Holding Course, Missing Speed

Protecting progress on ending fossil fuel finance and unlocking clean energy support

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Head Office

111 Lombard Avenue, Suite 325
Winnipeg, Manitoba
Canada R3B 0T4

Tel: +1 (204) 958-7700
Website: iisd.org
𝕏: @IISD_news

Holding Course, Missing Speed: Protecting progress on ending fossil fuel finance and unlocking clean energy support

September 2025

Written by Natalie Jones (International Institute for Sustainable Development), Indira Urazova (International Institute for Sustainable Development), Claire O'Manique (Oil Change International), Adam McGibbon (Oil Change International), and Kate DeAngelis (Friends of the Earth U.S.)

Reviewed by Laurie van der Burg (Oil Change International), Nichole Dusyk (International Institute for Sustainable Development), Patricia Fuller (International Institute for Sustainable Development), Goni Ben Gera (Solutions For Our Climate), Ivetta Gerasimchuk (International Institute for Sustainable Development), Tara Laan (International Institute for Sustainable Development), Simone Ogno (ReCommon), Ana Xambre Pereira (BothENDS), Dina Rui (Nordic Center for Sustainable Finance), Max Schmidt (Perspectives Climate Research), and Kelly Trout (Oil Change International).

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Executive Summary

The Clean Energy Transition Partnership (CETP) was signed at the 26th United Nations Climate Change Conference (COP 26) in Glasgow in November 2021. The 40 signatories agreed to end international public finance for fossil fuels by the end of 2022 and fully prioritize international public finance for clean energy. The commitment covers export finance via export credit agencies (ECAs), development finance institutions (DFIs), and official development assistance (ODA). This report considers how implementation of the commitment has progressed 2 years after the deadline.

There continues to be a downward trend in public support for international fossil fuels in CETP signatories (Figure ES1). In 2024, compared with the pre-CETP 2019–2021 annual average, overseas fossil fuel financing decreased by up to 78% (a drop of between USD 11.3 billion and USD 16.3 billion). If United States (U.S.) support for fossil fuels is not considered in the analysis (since the United States left the CETP in February 2025), this decline is even more pronounced—an up to 81% drop in overseas support for fossil fuels. This reduction in public financing for fossil fuels demonstrates the tremendous power and positive impact of the CETP as a vehicle of the clean energy transition. The recent International Court of Justice advisory opinion on climate change strengthens the case for phasing out international public finance for fossil fuels, making clear that states that continue to provide international or domestic public support for fossil fuels will now be subject to increased legal risk.

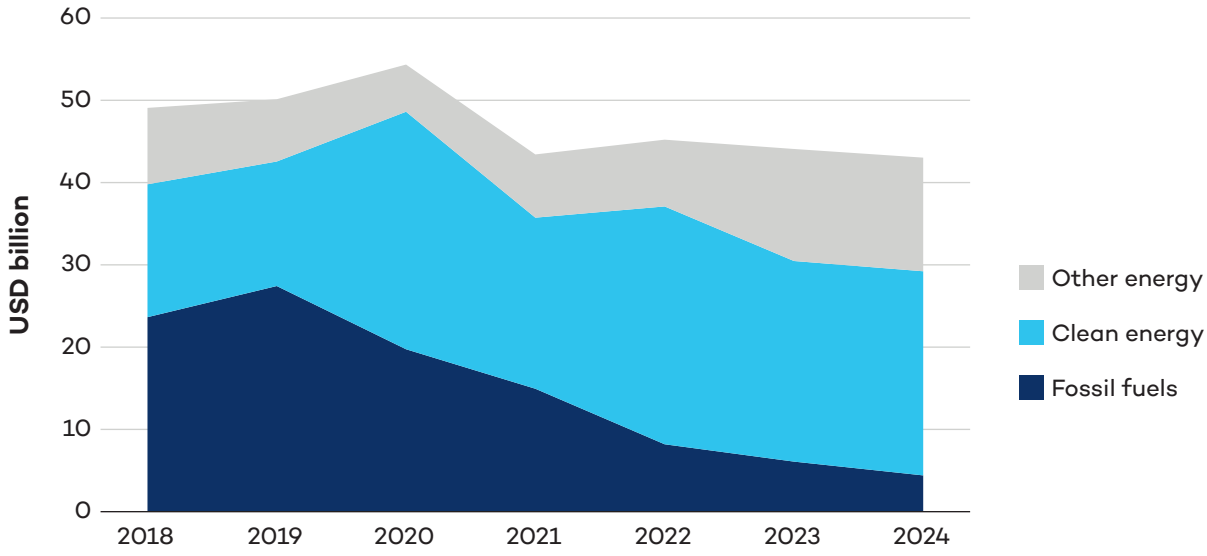
In all, 10 out of 17 high-income signatories have fully aligned their energy finance policies with the CETP pledge. At the same time, some signatories have failed to comply with the commitment. Policies published by Italy's Servizi Assicurativi del Commercio Estero and Cassa Depositi e Prestiti, and Switzerland's Swiss Export Risk Insurance, allow for continued fossil fuel financing. Several countries have jointly approved USD 10.9 billion in new fossil fuel financing in violation of their CETP commitment in the 2023–2024 period, with the United States, Germany, Italy, and Switzerland topping the list. Portugal has failed to publish a fossil fuel exclusion policy nearly 3 years since the commitment deadline. Several others need to make adjustments to ensure full policy alignment. At the same time, fossil fuel finance is dropping even amongst signatories with policies that do not match the ambition of the CETP commitment, highlighting the positive effect of CETP to date.

Out of the remaining support to fossil fuels from CETP governments (approximately USD 4.7 billion in 2024), more than two-thirds (72%) is from ECAs, showcasing their important role in enabling future progress.

Despite the momentum in winding down fossil fuel finance by CETP signatories, the initiative is facing significant headwinds in the current political context. Amid trade wars and rising geopolitical tensions, the progress on CETP implementation and broader multilateral cooperation on climate and energy are more fragile than ever. With the election of President Donald Trump in November 2024, the United States has reversed its policy stance on most energy issues—from ending federal support for renewable energy under the Inflation Reduction Act to prioritizing and fast tracking oil, fossil gas, and coal production

throughout the country. In addition to leaving the CETP in February 2025, the Trump administration pushed the European Union (EU) to agree to buy USD 750 billion worth of American energy imports by 2028 as part of the EU–US trade deal and invest an additional USD 600 billion in the United States over the course of President Trump's term. It is unclear whether and how EU member states will implement this agreement, but there are significant risks that countries will utilize public financial institutions to facilitate energy purchases, thereby increasing the risk of backsliding on the CETP commitment.

Figure ES1. CETP signatories' international energy financing for clean energy, fossil fuels, and other energy (2018–2024)



Source: Authors' calculations.

Furthermore, the significant reduction in support for international fossil fuels has not led to a corresponding increase in support for clean energy technologies. In 2024, CETP countries increased their financial support for clean energy projects by only USD 3.2 billion compared to the pre-CETP 2019–2021 annual average, which means less than a fifth of the funding removed from fossil fuels has been redirected into clean energy. Most of this clean energy finance is flowing to high- and upper-middle-income countries or advanced economies rather than low-income countries.

In order for the CETP to reach its full impact, signatories must not only end their support for fossil fuels and maintain and strengthen their fossil fuel restriction policies: they must also increase their support for clean energy projects.

We recommend that CETP members

- **continue to robustly implement the commitment to end international public support for fossil fuels**, including through members using their voice and vote at the multilateral development banks. Countries need to close loopholes in policies and end their violations of the CETP commitment. As of September 2025, the policies of Germany, Italy, and Switzerland still contain loopholes that permit fossil

fuel financing. After the 2022 deadline for the CETP implementation, six signatory countries (Canada, Finland, Germany, Italy, the Netherlands, and Switzerland) and the United States (which left the commitment in February 2025) provided close to USD 10.9 billion in public finance for fossil fuels in clear violation of the commitment.

- **adopt a joint ambition by the end of 2026 under the CETP Clean Energy Action Plan for scaling up international support** for clean energy in emerging markets and developing economies, that contains a quantitative collective target of no less than USD 42 billion per year.[1] Clean energy should be tightly defined to ensure investments have a transformative impact and exclude investments in unproven solutions such as blue hydrogen and carbon capture and storage.
- **adopt institutional or whole-of-government policies or strategies for scaling up international support for clean energy in emerging markets** and developing economies, ensuring that this finance is delivered on fair terms and supports a just transition. These strategies should
    - adopt ambitious and quantitative targets for rapidly scaling up international public finance for clean energy;
    - prioritize transformative subsectors, such as off-grid renewables, as well as grid and storage solutions to accommodate the growing share of variable renewables in the mix;
    - ensure that clean energy finance does not burden Global South countries with additional debt and that a much larger portion will be delivered through grants and highly concessional instruments;
    - prioritize clean energy finance for countries most in need;
    - provide dedicated financing to support a just energy transition to ensure that workers in fossil fuel-producing regions have social protection and have retraining opportunities to take jobs in other industries;
    - adopt strong human rights safeguards to ensure clean energy finance upholds the "do no harm" principle. Signatories should ensure that financed projects obtain Free, Prior, and Informed Consent and are preceded by inclusive planning that empowers and benefits local communities, workers, Indigenous Peoples, and other relevant stakeholders.

In implementing these recommendations, high-income, middle-income, and low-income signatories should closely collaborate to ensure efforts respond to the transition needs of Global South signatories. These partnerships should build on existing collaborations and uphold the CETP's "do no harm" principle through community-led development practices.

Other influential and large financiers of fossil fuels, including most multilateral development banks, Japan, the Republic of Korea, and China, have not yet signed on to the CETP.

[1] See Section 5 to understand how this figure is calculated. It is based on considerations including the total need for international public finance for clean energy in EMDEs, and the CETP members' total clean energy and fossil fuel financing before the CETP was agreed.

Signatories should use the CETP as an opportunity to work together to secure new signatories to join the statement by COP 30.

Finally, the CETP's success also depends on all signatories 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. These activities risk undermining the transformative potential of the CETP. In addition, fossil fuel subsidy reform creates fiscal space to then increase public finance for international clean energy projects, among other priorities. Signatories should show integrity by committing to end domestic fossil fuel public finance and subsidies, banning new licences for oil and gas exploration and production, and transitioning away from fossil fuel extraction on a globally just and 1.5°C-aligned timeline, including by joining the Beyond Oil and Gas Alliance and the Coalition on Phasing out Fossil Fuel Incentives Including Subsidies.

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Abbreviations and Acronyms

AZEC	Asia Zero Emission Community
BESS	battery energy storage systems
CETP	Clean Energy Transition Partnership
DFI	development finance institutions
ECA	export credit agencies
EDC	Export Development Canada
EIB	European Investment Bank
EMDE	emerging markets and developing economies
EU	European Union
EXIM	export-import
IEA	International Energy Agency
JBIC	Japan Bank for International Cooperation
LNG	liquefied natural gas
OCI	Oil Change International
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PFI	public finance institution
ROK	Republic of Korea

1.0 Introduction

The Clean Energy Transition Partnership (CETP) (also known as the "Glasgow Statement") commits signatories to end international public support for fossil fuels—coal, oil, and gas—by the end of 2022 and to instead fully prioritize this public support for clean energy. The original commitment was made at the 26th UN Climate Change Conference (COP 26) to the United Nations Framework Convention on Climate Change in November 2021 (CETP, 2021).

In 2025, the CETP has 35 country and five public finance institution (PFI) signatories, including traditionally large public financiers of fossil fuels, such as Australia, Canada, Germany, and Italy as well as 15 low- and lower-middle-income countries. However, other large financiers of international fossil fuel projects are missing, such as the United States (since 2025), the Republic of Korea, Japan, and China, though the United States and Japan are bound by a near-identical G7 commitment adopted in 2022. The recent change in government in the Republic of Korea could provide an opportunity for the country to join the CETP.

Our previous research found that CETP signatories' fossil fuel finance was falling, but flows in clean energy finance from CETP signatories did not show a corresponding increase (Jones et al., 2024). In 2023, the original CETP signatories financed at least USD 6.1 billion in international fossil fuels. Compared with the pre-CETP 2019–2021 annual average of USD 15.7 billion to USD 20.7 billion, this was a significant decrease of up to 70% (between USD 9.6 billion and USD 14.6 billion).[2] Most signatories—even those that have not fully implemented their commitment via national policies—had eliminated or considerably reduced their fossil fuel financing, although violations persisted. However, flows in clean energy finance from CETP signatories did not increase significantly. In 2023, the original CETP signatories financed a total of USD 21.3 billion in clean energy, versus USD 26 billion in 2022 and a pre-CETP 2019-2021 average of USD 18.4 billion per year. This report assesses the situation for 2024 to determine whether support for fossil fuels continued to decline and whether larger sums of finance shifted to clean energy.

At COP 29 in 2024, the CETP adopted the Clean Energy Action Plan, which sets out actions that the CETP Secretariat and members will collaborate on throughout 2025 and 2026, to demonstrate the progress being made to scale up international public support for clean energy (CETP, 2024). In particular, CETP members and the Secretariat will work together toward developing a joint CETP ambition for international public support for clean energy in emerging markets and developing economies (EMDEs). To provide a baseline for this work, this report examines how much CETP financing for clean energy was provided to EMDEs in 2024 and provides recommendations for how the Clean Energy Action Plan can be implemented.

[2] Previous research found that in 2023 the original CETP signatories financed at least USD 5.2 billion in international fossil fuels (Jones et al., 2024). Since that research was published, additional data for CETP signatory fossil fuel financing in 2023 has been found, leading to the larger number of USD 6.1 billion.

The political shift in some CETP countries' governments increases the risk that CETP policies could be weakened or that countries could leave the commitment altogether. The Trump administration almost immediately left the CETP upon entering office for the second time in January 2025. This departure was a blow to the global momentum for aligning finance flows with climate and energy transition priorities, as having the United States involved provided the support of a powerful country, one with the ability to shift over USD 5 billion annually[3] away from fossil fuels to renewables. This departure removes a significant amount of public international finance from the commitment and sends a signal to the world that the international fossil fuel sector will continue to receive support from the United States. No other countries have followed the United States in exiting the CETP, suggesting that the other 40 countries and institutions remain committed to phasing out international fossil fuel finance and shifting this support to renewable energies. The United States does remain bound by a near-identical G7 commitment to end fossil fuel finance (G7, 2022).

The recent International Court of Justice (2025) advisory opinion on climate change strengthens the case for phasing out international public finance for fossil fuels. It makes clear that providing fossil fuel subsidies, including public financial support for fossil fuels, can be considered an internationally wrongful act. States that continue to provide international or domestic public support for fossil fuels will now be subject to increased legal risk.

The report proceeds as follows. Section 2 outlines the methodology. Section 3 presents the findings. Section 4 examines updates to countries' and institutions' fossil fuel financing policies. Section 5 analyzes best practices for the CETP to implement the Clean Energy Action Plan, and Section 6 offers recommendations and conclusions.

[3] Average international fossil fuel finance provided by the United States in 2019–2021.

2.0 Methodology

This report assesses trends in public finance for the energy sector, from the international public finance institutions of the 20 high-income CETP signatories, as well as the European Investment Bank (EIB), focusing on the period from 2018 to 2024. It covers finance from development finance institutions (DFIs) and export credit agencies (ECAs). This includes public finance provided through grants, loans, equity, guarantees, and insurance. This report only includes the international finance provided by these institutions; as such, the figures presented here do not represent all of the finance provided by these institutions, since they sometimes also provide domestic support. The data is classified by the fiscal year of the individual institutions. Most institutions have the same fiscal year as the calendar year, except for the United States and Australia.

The analysis uses data from Oil Change International's (OCI's) Public Finance for Energy Database, an open-access database that includes 15,000+ energy transactions (with a total value of USD 2 trillion) of G20 ECAs, national development banks, DFIs, and the nine major multilateral development banks (MDBs) dating back to 2013 (OCI, 2025c). The database has been updated with 2023 and 2024 data to coincide with the launch of this report. This data is sourced primarily from government and institution reporting (including annual reports with project information, press releases, freedom-of-information requests, and project databases) as well as the Infrastructure Journal Global database, Boston University's Global Economic Governance Initiative's China Global Energy Finance Database, and investigations by our partners at Solutions for Our Climate (Republic of Korea), Jubilee Australia, Urgewald (Germany), and Fundación Ambiente y Recursos Naturales (Argentina). For CETP signatory countries that are not part of the G20, transaction-level data was collected using the same methodology. This data was complemented by information from the Organisation for Economic Co-operation and Development (OECD) on energy-related official development assistance (ODA) transactions (OECD, n.d.) 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.

Each transaction is classified as fossil fuel, clean, or other. Detailed definitions of each can be found at energyfinance.org.

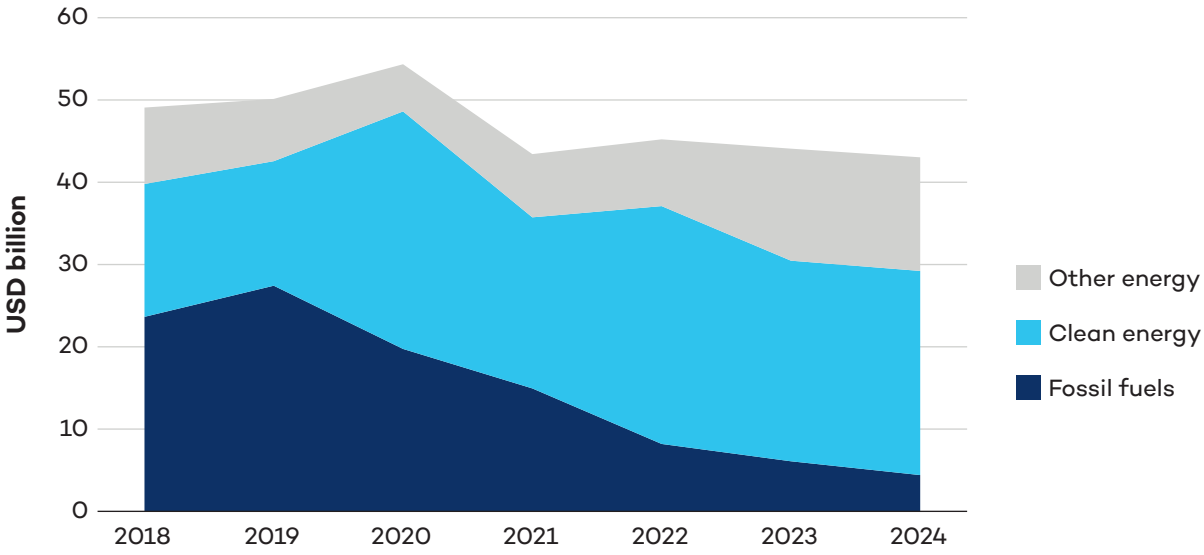
Due to a lack of transparency in reporting, the amounts presented in this report are conservative estimates of the international public support provided and received by the CETP signatories. Data is sometimes unavailable and is, therefore, unevenly covered in the report. Since energy finance figures tend to fluctuate significantly annually due to the potentially large size of individual projects, in our analysis, we therefore typically look at the trends based on annual averages over a 3-year period.

Since the United States was still a member of the CETP in 2024, the 2024 data from the United States was included in this report. However, in future work, we will not include the United States in our data analysis.

3.0 Trends in CETP Signatories' International Public Support for Energy

In 2023, international fossil fuel finance from CETP signatories decreased between USD 9.6 billion and 14.6 billion compared with the pre-CETP annual average (Jones et al., 2024). The latest data shows that fossil fuel finance fell even further in 2024 and decreased by USD 1.6 billion compared to 2023 levels. Last year, the original high-income CETP signatories[4] financed a total of USD 4.4 billion in fossil fuels, a decrease of between USD 11.3 billion and 16.3 billion[5] (71–78%) compared with the pre-CETP 2019–2021 annual average. This drop is even more significant (up to 82%) if the United States is excluded from the data. As Figure 1 shows, flows in fossil fuel finance from CETP signatories have steadily fallen since the commitment was agreed in 2021.

Figure 1. CETP signatories' energy financing for clean energy, fossil fuels, and other energy (2018–2024)

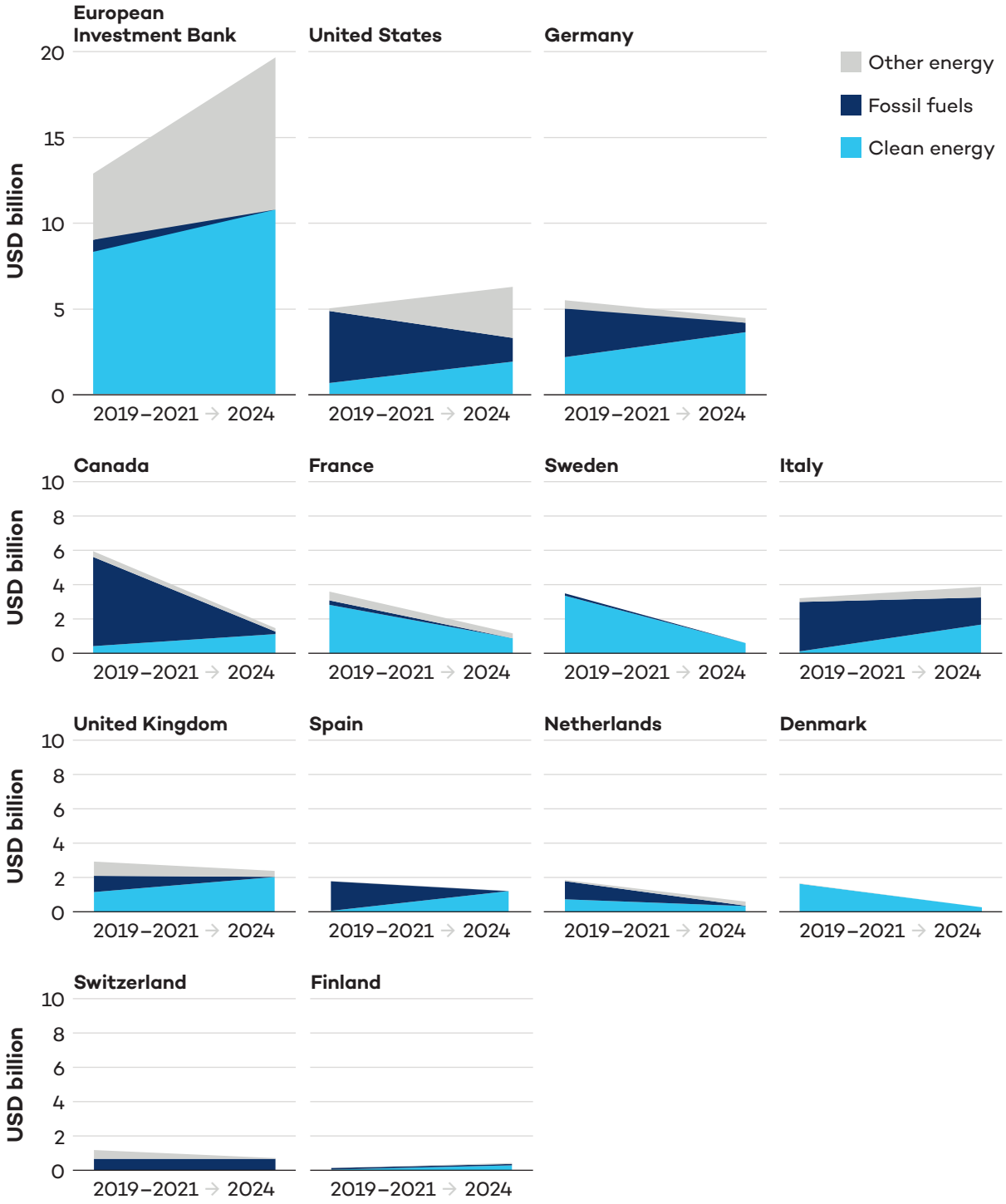


Source: Authors' calculations based on OCI's Public Finance for Energy Database.

[4] The high-income signatories who joined the CETP at COP 26 are Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, the Netherlands, New Zealand, Portugal, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, and the United States. These signatories had until the end of 2022 to comply. Norway and Australia joined at the end of 2023 at COP 28, so they had until the end of 2024 to comply. Hence, they are dealt with separately in this section, since we cover data up until the end of 2024.

[5] The range of fossil finance drop (from USD 11.3 billion to 16.3 billion) results from a lack of transparency in reporting from Canada. Canada's ECA, Export Development Canada (EDC), differs from many ECAs in that it puts most of its fossil fuel finance toward domestic projects. Due to a lack of transparency in reporting, it is unclear exactly how much of EDC's past fossil fuel finance (before it implemented its CETP policy) was domestic versus international. International finance between 2018 to 2022 represented at least 8% of its finance, while 43% was domestic. The composition of the remaining 49% was unclear, though it was likely domestic based on EDC's analysis of how much finance its CETP policy would cover.

Figure 2. CETP signatories' international energy financing, 2024 versus 2019–2021 annual average



Source: Authors' calculations based on OCI's Public Finance for Energy Database.

Note: This figure includes high-income signatory countries or institutions with more than USD 100 million a year in known energy finance.

Canada's 2019–2021 fossil fuel finance includes USD 3.4 billion in aggregate oil and gas finance from EDC. It is unknown whether this finance is international or domestic, given that EDC provides significant domestic fossil fuel support. The Government of Canada has committed to ending its domestic fossil fuel finance by the end of 2024 (Geddes et al., 2024); however, this commitment has not yet been met.

However, flows in clean energy finance from CETP signatories have not shown a corresponding increase. In 2024, the original CETP signatories financed at least USD 24.8 billion in clean energy, a small increase over the 2023 figure of USD 24.4 billion, and only USD 3.2 billion more than the pre-CETP 2019-2021 average of USD 21.6 billion per year. As the CETP implementation deadline was at the end of 2022, only 2 years of the CETP's implementation data is currently available. The current data suggests that the CETP is not yet fulfilling its purpose of fully shifting international public finance from fossil fuels to clean energy. Therefore, a full implementation of the CETP Clean Energy Action Plan is required to fulfill the clean energy commitments under the CETP.

Figure 2 shows how each of the original CETP signatories' financing has changed from the 2019–2021 average to 2024. Most signatories have eliminated or considerably reduced their fossil fuel financing. However, there have been some violations of the policy commitment in 2024, particularly by the United States, Germany, and Switzerland, as explored in Section 3.1.

The following signatories provided the most international public finance to clean energy in 2024: the EIB (USD 10.8 billion), Germany (USD 2.5 billion), the United States (USD 1.9 billion), and Italy (USD 1.6 billion) (Figure 2).

Box 1. Understanding the drivers of international energy finance to close the CETP implementation gap

There are many factors that influence how countries and public finance institutions decide where to allocate international energy finance. As with other public financial flows and ODA, decisions can be driven by a combination of factors, ranging from climate obligations and energy security concerns to commercial and development objectives. Addressing the underlying factors that slow down the switch from fossil fuels to clean energy in public finance decisions could help close the remaining CETP implementation gap.

ECAs often prioritize their countries' export interests, which is in line with their mandates that are specifically focused on support for national exporters and their market expansion (Weber et al., 2025). It is thus not surprising that out of USD 10.9 billion allocated to fossil fuel projects by CETP signatories in 2023–2024, more than USD 7.4 billion came from ECAs supporting national companies active across the oil and gas value chain, from upstream exploration to downstream infrastructure, including in gas power.

Often, PFIs are also tasked with facilitating access to foreign resources for domestic consumption and industrial development at home. For instance, the authors identified 12 fossil fuel transactions from German PFIs in 2023–2024 worth over USD 1.8 billion. From a preliminary assessment, it appears that eight of them, worth over USD 1 billion, were meant to secure liquefied natural gas (LNG) supplies for the German market, mostly from the United States, as Germany scrambled to boost deliveries in the aftermath of the war in Ukraine (International Energy Agency [IEA], 2025a). Two transactions, with a total value of over USD 650 million, included significant participation from German

companies,[6] highlighting PFIs' role in supporting countries' commercial interests. Two remaining transactions had no clearly identifiable motive and could be based on broader cooperation objectives.

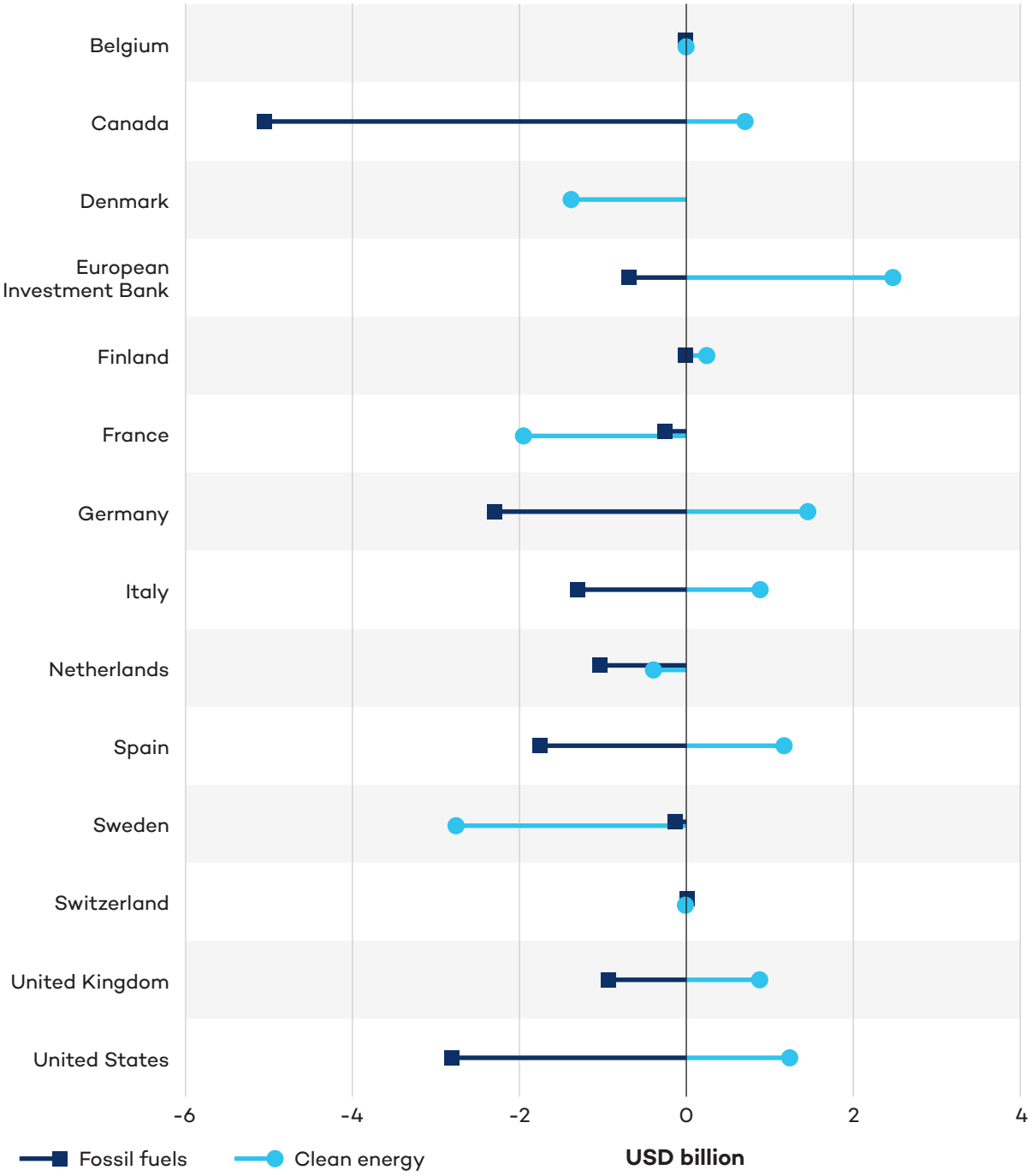
In most cases, PFIs have broad mandates, sometimes with competing objectives. The Japan Bank for International Cooperation (JBIC)—which is not a CETP signatory—explicitly states that its mission is to secure resources that are important for the Japanese economy and, at the same time, support businesses that work to stop climate change (JBIC, 2023). JBIC has continued to provide billions of dollars in public finance for fossil fuel projects overseas (see Box 2 for details). Considering Japan's reliance on imported energy sources (IEA, 2025b), at least for the time being, JBIC appears to prioritize access to fossil fuel imports over its stated climate objectives. While less obvious, supporting clean energy technologies overseas could, in fact, help reduce dependency on fossil fuel imports and contribute to energy security, thereby reducing the need for fossil fuel imports.

These examples demonstrate that attracting new signatories and closing the gap in CETP implementation hinges on countries being able to reach strategic priorities in a way that is aligned with energy transition goals. For economies reliant on fossil fuel imports, financing clean energy projects abroad might not be perceived as delivering the same domestic energy security benefits. This could be a major reason why CETP signatories do not match decreases in fossil fuel finance with a ramp-up in finance for clean energy. However, like domestic fossil fuel subsidies, continued support for fossil fuels overseas will likely undermine signatories' energy security in the long term (Laan et al., 2025). Betting on fossil fuels is a dangerous strategy: it risks stranding public assets, slowing the diversification of the domestic energy mix, perpetuating dependency on imports of a highly volatile commodity, and stalling the growth of renewables worldwide, with disastrous climate impacts for everyone.

Instead, countries should actively work toward achieving such objectives in ways that do not prioritize fossil fuel-based development pathways. Rather than propping up fossil fuels, CETP signatories can utilize the catalytic role of development and export finance to promote the expansion of home-grown clean energy industries, support the growth of renewables at home, or explore other strategies to diversify their economies away from fossil fuels. Doing so will not only remove obstacles to CETP implementation but also give them a competitive advantage and prepare their economies for a post-fossil fuel future.

[6] The two companies are Siemens Energy AG and Allianz Capital Partners. The Allianz Capital Partners is the asset manager of Allianz SE, a German multinational financial services company.

Figure 3. Change in CETP signatories' international public finance for clean energy and for fossil fuels, 2024 relative to 2019–2021 annual average



Source: Authors' calculations based on OCI's Public Finance for Energy Database.

As Figure 3 shows, comparing signatories' annual average financing from 2019 to 2021 (the 3 years preceding the CETP) with signatories' financing in 2024 yields a preliminary indication of how financing trends are changing in response to the CETP, though it should be noted that energy finance flows tend to fluctuate significantly, and longer-term assessments thus are needed to understand whether the drop in fossil fuel finance is temporal or structural. The EIB, Italy, Germany, the United States, and Spain have seen the most significant increases

in clean energy finance from 2019–2021 to 2024. On the other hand, several signatories' clean energy financing decreased in 2024 relative to the 2019–2021 average: Sweden and France saw the biggest decreases, followed by Denmark and the Netherlands. Both France and the Netherlands have seen cuts to ODA in 2024/2025 (ODI Global, 2025). In the case of Denmark, this could be because data from Denmark's Export and Investment Fund, its ECA, was only available for Q1 and Q2 of 2024. More broadly, it is too soon to say whether this indicates a longer-term trend: the amounts committed in international public finance for energy tend to vary significantly year-on-year because of the project pipeline. In addition, the financial instruments used may not be like-for-like.

Overall, signatories committed USD 2.8 billion more in clean energy financing and, most significantly, up to USD 16.3 billion less in fossil fuel financing in 2024 relative to the 2019–2021 per-year average. While the CETP so far seems to be working as intended to shift international public finance away from fossil fuels, the same shift has not yet been achieved in increasing clean energy finance.

3.1 Violations of the CETP Commitment

After the CETP implementation deadline by the end of 2022, several countries continued to finance fossil fuels projects, namely, the United States, Germany, Switzerland, Italy, the Netherlands, Canada, Finland, Denmark, the United Kingdom, and Belgium (Figure 4).

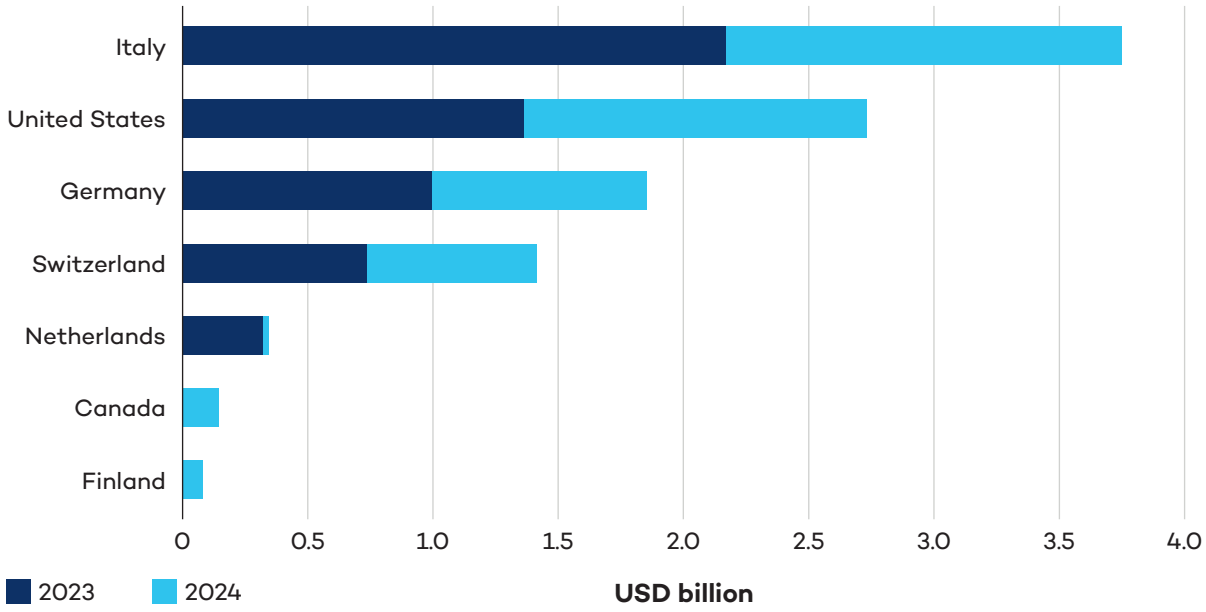
The CETP commitment to end international public support for fossil fuels contains an exception: "in limited and clearly defined circumstances that are consistent with the 1.5°C warming limit and the goals of the Paris Agreement" (CETP, 2021). In the case of Belgium, Denmark, and the United Kingdom, their 2023–2024 international fossil fuel projects are not considered violations of the CETP commitment because they fall within the scope of the 1.5°C exception, robustly considered. For instance, the Belgian financing was a USD 7,700 grant to a clean cooking project in Ghana. The Danish financing was a guarantee for a liquefied petroleum gas bottling facility, which could also be construed as a clean cooking project. However, it should be noted that, generally, a better and available longer-term solution for clean cooking is electricity (Muttitt et al., 2021). The United Kingdom's financing was a USD 8.5 million guarantee for an oil and gas decommissioning project in Brazil.

However, the other projects financed cannot be considered as falling within justified exceptions, but rather as CETP violations (OCI, 2025a). Italy was the largest violator of the CETP commitment, providing over USD 3.7 billion in the 2023–2024 period. The United States followed closely, with a total of USD 3.2 for fossil fuel finance, even under the Biden Administration. Meanwhile, Germany has approved 12 fossil fuel projects, totalling USD 1.5 billion. Switzerland trails closely behind, having approved six fossil fuel projects, coming to a total of around USD 1.4 billion. The Netherlands' ECA, Atradius DSB, issued a commitment to insure the Brazil Santos Basin Pre-Salt Pole oil and gas production project for around USD 321 million in 2023, and in 2024 issued five guarantees in relation to oil and gas exploration ships and LNG stations amounting to USD 22 million. In 2024, Canada's ECA, EDC, provided a USD 146 million loan to the U.S. oil and gas company Enbridge, a breach of the

CETP commitment.[7] Finland's ECA, Finnvera, provided two guarantees for fossil fuel power plant modernization projects in Uzbekistan and Ghana, amounting to USD 80 million.[8]

It is noteworthy that despite these violations, the United States, Switzerland, Germany, Italy, and the Netherlands decreased their overall fossil fuel financing in 2024 compared to 2023.

Figure 4. Fossil fuel financing by original CETP signatories after the implementation deadline, 2023–2024



Source: Authors' calculations based on OCI's Public Finance for Energy Database.

Most financing in violation of the CETP commitment (72%) went to fossil gas, followed by oil and gas (22%) and oil (6%). No financing went to coal.

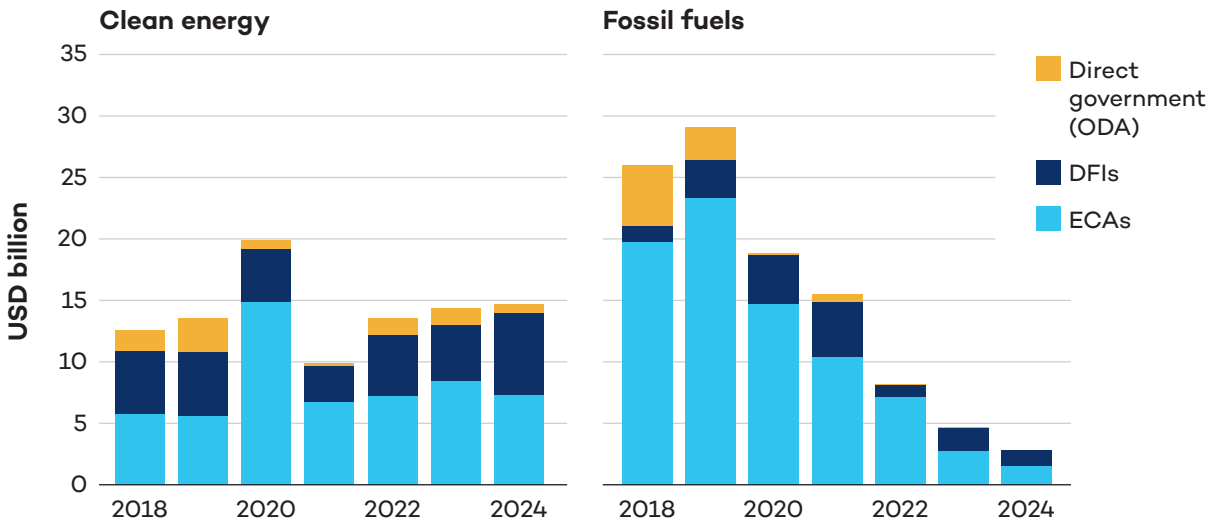
3.2 Disaggregation by Institution Type and Mechanism

ECAs have consistently provided the bulk of CETP signatories' international public financing for fossil fuels: in 2024, this amounted to 72% (Figure 5). For clean energy, there has been a more even split, with ECAs and DFIs providing roughly the same amount of international public financing in 2024.

[7] EDC claims that this transaction does not fall within the scope of the CETP commitment because it is for a pipeline that is carrying 100% Canadian oil and gas and is physically connected to Canadian infrastructure (Lavery, 2024). However, the authors' opinion is that because it is for a U.S.-based company and the export of fossil fuels abroad, it should be regarded as international fossil financing in breach of the CETP commitment.

[8] Finnvera states that the two transactions fall outside of the institution's oil and gas exclusion policy because financing for the project in Ghana aims to replace higher-emission energy equipment, whereas the export credit application for the project in Uzbekistan was submitted before the end of 2022—the CETP implementation deadline. In the authors' opinion, neither of these constitutes a valid exception for fossil fuel exclusion policies.

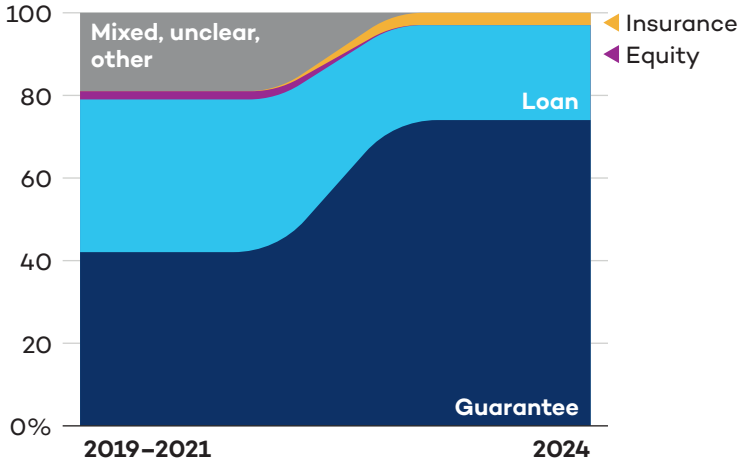
Figure 5. CETP signatories' international public finance for clean energy and fossil fuels from 2018 to 2024, by institution type



Source: Authors' calculation based on OCI's Public Finance for Energy Database.

There are some differences between the mechanisms used to finance fossil fuels and clean energy. In 2024, fossil fuel transactions were mostly split between loans (23%), guarantees (74%), and insurance policies (3%). None of the finance for fossil fuels was provided as equity in 2024, down from around 2% during 2019–2021 (Figure 7).

Figure 6. Disaggregation of CETP signatories' public finance for fossil fuels in 2019–2021 and 2024, by instrument

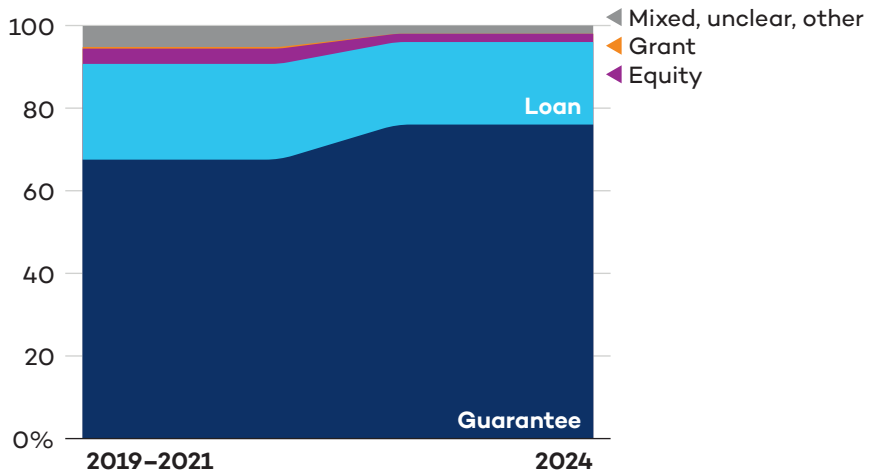


Source: Authors' calculations based on OCI's Public Finance for Energy Database.

Finance for clean energy was mostly provided as loans (81%) and guarantees (17%) in 2024. Despite the growing need for concessional and grants-based finance for energy in EMDEs (see the discussion in Section 5), signatories provided less than USD 600,000 worth of grants for clean energy in 2024. The share of finance provided as loans increased from 68% in 2019–

2021 to 81% in 2024, but it was impossible to assess their terms. The share of equity financing fell from around 4% in 2019–2021 to around 2% in 2024 (Figure 7).

Figure 7. Disaggregation of CETP signatories' public finance for clean energy in 2019-2021 and 2024, by instrument



Source: Authors' calculations based on OCI's Public Finance for Energy Database.

3.3 Recipient Countries

The largest destinations for CETP signatories' clean energy finance in 2024 were predominantly high-income and upper-middle-income countries (under the World Bank classification), or advanced economies (under the International Monetary Fund classification) (Figure 8). The top five recipient countries were Romania, Spain, Italy, France, and Germany.

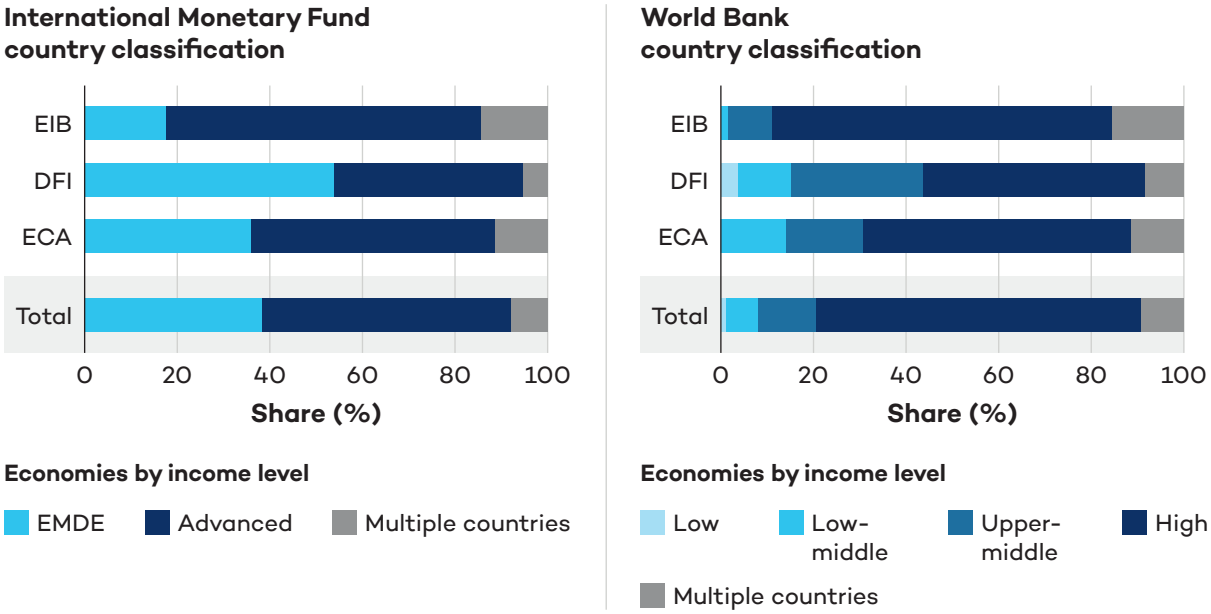
However, this differed between the type of institution providing the financing. DFIs generally provided more financing for EMDEs than ECAs, while the EIB provided the least in relative terms for EMDEs. However, across all institution types, the majority of financing was provided for high-income and upper-middle-income countries. The EIB is responsible for 40% of nearly USD 25 billion provided to clean energy by CETP signatories in 2024. Since it primarily focuses on financing projects in EU member states, most of which are high-income countries, EIB transactions skew the clean finance data toward high-income countries. This clearly shows that the EIB could do more to finance projects in lower-income countries. Low-income economies got only a tiny slice of financing, mostly from DFIs. Of the top 20 countries receiving international public finance for clean energy in 2024, the only lower-middle-income countries were Angola and Uzbekistan, and no low-income countries were represented. This signals that all signatories need to do more to finance clean energy projects in lower-income countries.

These trends align with overall global energy transition-related investments, where between 2023 and 2024, EMDEs outside of China received only 15% of energy transition investments despite making up 69% of the world population (IEA, 2024b). There are many factors that could be contributing to the clean energy investment gap in EMDEs. These include the high

cost of capital in EMDEs or lower-income countries, due to real or perceived sovereign risks and foreign exchange exposure, as well as indebtedness of utilities, grid-capacity limitations, policy and regulatory uncertainty, and a lack of bankable projects in some EMDEs (IEA, 2024b; IEA & International Finance Corporation, 2023; Urazova & Laan, 2024). While work in EMDEs is ongoing to address these issues, concessional finance in the form of grants and low-interest loans is needed from PFIs, including from CETP signatories, to stimulate clean energy deployment in these countries. As mentioned above, CETP signatories also need to identify win–win ways to finance clean energy in EMDEs and further their own strategic objectives to close the implementation gap on clean energy.

This indicates the need for a different approach to financing the energy transition to ensure finance is going where it is most needed (Tucker & O'Manique, 2025). The CETP Clean Energy Action Plan was announced at COP 29 to help address this challenge and scale up international support for clean energy in EMDEs.

Figure 8. CETP signatories' international public financing for clean energy, 2024, by recipient category and institution type



Source: Authors' calculations based on OCI's Public Finance for Energy Database.
Note: ODA financing was not included in this figure as data was not yet available for 2024.

3.4 Clean Energy Subsectors and Grid Financing

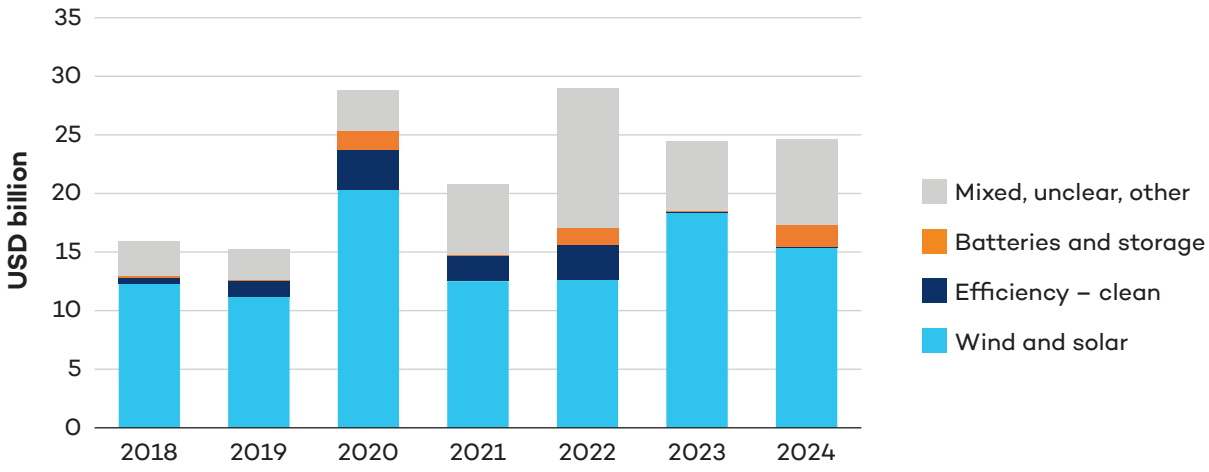
In 2024, CETP signatories provided close to USD 25 billion in international public finance for clean energy. Most of this financing was provided for solar and wind projects, with only small amounts going to batteries, storage, efficiency, or energy access projects (Figure 9). CETP signatories are thus choosing to invest in mature technologies that are perceived as low risk and safe. This might mean that CETP members are not leveraging their capacity to attract private sector investments into solutions that are perceived as higher risk, such as long

duration storage or less mature generation technologies, or are more costly, such as power transmission and distribution networks, but that are crucial for enabling the energy transition. Grids are costly to build and attract a smaller proportion of private funds than generation projects (IEA, 2025c). Therefore, increased flows from PFIs will be essential to direct finance to grids in EMDEs, where it is most needed.

Globally, investment in battery energy storage systems (BESS) grew 45% in 2024, compared to 2023 levels (IEA, 2025c). Finance from CETP signatories mirrors this increase, but the total flows—at around USD 1.8 billion—remain low. Finance for BESS was three times larger in 2024 than the 2019–2021 average, although 2023 saw a drastic drop, highlighting the challenge of year-on-year comparisons.

Historically, investments in BESS worldwide have not managed to keep up with the rate of renewables uptake (IEA, 2025c), especially in EMDEs. The situation is starting to change, with investments expected to reach USD 65 billion globally as costs fall (IEA, 2025c). As solar and wind capacity expands worldwide, battery storage will be crucial for integrating the rising share of variable renewables and adding flexibility to the grid—and displacing fossil power. Therefore, battery storage is one of the key enablers of the clean energy transition (IEA, 2024a), and CETP signatories have an opportunity to expedite the switch from fossil fuels to clean energy in EMDEs by prioritizing BESS project financing.

Figure 9. CETP signatories' international public finance for clean energy, 2018–2024, by subsector



Source: Authors' calculations based on OCI's Public Finance for Energy Database.

Grid expansion is another essential element to enable the clean energy transition. Strong and reliable grids are crucial for connecting a growing share of renewables, meeting the demand from increasing electrification and other uses, and maintaining system flexibility. The IEA concludes that grid investments have not kept pace with investments in power generation capacities. This is especially true for EMDEs outside of China that accounted for only 20% of global investment in 2024 (IEA, 2025c). Investment in EMDEs needs to triple by 2030 to accommodate clean energy installations (IEA & International Finance Corporation, 2023), without which the switch from fossil to renewable power will slow down. Concessional finance,

especially from PFIs, will be crucial to bridge this investment gap (IEA & International Finance Corporation, 2023).

Our database contains 800 transactions totalling over USD 31 billion for grid financing from 2019 to 2024. This financing is mostly categorized as "other" energy, since power networks are technology neutral. This figure is likely an underestimation of the total finance provided by the CETP signatories due to a lack of transparency in reporting. Grid finance transactions are often bundled and reported together with allocations toward clean energy generation and other projects, making disaggregation difficult.

Nevertheless, an analysis of some trends is still possible from existing data. In 2024, the signatories provided over USD 8 billion for building and upgrading electricity networks, compared with the average of USD 3.6 billion in the 2019–2021 period, which signals an increase in financing for grids. However, these results should be interpreted with caution since one institution, the EIB, is responsible for over 85% of grid finance flows since 2019, with others providing just over USD 4.6 billion. The scale of the EIB's financing for grids is not surprising considering that the bank's core priorities include facilitating the energy transition and building out the EU's infrastructure (EIB, n.d.). In 2024, the EIB provided a record EUR 8.5 billion in finance for grids, mobilizing 40% of the EU's total grid investment (EIB, 2025).[9]

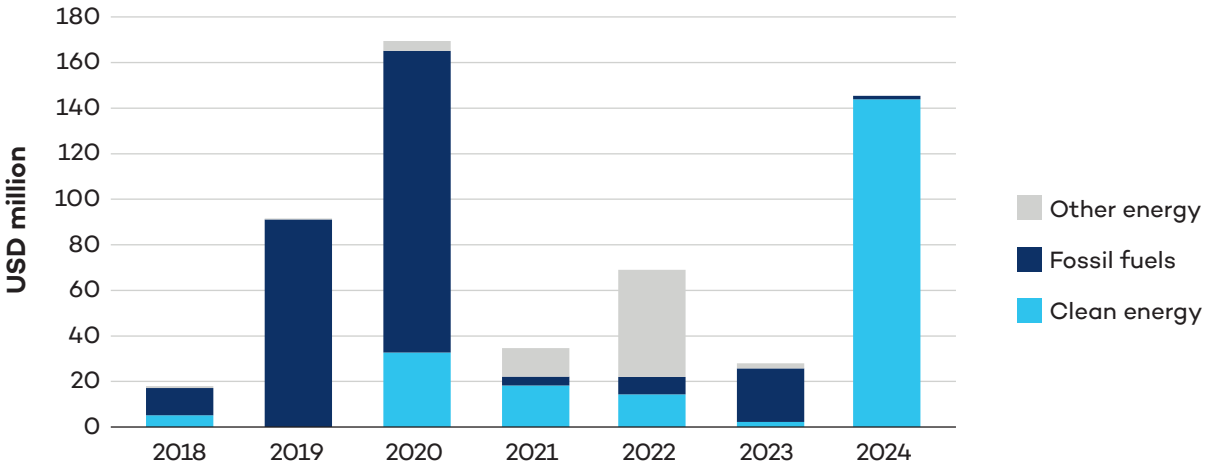
Our analysis shows that 87% of grid finance in 2019-2024 went to high-income countries. This reflects the EIB's outsized share in recorded transactions, since the bank mostly finances projects in EU member states, and most of them are in the high-income category. Finance for grids from other CETP signatories reached just USD 610 million in 2024, compared with USD 430 million on average during 2019–2021. Grid finance is thus on the rise, but much more should be done to ensure that financial flows are increased globally to enable the clean energy transition.

3.5 Norway and Australia

Norway and Australia are treated separately since they joined the CETP at COP 28 in 2023 (Clean Energy Transition Partnership, 2023). New CETP signatories are given a year to implement the agreement, meaning that their implementation deadline was at the end of 2024. Hence, only data from 2025 will tell whether they are meeting their CETP commitments. In the 3-year period before the CETP implementation deadline, Australia's annual average international public financing for fossil fuels was USD 53.5 million, and its annual average international public financing for clean energy was USD 10.8 million (Figure 10). Australia's clean finance increased significantly after signing the CETP, even before it had developed a full implementation policy, which sends a positive signal for Australia's CETP implementation.

[9] EIB financing for grids in our database amounts to USD 7.4 billion due to the aforementioned data collection challenges.

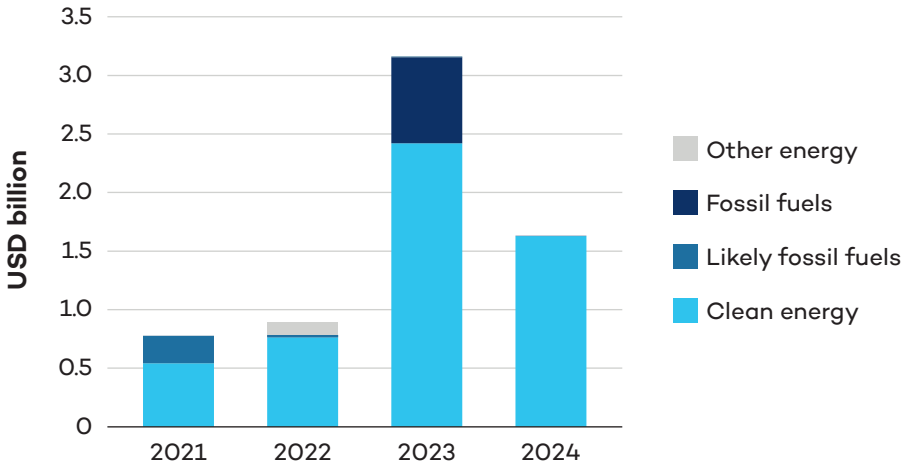
Figure 10. Australia's international public finance for energy, 2018–2024



Source: Authors' calculations based on OCI's Public Finance for Energy Database.

From July 2021 to December 2024, Norway, through its ECA Eksfin, financed a total of USD 740 million in fossil fuel transactions (Figure 11), with most of it committed in 2023. Norway's clean energy financing increased significantly to over USD 2.4 billion in 2023 compared with previous years, before the country joined the CETP. After joining, Norway's 2024 fossil financing dropped to only USD 2.3 million, with clean energy transactions also seeing a reduction to around USD 1.6 billion—but still higher than the 2021-2023 average of USD 1.2 billion. This bodes well for Norway's future CETP implementation.

Figure 11. Norway's energy financing, 2021–2024



Source: Authors, based on unpublished data from the Nordic Center for Sustainable Finance.

Note: 2021 data for Eksfin, Norway's ECA, includes only Q3 and Q4. Eksfin was created in 2021 after the merger of the Norwegian Export Credit Guarantee Agency and Export Credit Norway. "Likely fossil fuel" includes transactions with Equinor, which is predominantly a fossil fuel company.

4.0 Progress on Policies to End International Public Support for Fossil Fuels

CETP implementation shows a positive trend toward ending international public finance for fossil fuels. Similar commitments to end international public finance for fossil fuels have been made by the Council of the European Union (Council of the European Union, 2022), at the G7 (G7, 2022), through the UN-backed Net Zero Export Credit Agencies Alliance (UN Environment Programme Finance Initiative, n.d.) and the Export Finance for Future coalition (Direction Générale du Trésor, 2021). In 2024, the broadest-ever coalition of countries proposed binding fossil fuel restrictions at the OECD (Schonhardt, 2024). Although this effort fell short, and negotiations failed to conclude before President Trump's inauguration in the United States, it underlines the general direction of travel.

In the last 12 months, CETP implementation via national or institutional policies has continued. According to OCI's regularly updated CETP policy tracker, *Leaders & Laggards,* most signatories are complying with the agreement (McGibbon & van der Burg, 2025). Ten out of 17 high-income CETP signatories with significant amounts of international energy finance have met the CETP commitment and ended fossil fuel support with limited exemptions (Table 1). The latest Leaders & Laggards update noted that Australia, which joined the CETP in late 2023, implemented its CETP promise at the end of 2024. In addition, Spain has improved its policy, graduating to the leader category by publishing a policy for CESCE, its ECA, which ends fossil fuel finance in line with the CETP agreement.

However, some signatories remain off-track. Italy and Switzerland are clearly failing to keep the CETP pledge. Italy published a "worst-in-class" policy for SACE, its ECA, in March 2023, which essentially allows SACE to continue its fossil finance virtually unhindered (Export Finance for Future, 2023). Meanwhile, Switzerland watered down its initial 2023 policy for its ECA, SERV, releasing a new policy in 2024 with loopholes for fossil gas that allow it to ignore the 1.5°C temperature goal in certain circumstances (SERV, 2024). It has not provided a scientific basis for this change. Portugal has not yet published its fossil fuel exclusion policy, more than 2 years after the implementation deadline.

Table 1. Summary assessment of publicly available fossil fuel policies in 17 high-income signatories of the CETP, plus the EIB, as of August 2025

Country/institution	DFIs	ECAs
Australia	N/A	✓
Belgium	−	−
Canada	✓	✓
Denmark	✓	✓
EIB	✓	N/A
Finland	✓	✓
France	✓	✓
Germany	−	−
Italy	×	×
Netherlands	✓	−
New Zealand	N/A	✓
Norway	✓	−
Portugal	×	×
Spain	✓	✓
Sweden	✓	✓
Switzerland	✓	×
United Kingdom	✓	✓
United States	×	×

Legend

- ✓ All the assessment criteria are ranked as CETP-compatible or beyond CETP
- − At least one assessment criterion is ranked as "below CETP." One criterion maximum is ranked as "off-track."
- × At least two assessment criteria are ranked as "off-track"

Source: Authors, based on Jones et al., 2024, and McGibbon & van der Burg, 2025.

Other countries with relatively better policies—but whose policies still contain major loopholes—include the Netherlands, Belgium, Norway, and Germany. All four countries must improve their policies to meet the CETP standard. Norway joined the commitment in late 2023 and issued a policy for its ECA Eksfin in 2024. However, the policy contains significant loopholes, allowing finance for fossil fuel shipping and for production when emissions are deemed "significantly abated" or when projects provide "energy security" without clearly defining these terms. In Germany, the recent federal election raised concerns that Germany's policy would be further watered down. The Christian Democrats, who won, promised during the federal election that they would abolish the guidelines. The coalition agreement between the Christian Democrats and the Social Democrats suggested the guidelines would be made more "flexible" (OCI, 2025b). It remains to be seen what this means, but Germany's fossil fuel finance has been dropping despite an imperfect policy. There is an opportunity for

Germany to fully meet the promise it made in 2021 and prioritize support for renewable energy. Fossil fuels bring serious stranded asset risks and are a bad deal for German taxpayers, who already pay billions every year to import fossil fuels from abroad.

The United States left the CETP in February 2025. The Biden Administration joined in 2021 but struggled to ensure compliance by the U.S. Export-Import Bank (EXIM), the United States's ECA, and the U.S. International Development Finance Corporation. Both agencies continued to support oil and gas projects in violation of the CETP, claiming the commitment did not apply to them. Since Trump took office in January 2025, EXIM has approved USD 4.7 billion for the Mozambique LNG project (EXIM, 2025), a decision that Friends of the Earth U.S. and Justiça Ambiental/Friends of the Earth Mozambique have filed legal proceedings to challenge (Friends of the Earth, 2025). EXIM has also approved more support for the multinational commodity trading company Trafigura, whose core business is oil and gas. In addition, EXIM changed its policies, lifting restrictions on its coal finance to allow support for all coal projects (Volcovici, 2025). The United States remains bound by a near-identical G7 commitment to end fossil fuel finance (G7, 2022).

Despite some backsliding, up until the end of 2024, signatories demonstrated a high level of overall compliance with the CETP. Fossil fuel finance continues to drop, underlining that the CETP commitment is the new normal. This progress should not be undone because of today's challenging political context for climate policy-making.

Boxes 2 and 3 deal with countries that should be members of the CETP but are not currently.

Box 2. Japan

Japan remains one of the biggest laggards when it comes to international public finance for energy. It is the only G7 member that has never signed onto the CETP. As part of the G7, Japan has committed to ending its international finance for fossil fuels, but has failed to deliver on a fossil fuel exclusion policy. Instead, it has interpreted the G7 commitment with exceptions that allow it to continue driving gas expansion across Asia and globally (Ministry of Economy, Trade and Industry, 2023).

Since the end of 2022, Japan has been the largest financier of international fossil fuels among the G7/CETP signatories, providing at least USD 7.8 billion in fossil fuel finance, including USD 2.8 billion in fiscal year 2024 alone (not including petrochemicals). Due to gaps in transparency, this figure is likely higher. This includes finance for the Scarborough gas field development in Western Australia, toward which the JBIC, a Japanese ECA, announced support of USD 1 billion in 2024. The project not only violates the G7 commitment but also continuously fails to obtain Free, Prior, and Informed Consent from the land's traditional custodians in the Pilbara region (Mills & Cheong, 2023). JBIC is responsible for financing USD 18.6 billion in gas projects alone, spanning from Mozambique to Canada to Bangladesh, since Japan signed the Paris Agreement in 2016 (Osada et al., 2024).

Japan's international financing of fossil fuel projects is especially significant in Southeast Asia, where it promotes gas development and fossil-based technologies

like ammonia co-firing, under the government's Asia Zero Emission Community (AZEC) platform. Despite its name, Japan finances more fossil fuel-based projects under AZEC than renewables projects (Zero Carbon Analytics, 2024), prolonging the region's reliance on fossil fuels at a time when they must be phased out. While ignoring its G7 commitment, Japanese institutions like JBIC continue to finance fossil fuel projects like Vietnam's Block B gas field development, claiming that such financing is in line with the AZEC framework (JBIC, 2024). JBIC committed USD 415 million toward Block B in 2024, almost eight times Australia's annual financing for fossil fuels.

The same trend in AZEC projects can be seen through Japan's overall international energy finance, where its financing for fossil fuels between 2023 and 2024 is more than 50% greater than its support for renewables. Of this, 58% went to countries in Western Europe (France, the United Kingdom, Germany, and Sweden). Just 27% of their renewable energy finance went to countries in Southeast Asia, despite 99% of the region's wind and solar potential remaining untapped (Setyawati, 2023).

Box 3. Republic of Korea

The Republic of Korea (ROK) remains one of the largest international financiers of fossil fuels that has not explicitly committed to ending its international oil and gas finance in any forums, making it a key laggard. It has consistently ranked as the second largest provider of international fossil fuel finance, primarily in gas and midstream fossil fuel transport and predominantly LNG shipbuilding (O'Manique et al., 2024). Preliminary analysis of its 2023 and 2024 finance shows that ROK provided at least USD 6.3 billion total in international finance for fossil fuels in these 2 years. Due to limited transparency across all of the ROK's financial institutions, this figure is likely an underestimate of its total support. This figure is also five times larger than the ROK's international support for clean energy.

Beyond continuing to fund fossil fuels abroad, the ROK has also blocked OECD efforts to restrict export finance for fossil fuels. Most recently, with Türkiye in 2024, it blocked a landmark deal that could have stopped USD 40 billion in public money from flowing to fossil fuels (McGibbon, 2024).

The election of Lee Jae-myung in June 2025 presents an opportunity for the ROK to turn the page on this stance, as he has promised to transition the country's energy to renewables (Arin, 2025). Ending international support for oil and gas and instead shifting those billions to renewable energy would be a key step for the new administration to demonstrate its commitment to climate action.

5.0 Best Practices for Implementing the Clean Energy Action Plan

Given that the CETP is not yet achieving its goal of fully shifting international public finance to clean energy from fossil fuels, the Clean Energy Action Plan agreed at COP 29 is timely. It is a crucial step in aligning CETP members' financing with the objectives of the Paris Agreement and gives further momentum to the initiative as a whole. However, it will need to be implemented effectively to reach the CETP's full potential, with the maximum climate and development benefits. This is even more important in the context of the recently agreed new collective quantified goal on climate finance (United Nations Framework Convention on Climate Change, 2024).

5.1 Scaling up International Public Support for Clean Energy

The first element of the Action Plan is about scaling up finance for clean energy. The Action Plan states that CETP members will "step up targeted and accessible international public support for clean energy across signatories," and in particular, work with the CETP Secretariat "towards developing a joint CETP ambition for international public support for clean energy in EMDEs, in the context of delivering global renewable and energy efficiency goals by 2030." The first element further states that members will consider how this joint ambition can be implemented, "including through developing financing strategies or shared principles and priorities."

This "joint ambition" should contain both quantitative and qualitative elements. Quantitatively, it should include a target for the scale of CETP members' clean energy financing for EMDEs. A joint quantitative target could be on the scale of USD 35–USD 44 billion in international public finance for clean energy per year by the end of 2026. This is calculated based on the fact that the CETP signatories account for roughly 44% of international public finance for energy globally (excluding the United States) and can therefore be expected to cover this proportion of EMDE needs. The IEA estimated that concessional funding in EMDEs needs to reach USD 80–USD 100 billion annually by the early 2030s to support a clean energy transition, with approximately USD 28 billion allocated to Africa annually (IEA, 2023a, 2023b). Even then, recent research from OCI indicates that unrealistic assumptions in IEA models regarding public-to-private leverage ratios result in these figures significantly underestimating the international public finance required to deliver a just energy transition (Tucker & O'Manique, 2025).

Given this, a figure at the upper end of the range would be more appropriate than one at the lower end, also considering that CETP members' combined average international public finance for fossil fuels and clean energy in 2019–2021 was USD 42.3 billion per year (without the United States). We therefore recommend that the quantitative target of the joint ambition be no less than USD 42 billion.

On the qualitative side, CETP members could adopt a target for the quality of clean energy finance, such as a target for the proportion of finance that is provided via grants and highly concessional loans. A high proportion of the finance should be provided via grants and highly concessional loans, so that this finance does not add to already unsustainable debt burdens in the Global South and reaches the countries, technologies, and activities that need this financing most to unlock a just energy transition.

CETP members should consider adopting their own national or institutional strategies to scale up clean energy international public finance, especially to EMDEs. Previous research has set out recommended elements of clean energy strategies or policies that CETP members could adopt (Jones & Mun, 2023). In summary, these elements are as follows:

A Target for Clean Energy Finance

Clean energy policies should include ambitious and quantitative targets for rapidly scaling up public finance for clean energy in line with signatories' fair shares of climate action. To maintain the spirit of the CETP commitment, signatories should, at the very least, aim to provide as much clean energy finance per year as their average fossil fuel plus clean energy support from 2019 to 2021.

Prioritization for Transformative Subsectors

Setting out funding priorities can help channel investments where they are most needed to enable the clean energy transition and that remain deeply underfunded where public finance will need to play a larger role. This includes finance for off-grid investment to improve energy access, or to strengthen existing grids and deploy energy storage technology to integrate a growing share of renewables in the electricity mix. Policies should articulate sectoral priorities and objectives aimed at ensuring public finance for clean energy contributes where it is most needed to enable the clean energy transition while also contributing to meeting urgent development needs.

Specificity on the Type of Instrument

Detailed strategies can 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 where projects do not deliver returns (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). Policies could specify what proportion of financing will be delivered via various instruments, including grants, loans, equity, and guarantees. This information 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 and for projects that do not typically deliver returns.

Geographical Prioritization

Policies should prioritize clean energy finance for the countries most in need. Policies could specifically mention least developed countries, Small Island Developing States, low-income

countries, International Development Association countries, or other defined groupings. Policies could lay out quantitative targets or ratios for financing to such groupings.

Just Transition Finance Tools

Public finance has played an important role in ensuring local just energy transitions for affected workers and communities in the most fossil fuel-dependent regions. Directing finance to a just transition involves different priorities for scaling up clean energy, as a just transition involves measures to ensure the social protection of workers; support to workers to enable them to take on jobs in new industries, such as retraining initiatives; and measures to facilitate the availability of new opportunities for workers and communities through the adoption of macroeconomic, industrial, and enterprise policies but also through place-based public investments in transport or social infrastructure. Clean energy financing policies should lay out how financing will be directed to just transition projects, including quantitative and qualitative targets and metrics for success.

Environmental and Social Safeguards

Strong environmental and social safeguards, including for human rights, are needed across all clean energy finance, including the entire clean energy supply chain, to ensure this finance upholds the "do no harm" principle of the CETP commitment. To avoid deepening inequalities, clean energy projects must be implemented with strong social and environmental due diligence, Free, Prior, and Informed Consent, and planning processes that are inclusive of (and take leadership from) local governments, workers, communities, civil society organizations, Indigenous Peoples, and trade unions. Policies should also incorporate a gender lens. Institutions could consider adopting policies containing specific safeguards applicable to the mining of transition minerals in the supply chains of their clean energy projects.

Reporting and Monitoring, Evaluation, and Learning

CETP signatories should ensure transparent and timely reporting on all energy finance, including clean energy finance. Reporting should include the amount, type, and terms of financing (including grant equivalents) and details about the projects and sub-projects supported, both as proposals in advance of their approval and once committed. In particular, there is a critical need for all energy-related components to be clearly delineated by energy type for transactions involving financial intermediaries and cross-cutting projects, such as policy-based lending at MDBs. Policies should also provide for monitoring, evaluation, and learning, including stating metrics for how success will be measured. Policies should specify how often progress will be monitored and reported. There should be explicit programs and policies for knowledge sharing between governments and other PFIs.

5.2 Transparency

The second element of the Action Plan regards transparency. It states that members will "demonstrate the impact the CETP is delivering," and in particular "improve transparency around international public finance for clean energy."

This is much needed. While some CETP members already provide detailed, transaction-level data for their international public finance for clean energy, others do not, and hence the estimates in this report of CETP signatories' energy financing can be regarded as conservative. CETP members could consider adopting standardized reporting formats for maximum transparency and comparability, including the amount, type, and terms of financing (including grant equivalents) and details about the projects and sub-projects supported both as proposals in advance of their approval and once committed.

5.3 Capacity Building

The third and final element of the Clean Energy Action Plan is capacity building. It states that the CETP members will support capacity building efforts "within the CETP and by collaborating across the international landscape, for example, to support the development of clean energy financing strategies or support technology transfer and deployment of clean energy finance in EMDEs." The Action Plan states that members will share "best practices and recent successes."

Capacity building is critical for supporting the deployment of clean energy finance in EMDEs. The CETP could, for instance, convene an annual forum or dialogue on deploying clean energy finance in EMDEs, at which members could share best practices and recent successes.

6.0 Conclusion and Recommendations

The CETP continues to have a demonstrable impact on ending international public support for fossil fuels, as signatories continue to make progress on the commitment. However, some CETP signatories have failed to meet their commitments, with policies that do not (fully) phase out fossil fuel support and continued approvals of a large number of fossil fuel transactions. It is essential that the progress in bringing down fossil fuel finance is not undone in today's challenging global political context for climate and energy transition policy. In addition, all signatories have more work to do to fulfill the parallel promise to prioritize support for clean energy.

With the implementation of the Clean Energy Action Plan, signatories to the CETP have an important opportunity to ensure their public finance is truly transformational and supports a just and clean energy transition by implementing their clean energy commitment with integrity. At the same time, signatories must not lose sight of adhering to their commitment to end international public support for fossil fuels.

- **continue to robustly implement the commitment to end international public support for fossil fuels**, including through members using their voice and vote at the MDBs. Countries need to close loopholes in policies and end their violations of the CETP commitment. As of September 2025, the policies of Germany, Italy, and Switzerland still contain loopholes that permit fossil fuel financing. After the 2022 deadline for the CETP implementation, six signatory countries (Canada, Finland, Germany, Italy, the Netherlands, and Switzerland) and the United States (which left the commitment in February 2025) provided over USD 10.9 billion in public finance for fossil fuels in clear violation of the commitment.
- **adopt a joint ambition, under the CETP Clean Energy Action Plan, by the end of 2026 for scaling up international support for clean energy in EMDEs**, that contains a quantitative collective target of no less than USD 42 billion per year.[10] Clean energy should be tightly defined to ensure investments have a transformative impact and exclude investments in unproven solutions such as blue hydrogen and carbon capture and storage.
- **adopt institutional or whole-of-government policies or strategies for scaling up international support for clean energy in EMDEs**, ensuring that this finance is delivered on fair terms and supports a just transition. These strategies should
    - adopt ambitious and quantitative targets for rapidly scaling up international public finance for clean energy;
    - prioritize transformative subsectors, such as off-grid renewables, as well as grids and storage solutions to accommodate the growing share of variable renewables in the mix;

[10] See Section 5 to understand how this figure is calculated.

- ensure that clean energy finance does not burden Global South countries with additional debt, and that a much larger portion will be delivered through grants and highly concessional instruments;
- prioritize clean energy finance for countries most in need;
- provide dedicated financing to support a just energy transition to ensure that workers in fossil fuel-producing regions have social protection and have retraining opportunities to take jobs in other industries;
- adopt strong human rights safeguards to ensure clean energy finance upholds the "do no harm" principle. Signatories should ensure that financed projects have Free, Prior, and Informed Consent and are preceded by inclusive planning that empowers and benefits local communities, workers, Indigenous Peoples, and other relevant stakeholders.

In implementing these recommendations, high-income, low-income and middle-income signatories should closely collaborate to ensure efforts respond to the transition needs of Global South signatories. These partnerships should build on existing collaborations and uphold the CETP's "do no harm" principle through community-led development practices.

Other influential and large financiers of fossil fuels, including most MDBs, Japan, the ROK, and China, have not yet signed on to the CETP. Signatories should use the CETP as an opportunity to work together to secure new signatories to join the statement by COP 30.

Finally, the CETP's success also depends on all signatories 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. These activities risk undermining the transformative potential of the CETP. In addition, fossil fuel subsidy reform creates fiscal space to then increase public finance for international clean energy projects, among other priorities. Signatories should show integrity by committing to end domestic fossil fuel public finance and subsidies, banning new licences for oil and gas exploration and production, and transitioning away from fossil fuel extraction on a globally just and 1.5°C-aligned timeline, including by joining the Beyond Oil and Gas Alliance and the Coalition on Phasing out Fossil Fuel Incentives Including Subsidies.

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Head Office

111 Lombard Avenue, Suite 325
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