BRIEFING
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LEADERS & LAGGARDS:

TRACKING IMPLEMENTATION OF COMMITMENTS TO END INTERNATIONAL PUBLIC FINANCE FOR FOSSIL FUELS

Context

The Clean Energy Transition Partnership or CETP (sometimes called the Glasgow Statement), was launched in 2021 at COP26 in Glasgow. It is the first international political commitment to end public finance for oil and gas in addition to coal. Forty-one signatories (including some of the largest historic providers of international public finance like Canada, Germany, Italy, the United States, United Kingdom, and France) have so far pledged to end direct international public finance for unabated fossil fuels within one year of signing the statement, and to prioritize their public finance fully for the clean energy transition.[1]

Japan also joined peers in making a near-identical commitment at the G7 in May 2022. If Japan and all CETP signatories meet their commitments, USD **$30.2 billion per year** will be shifted away from fossil fuels and into clean energy, more than doubling their international support for the energy transition. CETP implementation is also creating much-needed momentum for wider multilateral cooperation to end fossil fuel finance at the OECD, Multilateral Development Banks (MDBs), and UNFCCC.

However, a handful of countries have been backsliding on the CETP commitment by continuing to invest in fossil gas and undermining this momentum. Civil society and the International Energy Agency have warned that the answer to the energy and climate crises are one and the same: an accelerated transition away from fossil fuels and to clean energy, not investments in new oil and gas or LNG infrastructure.

At COP28, countries agreed for the first time to 'transition away' from fossil fuels. With this new momentum, governments have an opportunity to prioritize finance for the clean energy and energy efficiency solutions that are most effective in supporting energy access, security and affordability.

This briefing, regularly updated here, tracks implementation efforts and assesses whether countries are on track to keep their 'stop funding fossils' promise.

Summary

- Of the 16 original high-income CETP signatories that provide international public finance for energy, **eight** have existing or new policies aligned or nearly aligned with the CETP (**United Kingdom**, **Denmark**, **European Investment Bank**, **France**, **Finland**, **New Zealand**, **Sweden**, **Canada**). The policy details vary from country to country, but all put a complete halt to investments in new oil and gas extraction and LNG infrastructure.

- Six countries **(Belgium, The Netherlands, Spain, Switzerland, Italy, Germany)** have new policies that further restrict fossil fuel support but leave major loopholes. Italy and Switzerland in particular are severely misaligned with their CETP promises, with fossil fuel finance continuing virtually unhindered by their policies.

- **Two** countries (**The United States and Portugal**) have yet to publish new or updated policies. The United States has reportedly adopted a policy, but is refusing to publish it.

- **Australia** and **Norway** signed up to the initiative **at COP28 in December 2023**, giving them 12 months to implement their commitment. Both countries must adopt best practices, ending all international public finance for fossil fuels, publishing their policies as soon as possible with no loopholes.

- **All signatories** must do more to meet the parallel commitment to "prioritise support fully towards the clean energy transition" whilst "'do[ing] no significant harm' to the goals of the Paris Agreement, local communities and local environments".

- As detailed in our violations tracker, a small number of signatories are breaking the commitment with ongoing fossil fuel project support, undermining wider multilateral momentum to end public money for fossil fuels. Five countries including the **United States, Switzerland** and **Italy** have approved at least USD 9.8 billion in fossil finance since the deadline passed. **Japan** has also approved $4.7 billion in fossil financing despite being party to the matching G7 commitment.

1 This $30.2 billion figure adds the totals for Japan, Norway, and Australia presented in this briefing to the initial CETP estimate from the report Promise Breakers: Assessing the impact of compliance with the Glasgow Statement commitment to end international public finance for fossil fuels.

Approved projects that violate commitments to end international public finance for fossil fuels

Switzerland has approved the most fossil fuel finance of the CETP signatories since the end of 2022 deadline passed, providing a total of almost $3.6 billion for 5 projects. This includes almost $2.5 billion for one gas power plant in Turkmenistan.

The **United States** has approved the most fossil fuel projects of CETP signatories since the end of 2022 deadline passed, providing a total of almost $3.2 billion for 10 projects. In December 2023, US-EXIM also provided its first domestic fossil fuel support of $90 Million to Freeport LNG. **Italy** approved almost $1.6 billion in finance for 5 projects in 2023. Germany approved $998 million in finance for 6 projects since the end of 2022.

Frontline communities and CSOs in countries receiving fossil projects are resisting projects that have received funding. This includes the Talara refinery in Peru, which violates Indigenous rights and pollutes their territories, the Sonargaon Unique Gas Powerplant in Bangladesh and Papua LNG in Papua New Guinea. 27 environmental and civil society organizations from Papua New Guinea, the Asia Pacific region and the United States submitted a letter to the U.S. Export-Import Bank (EXIM) urging it to oppose support for the Papua LNG project because of its harmful climate impacts.

Selected country and institution updates

Signatories aligned or nearly aligned with the CETP pledge:

- **United Kingdom:** After adopting a policy that put an immediate halt to new finance for fossil fuels with limited gas exemptions in March 2021, the UK led efforts to launch the CETP at COP26. Since then, it has organized workshops with signatories focused on implementation and promotion of the initiative. At COP27 and COP28, the UK hosted events to track progress on implementation.

- **France:** In September 2022, France released an updated policy to implement its CETP commitment. The policy puts an end to all international public finance for fossil fuels by the end of 2022, apart from oil and gas-fired power with some still-unclear criteria for alternatives assessments.

- **European Investment Bank:** The EIB is the only Multilateral Development Bank (MDB) to date that has signed onto the CETP. Its Energy Lending Policy, adopted in 2019, bans financing for new fossil fuel projects with limited gas power exceptions.

- **Canada:** Canada, the world's second largest provider of international public finance for fossil fuels after Japan, published a new policy in December 2022, which applies across all federal departments, agencies and Crown corporations. This new policy will end a significant portion of Export Development Canada's fossil fuel support and redirect those funds to support the clean energy transition. Although the policy contains some exemptions for continued support for fossil gas, fossil hydrogen and carbon capture and storage (CCS) technology, the policy lays conditions that, if applied with integrity, are difficult for any fossil fuel project to meet. The policy leaves the door open for fossil fuel projects on national security grounds and further detail is needed on how this will be interpreted.

Signatories that are dragging their feet:

- **United States:** The US published treasury guidance for MDB support for fossil fuel projects in August 2021. The US also introduced a new policy that applies to bilateral finance (Development Finance Corporation (DFC) and US Export-Import Bank (US EXIM), but is refusing to publish it. In 2023, the US provided the most fossil fuel finance of all CETP signatories, providing public finance for 7 projects for a total of $2.18 billion USD with 3 more pending approval, including highly controversial projects.

- **Germany:** Since signing onto the CETP, German Chancellor Scholz has indicated interest in supporting upstream gas in Senegal, pushed for the EU to work with countries that can develop new gas fields, and German international public finance for fossil fuels continues. In November 2023, a new policy took effect for Germany's export credit agency, Euler Hermes, which fell short of the CETP pledge. A new policy for KfW, the German development bank, eventually came out in December 2023, falling short of the CETP promise by continuing downstream gas and some midstream gas support, with concerning loopholes.

- **The Netherlands:** A policy for ADSB (the Dutch ECA) published in November 2022 has loopholes that break the CETP promise. Loopholes include: A widely-defined exemption for projects that enhance "energy security" and a one-year transition period until the end of 2023 for fossil fuel applications received before the end of 2022. The transition period was used to justify the approval of export finance support for an oil and gas extraction project in Brazil. FMO, the Dutch DFI, has a CETP-aligned policy in place.

- **Italy:** In March 2023, Italy released a new policy for SACE, the Italian ECA, which allows fossil fuel finance to continue virtually unhindered. This policy, worst in class among CETP signatories, has phase-out dates for various fossil fuel sectors ranging from 2024 to 2028, and wide-ranging exemptions seem to allow unrestricted fossil finance after 2028. CDP, the Italian DFI, is also misaligned with the CETP, with a November 2022 policy containing only partial restrictions on upstream oil and gas. In addition, midstream oil and gas is permitted without restriction and there are inadequate restrictions on gas power.

Notable countries and institutions missing from the Glasgow Statement:

- **World Bank Group (WBG):** Among the MDBs the World Bank Group is the biggest provider of finance for fossil fuel projects, despite regularly stating it no longer provides fossil fuel finance by ignoring policy-based support and private-sector lending (through its arms IFA and MIGA). It has provided USD $17 billion in public finance for fossil fuel projects since the adoption of the Paris Agreement. The CETP statement requires all signatories to advocate for fossil free policies at all MDBs.

- **Japan:** Japan is one of the world's largest providers of public finance for fossil fuels, responsible for USD $10.6 billion in international public finance for fossil fuel projects annually between 2019 and 2021. As part of the G7 Japan signed onto a commitment to end international public finance for fossil fuels that is near-identical to the CETP commitment in June 2022. Japan has since signaled that it plans to continue to provide public finance for upstream oil and gas despite the G7 pledge.

- **South Korea:** South Korea has consistently ranked among the top global public financiers for fossil fuels, providing USD $7.3 billion a year annually between 2019 and 2021. Of the top three fossil financiers, Korea is the only one not to have made any commitment, via the CETP or the G7, to phase out its international support for fossil fuels.

Appendix: Fossil fuel exclusion policies of the Clean Energy Transition Partnership (CETP) signatories that provide significant levels of international public finance for energy

Explore the data on [energyfinance.org]

Signatory	Coal	Oil and gas			Energy Security	Update status
Annual average **fossil fuel** and **clean energy** support, 2018–2020, USD millions ECA (Export credit agency) DFI (Development finance institution) MDB guidance	No new coal finance – mining, transportation, power, associated infrastructure	No new upstream support (oil and gas extraction)	No new midstream support (oil and gas processing, storage, transport, including LNG)	No new support for fossil fueled **power generation** compatible with CETP pledge	Exemptions in the name of "energy security" avoided	New or updated policy to implement CETP adopted
United Kingdom **1,487 | 621** **UKEF** **BII UK** **MDBs**	●	●	●	●	●	**Complete** [Whole of government policy]
Denmark **36 | 2,611** **EIFO** **IFU** **MDBs**	●	●	●	●	●	**Complete** [Whole of government policy]
EIB' **2,099 | 4,685** **MDB**	●	●	●	●	●	**Complete** [Energy Lending Policy]
New Zealand* **0 | 17** **NZECO** **MDBs**	● ●	● ●	● ●	● ●	● ●	**Complete** [NZEC (ECA) policy] [OCI response]
Finland **142 | 45** **Finnvera** **Finnfund** **MDBs**	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	**Complete** Finnvera [(ECA) policy] [Finnfund (DFI) policy] and [climate & energy statement] [OCI response]

Signatory	Coal	Oil and gas			Energy Security	Update status
Annual average **fossil fuel** and **clean energy** support, 2018–2020, USD millions 🔵 ECA (Export credit agency) 🟧 DFI (Development finance institution) ▲MDB guidance	No new coal finance – mining, transportation, power, associated infrastructure	No new upstream support (oil and gas extraction)	No new midstream support (oil and gas processing, storage, transport, including LNG)	No new support for fossil fueled **power generation** compatible with CETP pledge	Exemptions in the name of "energy security" avoided	New or updated policy to implement CETP adopted
France **362** | **1,44** 🔵 **BPIFrance** 🟧 **AFD** ▲**MDBs**	🟢 🟢 🔵	🟢 🟢 🔵	🟢 🟢 🔵	🟠 🟢 🔵	🟢 🟢 🔵	**Updated** ⚠ ECA policy criteria for funding oil and gas-fired power need to be strengthened. DFI fossil fuel finance restrictions meet CETP commitment. OCI response
Canada- **1,515** | **543** 🔵 **EDC** 🟧 **FinDev** ▲**MDBs**	🟢	🟢	🟢	🟢	🟠	**Updated** Whole of government policy ⚠ National security exemption needs clarification to ensure it cannot be misused for continued support to long-term fossil fuel infrastructure. The majority of Canada's ECA fossil fuel finance is domestic and therefore not covered by their policy. EDC has continued to provide billions in domestic fossil fuel finance in 2023. The Canadian government has pledged to publish a plan to end this domestic trade finance for fossil fuels by the end of 2024. OCI response
Sweden **120** | **2654** 🔵 **EKN / SEK** 🟧 **Swedfund** ▲**MDBs**	🟢 🟢 🔵	🟠 🟢 🔵	🟢 🟢 🔵	🟢 🟢 🔵	🟢 🟢 🔵	**Updated** ⚠ The Swedish government instructed Sweden's ECAs to end new finance for oil and gas production by 2022. Their new sustainability policy should be updated to reflect this more clearly. For more details see OCI's press reaction. DFI fossil fuel finance restrictions meet CETP commitment.
Belgium **680†** | **45** 🔵 **Credendo** 🟧 **BIO Belgium** ▲**MDBs**	🟢 🟢 🔵	🟠 🟢 🔵	🟠 🟢 🔵	🟠 🟠 🔵	🟢 🟢 🔵	**Updated but not in line with CETP promise** ⚠ ECA policy breaches the end-of-2022 deadline – it allows support for projects that have received promise of insurance by July 2022 into 2023. It also allows continued support for projects relating to existing oil and gas fields to continue. OCI response
Netherlands **1,215** | **614** 🔵 **Atradius DSB** 🟧 **FMO** ▲**MDBs**	🟢 🟢 🔵	🟠 🟢 🔵	🟠 🟢 🔵	🟠 🟢 🔵	🟠 🟢 🔵	**Updated but not in line with CETP promise** ⚠ ECA policy breaches the end-of-2022 deadline – it allowed projects that requested support in 2022 to still be approved in 2023. There are energy security exemptions and exemptions for some continued support in low-income countries. DFI policy meets CETP commitment. OCI response
Spain* **2,400** | **47** 🔵 **CESCE** 🟧 **COFIDES** ▲**MDBs**	🟢 🟢 ⚪	🟢 🟢 ⚪	🔴 🟢 ⚪	🟠 🟢 ⚪	🟢 🟢 ⚪	**Updated but not in line with CETP promise** ⚠ ECA policy allows continued support for LNG infrastructure, and criteria for continued support for gas-fired power are not tight enough. OCI response DFI fossil fuel finance restrictions meet CETP commitment.

Signatory	Coal	Oil and gas			Energy Security	Update status
Annual average **fossil fuel** and **clean energy** support, 2018–2020, USD millions 🔵 ECA (Export credit agency) 🟧 DFI (Development finance institution) ▲ MDB guidance	No new coal finance – mining, transportation, power, associated infrastructure	No new upstream support (oil and gas extraction)	No new midstream support (oil and gas processing, storage, transport, including LNG)	No new support for fossil fueled **power generation** compatible with CETP pledge	Exemptions in the name of "energy security" avoided	New or updated policy to implement CETP adopted
Germany **2,752 | 3,230** 🔵 **AllianzTrade/EulerHermes** 🟧 **KfW** ▲ **MDBs**	🟢 🟢 ⚪	🟠 🟢 ⚪	🟠 🟠 ⚪	🟠 🟠 ⚪	🔴 🔴 ⚪	**Updated but not in line with CETP promise** ⚠ ECA policy falls short of CETP promise by not ruling out continued public finance for oil and gas fields, gas pipelines, gas infrastructure and gas power plants. Finance for gas extraction can be permitted if ECA assesses it is allowed under 1.5°C climate goals or if fossil fuel 'lock-in' is avoided, but no methodology is provided for how this will be assessed. Policy for KfW (DFI) released December 2023 falls short of CETP pledge, with continuing downstream gas and some midstream gas support. Refineries, LNG regasification terminals, LNG tankers and gas transportation, etc. still permitted. Very long phase-out timelines for finance for developing countries. Loopholes for 'energy security', trade finance and corporate finance.
Switzerland **717 | 34** 🔵 **SERV** 🟧 **SIFEM** ▲ **MDBs**	🟢 🟢 🟢	🟢 🟢 🟢	🔴 🟢 🟠	🔴 🟢 🟠	🔴 🟢 🔴	**Updated but severely misaligned with CETP promise** ⚠ A year after publication of initial ECA policy, SERV quietly issued a new policy watering down its initial CETP policy, introducing caveats around complying with the 1.5C goal, inserting a loophole allowing midstream gas, and creating a wide-raging 'national interest' loophole that is wide enough to allow all fossil fuel support to continue. SERV has also recently financed several gas projects. Switzerland is the only country to water down its CETP policy after publication. No scientific basis is provided for the policy. DFI policy in line with CETP Statement
Italy **2,786 | 175** 🔵 **SACE** 🟧 **CDP** ▲ **MDBs**	🟢 🟠 ⚪	🔴 🔴 ⚪	🔴 🔴 ⚪	🔴 🔴 ⚪	🔴 🔴 ⚪	**Updated but severely misaligned with CETP promise** ⚠ ECA policy allows fossil fuel finance to continue virtually unhindered for years to come. DFI policy updated in November 2022 is not in line with the CETP pledge with only partial restrictions on upstream oil and gas, no restrictions on midstream oil and gas and inadequate restrictions on gas power.
United States **3,142 | 843** 🔵 **US EXIM** 🟧 **DFC** ▲ **MDBs**	🟠 🟠 🟢	⚪ ⚪ 🟢	⚪ ⚪ 🟠	⚪ ⚪ 🟢	⚪ ⚪ 🟢	**Interim policy in place** ⚠ Interim policy in place but it has not been published. MDB guidance has been published.
Portugal* **0.2 | 0** 🔵 **COSEC** 🟧 **SOFID** ▲ **MDBs**	🟠 🟢 ⚪	🔴 🟢 ⚪	🔴 🟠 ⚪	🔴 🟠 ⚪	⚪ 🟢 ⚪	**Process unclear**

Signatory	Coal	Oil and gas			Energy Security	Update status
Annual average **fossil fuel** and **clean energy** support, 2018–2020, USD millions ● ECA (Export credit agency) ■ DFI (Development finance institution) ▲MDB guidance	No new coal finance – mining, transportation, power, associated infrastructure	No new upstream support (oil and gas extraction)	No new midstream support (oil and gas processing, storage, transport, including LNG)	No new support for fossil fueled **power generation** compatible with CETP pledge	Exemptions in the name of “energy security” avoided	New or updated policy to implement CETP adopted
Australia **78** | **18** ● **Export Finance Australia** ▲**MDBs**	● ●	● ●	● ●	● ●	● ●	**Process underway** Australia signed the CETP in December 2023, giving it one year to implement a policy
Norway **149^** | **337** ●**Eksfin** ■ **Norfund** ▲**MDBs**	● ● ●	● ● ●	● ● ●	● ● ●	● ● ●	**Process underway** Norway signed the CETP in December 2023, giving it one year to implement a policy

* Particularly low data transparency.
‘ These numbers are a 2016–2018 average to reflect EIB’s totals before they brought in a CETP-aligned policy in 2019.
† These numbers are a 2016–2020 average as annual figures were not available for 2018–2020.
- This number is a conservative estimate of EDC’s international fossil fuel finance, based on their limited reporting. Box 2 below provides more details on EDC.
^This number is a 2021-2023 average and is a conservative estimate of Norway’s fossil finance drawn from ActionAid Denmark’s Report: [“Fuelling the Fire”].

● In breach of CETP pledge.
● Partial policy, but not aligned with theCETP criteria. For supply chain ratings, this means no fossil fuel exclusions or very limited exclusions that represent less than 25% of activity in this lifecycle stage. For timeline and energy security ratings, these are policies where there are loopholes in these areas that only apply to part of rather than the whole policy.
● Policy is aligned with the CETP criteria.
● MDB guidance exists but is not publicly available.
● No policy published.

More details in the Methodology section of [this report].

This briefing was written by Adam McGibbon and Laurie van der Burg of Oil Change International. For more information, contact adam.mcgibbon@priceofoil.org.

This analysis builds on and updates previous OCI research: "Promise Breakers: Assessing the impact of compliance with the Glasgow Statement commitment to end international public finance for fossil fuels" published in 2023. Visit energyfinance.org or priceofoil.org for more information.

***Oil Change International** is a research, communications, and advocacy organization focused on exposing the true costs of fossil fuels and facilitating the coming transition towards clean energy*

Cover image: Noyan Yilmaz