, sustainable, stable future and to reducing dependence on volatile and conflict-fuelling fossil fuels.

[3] This includes 19 high-income countries (Belgium, Canada, Denmark, Finland, France, Germany, Republic of Ireland, The Holy See [Vatican City State], Iceland, Italy, The Netherlands, New Zealand, Portugal, Slovenia, Spain, Sweden, Switzerland, United Kingdom, United States), 15 low- and middle-income countries (Albania, Burkina Faso, Costa Rica, El Salvador, Ethiopia, Fiji, Gabon, The Gambia, Jordan, Mali, Marshall Islands, Moldova, South Sudan, Sri Lanka, Zambia), and five public finance institutions (Agence Française de Développement [AFD], Banco de Desenvolvimento de Minas Gerais, the East African Development Bank, the European Investment Bank [EIB], and Financierings-Maatschappij voor Ontwikkelingslanden N.V. [FMO]).

[4] This report only focuses on the initial signatories of the Glasgow Statement. Japan is not included in the data and policy analysis.

Box 1. Key Glasgow Statement commitments

By signing onto the statement, governments and public finance institutions have committed to:

1. "**Prioritise support fully towards the clean energy transition**, using resources to enhance what can be delivered by the private sector. This support should strive to 'do no significant harm' to the goals of the Paris Agreement, local communities, and local environments."
2. "**End new direct public support for the international unabated fossil fuel energy sector by the end of 2022**, except in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit and the goals of the Paris Agreement."
3. "**Encourage further governments, their official export credit agencies and public finance institutions to implement similar commitments** into COP27 and beyond. This includes driving multilateral negotiations in international bodies, in particular in the [Organisation for Economic Co-operation and Development], to review, update and strengthen their governance frameworks to align with the Paris Agreement goals. For government signatories, this will also guide our approach on the boards of multilateral development banks."

Source: UN Climate Change Conference UK 2021, 2021.

Yet, since the adoption of the Paris Agreement (United Nations Framework Convention on Climate Change, 2015), which includes a commitment to make finance flows consistent with the low-carbon transition (Article 2.1.c), global financial flows have remained severely misaligned with the Paris goals, with continued large-scale public finance for fossil fuels providing one glaring example (IPCC, 2022b, ch. 15, pp. 26–28). Oil Change International (OCI) data shows that, between 2018 and 2020, the G20 public finance institutions [PFIs] (development finance institutions [DFIs], export credit agencies [ECAs], and multilateral development banks [MDBs]) provided at least USD 63 billion per year (USD 188 billion in total) for oil, gas, and coal projects (Tucker et al., 2021). This preferential, government-backed fossil fuel financing was 2.5 times more than their support for clean energy, which averaged USD 26 billion per year. Fifty-one percent (USD 32 billion a year) went to gas alone, more than all renewable energy finance combined. Instead of growing dramatically as needed, public finance for clean energy has stagnated since at least 2014.

The signatories of the Glasgow Statement have committed to reversing these trends by redirecting their own international public support and shifting the international political landscape on this topic. Unlocking the full potential of the Glasgow Statement requires that signatories implement their commitments with urgency and integrity—in line with the agreed 1.5°C warming limit—and encourage other governments and MDBs to follow suit. This is particularly important, as some of the largest providers of public finance for fossil fuels have not yet joined the commitment (Box 2).

By committing to the statement, the 15 low- and middle-income country signatories have indicated their interest in attracting clean energy finance and their preference for a clean development pathway instead of growing their dependence on fossil fuels. These signatories and other low- and middle-income countries should receive the clean energy finance they need to avoid locking in fossil fuel dependence and instead accelerate their transition toward net-zero and resilient economies with 100% clean energy access. This is all the more important as the oil- and gas-importing low-and middle-income countries are particularly hit by the current energy price crisis (Azour et al., 2022). A full alignment of public energy support with the 1.5°C temperature limit will also require signatories and non-signatories to go beyond the commitments made in the Glasgow Statement, such as redirecting indirect international public support and domestic public finance in line with climate goals. We discuss this further in Section 2.2.1 (Fuchs et al., 2021).

Box 2. Non-signatories stand out as laggards

The Glasgow Statement will only reach its full transformative potential if it is able to cement fossil-free public finance as a norm. Growing the list of signatories is of critical importance. Korea and China have committed to ending IPF for coal-fired power by the end of 2021 but have not yet adopted similar commitments to end oil and gas finance and are missing from the list of Glasgow Statement signatories. If signatories meet their commitments, they will be the largest remaining providers of public finance for fossil fuels in the G20. Together they accounted for 29% of the MDB and G20 fossil fuel finance between 2018 and 2020. Australia and Saudi Arabia are two further concerning absences. While they are not known to be large sources of IPF for fossil fuels like the other non-signatories in the G20, they are both frequent obstacles to climate ambition in multilateral public finance spaces like MDBs and the Organisation for Economic Co-operation and Development (OECD) (Pardikar, 2022).

MDBs have implemented some fossil fuel exclusion policies and shown a decrease in overall fossil fuel finance (Tucker et al., 2021), but their absence from this statement, aside from the EIB, is a missed opportunity. MDBs provide more concessional finance than most institutions, meaning their remaining finance for fossil fuels acts as a more significant subsidy to the industry on a per-dollar basis. Many MDBs also have influential "policy-based finance" that includes finance and advice to support the general budget, policy reforms, or institutional changes in a specific sector, sometimes conditioning the disbursement of funding on the implementation of certain policy programs or institutional actions. This small amount of finance has a large impact and is still often used to grow fossil fuel use by creating new subsidies or locking in gas expansion plans (Tucker et al., 2021). Shareholders should emphasize the unique role MDBs can play in supporting countries in developing strategies for successful, just transitions and long-term deep decarbonization, especially since the statement notes that "for government signatories, this will also guide our approach on the boards of multilateral development banks" (UN Climate Change Conference UK 2021, 2021).

1.2 Aims and Structure of the Report

The Glasgow Statement's signatories pledged to end direct IPF for fossil fuels by the end of 2022 and prioritize their public finance fully for clean energy. COP 27 will be a turning point for assessing delivery on these commitments. To better understand the transformative potential of this initiative and what is needed for countries to implement their commitments, this report offers a first comprehensive analysis of past energy finance provided by the high-income signatories of the statement, of their pre-existing energy finance policies,[5] and the extent to which those need to be adjusted to fulfill the Glasgow Statement commitments. Some signatory countries are currently in the process of updating their policies in line with their Glasgow Statement commitments, but the outcome of these processes is not yet known. This report therefore looks at their pre-existing energy policies[6] and provides recommendations on how they can be updated to ensure strong implementation. This helps gauge the scale of the opportunities and challenges to fulfill the Glasgow commitments. We also aim to provide initial insights on the ways in which the statement can serve the transition for low- and middle-income signatories.

The report first discusses the conditions for implementing the Glasgow Statement with integrity and analyzes the most recently available energy finance data for the 18 high-income country signatories (Section 2). It then assesses the pre-existing energy finance policies of the same high-income signatories and discusses how these need to be strengthened to fulfill the Glasgow Statement commitments (Section 3) and illustrates how two low- and middle-income country signatories—Ethiopia and Sri Lanka—could benefit from a shift in public finance flows (Section 4). Finally, we provide recommendations on steps Glasgow Statement signatories can take to unlock the transformative potential of the Glasgow Statement, including through internationalizing the initiative (Section 5).

1.3 Methodology

This report assesses recent energy finance data provided by major IPF institutions (DFIs and ECAs) and directly through government departments and agencies (most frequently, departments focused on international development or foreign affairs) in 18 high-income country signatories of the Glasgow Statement. It assesses their publicly available fossil fuel exclusion and clean energy policies.[7] It also considers the finance and policies of the EIB as an institutional signatory, as well as country signatories' policies determining their actions at the other MDBs.

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[5] Energy finance policies refer to fossil fuel exclusion policies and clean energy strategies, either adopted at the institutional level by the DFIs and the ECAs controlled by signatories or at the government level, therefore covering all forms of international public support to the energy sector (bilateral and multilateral support, diplomatic support, etc.).

[6] Only one policy has been announced since the launch of the Glasgow Statement—in Denmark.

[7] High-income country signatories of the statement include Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, the Netherlands, Portugal, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, and the United States. All countries are also members of the OECD Development Assistance Committee. The Holy See is not included in our analysis due to a lack of relevant data. The EIB is included in the energy finance data and policy analysis.

Many signatory governments have additional institutions that also provide public finance for energy projects—for example, sovereign wealth funds, majority state-owned banks, and public pension funds. The Glasgow Statement covers all IPF for energy. However, we do not include these categories of institutions in our analysis because the financial flows and policies of these institutions are typically less transparent and their structure is much less uniform across signatory countries. The scale of "international" energy finance flows from public pension funds, majority state-owned banks, and sovereign wealth funds is not well known, but Marois (2021), among others, notes that their overall public finance flows are large and influential.

We assess the public finance flows for high-income signatories from 2018 to 2020 and present some longer-term trends with a smaller group of institutions for which data is available for 2012 to 2018.

For G20 countries, energy finance data is based on the Public Finance for Energy Database (energyfinance.org) maintained by OCI, which tracks energy finance from PFIs at the project and transaction levels. For the non-G20 countries, data were collected using the same methodology. Due to a lack of transparency, in most cases, the amounts presented in this report are conservative estimates of the international public support provided and received by the Glasgow Statement signatories. A detailed description of the Public Finance for Energy Database methodology is available in Appendix A.

Table 1. Policy elements and criteria assessed as part of the evaluation framework

	List of assessment criteria	
Policy elements	**Fossil fuel policy**	**Clean energy strategy**
Scope	Coal exclusion	Climate finance and clean energy finance target
	Oil and gas exclusion (Upstream/ midstream/downstream)	
	Coverage (direct and indirect support, e.g., via financial intermediaries or "policy-based" lending in MDBs)	Sectoral priorities (e.g., energy efficiency, energy access, just transition)
Timeline	End date for fossil fuel support	n/a
Implementation tools	Development of dedicated policy tools for enforcing exclusions (e.g., exclusion list/emissions benchmarks/capping or reduction targets at the portfolio level)	Indications on the type of funding, instruments, and safeguards for enforcing the strategy. (e.g., the scale of projects, prioritization of concessional and grant-based instruments, geographical prioritization, and principles [gender-sensitivity, human rights safeguards])
	Definition and/or methodology for assessing "exemptions" (e.g., decision trees, screening criteria)	

Source: Authors' own analysis. Note: the "scope" and "timeline" elements are ranked according to a four-tier scale (off-track, below Glasgow, Glasgow-compatible, beyond Glasgow. We include a "beyond Glasgow" label as some signatories have policies that already go beyond the commitments adopted at COP 26). The implementation tools are described when available in policy documents.

The fossil fuel exclusion and clean energy policy analysis is based on policy documents made publicly available by governments or public finance institutions. The absence of information does not necessarily mean an absence of policy, but it denotes at least a lack of transparency and accountability, which acts as a barrier to the monitoring of the implementation of the statement. The assessment is based on a set of criteria developed by the authors (Table 1) to reflect how the Glasgow Statement can be implemented effectively and with integrity; this is elaborated in Section 2.1. A full description of the assessment framework is available in Appendix B. The systematic assessment of clean energy policies is restricted to DFIs, as there are limited publicly available policies for ECAs. Moreover, the potential for export credits to foster a just transition is subject to debate, given ECAs' primary mandate to increase the competitiveness of national companies in foreign markets rather than to contribute to local development (Shishlov, Weber et al., 2020a; Shishlov, Censkowsky et al., 2021).

The two case studies on Ethiopia and Sri Lanka are based on desk research and interviews with country experts. They illustrate the cases of two low- and middle-income signatories at a crossroads between accelerating the clean energy transition or increasing dependence on oil and gas.

2.0
How IPF Shapes Energy Systems

This section unpacks the criteria for implementing the Glasgow Statement effectively and with integrity in a way that is consistent with the 1.5°C warming limit. It then analyzes the trends in past energy finance provided by the high-income signatories in a way that underscores the potentially transformative impact of implementing the statement in a timely and ambitious manner.

2.1 The Glasgow Statement as a Key Tool to Unlock a Clean and Just Energy Transition

2.1.1 The Climate, Development, and Energy Security Case for Ending International Public Support for Fossil Fuels

The Glasgow Statement commitments are underpinned by a strong scientific, development, and energy security case. Fossil fuel production and use must rapidly decline in order to maintain a chance of limiting global warming to 1.5°C (IPCC, 2022b; Stockholm Environmental Institute et al., 2021).[8] In its Net Zero Emissions by 2050 Scenario, which maintains a 50% chance of limiting global warming to 1.5°C, the IEA concludes that there is no room for investments in new coal, oil, or gas supply or liquefied natural gas (LNG) infrastructure without stranded extraction assets (IEA, 2021). Moreover, the IPCC's latest climate mitigation report shows that *existing* fossil fuel infrastructure, if operated as planned, would already push the world far beyond 1.5°C (IPCC, 2022b). This means that some of the oil and gas fields and coal mines, as well as fossil fuel-burning power plants, that are already built and in production will need to be decommissioned and retired early to keep the Paris goals in reach (Tong et al., 2019; Bois von Kursk & Muttitt, 2022). This includes 40% of already-developed fossil fuel reserves that need to stay in the ground for 1.5°C (Trout et al., 2022). This means that there is no room for any international public support for the expansion of coal, oil, and gas production.

In the early 1990s, some companies proposed that fossil gas should be used as a "transition fuel." But today, carbon budgets are so depleted that this idea is no longer viable. Research by the IPCC, the United Nations Environment Programme (UNEP), and the IEA, among many others, show that gas production and use also need to reduce rapidly in order to maintain a chance of limiting global warming to 1.5°C. According to the Climate & Clean Air Coalition and the UNEP (2021), "without relying on future massive-scale deployment of unproven carbon removal technologies, expansion of natural gas infrastructure and usage is incompatible with keeping warming to 1.5°C." Nor is gas needed for development, as renewable-based alternatives for most of its uses are available and are either already cheaper or are expected to be within a few years, especially for gas-fired power generation (Marquardt & Kachi, 2021; Muttitt et al., 2021). The required early closure of gas facilities or the installation of CCS for compatibility with 1.5°C is often not factored into investment decisions and would likely make gas uneconomic. In 2020, the UN Sustainable Energy for All initiative

[8] The 2021 *The Production Gap* report shows that coal, oil, and gas production need to be reduced by 11%, 4%, and 3%, respectively, each year between 2020 and 2030 (Stockholm Environmental Institute et al., 2021). According to the IPCC's pathway, which takes a precautionary approach to negative emission technologies, global oil and gas use needs to be reduced by 46% and 37% by 2030 compared to 2020 levels (IPCC, 2022b).

recommended in their annual flagship report that "financing of fossil fuel projects as a means of closing the energy access gap should be terminated," noting that they are no longer the most effective means of providing electricity access (Sustainable Energy for All & Climate Policy Initiative, 2020).

The horrific war in Ukraine and energy security and price crises have strengthened the need to rapidly reduce the dependence on fossil fuels (Box 3).

Box 3. The war in Ukraine and the energy price crisis provide another impetus to reduce dependence on fossil fuels

The global fossil gas supply and price crises, exacerbated by the horrific war in Ukraine, provide further incentives to rapidly shift public finance away from fossil fuels. This market shock has hit gas-importing countries in the Global South the hardest. For instance, countries like Pakistan, Thailand, and Bangladesh are unable to compete with the European and Northeast Asian LNG markets. Instead, they are facing long-term prospects of high LNG prices, supply shortages, and limited fiscal power to cushion the shocks for their most vulnerable population groups (Carbon Tracker Initiative, 2022). In low- and middle-income countries, with many already vulnerable in the wake of COVID-19, these high energy prices are adding to already rising levels of debt and debt cost, with a risk of hindering development prospects and delaying the energy transition further (Fresnillo, 2020; Gaspar & Pazarbasioglu, 2022; Kose et al., 2021). Exacerbating countries' exposure and dependency on the highly volatile global fossil fuel price market would be incompatible with the needed net-zero carbon development and economically harmful (IEA, 2021).

While the war in Ukraine has led to calls for investments in new fossil fuel infrastructure, and particularly LNG infrastructure, to replace Russian oil and gas imports, the IEA has emphasized that their scenarios show that greater fossil fuel dependency will be more volatile and create greater economic and social vulnerability (IEA, 2021). Investments in energy efficiency and renewable energy, combined with a temporary increase in the use of existing and currently underused gas infrastructure, mean there is no need for new fossil fuel infrastructure to ensure the security of supply in the European Union and elsewhere (EMBER et al., 2022; Institute for Energy Economics and Financial Analysis, 2022a, 2022b). This also helps to reduce financial support for the undemocratic regimes that rule many of the largest oil- and gas-producing countries.

2.1.2 The Energy Efficiency and Clean Energy Investment Opportunity

Instead of locking in fossil fuel dependence, Glasgow signatories can use their IPF to catalyze a globally just energy transition—both through leveraging other private and public investments toward clean energy and by starting to establish a new norm for energy investment policies (Delina, 2019). According to the IPCC (2022b), renewable alternatives like solar, wind, and battery storage, combined with energy-efficiency measures, can rapidly replace fossil fuels this decade. They also provide cheaper sources of electricity and, when implemented with strong

human rights due diligence and inclusive planning, have many development benefits (Tucker et al., 2021). They generate more jobs and less air pollution, can be deployed faster than new fossil fuel infrastructure, have greater efficiency, and avoid technological lock-in (Buonocore et al., 2016; International Renewable Energy Agency, 2021b; IPCC, 2022b).

Yet investments in clean energy solutions are nowhere near the levels needed. To stay below 1.5°C, the IEA estimates public finance flows will need to more than triple by 2026 from 2021 to around USD 250 billion per year (IEA, 2021). The bulk of these investments is needed in middle- and low-income regions. Net public and private investment needs in the electricity sector alone are, on average, USD 2.3 trillion a year between 2023 and 2052 for pathways limiting the temperature increase to 1.5°C with no or limited overshoot (IPCC, 2022b). According to the IPCC (2022b), of all available mitigation options, solar and wind energy can provide the largest, most affordable potential reductions in greenhouse gas emissions by 2030.

Given delayed domestic climate action from high-income countries, scenarios for equitable and realistic energy transitions in line with 1.5°C increasingly rely on these countries providing high levels of climate finance (Calverley & Anderson, 2022). The Glasgow Statement can be a key tool to unlock cooperation and momentum toward this. The 2009 United Nations climate summit pledge for high-income countries to reach USD 100 billion a year in climate finance to middle- and low-income countries by 2020 is now overdue, and there is a strong consensus that a much higher target is urgently needed to reflect both countries' fair shares and a realistic pathway to limiting the worst impacts of the crisis. The African Group of Negotiators and 24 other "like-minded" developing nations have called on high-income nations to mobilize at least USD 1.3 trillion per year by 2030, and academic estimates of a fair and realistic target range from USD 400 billion a year to USD 2 trillion a year (African Group of Negotiators, 2021; Bowen et al., 2015; Pauw et al., 2016).

2.1.3 The Scope of the Glasgow Statement Commitments

The Glasgow Statement aims to be consistent with the goals of the Paris Agreement, including the 1.5°C warming limit. In this section, we discuss the scope of each commitment included in the statement (see Box 1).

The first commitment to "prioritise support fully towards the clean energy transition" involves doing so in a way that adequately responds to the energy investment and development needs in low- and middle-income countries. "Fully" prioritizing clean energy also implies fully redirecting support from fossil fuels toward clean energy and scaling up support as needed, in line with high-income countries' fair share of climate action and climate finance obligations under the Paris Agreement. Respecting the "do no significant harm" aim requires applying implementation principles for clean energy investments, such as social, environmental, and human rights safeguards, and a just transition lens (Humphreys, 2022).

The second commitment is to "end new direct public support for the international unabated fossil fuel energy sector." This covers, by definition, all direct support for extraction, production, transportation, storage, refining, and marketing of crude oil, natural gas, or coal, as well as energy end uses, including unabated fossil fuel-fired power generation (Figure 1). Given the current technological limitations, environmental health risks, and high costs

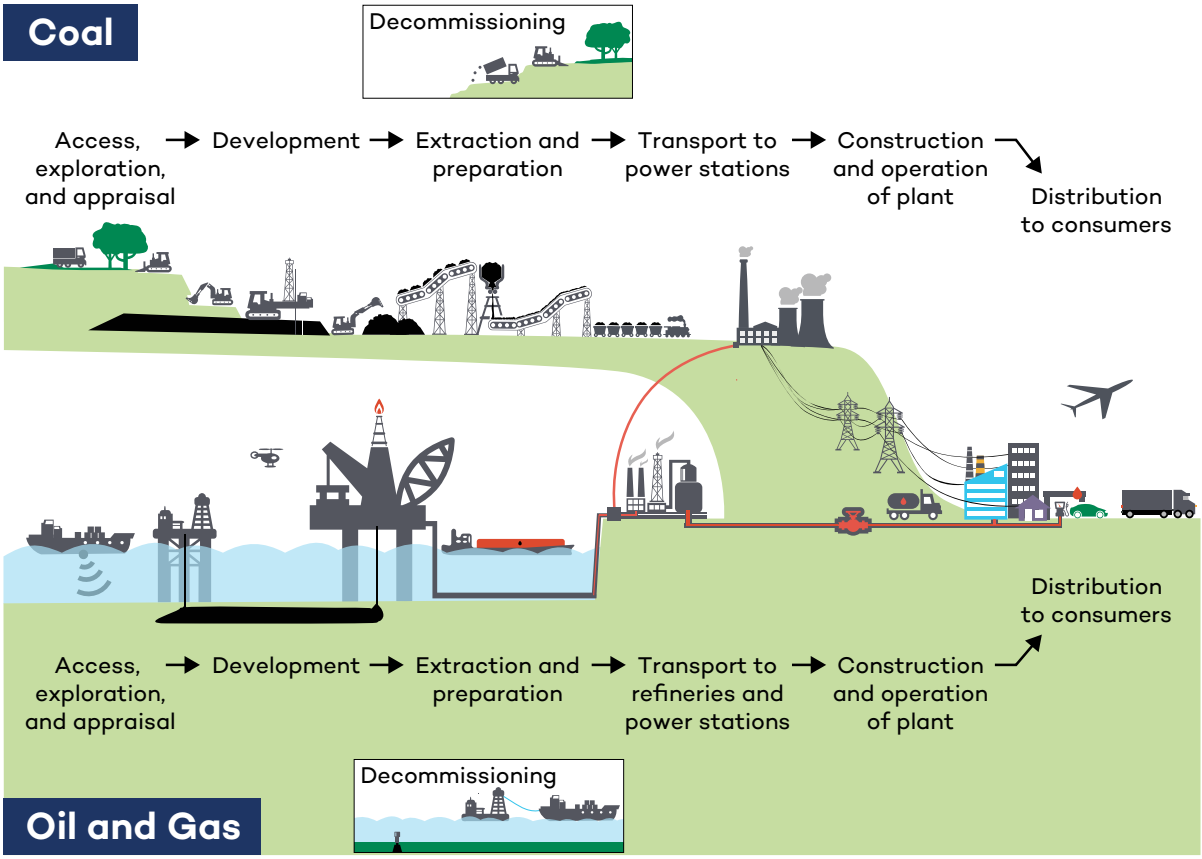
associated with equipping power plants with carbon capture and storage (CCS) (Center for International Environmental Law, 2021; Koelbl et al., 2014; Wang et al., 2021), a conservative definition of "abatement" should be limited to the power sector for fossil fuel-based power generation already equipped with proven CCS—and only if these technologies are not combined with enhanced oil recovery, enhanced gas recovery, or carbon "utilization" processes where it is not stored long term and where there is an identified route for captured carbon dioxide to final storage. Very little known IPF to date has flowed to fossil fuel projects with CCS (OCI, 2022). Countries should undertake robust alternative assessments, and if they do so, it is unlikely that substantial amounts will flow to "abated" power generation projects, given their prohibitive costs. The exemptions for "limited and clearly defined circumstances" should be consistent with the 1.5°C temperature limit (see Section 3).

The commitment does not cover "indirect" support. This is an issue of concern, as growing levels of support are provided through financial intermediaries, technical assistance, and the policy-based lending of some MDBs (Tucker et al., 2021; Roggenbuck & Sol, 2022). To fully align financial flows with climate objectives, it is therefore critical that signatories extend their commitments to indirect finance and extend the scope of the Glasgow Statement to cover such support (Roasa, 2016; Thilakasiri, 2012).

High-income signatories have a greater responsibility to implement these commitments, as they are the largest providers of IPF in addition to having the most significant historical responsibility for greenhouse gas emissions and available resources to act. However, low- and middle-income countries still have an important role to play in delivering on the Glasgow Statement's commitments. They should work to cement commitments in the policies of regional and multilateral development banks, hold high-income signatories to account for meeting the Glasgow commitments, encourage new signatories to join, and pursue IPF for clean energy rather than for fossil fuels.

Given that the Glasgow Statement commitments apply to IPF flows, domestic subsidies to fossil fuels (including support from domestic public finance institutions) are outside the scope of this report. This support should be phased out on a similar timeline to align with climate goals. As we note in the methodology, many signatories have public pension funds, sovereign wealth funds, or other majority-government-owned institutions that also provide public finance for energy. Given that these institutions typically provide domestic as well as international finance, rather than mapping the geographic split of these energy investments, a more productive and Paris-aligned approach would be for signatories to implement policies to end all of their fossil fuel investments. The same is true for the handful of signatory ECAs and DFIs that provide some domestic finance in addition to their international support—including Export Development Canada and Germany's DFI, KfW.

Figure 1. The different stages of the fossil fuel sector



Source: Bast et al., 2015.

2.2 International Energy Finance Trends From the Glasgow Statement Signatories

In the case of strong implementation, Glasgow Statement signatories will shift significant sums of public finance from fossil fuels to clean energy by 2023. From 2018 to 2020, the high-income signatories provided 1.5 times more support for fossil fuel projects than for renewable energy, with USD 28 billion for fossil fuels and just USD 18 billion for renewable energy.[9] With Japan joining peers in making a near-identical commitment at the G7 in May 2022, the potential finance shift further increases to USD 39 billion a year (OCI, 2022).

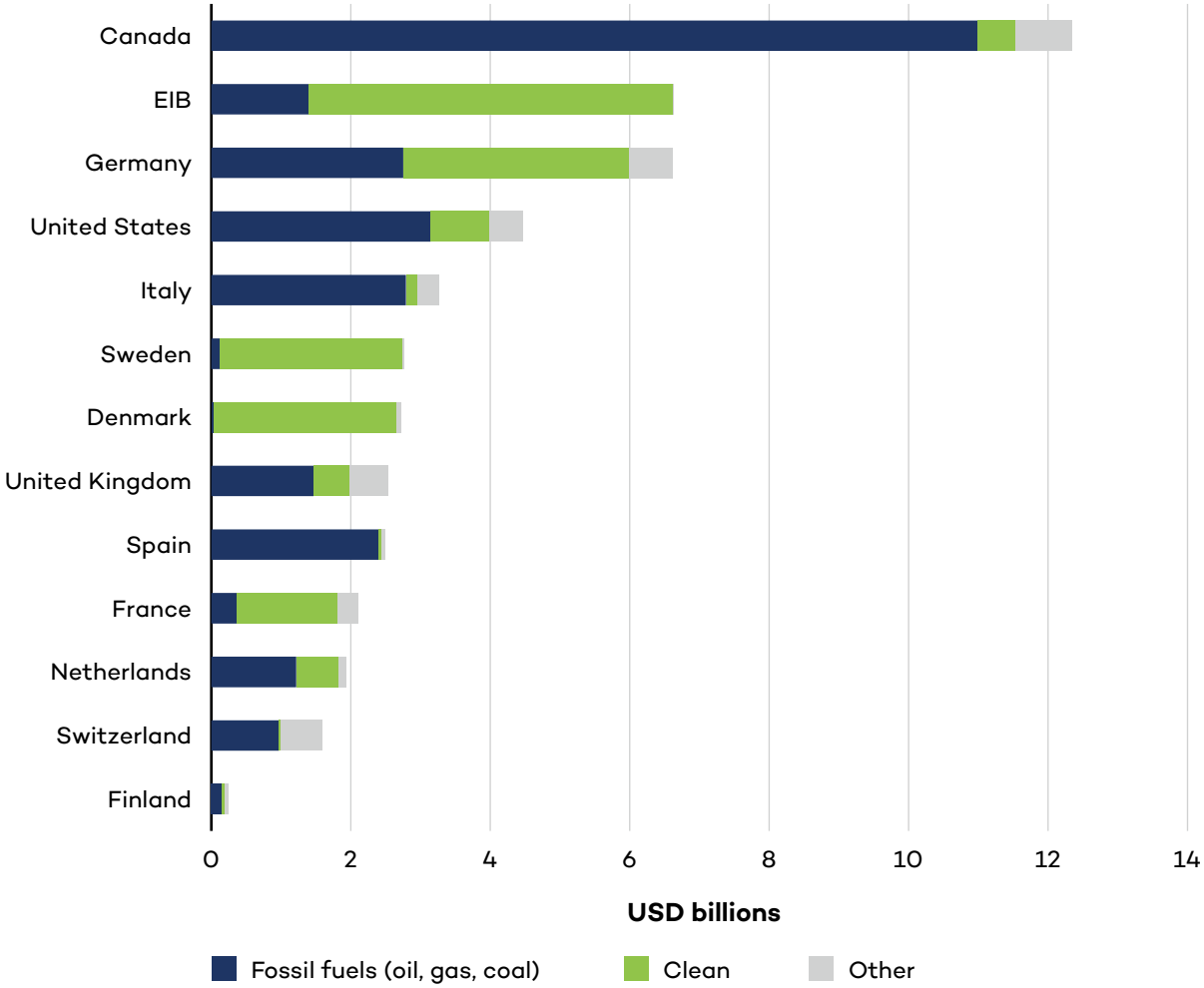
Fossil Fuel Support

Figure 2 shows that Canada (USD 11 billion a year), followed by the United States (USD 3.1 billion), Italy (USD 2.8 billion), Germany (USD 2.8 billion), and Spain (USD 2.4 billion) provided the most public finance to fossil fuels between 2018 and 2020. This was almost

[9] Full definitions of fossil fuel, clean, and "other" energy categories are available in Appendix A, but note that clean energy is defined as energy that is both low-carbon and has negligible impacts on the environment and human populations if implemented with appropriate safeguards. This includes solar, wind, tidal, geothermal, and small-scale hydro, as well as energy-efficiency projects where the energy sources involved are not primarily fossil fuels.

exclusively for oil and gas, as shown in Figure 3. Canada's outsized financing, 39% of the total, is all from its ECA, Export Development Canada (EDC) (OCI, 2022).[10]

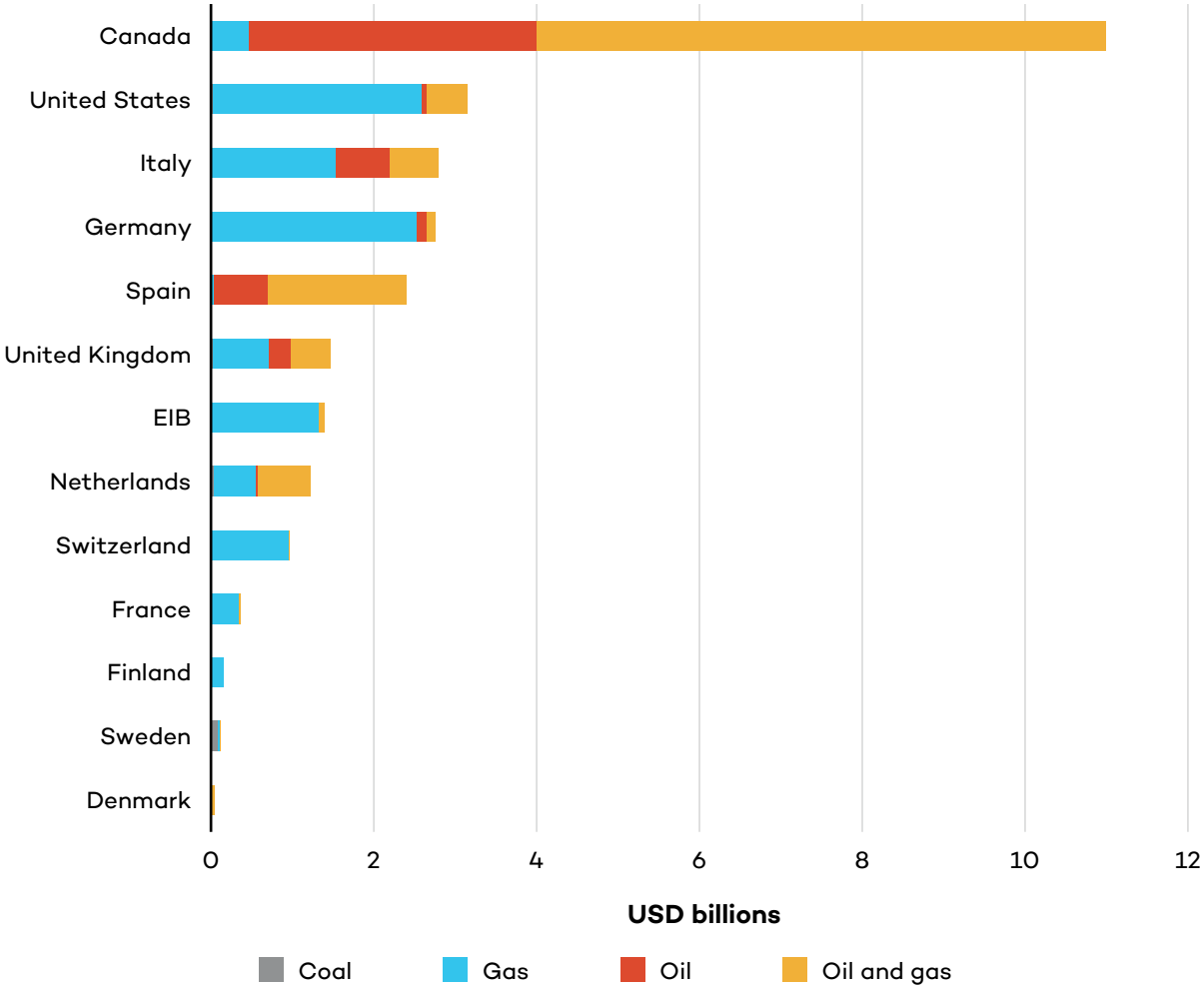
Figure 2. Glasgow signatories' IPF for fossil fuels, renewable, and other energy (annual average 2018–2020)



Note: This figure includes high-income signatory countries or institutions with more than USD 100 million a year in known energy finance. Coal finance is included here but is too small to be visible.
Source: OCI, 2022.

[10] It is important to note that EDC has an unusual mandate that allows it to provide domestic as well as international finance (Hamilton et al., 2020). While only international flows are strictly covered by the Glasgow Statement, it is not clear what portions of EDC oil and gas finance are "domestic" compared to "international," with an EDC spokesperson stating shortly after the Glasgow Statement release that making this determination is difficult (Friedman, 2021). We include all EDC finance here and recommend Canada end all EDC support for fossil fuels on the same 2022 timeline, given this support has the same harmful impacts regardless of where it flows. Canadian civil society organizations have made similar determinations (OCI et al., 2022).

Figure 3. Glasgow signatories' IPF for fossil fuels (annual average 2018–2020)



Note: This figure includes high-income signatory countries or institutions with more than USD 100 million a year in known energy finance. Coal finance is included here but is too small to be visible.
Source: OCI, 2022.

Gas was the largest single category of fossil fuel support, making up 22% of all energy finance. On top of this, a further 23% of finance included both oil and gas or it was not possible to disaggregate between the two, making it likely that the final figure for finance for gas is substantially higher. While a stage-level breakdown was not possible in this analysis, we note that a past analysis of G20 IPF to low- and middle-income countries for the period 2017–2019 found that most IPF for gas went to LNG export and power generation, at 36% and 27%, respectively (Muttitt, 2021).

Signatories provided USD 177 million a year for coal for the period 2018–2020 (less than 1% of all energy finance in the dataset), and Figure 4 shows that coal finance has been similarly small since 2014. This suggests that coal exclusions on trade and development finance, such as through the 2015 OECD coal-fired power sector understanding that restricts export finance for coal-fired power, have had a material impact. However, other research shows that indirect coal support through financial intermediaries remains a threat even where policies state that this finance is being screened (Geary & Temizyürek, 2020).

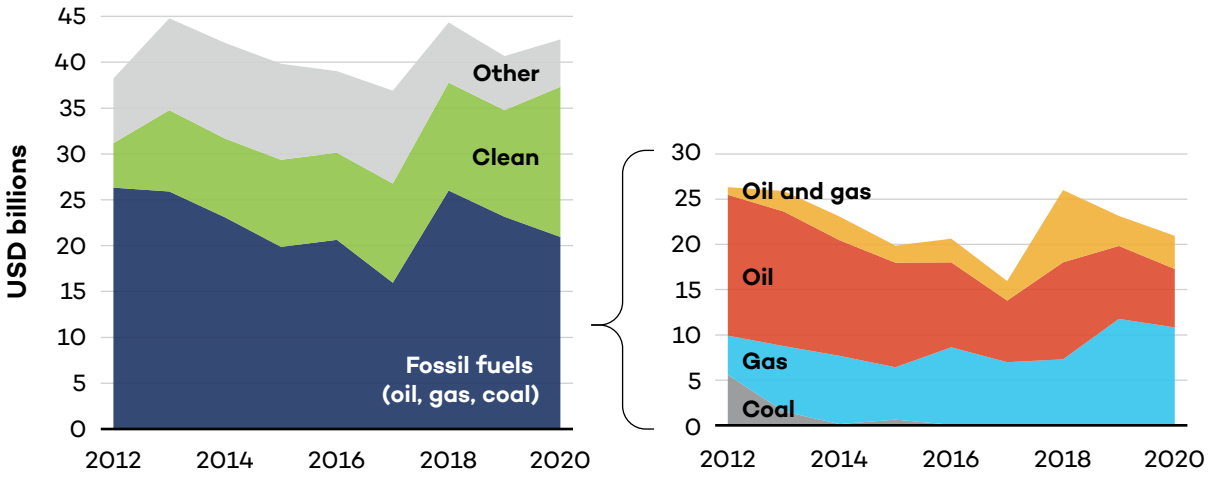
Clean Energy Support

Together, signatories financed USD 28 billion a year in clean energy. The EIB (USD 5.2 billion), followed by Germany (USD 3.2 billion), Sweden (USD 2.6 billion), Denmark (USD 2.6 billion), and France (USD 1.4 billion) provided the most support for clean energy. Many transactions were for multiple types of clean energy, but the largest standalone segments were 37% for wind, 20% for solar, and 14% for energy efficiency (not including energy efficiency for fossil fuels, which is classified as "Other"). Just seven signatories financed more clean energy than fossil fuels—Denmark, Sweden, EIB, France, Germany, New Zealand, Slovenia, and Belgium. Belgium, Finland, New Zealand, Portugal, Slovenia, Spain, and Switzerland all financed less than USD 100 million in clean energy a year on average. While clean energy support is not at the level needed, it is worth noting the clean proportion of all known international energy support from Glasgow signatories (36%) is higher than the overall G20 and MDB average (22%) in the same time period (Tucker & DeAngelis, 2021).

Data Limitations

Many ECAs had limited project-level reporting, with particularly limited reporting in Belgium and Portugal. For these two signatories, data reported here is limited to third-party reporting from media or the industry database IJGlobal. New Zealand's ECA had some project-level reporting, but they did not publish any record for energy-related projects during the 2018–2020 time period. DFIs had stronger project-level reporting with comprehensive project databases at most institutions, and at least some reporting at all but two institutions—Sociedade para o Financiamento do Desenvolvimento (SOFID) in Portugal and Compañía Española de Financiación del Desarrollo (COFIDES) in Spain.

Figure 4. Glasgow signatory public finance for fossil fuels, clean energy, and other energy



Note: Due to limited data availability, Figure 4 includes only Canada, EIB, France, Germany, Italy, the Netherlands, the United Kingdom, and the United States.

Source: OCI, 2022.

Trends Over Time

Despite dramatic growth in clean energy finance from other financial actors (BloombergNEF, 2022), flows from signatory institutions have been nearly stagnant, remaining at about USD 12 billion a year after 2014 for the signatories shown in Figure 2 until growing to USD 16 billion in 2020. Coal finance has fallen, reflecting the implementation agreements noted above. Gas makes up a growing share of fossil fuel investments, and this is possibly more dramatic than reflected in Figure 4 given Canada makes up 38% of signatories' fossil fuel finance, and their reporting is mostly in aggregate as "mixed oil and gas."

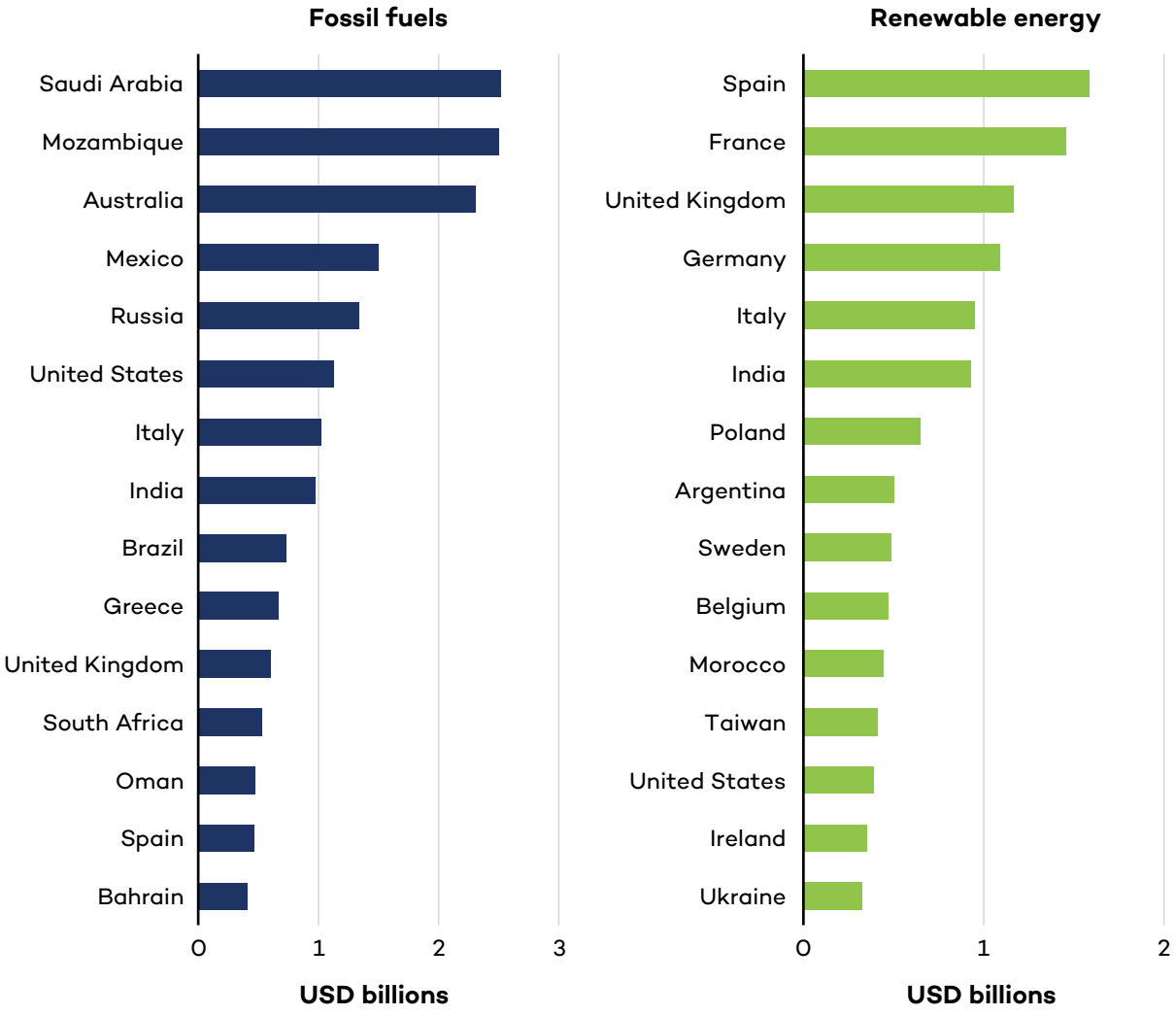
"Recipient" Countries

Figure 5 shows that the largest destinations for Glasgow signatories' finance were predominantly upper- and middle-income countries for both fossil fuel and clean energy, with Saudi Arabia being the largest recipient of public finance for fossil fuels. This trend was even more pronounced for clean energy, though this is in part due to the EIB's limited mandate to finance countries outside of the EU and its outsized levels of clean energy financing—making up almost a third of the clean energy finance in this dataset.

Financial Instruments and Terms

Across the dataset, 64% of the finance we found was provided as loans, 19% was guarantees, 14% was mixed or unclear (due to instances of aggregated reporting), 2% was equity investments, and just 0.6% was grants. Transaction-level terms are rarely available, but generally, DFIs have more concessional financing relative to ECAs, given their more explicit sustainable development mandates. This means DFI finance acts as a more significant subsidy on a per-dollar basis. Finally, while it made up only 2.5% of the dataset, it is notable that 77% of direct government finance was through grants, in line with the typical operations of the development and foreign aid departments most of this finance came from.

Figure 5. Top 15 countries receiving IPF for fossil fuel compared to renewable energy (2018–2020 average)



Source: OCI, 2022.

3.0
Turning Pledges to Shift Public Finance Into Policy

In this section, we provide the first comprehensive analysis of publicly available fossil fuel exclusion policies and clean energy strategies in the 18 high-income signatory countries and at the EIB. Since the launch of the Glasgow Statement, only one new exclusion policy has been announced—in Denmark. Our analysis therefore provides a picture, as of May 2022, of pre-existing fossil fuel exclusion policies and clean energy strategies. It points to the policy changes that are needed for the strong implementation of the Glasgow commitments.

Policies approved at the domestic level are essential, as they create appropriate accountability and monitoring mechanisms and adapt the international framework of the statement to the national context. Our analysis underscores the large diversity of the IPF landscape for the 18 high-income country signatories. Out of the 18 countries, we identified 14[11] that have both a DFI and an ECA, two[12] with an ECA only, and two[13] with no dedicated public finance institution. All countries are also shareholders in at least one of the top seven MDBs (Table 3). These differences influence the policy options and priorities of the signatories, as different types of PFIs have different mandates and objectives and use different policy tools and instruments (Tucker et al., 2021; Xu et al., 2021).

Given that IPF for energy provided directly through governments is small (2.5% of the total flows captured in Section 2.2) and less than a million a year was provided for fossil fuels through these channels, we do not analyze policies guiding this finance. We note that Slovenia, Ireland, and Iceland only provide international development finance for energy through government departments directly, not through DFIs or ECAs. Of these, Slovenia's Development Cooperation and Humanitarian Aid Strategy is the only one to clearly state that "Slovenia will no longer finance projects promoting the use of fossil fuels" (Slovenia's Development Cooperation, n.d.).

3.1 Fossil Fuel Exclusions: Common gaps and good practices

There is a large variety of policies and practices across countries and institutions. For a third of the 30 institutions analyzed, a publicized fossil fuel exclusion policy was not identified; the majority of these (six) are ECAs. Most other institutions have yet to publish updated fossil fuel exclusion policies that match the ambition of the Glasgow Statement (Table 2; a detailed evaluation for DFIs and ECAs is available in Appendix C).

[11] Belgium, Canada, Denmark, Finland, France, Germany, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States

[12] New Zealand, Slovenia

[13] Ireland, Iceland

Table 2. Summary assessment of publicly available policies in 18 high-income signatories of the Glasgow Statement and the EIB, as of May 2022

Country/Institution	DFI	ECA
Belgium	⊖	✖
Canada	⊖	✖
Denmark	✔ Whole of government (DFI, ECA, and others)	
EIB	✔	
Finland	⊖	✖
France	✔	⊖
Germany	✖	✖
Italy	⊖	✖
Netherlands	✔	✖
New Zealand		✖
Portugal	⊖	✖
Slovenia		✖
Spain	⊖	✖
Sweden	✔	⊖
Switzerland	⊖	✖
United Kingdom	✔ Whole of government (DFI, ECA, and others)	
United States[14]	⊖ Whole of government (DFI, ECA, and others)	

✔ All the assessment criteria (coal, oil, and gas restrictions, coverage [direct/indirect support] and timeline) are ranked as Glasgow-compatible or beyond Glasgow.

⊖ At least one assessment criterion is ranked as "below Glasgow." One criterion maximum is ranked as "off-track."

✖ At least two assessment criteria are ranked as "off-track."

Note: Iceland and Ireland are not included in this table as no PFI with an international mandate could be identified for these countries.

Source: Authors' own analysis based on policy documents.

[14] The United States developed an interim guidance that applies to bilateral finance (including the U.S. International Development Finance Corporation [DFC] and the Export-Import Bank of the United States [US EXIM], as well as a separate policy on its voice and vote at multilateral banks [MDBs]). We do take a leaked memo about this in-effect guidance into account in this report, noting that our assessment is limited by a lack of access to the full policy and its full details. It is important to note that currently published fossil fuel exclusion policies for DFC and US EXIM are well below the ambition of the Glasgow Statement.

Whole-of-Government Approaches

Signatories have used two main approaches to enforce fossil fuel exclusion policies: institution-level policies or "whole-of-government" approaches.[15] Whole-of-government approaches have resulted in some of the highest standards to date. The United Kingdom's and Denmark's policies cover fossil fuel exclusions for bilateral, multilateral, and export credit finance, across the entire value chain from upstream to downstream support, with limited exemptions for gas power generation (Department for Business, Energy & Industrial Strategy, 2021; Ministry of Climate, Energy and Utilities, 2021). Whole-of-government approaches bear the advantage of creating a transparent, consistent, and clear set of rules across institutions and can serve as a model for others working to implement the Glasgow Statement. However, they must be followed by appropriate implementation at the institutional level.

Institution-Level Policies

When it comes to institution-level policies, all DFIs already enforce full coal exclusion policies, and all but one, the German KfW, enforce full upstream oil and gas exclusions. A growing number of policies also apply—with various levels of ambition, coverage, and specificity—to indirect support provided by DFIs, for example, via financial intermediaries.[16] These policies are currently not covered by the Glasgow Statement, which only applies to "new direct public support." As aforementioned, for full alignment of financial flows with climate objectives, the Glasgow Statement's scope should be expanded to cover indirect finance in addition to direct finance.

The most common and substantial gaps identified in pre-existing policies relate to "exemptions" and gas-exclusion policies, which often do not yet meet the ambition of the Glasgow Statement (see Section 3.2). Overall, five DFIs—from Denmark, France, Sweden, the Netherlands, and the United Kingdom—as well as the EIB have already adopted fossil fuel exclusions that are compatible with or go beyond the ambition criteria of the Glasgow Statement. The other eight DFIs have yet to step up, either because their exclusion policy needs to be updated (Belgium, Germany) or formally adopted (United States), or because no fossil fuel policy is currently publicized (Canada, Italy, Portugal, Spain, Switzerland).[17]

We find a large ambition gap between DFIs and ECAs, which mirrors global public finance trends (Stockholm Environmental Institute et al., 2021; Shishlov et al., 2021; Tucker et al., 2021). The primary legal regime governing export credits is the OECD Arrangement on Officially Supported Export Credits (referred to subsequently as "the Arrangement") (OECD, 2021a). In 2015, OECD countries adopted a coal-fired sector understanding under the

[15] Institution-level policies refer to policies for which exclusions apply to one single public financial institution, while "whole-of-government" approaches cover all the IPF channels in a specific country.

[16] These approaches can most often be improved. For instance, FMO restricts coal support via financial intermediaries but has not yet restricted oil and gas support through intermediaries. The EIB requires from financial intermediaries only that they disclose information in relation to transition and physical climate risk, in line with the Task Force on Climate-Related Financial Disclosures.

[17] In the latter case, Italy, Portugal, Spain, and Switzerland's DFIs fossil fuel exclusions fall under the guidance of the European Association of DFIs, which adopted a fossil fuel exclusion policy in November 2020. Our analysis, however, shows that this policy is below the Glasgow benchmark due to large exemptions for gas support and fossil fuel storage.

Arrangement, committing them to end export credit support for unabated coal-fired power after 2017 (OECD, n.d.a). All 16 high-income Glasgow Statement signatories' ECAs assessed in this report are already subject to these restrictions. Seven of the assessed ECAs (Canada, Denmark, France, Italy, Sweden, the Netherlands, and the United Kingdom) have broadened their coal export finance exclusions to coal mining and transportation. The ECAs of Belgium, Finland, Germany, and Spain have also committed to ending such support, in line with their Export Finance for Future (E3F) coalition[18] commitment to end all coal finance (Direction générale du Trésor, 2021). Yet, they have not yet transposed their commitment into policy with a clear timeline for ending this support.

Under the E3F coalition, Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Spain, Sweden, and the United Kingdom have committed to increasing transparency and "assess[ing] how to best phase out export finance support to oil and gas industries" (Direction générale du Trésor, 2021). Denmark and the United Kingdom are the only countries that have excluded most export credit support to oil and gas. Sweden has exclusions that only apply to oil and gas extraction and associated infrastructure, and France has a policy that will end export finance to oil and gas production by, respectively, 2025 and 2035, which is misaligned with the end of 2022 timeline agreed in the Glasgow Statement.

MDB Voting Guidance

Only a few signatories have adopted MDB voting guidance that plans for a systematic rejection of fossil fuel projects at MDB boards, and only the United States has theirs publicly available (United States Department of the Treasury, 2021).[19] The United Kingdom's and Denmark's whole-of-government approaches also guide votes in multilateral banks against fossil fuels. However, policy and project outcomes at the MDBs since these were adopted suggest that these countries have abstained rather than voted against fossil fuel projects and fossil fuel-related policies. MDBs' voting guidance can become a strategic means of implementation for the Glasgow Statement, given signatories represent a large share of voting rights in most top MDBs (Table 3). It is also a primary tool for implementation for high-income signatories like Ireland[20] and Iceland that do not have public finance institutions at the domestic level.

[18] In April 2021, seven European countries—Denmark, France, Germany, the Netherlands, Spain, Sweden, and the United Kingdom—launched the E3F coalition, under which they agreed to work together to align export finance with the Paris Agreement. In November 2021, Belgium, Finland, and Italy joined the alliance.

[19] France, Sweden, and Finland have adopted similar MDB voting guidance, but they are not available publicly.

[20] Ireland's Fossil Fuel Divestment Act of 2018 could provide a good basis to extend fossil fuel exclusions to an MDB voting guidance (Government of Ireland, 2018).

Table 3. Share of voting rights of the 18 high-income signatories in major MDBs

	High-income signatories	All signatories
African Development Bank	30%	38%
Asian Development Bank	34%	35%
Asian Infrastructure Investment Bank	20%	22%
European Bank for Reconstruction and Development	64%	67%
Inter-American Development Bank	44%	51%
Islamic Development Bank	0%	0.8%
World Bank Group (IBRD)	44%	45%

Source: Authors' analysis based on most recently published records of shareholder equity and voting powers.

3.2 Gas Project Exclusions and Exemptions: A critical area for improvement

Signatories' current approaches to "exemptions" most often relate to gas funding restrictions. We identify three main approaches:

1. Policies that exclude all support for gas projects, including gas-fired power, with very narrow exemptions such as for liquefied petroleum gas (LPG) for cooking or heating. These meet the commitments of the Glasgow Statement. They are found in two DFIs.
2. Policies that exclude all support for gas exploration and production and most support for gas-fired power generation and transportation, with limited exemptions or transition timelines. If the criteria for gas support are applied with integrity and in a transparent manner, these can be compatible with the Glasgow Statement. They are found in two whole-of-government approaches and 11 institutional policies, four of them reflecting European Development Finance Institutions' commitments.
3. No policies or policies that still allow full or partial support for gas exploration and production. In these cases, policies need to be developed or updated to match the commitments of the Glasgow Statement. They represent half of the institutions (14 in total, 12 ECAs).

Two policies stand out in the first category, from Swedfund and the AFD. They implement an immediate and full exclusion of gas-fired power generation (Box 4). The second category showcases a broad range of policy ambition. The additionality, quality of screening criteria, and duration of the sunset clauses for exemptions are the key elements that determine the compatibility with the Glasgow Statement.

Box 4. Public finance for gas-fired power generation is not needed

Some PFI policies make the assumption that gas support can act as a bridge fuel in the energy transition in the Global South, and gas-fired power, in particular, has been included as an exception in a few recently updated policies (Table 4). For example, FinnFund (Finland) refers to the IEA Sustainable Development Scenario (SDS)—now outdated after the introduction of the Net Zero Emissions by 2050 Scenario—and states that "electricity systems in emerging economies will continue to need substantial numbers of conventional power plants to ensure security of supply" as it is "difficult or unaffordable to fulfill all electricity needs with a power system that relies only on renewables, storage or demand response" (FinnFund, 2021). This type of approach misevaluates the climate, lock-in, and transition risks linked to gas projects on the entire value chain—from upstream to downstream (Erzini et al., 2020; Marquardt & Kachi, 2021).

In particular, public support for new gas-fired power plants after 2022 is at high risk of locking countries into high-emission pathways beyond 2050 because of the 30-year or longer lifespan of gas power infrastructure unless assets are retired early or become stranded with additional costs imposed at the domestic and international levels (Erickson et al., 2015; Fofrich et al., 2020). This risk is even more salient in the context of volatile and high gas prices, which render gas projects uneconomic and increase the risk of asset stranding (Carbon Tracker Initiative, 2022). Similarly, in most Global South countries, wind and solar power have become cheaper than gas power generation, and the falling cost of batteries is likely to make renewable and storage technologies cost-competitive compared to flexible "peaker" gas plants (Muttitt et al., 2021).

As PFIs should seek to minimize the risks associated with their public support and have a public mandate, they should refrain from supporting new gas-fired power plants and instead support a larger deployment of locally led or approved renewable energy on and off the grid.

Table 4 provides examples of how Glasgow policies in categories 1 and 2 are designed when it comes to gas power, cooking, and heating exclusions. It shows that exemptions for gas power generation included in the Danish, British, and Dutch (FMO) policies can be compatible with the Glasgow Statement if they are well implemented: they introduce stringent screening criteria and transition timelines that strictly limit new support for gas power generation. Conversely, the European Development Finance Institution (EDFI) exemptions, which apply to the Finish, German, Italian, Portuguese, Spanish, and Swiss DFI policies, are too broad and allow continued financing for gas-fired power till 2030. The interim U.S. guidance has a set of clear screening criteria, but they are undermined by the fact that they can be overridden if projects contribute to national security or geostrategic interests.

For most policies, exemptions for LPG solutions for cooking and heating are considered. They can be justified temporarily because of the energy access, health benefits, and limited lock-in effects of LPG solutions until alternatives are implemented (Sharma et al., 2019). Mini and hybrid grids are sometimes considered in vulnerable and emergency settings, and, while these should be avoided where possible, they also tend to carry limited lock-in risks.

Table 4. The "Glasgow compatibility" of gas exclusion and exemption criteria in selected policies in categories 1 and 2

Beyond Glasgow
Glasgow benchmark
Below Glasgow

	Screening criteria for power generation and associated infrastructure (storage and transportation)						**Exemptions for heating and cooking, mini or hybrid grids**	
	Geographic restrictions	**Contribution to Paris alignment**	**Risk assessment**	**Evaluation of RE alternatives**	**E&S safeguards**	**Exclusion of associated infrastructure**	**Heating and cooking**	**Mini or hybrid grids**
Sweden (Swedfund) Glasgow compatibility: ✓	Blanket exclusion						Blanket exclusion	
France (AFD) Glasgow compatibility: ✓ End of limited exemptions: No date	Blanket exclusion of gas-fired power plants and associated infrastructure						Yes No condition	Yes With emission benchmark
Denmark (whole-of-government approach) Glasgow compatibility: ✓ End of limited exemptions: 2025	Yes IDA, ADF countries	Yes "More ambitious" NDCs	Yes Lock-in, stranded assets risks	Yes Technical & economic evaluation	No	Partial	Yes If no alternative or grid access	No
The Netherlands (FMO) Glasgow compatibility: ✓ End of limited exemptions: 2026	Yes LDC and Sub Saharan LIC	Yes Sectoral and national Paris-aligned pathways	No	Yes	Yes	Yes	Yes No condition	Yes If majority power for renewables

Beyond Glasgow / Glasgow benchmark / Below Glasgow	Screening criteria for power generation and associated infrastructure (storage and transportation)						Exemptions for heating and cooking, mini or hybrid grids	
	Geographic restrictions	**Contribution to Paris alignment**	**Risk assessment**	**Evaluation of RE alternatives**	**E&S safeguards**	**Exclusion of associated infrastructure**	**Heating and cooking**	**Mini or hybrid grids**
United Kingdom (whole-of-government approach) Glasgow compatibility: ✅ End of limited exemptions: No end date	No	Yes "Credible NDC" and net zero goal	Yes Transition stranded assets risks	Yes No delay in RE deployment	No	Partial	Yes Until alternatives available	Yes If no alternative, in emergency settings
United States (interim guidance) Glasgow compatibility: ⛔ End of limited exemptions: No end date	Screening criteria can be overridden If project is of geostrategic importance or related to national security						Not covered in policy	
	Yes IDA or SIDs	Yes Net zero	No	Yes	No	?		
European Union (European Association of DFIs) Glasgow compatibility: ⛔ End of limited exemptions: No end date, but review clause	No	Yes	No	No	No	No	No policy information	

Note: RE = renewable energy; E&S = environmental and social; LDC = least-developed country; LIC = low-income country; IDA country = country eligible for the International Development Association of the World Bank Group

Source: Authors' own analysis based on PFIs policy documents.

3.3 Lack of Transparency for Clean Energy Priorities

Clean energy investment is a key area of action in many DFIs' annual reports (Cassa Depositi e Prestiti, 2021; COFIDES, 2020; FMO, 2021). However, very few institutions publicly disclose renewable energy, efficiency support targets, or information on the type of sectors, projects, instruments, principles, and level of funding (see Appendix D for a full analysis of the PFIs' strategies). We found that five institutions announced quantified climate finance targets publicly, and three announced quantified clean energy targets.[21] The most frequent priorities spelled out by institutions include scaling up renewable energy supply, improving energy efficiency, and providing universal access to energy; seven institutions mention at least one of these in a strategy document.[22] However, we were able to identify detailed qualitative targets associated with these objectives in only one instance—for the AFD (French Development Agency, 2019). Only one institution, British International Investment (formerly the CDC Group) (CDC Investment Works, 2020), makes just transition support a main pillar of its strategy and has metrics to measure progress, indicating that the just transition dimension is yet to be mainstreamed by PFIs.

Approaches to supporting clean energy development through ECA financing remain unharmonized and include even fewer concrete objectives or timelines than for DFIs (Shishlov et al., 2020b). The OECD sector understanding for Renewable Energy, Climate Change Mitigation and Adaptation and Water Projects, which applies to all assessed ECAs in this report, recognizes exports of climate and energy-friendly technologies and projects that contribute to climate change mitigation as particularly deserving of promotion. Exports in this category, for example, can be supported with longer credit periods of up to 18 years or lower interest rates. However, the sector understanding has not been updated since 2014. The Dutch ECA, Atradius DSB, has developed a green label, which, next to labelling wind and solar projects as green, also labels biomass and fuel switching to lower-carbon fuels as green projects despite the sustainability issues associated with these activities (Atradius DSB, 2021).

Setting out funding priorities can help channel investments where they are most needed to enable the clean energy transition, for instance, for off-grid investment to improve energy access or to strengthen existing grids to integrate a growing share of renewables in the electricity mix (Sustainable Energy for All & Climate Policy Initiative, 2020). Detailed strategies can also support the diversification of funding instruments to match the financial requirements of projects (Sustainable Energy for All & Climate Policy Initiative, 2021), avoid rising levels of debt for recipients by prioritizing grant-based finance (Carty et al., 2020; Fresnillo, 2020), and provide predictability for low- and middle-income countries to plan their clean energy transition and enhance their own targets (Nettersheim & Köhler, 2018; Schalatek & Bird, 2022). They can also support energy security in the context of costly fossil fuels and volatile energy markets. The current lack of (transparency on) signatories' clean energy priorities can be a barrier to scaling up investment in clean energy and achieving the

[21] BIO (Belgium), AFD (France), and KfW (Germany) have a specific clean energy target, while FinDev (Canada), IFU (Denmark), FinnFund (Finland), British International Investment (BII) (United Kingdom), and DFC (United States) have a climate finance target.

[22] BIO (Belgium), FinDev (Canada), IFU (Denmark) AFD (France), Swedfund (Sweden), BII (United Kingdom), and DFC (United States).

Sustainable Development Goal of "ensure[ing] access to affordable, reliable, sustainable and modern energy for all" (United Nations, n.d.). It also reflects, and could explain, the low, stagnant levels of support for clean energy provided by the Glasgow Statement signatories (Section 2).

The lack of just transition support in policies reflects a missed opportunity to use public finance for energy as a transformative tool to support regions and communities most dependent on fossil fuels by providing support to workers and communities to transition. Some plurilateral partnerships are beginning to prioritize this issue—including a 2021 pledge from the European Union, France, Germany, the United States, and the United Kingdom to finance a USD 8.5 billion Just Energy Transition Partnership with South Africa. However, strong principles are needed to ensure this and any future packages provide sufficient consultations with and protections for impacted workers and communities and do not include new fossil fuel support.

4.0
Ensuring the Glasgow Statement Supports Just and Clean Development

Fifteen signatories of the Glasgow Statement are low- or middle-income countries. By committing to the statement, they indicate their preference for attracting clean energy finance and a clean development pathway instead of growing their dependence on fossil fuels. This is a diverse set of countries with varying levels of energy access, fossil fuel consumption and production, and climate ambition. The Glasgow Statement provides an opportunity for signatories to enhance collaborations and explore ways in which IPF can accelerate a clean and just energy transition in low- and middle-income countries. The two case studies below illustrate how this could be done for two countries at a crossroads between accelerating the clean energy transition or increasing dependence on oil and gas.

4.1 Ethiopia

4.1.1 Summary

Ongoing challenges in attracting renewables finance and discovered oil and gas reserves present a potential threat to Ethiopia meeting its clean energy goals. In this context, IPF can have a determining role in Ethiopia's energy future. In particular, Glasgow signatories can unlock Ethiopia's renewable energy potential while avoiding the lock-in of new oil and gas extraction infrastructure, which would be incompatible with climate goals and come with stranded asset risks:

1. Recent IPF flows have been in line with the country's transmission and distribution (T&D) goals. IPF should continue to support such projects. They also support Ethiopia's on-grid access as well as the integration of higher levels of renewables.
2. With most households using solid biomass for cooking and heating, there is a large opportunity for IPF to support small-scale, off-grid, and household-level energy access projects until grid expansion is complete.
3. There is huge potential for IPF to support wind, geothermal, and solar. IPF can help address Ethiopia's specific needs, such as addressing foreign exchange risk and providing more tailored technical assistance and support to build capacity for Ethiopia's future clean energy sector development.
4. Grants can be integral in the rollout of small-scale energy access projects. Multilateral and especially bilateral institutions should provide more grant finance to help Ethiopia achieve its off-grid energy access goals.

4.1.2 Ethiopia's Energy Landscape

Ethiopia is one of five low-income countries that have signed the Glasgow Statement. Ethiopia aims to reduce its GHG emissions by 68.8% by 2030 against its business-as-usual path, according to its nationally determined contribution (NDC), despite its very small contribution to global emissions (Belay et al., 2021). Energy access remains low—at 48.3% as of 2019—but there is a government commitment to reach full access by 2030 through a mix of grid (65%) and off-grid (35%) solutions (IEA, 2019a; World Bank, 2020a, 2020c). There are plans to accelerate non-grid energy access, which currently sits at 11% of the population, before expanding the grid to reach 96% of the population by 2030 (IEA, 2019).

Ethiopia relies heavily on bioenergy (87% of total energy supply in 2019), with solid biomass (wood, cow dung, and agricultural residues used for cooking and heating) being the main source of energy for most rural and urban households (Hailu et al., 2021; IEA, 2022b; Yimam, 2022). This extensive use of biomass has led to negative environmental, health, and social impacts (Hailu et al., 2021). Of Ethiopia's remaining energy supply, oil (imported) accounts for 10%, and hydropower accounts for the remaining 3% (IEA, 2022b).

State-supplied hydropower[23] dominates Ethiopia's electricity mix, providing 96% of the country's total electricity generation, with wind and solar providing the remaining 4% (IEA, 2022b; International Renewable Energy Agency, 2021a). Ethiopia has plans to increase its existing 4.45 GW of generating capacity by an additional 25 GW by 2030 to include another 22 GW of hydro, 2 GW of wind, and 1 GW of geothermal (IEA, 2019a). The country intends to become an electricity exporter, with the potential to generate over 60 GW[24] from its abundant hydro, wind, solar, and geothermal sources (CDKN, 2017). Ethiopia plans to develop renewables by increasing private sector participation and mobilizing private investment. The government initiated its second round of scaling solar (solar auctions) in 2019 under its Public-Private Partnerships Directorate General (PPP-DG) framework implemented in 2018 (Ayele, Shen, & Worako, 2021; IEA, 2022a; Ministry of Finance, 2022).

While Ethiopia has ambitious clean energy goals, it also plans to start developing its oil and gas sectors. The Ethiopian parliament approved the construction of a pipeline in 2019 to allow Ethiopia to transport gas from the country's eastern Ogaden area to an export terminal in Djibouti (Climate Action Tracker, 2020; Tucker & Reisch, 2021). Rystad reports that Ethiopia is on track to become one of the top 16 African countries for oil and gas production for 2020–2050 (Rystad Energy, 2022; Tucker & Reisch, 2021). These plans remain even if IEA's (2021) analysis shows that investment in new oil and gas fields is incompatible with net-zero objectives. Ethiopia's vast renewables reserves are an opportunity for the country to leapfrog gas and move straight to renewables.

Ethiopia has experienced ongoing civil unrest since November 2020, forcing over 2 million people from their homes and leaving parts of the country on the brink of famine (Green, 2021, Walsh & Dahir, 2022). Concerns around civil security alongside COVID-19 and increasing foreign exchange risk[25] has meant that investment has become scarce, and renewable energy projects have been delayed (Ayele, Shen, Worako et al., 2021).

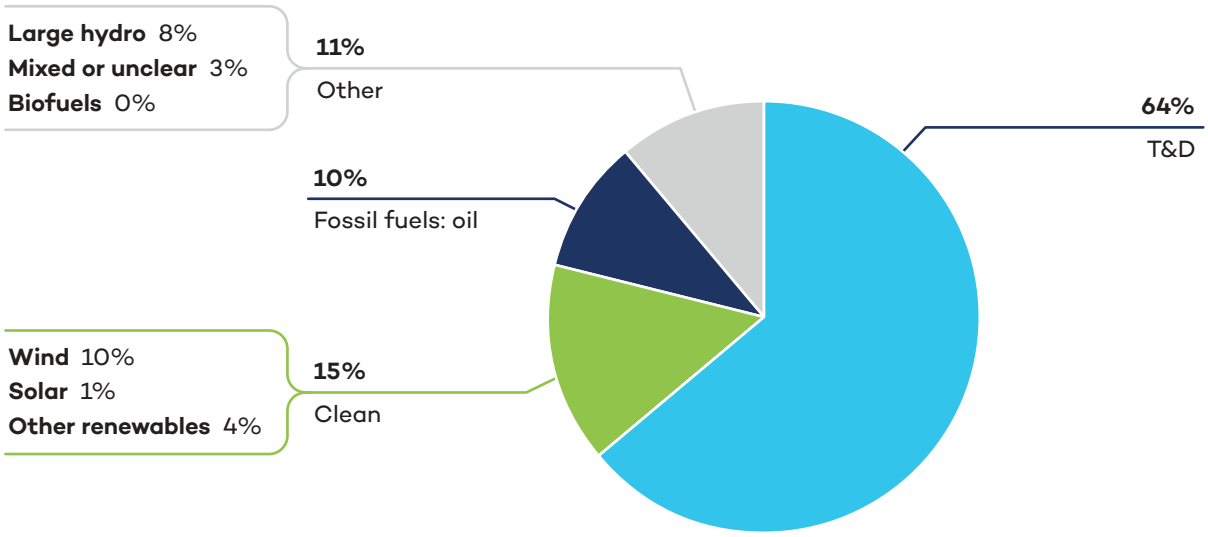
[23] Historically, Ethiopia has developed mostly hydro in its electricity system, as it was seen as economically feasible and environmentally friendly (Hailu et al., 2021).

[24] Ethiopia's potential for hydro is 45 GW, 10 GW for wind, and 5 GW for geothermal; solar irradiation ranges are high at 4.5 kWh/m^2/day to 7.5 kWh/m^2/day (Hailu et al., 2021).

[25] Foreign investors face uncertainty in Ethiopia in terms of ability to access foreign exchange and expatriate profit. This is due to the unhealthy status of the country's foreign exchange reserves (Ayele, Shen, Worako et al., 2021).

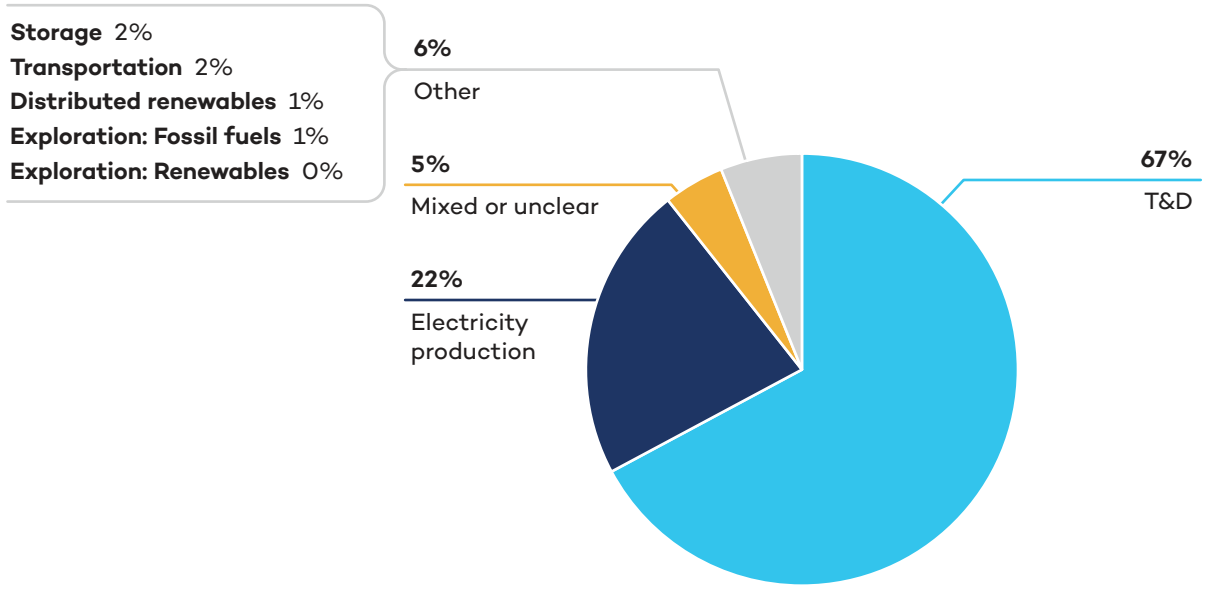
4.1.2 IPF Flows to Ethiopia's Energy Sector

Figure 6. Total IPF by energy type (2013–2020, USD 5.1 billion)



Source: OCI, 2022.

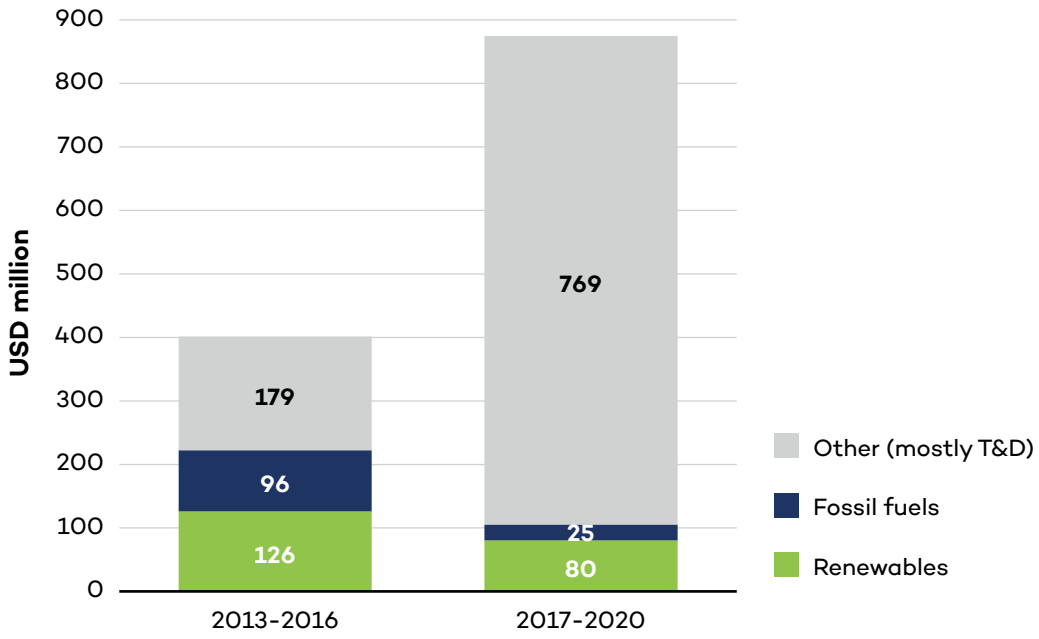
Figure 7. Total IPF by energy stage (2013-2020, USD 5.1 billion)



Source: OCI, 2022.

Over the 2013–2020 period, IPF flows to Ethiopia have been dominated by investments in networks (T&D), accounting for 64% of the total USD 5.1 billion, followed by flows to wind, oil, large hydro, and geothermal (Figures 6 and 7). IPF flows were not consistent across the 8-year period, so we examined the flows across two annual average periods of 4 years before and after the Paris Agreement came into force (2013–2016 and 2017–2020) (Figure 8).

Figure 8. Before and after Paris: Annual average IPF by energy type



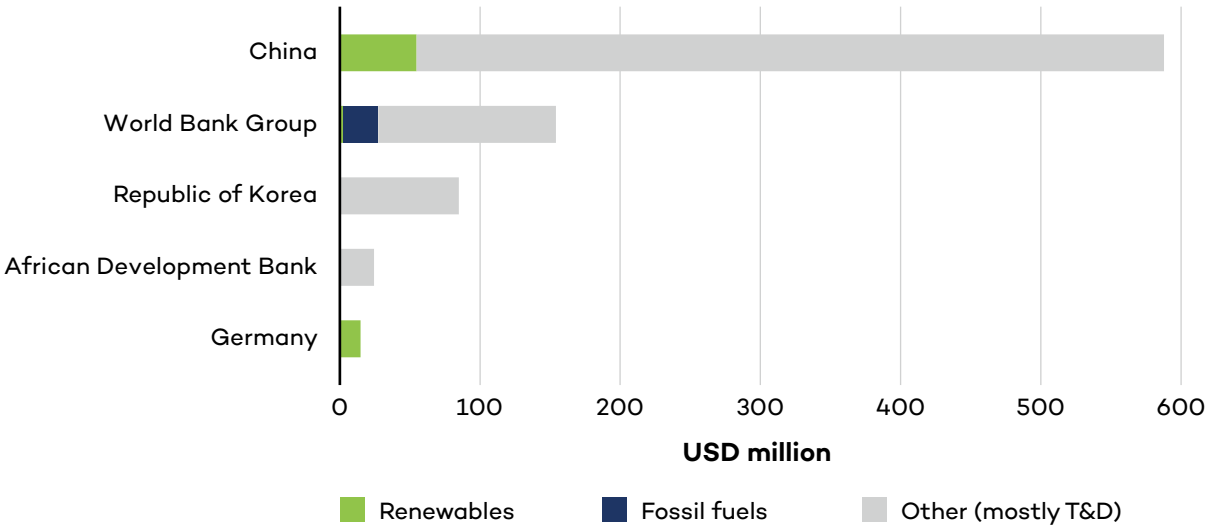
Source: OCI, 2022.

IPF flows to Ethiopia more than doubled on an annual average basis in the second period from 2017–2020 (Figure 8). This was due to greatly increased flows to T&D, whereas all other energy types saw a drop in investment. While the T&D financing in 2017–2020 flowed to a range of different large-scale projects, it was dominated by one project: a USD 1.8 billion guarantee from the Chinese export credit agency Sinosure for the Ethiopia-Djibouti Transmission Line. The next largest flow of IPF was for renewables, consisting of mostly wind,[26] then solar,[27] and some geothermal. Finally, the smallest IPF flow was for fossil fuels, where the World Bank (International Finance Corporation [IFC]) provided a USD 100 million guarantee for a project in the oil sector to establish a facility aimed at securing fuel supply by enabling an international energy trading company to sell petroleum products to Ethiopia.

[26] The wind investment was a single USD 218 million loan from the Chinese Export Credit agency, Chexim, to the Ayesha 120 MW wind farm, built by China's Dongfang Electric Corporation in the Ethiopia's Somali regional state.

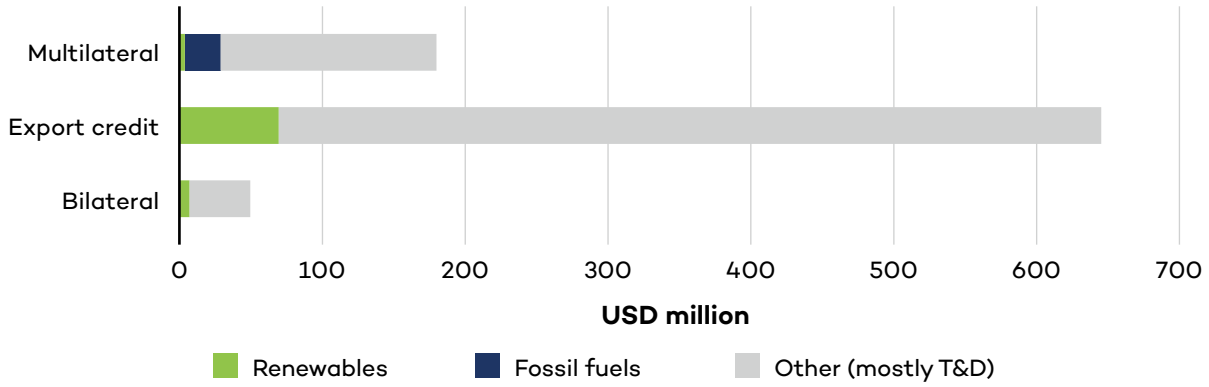
[27] The solar investment was a mix of distributed solar, solar home systems, and a guarantee to increase large-scale solar generation through private sector participation.

Figure 9. Average annual IPF by provider, top five



Source: OCI, 2022

Figure 10. Average annual IPF by institution type



Source: OCI, 2022.

China has been the largest provider of IPF in Ethiopia's energy sector by far (Figure 9), accounting for 67% of the total annual average IPF in 2017–2020. China has financed mostly T&D (91%) and renewables (wind, 9%). The World Bank Group, Korea, and the African Development Bank are the next-largest providers and again mostly financed T&D. Germany was the fifth-largest provider, with a USD 60 million guarantee through its Export Credit Guarantees program (administered through Allianz Trade, formerly Euler Hermes) for the supply of 100,000 solar home systems for decentralized energy supply to individual households.

Export credit institutions have provided the largest amount of finance for Ethiopia (74% of flows) (Figure 10). Multilateral institutions were the next largest provider (21% of flows). There was a much lower flow of bilateral finance to Ethiopia (accounting for only 6% of flows), indicating an opportunity for the Glasgow Statement signatories. In line with the institutional split, guarantees (56%) and loans (41%) made up the bulk of the financing mechanisms provided to Ethiopia's energy sector, with a much smaller portion of grants (3%).

4.1.3 Opportunities and Challenges for IPF in Ethiopia's Clean Energy Transition

Ethiopia's clean energy transition goals and its current energy mix offer opportunities for IPF to help mobilize the necessary investment. While recent IPF flows have been in line with the country's T&D goals to expand the grid to reach 96% of the population by 2030 (IEA, 2019), there are gaps in other areas, namely IPF for renewables and off-grid and small-scale energy access projects.

The role of large-scale hydro is questioned in the public debate, with projects such as the government-financed Grand Ethiopian Renaissance Dam becoming controversial and politicized in the context of water scarcity, climate change, and displacement of local communities (Pombo-van Zyl, 2022). These projects may affect downstream water supplies in Sudan and Egypt, and there are increasing concerns that drought, further exacerbated by climate change, may threaten project feasibility (Pombo-van Zyl, 2022). Therefore, IPF has an opportunity to help Ethiopia to diversify its energy mix by developing its other renewable resources. Very little IPF has flowed to wind, solar, and geothermal generation projects, despite goals to install an additional 25 GW. IPF can help address Ethiopia's specific needs, such as addressing foreign exchange risks[28] and civil security concerns—which are keeping investors away from Ethiopia's energy sector—and provide more tailored technical assistance for renewables (Ayele, Shen, Worako et al., 2021).

Only a very small portion of IPF investment during 2017–2020 was for distributed generation and residential solar home systems. With most households, both rural and urban, using solid biomass for cooking and heating, there is a huge opportunity for IPF to support small-scale, off-grid, and household-level energy access projects until grid expansion is complete by providing grants and concessional finance.

In addition, Ethiopia's plan to develop its oil and gas sector is in conflict with its own and global clean energy transition goals (IPCC, 2022a). There are many risks linked to fossil fuel exploration and production: Mozambique's recent experience has had many negative consequences for the local population (Elston & Darby, 2020; Gaventa, 2021). Ethiopia's plans to develop oil and gas could lead to the lock-in of fossil fuel infrastructure, which would come with stranded asset risks. Donor country signatories can help Ethiopia make the best of its renewable resources to limit reliance on the more risky fossil fuel industry. It is all the more important, as China remains the largest provider of IPF in Ethiopia's energy sector and may intend to support Ethiopia's oil and gas ambitions. China has, in recent history, played a large role in supporting energy and other large infrastructure sectors in the African continent (International Institute for Sustainable Development, 2021).

In terms of IPF institution type, while ECAs supplied the majority of IPF flows (74%), multilateral and bilateral institutions can play a much greater role in the country's clean energy sector. In terms of financing mechanisms, guarantees have played an expected and

[28] Foreign investors face uncertainty in Ethiopia in terms of their ability to access foreign exchange and expatriate profit. This is due to the unhealthy status of the country's foreign exchange reserves (Ayele, Shen, Worako et al., 2021).

well-understood de-risking role. The very small share of grants (3%) is, however, striking. While the International Monetary Fund announced that Ethiopia's debt levels were considered to be sustainable in 2021 thanks to an extension of the debt service suspension initiative from the G20, it is expected that the country will have low debt-servicing capacity in the future (Ayele, Shen, & Worako, 2021). Grants can be integral in the rollout of small-scale energy access projects to help Ethiopia achieve its off-grid energy access goals.

4.2 Sri Lanka

4.2.1 Summary

Through international commitments and national policy reforms, Sri Lanka is committed to addressing climate change and transitioning to clean energy (Sivasubramaniam, 2019). However, Sri Lanka is still highly dependent on costly fossil fuel imports and, partly linked to this, has found itself in political and economic collapse; meanwhile, the continued investment in gas-fired power generation risks locking the country into high-emitting pathways for decades.

Some of the ways IPF can support Sri Lanka include the following efforts and initiatives:

1. Support for transmission and distribution support is critical to enable the integration of a growing share of renewable electricity on the grid.
2. IPF mechanisms should prioritize grant-based or highly concessional instruments in order to alleviate the already staggeringly high debt burden that Sri Lanka is facing.
3. IPF in the form of technical assistance and grants must help Sri Lanka build up domestic funding capacity and institutional framework. This could help leverage the Sri Lanka Climate Fund to mobilize additional IPF to de-risk investment and attract private financing for clean energy.
4. The Government of Sri Lanka (GoSL) and international funders should not fund or invest further in fossil fuels, including LNG, especially since the risk is becoming increasingly high and burdensome (e.g., high cost, higher pollution and GHG emissions, risk of stranded assets).
5. The country will require tailored just transition support to allow a shift from coal to clean energy without reinforcing the reliance on gas-fired power generation and LNG imports, especially in the context of fossil fuel price volatility and achieving energy security.

4.2.2 Sri Lanka's Energy Landscape

Sri Lanka is a climate-vulnerable country and one of two lower-middle-income signatories of the Glasgow Statement. With its 100% energy access and electrification rate (World Bank, 2020b), Sri Lanka has an NDC target to generate 70% of electricity from renewable sources by 2030, to achieve net-zero in electricity generation by 2050 and carbon neutrality by 2060 (EconomyNext, 2021; Jayasinghe, 2021; Ministry of Environment, 2021). Sri Lanka has also committed to reducing its GHG emissions from electricity generation by 14.5% (Ministry of

Environment, 2021). In September 2021, Sri Lanka signed the No New Coal Power Compact to end the issuance of permits for and construction of unabated coal-fired power plants (EconomyNext, 2021; Jayasinghe, 2021; Sustainable Energy for All, 2021).

Sri Lanka depends heavily on imported fossil fuels. As of 2019, the electricity mix is predominantly composed of fossil fuels: 34% oil and 33% coal. The rest is from hydropower at 30% and very little wind and solar (less than 3%) (IEA, 2019b). The six biggest hydropower stations account for over 800 MW of installed capacity (Ceylon Electricity Board, n.d.). However, hydropower is proving to be less and less reliable given the increasingly erratic weather patterns and longer drought seasons (H. Dissanayake & R. Sepala, personal communication, March 7, 2022). The potential for wind and solar is substantial and estimated at over 11,000 MW (Asian Development Bank [ADB], 2019; Kolantharaj & Ullrich, 2021). Through the Sri Lanka Sustainable Energy Authority (n.d.), Sri Lanka has published the *Renewable Energy Resource Development Plan 2021-2026,* with a focus on the implementation of large-scale renewable energy projects. More recently, Sri Lanka allocated LKR 500 million (USD 1.8 million) from the 2022 Annual Budget (EconomyNext, 2021) to attract private investment in renewable energy.

The perception that LNG is the less dirty option has also propelled Sri Lanka to push on with LNG (Ratcliffe, 2021). In 2019, the GoSL drafted the National Policy on Natural Gas to support the exploration and production of domestic gas, to achieve at least a 30% share of gas in the total fossil fuel consumption by 2030 and increase the share of natural gas in the energy mix (Ministry of Highways, Road Development and Petroleum Resources Development, 2019). Expansion of gas is included in Sri Lanka's latest (updated) NDC of July 2021 (Ministry of Environment, 2021), and in November 2021, the GoSL announced plans to establish a state-owned gas company as a subsidiary of the Ceylon Petroleum Corporation (Hamza, 2021).

The energy price crisis has severely impacted the Sri Lankan economy. Already struggling with limited reserves and high foreign debt—approximately USD 7 billion for 2022 (Francis, 2022)—the increasing oil prices have further pushed the Sri Lankan economy into a dire state. The situation led to the resignation of the entire Sri Lankan Cabinet (H. Dissanayake & R. Sepala, personal communication, March 7, 2022) and the subsequent resignation of Prime Minister Mahinda Rajapaksa (AFP, 2022; Ellis-Petersen, 2022a). At the time of writing, Sri Lanka has run out of petrol, has no foreign reserves left (Ellis-Petersen, 2022b), and has become the first country in Asia-Pacific to default on its overseas loan in more than two decades (Parkin, 2022). As a consequence of the current crisis and without any meaningful support for cleaner alternatives, Sri Lanka may remain locked into fossil fuels (Parkin, 2022).

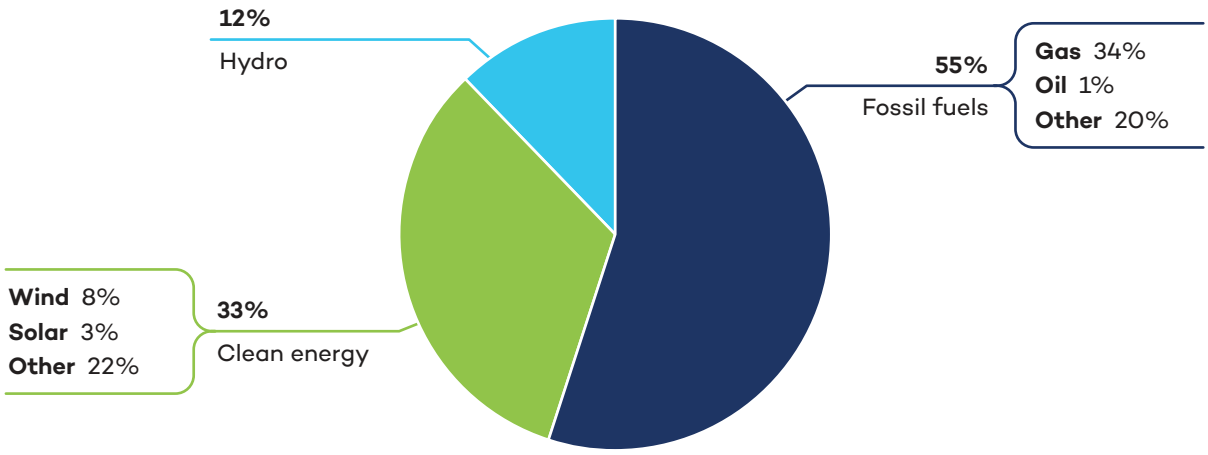
4.2.3 IPF Flows to Sri Lanka's Energy Sector

Despite its vulnerability to climate change, Sri Lanka has received more IPF for fossil fuel projects than for renewable energy projects. A preliminary analysis of IPF for Sri Lanka over the past 8 years, from 2013 to 2021[29] (Figure 11), reveals that Sri Lanka received

[29] Data for 2021 has been used as proxy for 2020.

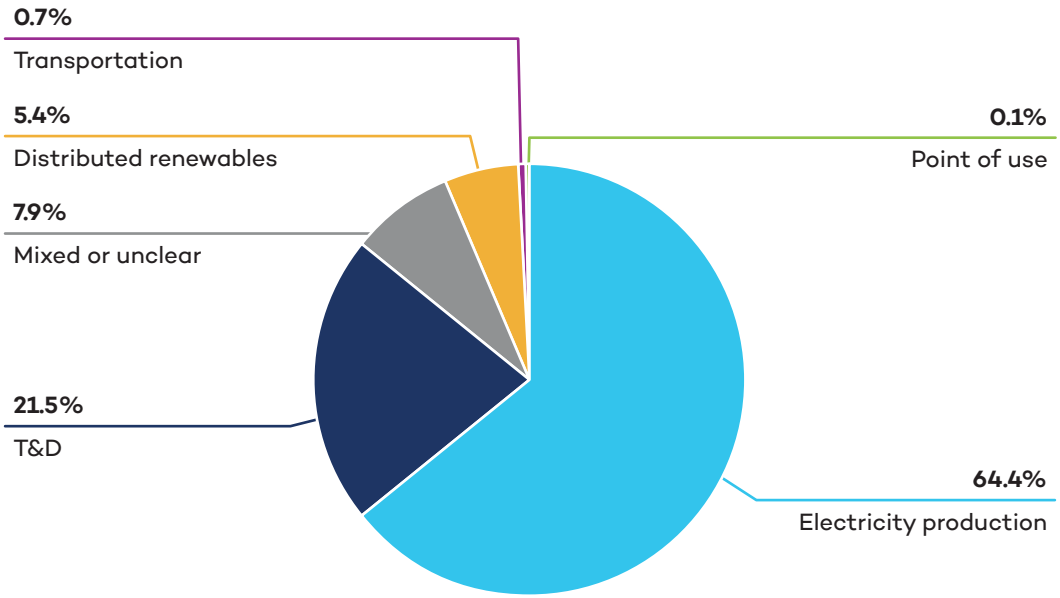
approximately USD 3.07 billion,[30] with fossil fuels accounting for 53.6% of all IPF received (USD 1.65 billion) and renewable only accounting for 32% (USD 987 million).

Figure 11. IPF for Sri Lanka by energy type (2013–2021)



Note: Data for 2021 has been used as a proxy for 2020.
Source: Author's analysis based on OCI, 2022; Attridge et al., 2019.

Figure 12. IPF for Sri Lanka by stage (2013–2021)



Source: Author's analysis based on OCI, 2022; Attridge et al., 2019.

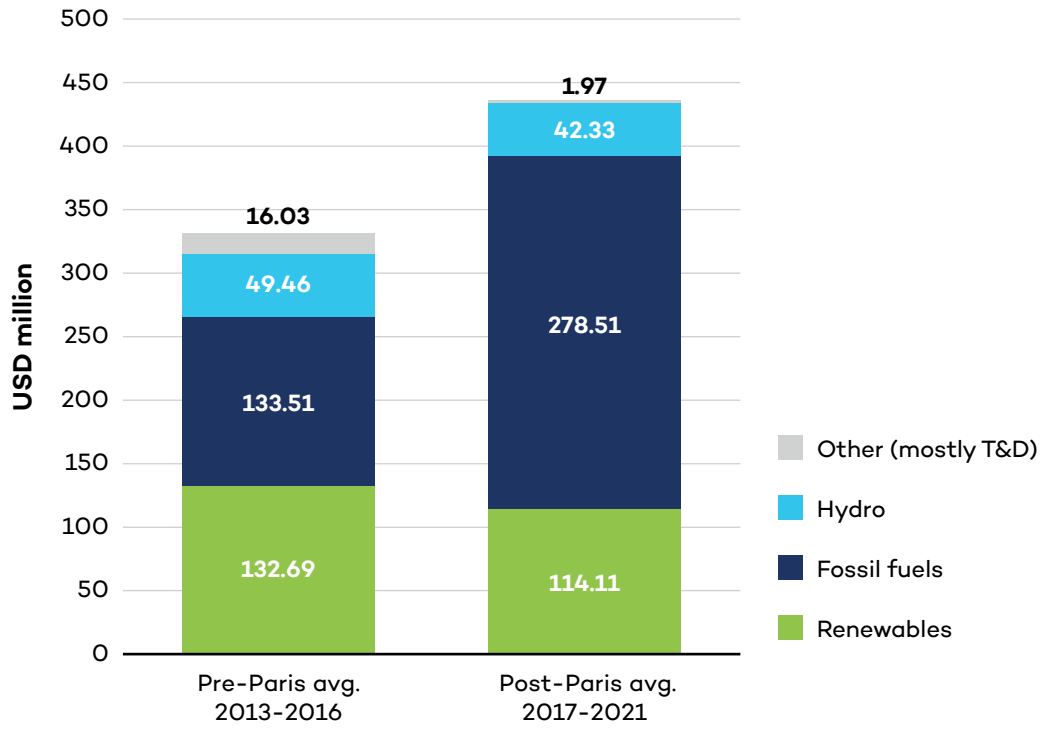
[30] The analysis is based on IPF for energy data for 2013–2021 from OCI, as well as data for 2013–2019 from Aid Atlas for overseas development aid disbursed to Sri Lanka for its energy sector. Data for 2020 was not available, therefore, 2021 data was used as a proxy.

Over the course of the period observed, 2013 to 2021, IPF for LNG represents the largest portion of the total IPF received for fossil fuels, accounting for 62% of the share (USD 1.02 billion). Most of the IPF for LNG has come from bilateral funding from China, with the biggest volume received in 2018 for USD 1 billion to finance the 400 MW Hambantota Power Station (Maritime Executive, 2018). Meanwhile, the second-largest shares of IPF for fossil fuels is "other fuels" and represents coal,[31] accounting for 37% of the total IPF.

In contrast, IPF for clean energy accounts for 45% of the overall IPF, with 12% for hydropower (USD 366 million) and 33% (USD 980 million) for other clean energy. Though minuscule, Sri Lanka has received some international funding for nuclear energy.[32]

Most of the international funding that Sri Lanka received for fossil fuels was allocated to electricity generation (Figure 12), which accounts for around 64% (USD 2 billion) of total IPF; T&D comes second at around 21.5% (USD 661 million).

Figure 13. Annual average share of IPF for Sri Lanka energy by type before and after the Paris Agreement



Source: Author's analysis based on OCI, 2022; Attridge et al., 2019

IPF flows were not consistent across the 8-year period, so we examined the flows across two annual average periods of 4 years spanning before and after the Paris Agreement came into force in 2016. Comparing the two periods, we note substantial increases in both the value and

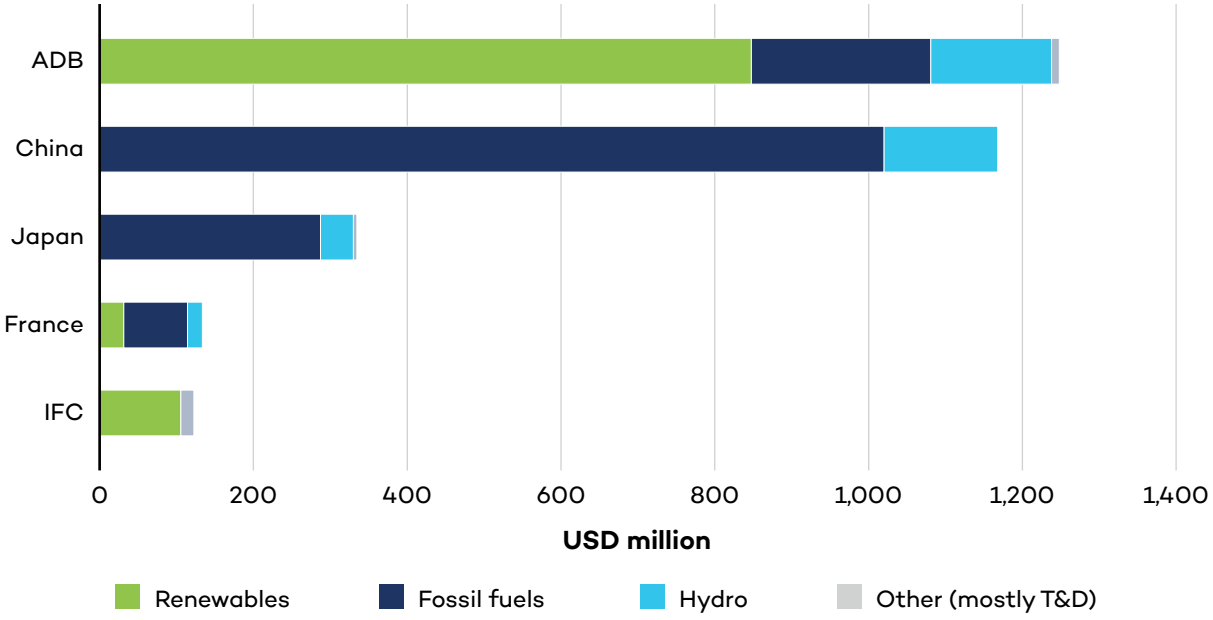
[31] Different sources treat and categorize the composition of fossil fuels used in Sri Lanka differently. One categorizes fossil fuels as oil and coal (IEA, 2019), another oil and gas (no coal; presumably gas is part of oil).

[32] Nuclear energy is included in Figure 1 under "Other" type of energy and part of the USD 55.9 million estimation.

proportion of IPF for fossil fuels in the post-Paris period of 2017–2021[33] (Figure 13). Post-Paris, IPF for fossil fuels more than doubled to USD 278.51 million, mostly due to the USD 1 billion funding for the Hambantota Power Station. In sharp contrast, IPF for renewable energy decreased by about 14% to USD 114 million post-Paris.

The ADB and China have been the largest providers of IPF for the energy sector in Sri Lanka. Multilateral funding from the ADB represents the largest share (40.4% of total IPF) (Figure 14). China is the second-largest provider of IPF, with bilateral funding mostly in the form of export credit, almost entirely for fossil fuels. Japan, France, and the World Bank (IFC) are the next cohort of largest providers of IPF to Sri Lanka. Bilateral funding from Japan and France account for 11% and 4.3% of IPF, respectively, with a large proportion allocated for fossil fuels. The IFC is the fifth largest provider of funding for the Sri Lanka energy sector, accounting for 4% of the total IPF, and mostly for renewable energy.

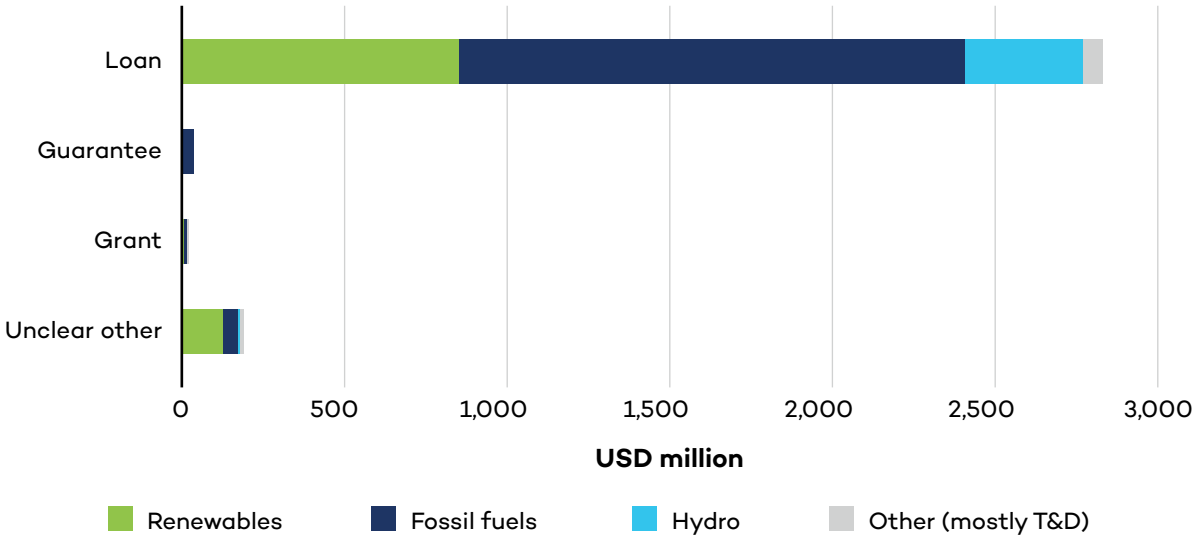
Figure 14. Largest providers of IPF for Sri Lanka (2013–2021)



Note: Data for 2021 has been used as a proxy for 2020.
Source: Author's analysis based on OCI, 2022; Attridge et al., 2019.

[33] Data for 2021 has been used as proxy for 2020.

Figure 15. IPF for Sri Lanka 2013–2021 by funding mechanism



Note: Data for 2021 has been used as a proxy for 2020.
Source: Author's analysis based on OCI, 2022; Attridge et al., 2019.

Regardless of the funding institutions, loans are the primary funding mechanism, accounting for 92% (USD 2.83 billion) of all IPF received from 2013 to 2021 (Figure 15). The high loan ratio could prove to be untenable, especially since, by the time of writing, Sri Lanka has spiralled into an economic and political meltdown. According to its Department of External Resources (Treasury), as of the end of April 2021, Sri Lanka has a total outstanding debt of USD 35.1 billion (Department of External Resources, 2021). In recent years, the debt-to-GDP ratio has ballooned from 42% in 2019 to 104% in 2021 (Gordon, 2022).

4.2.3 Opportunities and Challenges for IPF in Sri Lanka's Energy Clean Transition

The combination of a set of clean energy targets and high renewable energy potential presents an opportunity for IPF to be more effectively allocated to support Sri Lanka's transition to clean, affordable energy and achieve energy security. Thus far, the majority of the international funding received has been used for electricity generation, while funding for transmission and grid infrastructure (21.5% of total USD 3 billion IPF) is needed—to the tune of USD 320 million for transmission and USD 60 million for distribution (ADB, 2017, 2019).

At the same time, Sri Lanka is facing the challenge of a very high cost of electricity and dependency on imported fossil fuels. The country is challenged by limited domestic financing capacity and weak legal and regulatory frameworks, which further exacerbates the already low investment in renewable energy.

Overall, IPF for the Sri Lankan energy sector is falling short of what is necessary, especially since the country lacks domestic funding capability (ADB, 2017; H. Dissanayake & R. Sepala, personal communication, March 7, 2022). Sri Lanka requires over USD 50 billion to transition to clean energy and achieve 100% electricity from renewable energy by 2050

(ADB, 2017; Sivasubramaniam, 2019). More funding is needed to tip the scale from fossil fuel to clean energy. The Global North signatories of the Glasgow Statement have a role to play, particularly the legacy funders that have historically provided IPF to Sri Lanka, albeit in rather small measures: Germany, Sweden, Finland, and France. It is all the more important, as the main providers of IPF may contribute to locking the country further into gas.

5.0 Conclusions and Recommendations

Signatories of the Glasgow Statement have an important opportunity to ensure their public finance is truly transformational and supports a just and clean energy transition by implementing their commitments with integrity. This report shows that for most signatories, this will require publishing new or updated fossil fuel exclusion policies and clean energy strategies. They should do so by COP 27, in time for the 2022 deadline for ending fossil fuel support. In particular, signatories must step up efforts when it comes to strengthening gas exclusions and exemption criteria and developing ambitious and rights-upholding clean support strategies.

Rather than a reason to backslide on previous commitments, the current energy security and price crises and the war in Ukraine should provide an additional incentive for signatories to reduce their dependence on coal, oil, and gas. In line with the "common but differentiated responsibilities and respective capabilities" principle of the Paris Agreement, high-income countries have a responsibility to support lower-income countries in doing so by prioritizing the rapid deployment of already cost-competitive and sustainable renewable energy and energy-efficiency solutions. The case studies on Ethiopia and Sri Lanka show that the Glasgow Statement offers an opportunity to increase bilateral cooperation between low-, middle- and high-income signatories and could make sure signatories mutually benefit from the statement through expanding clean energy solutions.

Next to shifting the IPF landscape, it is critical that signatories ensure policy coherence and match their international finance efforts with domestic action to ensure a managed and globally equitable phase-out of fossil fuels in line with 1.5°C. They should: 1) impose a ban on new licences for oil and gas production; 2) plan for a managed phase-out of existing production in line with 1.5°C; 3) end domestic finance and subsidies for fossil fuel production and use; 4) enable the rapid building of the clean energy industry through fiscal and policy support; and 5) engage trade unions, workers, and communities in developing and implementing a just transition for affected workers and communities. Unaddressed, these activities risk undermining not just the transformative potential of the Glasgow Statement but our collective ability to meet overall global climate goals.

Implementing the Glasgow Statement in a way that is consistent with the agreed target to limit warming to 1.5°C requires rapid and bold policy change. In order to meet their Glasgow Statement commitments with integrity, high-income signatories that provide international energy finance should develop and publish updated policies for ending public finance for fossil fuels and advancing a clean and just transition no later than COP 27. These should:

1. Implement robust, immediate fossil fuel exclusions.
Policies should leave no room for any new international public support for the exploration, production, transportation, storage, refinement, and energy end uses of coal, oil, and gas, including LNG infrastructure. The policy development should be transparent and inclusive, with review and consultation involving other signatories and external stakeholders, including civil society organizations and national partners. Policies should also take a whole-of-government approach, covering export credit agencies, development finance institutions, and voice and vote at multilateral institutions, as well as any international support through

government departments and agencies or majority government-owned institutions. Until policies are in place, signatories should avoid any increase in support for fossil fuel projects before the 2022 deadline.

2. Use definitions of "limited and clearly defined exceptions" and "unabated" that do not allow for fossil lock-in, including for gas.
The 1.5°C target and the widespread affordability of clean alternatives mean that long-lived gas infrastructure, including for LNG and gas-fired power, should be excluded from new financing. CCS has significant technological limitations, environmental health risks, and high costs, which mean it is not a necessary or highly effective tool for reaching 1.5°C aligned pathways. Any exceptions for "abated" fossil fuels should at minimum be defined as gas-fired power fully equipped with CCS, rather than CCS-ready, and should not allow for financing in any upstream or midstream infrastructure. A robust alternatives assessment should also be required before project approval. Given the high costs of CCS technology, this exemption is unlikely to lead to significant investments. This is in line with already-existing best practices that signatories can adopt. Other exemptions should be limited to emergency settings (humanitarian crises) and temporary solutions for cooking and heating where clean alternatives are unavailable or inappropriate. For already-existing policies, wider exemptions for gas-fired power generation should be phased out by the end of 2023.

3. Apply fossil fuel exclusions to indirect support.
This should include investments through financial intermediaries, policy-based lending at the MDBs, technical assistance, and diplomatic support. Support through financial intermediaries is significant and likely growing, but a growing number of signatories and some MDBs have policies that extend to such support that can be replicated and strengthened.

4. Develop comprehensive strategies for rapidly scaling up transformative public finance for clean energy and a just energy transition in line with signatories' fair share of climate action.
Clean energy policies should include ambitious and quantified clean energy finance targets as part of a broader climate finance target that achieves a balance between adaptation and mitigation finance as set out in the Paris Agreement. They should articulate sectoral priorities and objectives aimed at ensuring public finance for clean energy contributes to meeting urgent development needs, including dedicated bilateral facilities for universal energy access, energy efficiency, and local just energy transitions for affected workers and communities. This should include a greatly increased share of grant-based or highly concessional instruments that limit the debt burden of recipients, especially in the lowest-income countries. Strong human rights safeguards are also needed across all clean energy finance to ensure this finance upholds the "do no harm" principle.

5. Strengthen and develop collaborations with low- and middle-income signatories to ensure efforts to implement the Glasgow Statement respond to the transition needs of the Global South country signatories.
Such collaborations must be informed by community-led development practices and engagement with local partners. This process is critical to ensuring international public support is tailored to local needs, a clean and just energy transition, and that the statement's "do no harm" principle is fully upheld. Case studies, such as the ones conducted in this

report, could be replicated for other low- and middle-income signatories to identify potential bilateral partnerships. There is also a clear opportunity to build on existing collaborations toward these goals.

Large financiers of fossil fuels, including most MDBs, Korea, and China, have not yet signed the Glasgow Statement. Signatories should use the Glasgow Statement as an opportunity to shift the wider IPF landscape and work together to:

1. **Secure new signatories to join the statement by COP 27** to establish fossil fuel-free public finance and greatly increase support for a clean and just energy transition as an emerging global norm. This is particularly important as many of the largest and most influential providers of IPF for fossil fuels—including Korea and China, but also major MDBs like the World Bank, the European Bank for Reconstruction and Development, and the African Development Bank—have not yet joined the commitment. It is equally critical that low- and middle-income countries join the initiative so that they can help shape the donor signatories' efforts to phase out public finance for fossil fuels and prioritize clean energy finance solutions.
2. **Use their vote and voice, as MDB shareholders, against new financing for fossil fuel projects** and use their collective influence to ensure the MDBs adopt policies to end direct and indirect support for fossil fuels. This effort must include the influential policy-based lending that is unique to MDBs.
3. **Secure oil and gas export finance restrictions at the OECD with a harmonized phase-out timeline by the end of 2022.** Signatories can build on the already-adopted restrictions for coal-fired power. With 19 OECD members (50%) signed onto the Glasgow Statement, there is a real opportunity for making progress on this topic at the OECD.
4. Ensure that regional coalitions or associations, such as the E3F coalition for ECAs or the Association of European Development Finance Institutions for DFIs **set ambitious norms in the energy finance sector** by strengthening their standards to align with the requirements of the Glasgow Statement.

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Appendix A. Full Methodology: Energy finance data

Energy finance data is based on the Public Finance for Energy Database maintained by Oil Change International (OCI, 2022), which tracks energy finance from international public finance (IPF) institutions at the project and transaction levels.[34] Energy finance includes grants, loans, equity purchases, guarantees, and insurance. This data is sourced primarily from government and institutional reporting as well as the Infrastructure Journal (IJ) Global database[35] and media reporting. The OCI database covers G20 public finance for energy. For the non-G20 countries, data were collected using the same methodology as for the Public Finance for Energy Database. Generally, the multilateral development banks (MDBs), development finance institutions (DFIs), and export credit agencies (ECAs) we cover provide energy finance internationally, but they sometimes also provide domestic support. This domestic support is included in our figures here to provide an institution-level picture, as it is not always possible to discern whether projects are international or domestic.

To calculate IPF for energy flows from government departments and agencies, data was collected from the Aid Atlas database[36] and the OECD Development Assistance Committee Database[37] on climate-related external development finance flows on international finance for energy provided directly through government departments and agencies outside of DFIs and ECAs. This included subnational government entities but did not include imputed contributions through MDBs. These flows are only a small part (2.5%) of the finance flows documented in Section 2.2. IJGlobal and media sources were consulted but did not identify any further transactions. Additional data were also collected from the Aid Atlas database for the case study on Sri Lanka.

Due to a lack of transparency in reporting, the amounts presented in this report are conservative estimates of the international public support provided and received by the Glasgow Statement signatories. Data is sometimes unavailable and is therefore unevenly covered in the report.

This is particularly the case for data on energy finance provided via:

1. Financial intermediaries, which are third-party financial institutions like local banks, pension funds, or private equity funds.
2. "Policy-based" lending, which provides government budget support that can cross multiple sectors and departments.

[34] The Energy Finance Database is accessible online at: https://energyfinance.org/#/ (OCI, 2022)

[35] The IJGlobal database can be accessed here: https://www.ijglobal.com/data/index (IJGlobal, n.d.)

[36] Access the AidAtlas database here: https://aid-atlas.org/ (Attridge et al, 2019)

[37] Access the OECD Development Assistance Committee Database here: https://www.oecd.org/dac/financing-sustainable-development/development-finance-data/ (OECD, n.d.b)

3. Associated infrastructure facilities, which are directly associated with energy projects such as new roads, ports, or transmission lines needed for a fossil fuel project to operate.

Energy categories are defined as follows:

- **Fossil fuel:** This includes the oil, gas, and coal sectors. This category includes access, exploration and appraisal, development, extraction, preparation, transport, plant construction and operation, distribution, and decommissioning. It also includes energy-efficiency projects where the energy source(s) involved are primarily fossil fuels.
- **Clean:** This includes energy that is both low carbon and has negligible impacts on the environment and human populations if implemented with appropriate safeguards. This includes solar, wind, tidal, geothermal, and small-scale hydro. This classification also includes energy-efficiency projects where the energy source(s) involved are not primarily fossil fuels.
- **Other:** This includes projects where (a) the energy source(s) are unclear or unidentified, as with many transmission and distribution projects, as well as (b) non-fossil energy sources that typically have significant impacts on the environment and human populations. This includes large hydropower, biofuels, biomass, nuclear power, and incineration. If a project includes multiple energy sources, we split it into multiple transactions whenever possible. Otherwise, it is also classified as "Other." More than 70% of the finance in this category is for transmission and distribution projects and other projects where the associated energy sources are unclear.

Appendix B. Energy Finance Data by Country, Institution and Energy Type

Table B2. Glasgow signatories' international public finance for fossil fuels compared to renewable energy, annual average 2018-2020, USD millions

● ECAs ■ DFIs ▲ Direct finance from government departments

Country	Institution	Coal	Gas	Oil	Oil & gas[38]	All fossil	Clean	Other	All energy
Belgium*	● Credendo*						35		**35**
	■ BIO		6			**6**	9		**15**
	▲ Direct government						1	1	**2**
Canada	● EDC		468	3,528	6,995	**10,990**	484	758	**12,232**
	■ FinDev						21		**21**
	▲ Direct government						38	51	**89**
Denmark	● Danmarks Eksport Kredit (EKF)				36	**36**	2,525	47	**2,608**
	■ Investeringsfonden for Udviklingslande (IFU)						39		**39**
	▲ Direct government						47	22	**69**

[38] Mixed or unclear

Country	Institution	Coal	Gas	Oil	Oil & gas[38]	All fossil	Clean	Other	All energy
Multilateral	● European Investment Bank		1,322		72	**1,394**	5,230	3	**6,627**
Finland	● Finnvera		142			**142**		46	**188**
	■ Finnfund						42	3	**45**
	Direct government						3	0	**3**
France	● BPIFrance		339			**339**	189		**528**
	■ French Development Agency (AfD)		11		12	**23**	1,237	295	**1,556**
	▲ Direct government						14		**14**
Germany	● Allianz Trade Export Credits		1,840	62	17	**1,919**	790	182	**2,890**
	■ KfW	4	680	59	90	**833**	2,106	276	**3,215**
	▲ Direct government						334	169	**503**
Iceland	▲ Direct government						2	1	**3**
Ireland	▲ Direct government						3		**3**
Italy	● Servizi Assicurativi del Commercio Estero (SACE)	7	1,185	533	591	**2,316**	10	278	**2,604**
	■ Cassa Depositi e Prestiti (CDP)		320	133	0	**453**	160	23	**636**
	▲ Direct government		17			**17**	5	5	**27**

Country	Institution	Coal	Gas	Oil	Oil & gas[38]	All fossil	Clean	Other	All energy
Netherlands	● Atradius	29	501	19	643	**1,192**	273	30	**1,495**
	■ Dutch entrepreneurial development bank (FMO)		23			**23**	283	64	**370**
	▲ Direct government						58	3	**61**
New Zealand	▲ Direct government						17	7	**24**
Portugal*	● Companhia de Seguro de Créditos (COSEC)*							28	**28**
	■ (Sociedade para o Financiamento do Desenvolvimento) SOFID*		0.2						**0.2**
	▲ Direct government							0.2	**0.2**
Slovenia	▲ Direct government						2	0.3	**3**
Spain	● Compañía Española de Seguros de Crédito a la Exportación (CESCE)		41	651	1,702	**2,394**	45	42	**2,481**
	■ Compañía Española de Financiación del Desarrollo (COFIDES)*								
	▲ Direct government						2		**2**

Country	Institution	Coal	Gas	Oil	Oil & gas[38]	All fossil	Clean	Other	All energy
Sweden	● Swedish National Export Credits Guarantee Board (EKN) & Swedish Export Credit Corporation (SEK)	85	29		6	**120**	2,560		**2,680**
	■ Swedfund						31		**31**
	▲ Direct government						63	21	**85**
Switzerland	● Schweizerische Exportrisikoversicherung (SERV)		956		7	**963**		584	**1,547**
	■ Swiss Investment Fund for Emerging Markets (SIFEM)						11		**11**
	▲ Direct government						23	8	**31**
United Kingdom	● UK Export Finance	22	654	261	446	**1,383**	290	315	**1,988**
	■ British International Investment (BII) — formerly CDC		37	0	42	**79**	123	196	**398**
	▲ Direct government						103	45	**148**

Country	Institution	Coal	Gas	Oil	Oil & gas[38]	All fossil	Clean	Other	All energy
United States	● Export–Import Bank of the United States (US EXIM)	29	1,616	22	173	**1,840**	32	11	**1,883**
	■ U.S. International Development Finance Corporation (DFC)		944	37	320	**1,301**	801	79	**2,181**
	▲ Direct government		1			**1**	10	391	**402**
TOTAL		**177**	**11,131**	**5,305**	**11,152**	**27,765**	**18,053**	**3,984**	**49,802**
% of TOTAL		**0.4%**	**22%**	**11%**	**22%**	**56%**	**36%**	**8%**	

Note: Institutions with extremely limited or no project-level reporting are marked with an asterisk as these estimates rely on third-party sources.

Appendix C. Policy Assessment Framework

Table C1. Fossil fuel policy

	Criteria	Beyond Glasgow	Glasgow benchmark	Below Glasgow	Absence of policy element/off track
Scope	Coal exclusion	Full exclusion for coal finance, including associated infrastructure.		Partial exclusion for coal finance.	No coal finance exclusion policy.
	Oil and gas exclusion	Full exclusion for oil and gas, with no exceptions.	Full exclusion for upstream and midstream oil and gas. Full exclusion for unabated downstream oil and gas, except in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit.	Full exclusion for upstream oil and gas support. No or partial exclusion for midstream and downstream oil and gas.	No oil and gas exclusion policy, or partial exclusion for upstream oil and gas.
	Direct/indirect support (via financial intermediaries and policy-based lending in MDBs)	The policy covers direct and indirect support.	The policy covers direct support.	Not specified.	Not specified.
Timeline	Timeline for fossil fuel exclusion	The policy includes an end date before 2022.	The policy includes an end date of the end of 2022.	The policy includes an end date between 2022 and 2024.	The policy includes no end date, or an end date after 2025.

	Criteria	Beyond Glasgow	Glasgow benchmark	Below Glasgow	Absence of policy element/off track
Implementation tools	Policy tools	Reference to and quality of policy tools (exclusion list/emissions benchmarks/capping or reduction targets at the portfolio level/screening criteria).			
	Definition of "exemptions"	Elements of definition.			

Table C2. Clean energy policy

	Criteria	Beyond Glasgow	Glasgow benchmark	Below Glasgow	Absence of policy element/off track
Scope	Clean energy finance target	Ambitious clean energy finance target as part of climate finance goals (share or volume), with sub-targets.	Ambitious clean energy finance target (share or volume) as part of climate finance goals.	Climate finance goal but no specific clean energy target.	No climate finance goal, no clean energy target.
	Sectoral priorities (energy efficiency, energy access, etc.)	More than one well-defined strategic priority is identified and associated with detailed and transformative qualitative goals and quantified objectives.	More than one sectoral priority is identified in policy documents and is associated with qualitative objectives.	At least one sectoral priority is mentioned in policy documents but not associated with qualitative or quantified objectives.	No sectoral priorities are identified in policy documents.
Implementation tools	Indications on the type of funding, instruments, co-benefits, etc.	Reference to principles in policy documents (e.g., the scale of projects, prioritization of concessional and grant-based instruments, geographical prioritization, and principles [gender-sensitivity, human rights safeguards]).			

Appendix D. Policy Analysis

All tables reflect policies available in May 2022.

Table D1. Fossil fuel policies in DFIs

Beyond Glasgow | Glasgow benchmark | Below Glasgow | No policies

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
BIO Belgium (BIO, n.d)	Full exclusion for coal.	Full exclusion for upstream oil and gas. Partial exclusion for midstream and downstream oil and gas.	No information identified in policy documents – European Development Finance Institutions (EDFI) statement applies.[39]	No information identified in policy documents – EDFI statement applies	No information identified in policy documents – EDFI statement applies.	No information identified in policy documents – EDFI statement applies.
FinDev Canada (FinDev, n.d.)	A website page mentions "no carbon-intensive investments." (FinDev, n.d.)	A website page mentions "no carbon-intensive investments."	No indication.	Implemented since the launch in 2018.	No information identified in policy documents.	No information identified in policy documents.

[39] The 14 members of EDFI adopted a statement on climate and energy finance in November 2020 (EDFI, 2020) that rules out certain types of fossil fuel finance. When we could not find policy information at the institution level for an EDFI member, we considered that the EDFI commitments apply and assessed the policy element accordingly. However, it should not exempt these institutions from adopting their own fossil fuel exclusion policies.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
IFU Denmark (Ministry of Climate, Energy and Utilities, 2021)	✔ Full exclusion for coal.*	☑ Full upstream exclusion on oil and gas. Full exclusion of midstream and downstream oil. Most gas projects are excluded, except in a limited number of cases.*	✔ No information identified in policy documents – EDFI statement applies.	☑ Entry into force in 2022, a transition period is in place until 2025.*	An exclusion list, exemption list, and screening criteria are in place.*	The exemption list includes well-defined criteria such as geographic restrictions, contribution to enhanced NDCs and carbon neutrality, lock-in and transition risks, absence of alternatives, application of environmental safeguards. *
FinnFund Finland (FinnFund, 2021)	✔ Full exclusion for coal.	⛔ Full exclusion for upstream oil and gas. Partial exclusion for midstream and downstream oil and gas.	✔ Direct and indirect support covered.	✖ Majority of new support excluded in 2020, and all new support will be phased out in 2030.	An exclusion list and screening criteria are in place, but include a substantial number of loopholes, notably on gas support (gas pipelines, liquefied natural gas [LNG] terminals, gas-fired power plants), and storage.	Any new financing will be clearly justified, specified, and publicly disclosed.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
AFD group France (AFD, 2021)	✅ Full exclusion for coal.	☑ Full upstream and midstream oil and gas exclusion. Fossil fuel-fired electricity generation is fully excluded, including gas-power plants. A few exemptions remain.	✅ Direct support covered, and indirect support partially covered.	✅ Exclusions have been in place since 2021.	A clear inclusion and exclusion list is in place, as well as emission benchmarks for mini-grid projects.	Exemptions are very limited and include domestic gas distribution projects for cooking or heating (LPG), mini-grid projects supplied by hybrid power plants, and the decommissioning or conversion or pollution reduction for existing infrastructure.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
KfW Germany (KfW 2019, 2021)	⛔ Full exclusion for coal; however, companies with substantial coal operations can still receive general corporate loans.	❌ Exclusion for upstream unconventional oil projects. Water and drilling safety standards are in place for unconventional upstream gas projects. Gas power cannot represent more than a third of new commitments for the power sector until 2029. Oil power plants can be considered on an exceptional basis until 2029.	✅ No information identified in policy documents – EDFI statement applies	❌ Most support for fossil fuel power generation is phased out by 2029; exceptions remain until 2039.	A capping of fossil fuel power generation is set in the portfolio.	Exemptions are defined for oil power generation before 2029, and exemptions for some gas technologies after 2029 (peaking plants, limited carbon dioxide emission impact, abated power plants).
CDP Italy	✅ No policy document identified – EDFI statement applies.	⛔ No policy document identified – EDFI statement applies.	✅ No information identified in policy documents – EDFI statement applies.	❌ No policy document identified – EDFI statement applies.	No policy document identified – EDFI statement applies.	No policy document identified – EDFI statement applies.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
FMO Netherlands (FMO, 2021)	✔ Full exclusion for coal.	☑ Full exclusion for upstream oil and gas. Full midstream and downstream oil exclusion. Exclusion for midstream and downstream gas, except in limited circumstances during a 5-year transition period.	✔ Indirect support covered for coal for financial institutions or funds with >20% of their balance sheet/portfolio invested in coal.	✔ Entry into force in 2021. Limited exemptions for fossil fuel support in 2026.	Clear set of inclusion and exclusion lists.	Exception criteria include geographic restrictions, alternatives, Paris-alignment, percentage share of power generation from clean for mini-grids, etc.
SOFID Portugal	✔ No policy document identified – EDFI statement applies.	⛔ No policy document identified – EDFI statement applies.	✔ No policy document identified – EDFI statement applies.	✘ No policy document identified – EDFI statement applies.	No policy document identified – EDFI statement applies.	No policy document identified – EDFI statement applies.
COFIDES Spain	✔ No policy document identified – EDFI statement applies.	⛔ No policy document identified – EDFI statement applies.	✔ No policy document identified – EDFI statement applies.	✘ No policy document identified – EDFI statement applies.	No policy document identified – EDFI statement applies.	No policy document identified - EDFI statement applies.
SIFEM Switzerland (SIFEM, n.d.a)	✔ Full exclusion for coal.	⛔ EDFI statement applies in the legal agreement of each policy.	✔ No information identified in policy documents – EDFI statement applies.	✘ No information identified in policy documents – EDFI statement applies.	No information identified in policy documents – EDFI statement applies.	No information identified in policy documents – EDFI statement applies.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
Swedfund Sweden (Swedfund, n.d.a, n.d.b)	✅ Full exclusion for coal.	✅ Full exclusion for upstream, midstream, and downstream oil and gas, with no exceptions.	☑ The policy only covers direct investment – EDFI commitments apply.	✅ Exclusions already in place.	Blanket exclusion.	No exceptions.
BII UK (Department for Business, Energy & Industrial Strategy, 2021)	✅ Full exclusion for coal.*	☑ Full exclusion for oil and gas, except in very limited exceptions.*	☑ The policy covers direct investment and indirect investment partially.*	✅ Exclusions have been in place since 2021.*	A list of exemptions (emissions efficiency, decommissioning of existing assets, gas power plants, LPG for cooking and heating, carbon capture and storage [CCS] and carbon capture, utilization and storage [CCUS]) is included in the policy, as well as screening criteria for exemptions.**	Screening criteria include a detailed list of funding conditions, as well as examples of allowed and prohibited projects and additional criteria**

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
U.S. International Development Finance Corporation (DFC)**	☑ No support for unabated or partially abated coal generation.	⛔ No new engagements related to unabated or partially abated fossil fuels. Exceptions exist but are not yet fully publicly available.	✖ Not indicated in policy document.	⛔ Interim guidelines in place; timeline for formal adoption unclear.	Emission benchmark to define "unabated," associated with screening criterion.	Screening criteria include national security, geographic criteria, energy access and transition toward net-zero. In many cases, these are not publicly defined.
EIB (EIB, 2019, 2021)	✔ Full exclusion for coal.	☑ Full exclusion for upstream [and midstream] oil and gas, power generation technologies resulting in GHG emissions above 250 gCO_2 per kWh of electricity generated.	☑ Direct support covered, climate financial disclosure for financial intermediaries.	☑ Full application in 2022.	An exclusion list coupled with emissions benchmarks for power generation are in place.	Very specific and limited exceptions are defined in the policy.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
EDFI (Not a member of the Glasgow Statement) (EDFI, 2020)	✔ Full exclusion for coal.	⛔ Full exclusion for upstream oil and gas. Partial exclusion for midstream and downstream oil and gas.	✔ Direct and indirect support covered.	✖ Majority of new support excluded in 2020; all new support will be phased out in 2030	An exclusion list and screening criteria are in place but include a substantial number of loopholes, notably on gas support (gas pipelines, LNG terminals, gas-fired power plants) and storage.	Screening criteria for gas projects are broad (reference to Paris-alignment without definition) and may allow support after 2030. Commitments will be revised every 3 years.

Note: * Refers to policies subject to a whole-of-government approach. ** For the United States, the assessment refers to an Interim International Energy Engagement Guidance, which is not yet officially public but already guides decisions by U.S. public finance institutions.

Table D2. Fossil fuel policies in ECAs

Beyond Glasgow | Glasgow benchmark | Below Glasgow | No policies

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
Atradius Dutch State Business – Netherlands (The White House, 2014; Censkowsky et al., 2021)	Full coal exclusion since 2014.	Partial oil and gas exclusion (routine flaring and fracking) since 2021.	N/A	2014 for coal; 2021 for routine flaring and fracking ended; no timeline for phasing-out other fossil.	Fossil fuel measurement methodology developed to determine level of fossil support.	No information identified.
German Export Credit Guarantees (administered through Allianz Trade, formerly Euler Hermes) Germany (OECD, 2021b; Darouich et al., 2021)	Germany excludes export financing for coal-fired power generation. As part of Export Finance for Future (E3F), it has committed to also ending support for coal mining and transportation, albeit without a concrete timeline.	In May 2020, Germany committed to ending export support for new applications related to routine venting and flaring of associated gas during oil production.	N/A	No timeline for ending all fossil fuel support.	No information identified.	No information identified.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
EKN /SEK – Sweden (EKN, 2021)	✅ EKN and SEK committed to ending guarantees for coal-fired power plants in 2018 and ended guarantees for coal mining at the end of 2020.	⛔ EKN and SEK will end export credits for exploration and extraction, including for associated infrastructure, by the end of 2022. No finance for oil and gas refineries unless there is a plan to add CCS shown to be in line with 1.5°C. Gas power plant finance will be allowed until the end of 2023 in least-developed countries or where the project is in line with a 1.5°C-aligned national transition plan.	N/A	☑ By the end of 2022.	No information identified.	No information identified.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
CESCE – Spain (Ministry of Economy, 2021)	⛔ Spain has committed to ending export financing for coal power generation (including for coal mining and transport), albeit without a concrete timeline (as part of E3F).	⛔ Spain has agreed to phase out oil and gas finance but without clarification of scope or timeline of the commitment	N/A	❌ Coal exclusion in place; no timeline for oil and gas phase-out.	No information identified.	No information identified.
BPIFrance Assurance Export – France (Government of France, 2020)	✅ France ended support for coal-fired power plant projects in 2020.	⛔ France ended support for routine flaring in 2020 and export finance for unconventional (non-traditional methods of extraction) oil and extra heavy oil by 2021. It is planning to end finance for conventional oil extraction by 2025 and for conventional gas extraction by 2035	N/A	❌ By 2025 (oil) and by 2035 (gas).	No information identified.	No information identified.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
EKF – Denmark (Ministry of Climate, Energy and Utilities, 2021; EKF, 2021)	✔ Denmark has provided no coal export support since 2020.	✔ In November 2021, Denmark announced an end to public financing and export promotion to fossil fuel support in the energy sector abroad except in limited circumstances. The limited circumstances pertain to natural gas projects.	N/A	☑ As of January 1, 2022.	No information identified.	No information identified.
US EXIM – United States**	☑ No support for unabated or partially abated coal generation.	⛔ No new engagements related to unabated or partially abated fossil fuels. Exceptions exist but are not yet fully publicly available.	N/A	⛔ Interim guidelines in place; timeline for formal adoption unclear.	Emission benchmark to define "unabated," screening criteria.	Screening criteria include national security, geographic criteria, energy access, and transition toward net-zero.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
EDC – Canada (EDC, 2019, 2021)	✔ Full exclusion for coal after 2019.	✖ Indirect restriction at EDC through a 2021 policy to reduce combined support to six carbon-intensive sectors (incl oil) by 40% below 2018 levels.	N/A	✖ Coal finance policy from 2019, some international oil and gas from 2020, no timeline for other oil and gas.	Exclusion for coal. Reduction targets for oil and gas across six high-emitting sectors.	Thermal coal exception. Unclear definition of what international oil and gas support has ended.
SACE – Italy (SACE, 2021)	✔ Full exclusion for coal (coal-fired power and extraction, production, and transport).	⛔ Projects that include routine flaring are excluded, as well as oil and gas exploration, extraction, and production through fracking.	N/A	✖ Coal finance and routine flaring/ fracking policies introduced in May 2021. No timeline for other oil and gas.	SACE adopted a climate change policy in May 2021, but it is not public.	Unclear (policy is not public).
NZECO – New Zealand (Government of New Zealand, n.d.)	⛔ Finance for coal-fired power is excluded as per OECD regulation. No exclusion of finance for coal mining or transport.	✖ No restrictions for oil and gas finance identified.	N/A	✖ Coal-fired power since 2017 (OECD). No timeline for further fossil fuel restrictions.	No exclusion list published apart from reference to OECD regulations on coal.	No information identified.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
SID – Slovenia (no policy document identified)	⛔ Finance for coal-fired power is excluded as per OECD regulation. No exclusion of finance for coal mining or transport.	⛔ No restrictions for oil and gas finance identified.	N/A	⛔ Coal-fired power since 2017 (OECD). No timeline for further fossil fuel restrictions.	No information identified.	No information identified.
COSEC – Portugal (Cosec, n.d.)	⛔ Finance for coal-fired power is excluded as per OECD regulation. No exclusion of finance for coal mining or transport.	⛔ No restrictions for oil and gas finance identified.	N/A	⛔ Coal-fired power since 2017 (OECD). No timeline for further fossil fuel restrictions.	No information identified.	No information identified.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
Finnvera – Finland (Finnvera, 2021)	⛔ Finance for coal-fired power is excluded as per OECD regulation. Finland has committed to ending export financing for coal mining and transport, albeit without a concrete timeline (as part of E3F).	⛔ No restrictions for oil and gas finance identified.	N/A	⛔ Coal-fired power since 2017 (OECD). No timeline for further fossil fuel restrictions.	No information identified.	No information identified.
Credendo – Belgium (Credendo, n.d.)	⛔ Finance for coal-fired power is excluded as per OECD regulation. Belgium has committed to ending export financing for coal mining and transport, albeit without a concrete timeline (as part of E3F).	⛔ No restrictions for oil and gas finance identified.	N/A	⛔ Coal-fired power since 2017 (OECD). No timeline for further fossil fuel restrictions.	No information identified.	No information identified.

	Scope			Timeline for fossil fuel exclusion	Implementation tools	
	Coal	**Oil and gas**	**Coverage**		**Policy tools**	**Exemptions**
SERV – Switzerland (Serv, n.d.)	⛔ Finance for coal-fired power is excluded as per OECD regulation. No exclusion of finance for coal mining or transport.	❌ No restrictions for oil and gas finance identified.	N/A	❌ Coal-fired power since 2017 (OECD). No timeline for further fossil fuel restrictions.	No information identified.	No information identified.
UKEF – United Kingdom (Department for Business, Energy & Industrial Strategy, 2021)	✅ Full exclusion for coal (coal-fired power and extraction, production, and transport)	✅ Full exclusion for oil and gas, except in very limited exceptions*	N/A	✅ As of March 31, 2021.	A list of exceptions (emissions efficiency, decommissioning of existing assets, gas power plants, LPG for cooking and heating, CCS and CCUS) is included in the policy, as well as screening criteria for exceptions.*	Screening criteria include a detailed list of funding conditions as well as examples of allowed and not allowed projects and additional criteria.*

Note: * Refers to policies subject to a whole-of-government approach.

Table D3. Clean energy strategies in DFIs

	Scope		Implementation tools
	Clean energy finance target	**Sectoral priorities**	**Indications on the type of funding, instruments, co-benefits etc.**
BIO Belgium (BIO, n.d.)	☑ BIO has an objective to invest at least EUR 150 million in 15 clean energy projects over the 2019–2023 period. BIO wants to prioritize renewable alternatives to conventional energy projects and to tend toward a 100% renewable portfolio.	⛔ "Energy with a focus on renewable energy and energy efficiency" is listed as one of the four strategic priorities in the Investment strategy 2019–2023. Priorities include investments in efficient and low-priced access to energy for all, renewable energy production (hydroelectric, geothermal, wind & solar energy), and energy efficiency.	BIO includes both large infrastructure projects and smaller-size renewable projects as key support targets. The instruments considered are limited to equity and debt.
FinDev Canada (FinDev Canada, 2021)	⛔ FinDev aims to increase climate-related investments to at least 35% of the portfolio by 2025.	⛔ Broad areas of interventions are mentioned in the climate change strategy (access to clean energy, energy efficiency); without further details.	The gender dimension of climate action is considered.
IFU Denmark (IFU, 2019)	⛔ By 2030, IFU aims to increase the climate-relevant part of its portfolio to at least 40% of the total investment volume.	⛔ IFU's 2019 Climate Policy provides few details on sectoral priorities. The bank promotes renewable energy investments and investments in greener technologies. IFU manages funds for facilities specifically dedicated to clean energy.	No information is provided in IFU's climate policy.
FinnFund Finland (FinnFund, 2021)	⛔ FinnFund committed EUR 1 billion in new investments in climate finance by 2030.	✖ No mention in policy documents.	No mention in policy documents.

	Scope		Implementation tools
	Clean energy finance target	**Sectoral priorities**	**Indications on the type of funding, instruments, co-benefits etc.**
AFD group France (AFD, 2019, 2022)	☑ The AFD committed EUR 6 billion in climate finance each year, including EUR 4 billion for mitigation. The AFD committed EUR 1.5 billion between 2016 and 2022 to support the International Solar Alliance (ISA).	☑ AFD identifies three priorities—access to energy services for all, energy efficiency and demand management, modernized and low-carbon energy supply—all detailed with a subset of qualitative objectives.	The energy strategy considers a range of policy options (policy support, off-grid, and on-grid support).
KfW Germany (KfW, 2021)	⛔ Investments in clean power generation must reach at least two thirds of total investments in power.	⛔ A range of clean power technologies is mentioned in the Paris-alignment guidance, with no further prioritization.	No mention in policy documents.
CDP Italy	✖ No mention in policy documents.	✖ The 2022–2024 Strategic Plan only states broad objectives of "promoting the energy transition."	No mention in policy documents.
FMO Netherlands (FMO, 2018, 2019, 2020)	☑ FMO sets annual targets for energy finance, which almost completely goes to clean energy, with some distribution, transmission, and storage. It also has an energy investment strategy for 2019-2021	✖ No policy element identified.	Access to energy fund: investment strategy 2019-2028; Green Methodology 2020; Deriving a 1.5°C pathway for a financial institution.
SOFID Portugal	✖ No policy document identified.	✖ No policy document identified.	No policy document identified.
COFIDES Spain	✖ No policy document identified.	✖ No policy document identified.	No policy document identified.
SIFEM Switzerland (SIFEM, n.d.)	⛔ Target of 25% climate finance for 2021–2024	⛔ *Strategic Objectives 2021–2024* include a reporting indicator on renewable energy: "Additional KWh from renewable energy."	No policy element identified.

	Scope		Implementation tools
	Clean energy finance target	**Sectoral priorities**	**Indications on the type of funding, instruments, co-benefits etc.**
Swedfund Sweden (Swedfund, n.d.a, n.d.b)	⊗ No target identified in policy documents.	⊖ Investments within the energy sector focus on renewable energy production and distribution. No qualitative targets are identified.	No policy element identified.
BII UK (CDC Investment Works, 2020)	⊖ Target of 30% climate finance in 2021.	⊖ Climate Strategy includes possible sectoral priorities such as utility-scale renewables generation, improvements to grid networks, decentralized energy solutions, technology solutions (exploring storage solutions) or energy efficiency, but no specific target is associated.	Just transition is a building block of the climate change strategy with specific metrics (jobs created, # of skilling projects).
DFC (DFC, n.d., 2021)	⊖ 33% of new investments beginning in FY 2023.	⊖ A 2021 policy document refers to achieving universal energy access, with no further details.	No policy element identified.
EIB (EIB, 2020)	⊖ Climate and environment finance to reach 50% of the lending portfolio by 2025.	☑ Clear sectoral priorities are identified: unlocking energy efficiency; decarbonizing the supply of energy; supporting innovative technologies and new types of energy infrastructure; Securing the enabling infrastructure associated with qualitative targets.	The policy plans the creation of an energy transition package to support just transition.
EDFI (EDFI, 2020)	⊖ Individual members commit to setting targets for climate-related investments by 2022 at the latest.	N/A	EDFI aims to develop guidance and initiatives to support "a just transition of the workforce to a low-carbon economy."

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