

POLICY BRIEF

Down But Not Out

Deep cuts to fossil fuel finance, unfinished business on clean energy

October 2026

1.0 Introduction

This brief provides the latest progress report on the implementation of the Clean Energy Transition Partnership (CETP), which was signed by 39 countries and institutions in Glasgow during the 26th Conference of the Parties (COP 26) to the UN Framework Convention on Climate Change (UNFCCC) in 2021 (CETP, 2021). The initiative now has 40 members, including Canada, the United Kingdom, Norway, Australia, and many EU countries (CETP, n.d.).¹

Under the CETP, governments and public finance institutions committed to end their direct international public finance for unabated fossil fuels within a year of joining, and instead fully prioritize their public finance for clean energy (CETP, 2021). The commitment covers public finance provided through development finance institutions (DFIs), export credit agencies (ECAs), and multilateral development banks (MDBs).

Building on 2024's *Out With The Old, Slow With The New* and 2025's *Holding Course, Missing Speed* (Jones et al., 2024, 2025), this brief shows continuous progress in implementing the CETP, while noting room for improvement in some areas. The CETP is an example of how international agreements with time-bound commitments, combined with ongoing monitoring and accountability efforts, can shift international energy finance away from fossil fuels and toward clean energy, although scaling clean energy financing has been slow.

The success of the CETP has deeper resonance this year in the context of the First International Conference on Transitioning Away from Fossil Fuels (TAFF 1), held in Santa

¹ The full list of members is: Agence Française de Développement, Albania, Australia, Banco de Desenvolvimento de Minas Gerais, Belgium, Burkina Faso, Canada, Costa Rica, Denmark, the East African Development Bank, El Salvador, Ethiopia, the European Investment Bank, Fiji, Financierings-Maatschappij voor Ontwikkelingslanden N.V., Finland, France, Gabon, The Gambia, Germany, The Holy See, Iceland, Ireland, Italy, Jordan, Mali, Marshall Islands, Moldova, The Netherlands, New Zealand, Norway, Portugal, Slovenia, South Sudan, Spain, Sri Lanka, Sweden, Switzerland, the United Kingdom, and Zambia.



Marta, Colombia, in April 2026 (Transition Away Conference, 2026). At the conclusion of the conference, three workstreams were launched, the second focusing on macroeconomic dependencies and financial incentives, including international public financing. The CETP stands out as a model that other members of the Santa Marta “coalition of doers” can follow for reducing support to fossil fuels and encouraging higher support for clean energy. The CETP also has ongoing relevance to UNFCCC efforts, including on (i) article 2.1(c) on aligning financial flows with low-carbon development pathways, (ii) resource mobilization for climate finance, (iii) the COP 28 commitment to transition away from fossil fuels, and (iv) the clean electrification target, which is a priority topic at COP 31.

The need for clean energy financing has never been greater. Two energy crises this decade have demonstrated the vulnerability of countries to fossil fuel price volatility and supply shocks. Clean energy, once built, can provide a reliable source of domestic power for decades. Coupled with electrification of end uses, it can substantially reduce reliance on fossil fuels and reduce associated fiscal and energy security risks. By scaling clean electrification, CETP members can support long-term energy security, fiscal stability, energy access, and climate objectives.

2.0 Key Findings

International fossil fuel finance from signatories continues to drop (Figure 1). CETP members dropped their fossil fuel financing to USD 3.3 billion, representing a decrease of 72%–80% in 2025 (a drop of USD 8.5 billion to 13.2 billion)² compared with the pre-CETP 2019–2021 annual average. This is a near-record low,³ despite global geopolitical headwinds for climate policy and various pressures to invest in fossil fuels to address the energy crisis. This continued and sustained drop in fossil finance means the CETP is one of the most successful climate leadership coalitions when it comes to implementation.⁴

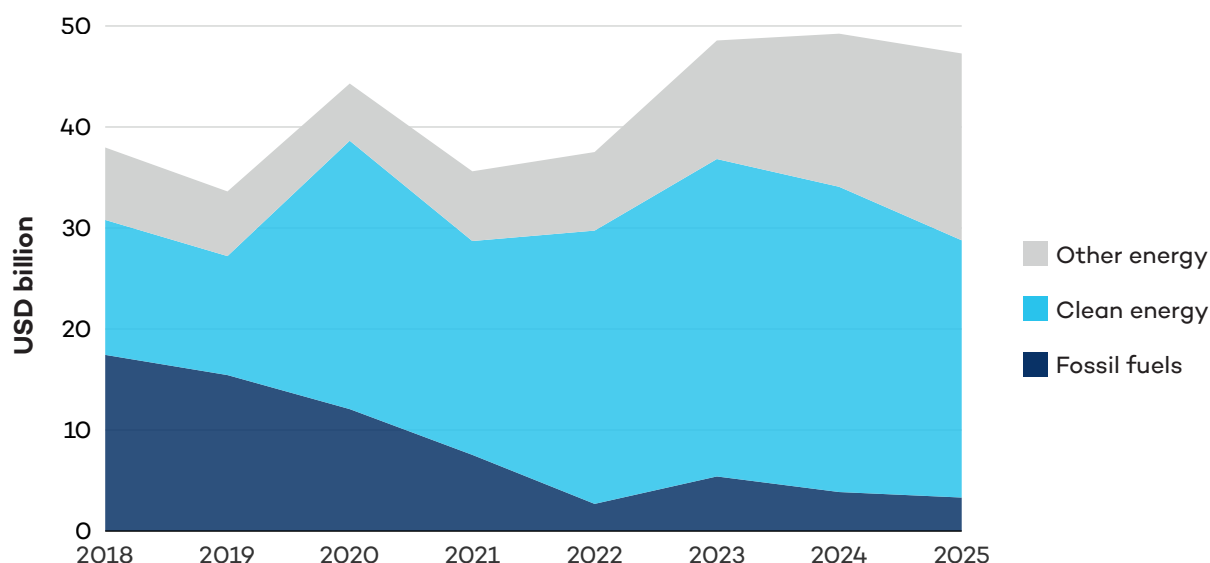
² For an explanation of this range, see the methodology note in Appendix A.

³ 2022 was the record low year, with CETP members’ fossil fuel financing amounting to only USD 2.7 billion. Previously, we reported that CETP members’ 2022 fossil fuel financing was USD 7.1 billion (Jones et al., 2025); in doing this we made an error in wrongfully counting Canadian aggregate data that was likely domestic, not international financing. We will issue corrections for our past reporting.

⁴ Financing for “other” energy has been increasing since the CETP end-of-2022 implementation deadline. In 2025, 58% of this was for grids and transmission, but due to a lack of transparency in reporting we are unable to know for sure whether it is to support clean energy.



Figure 1. CETP signatories' financing for clean, fossil, and other energy, 2018–2025



Source: Authors' calculations based on Oil Change International (OCI), n.d.

There remains a high degree of compliance with the agreement—most signatories have eliminated or considerably reduced their fossil fuel financing. Eleven out of 16 high-income signatories, plus the European Investment Bank (EIB), have fully aligned their energy finance policies with the CETP pledge, and a further three (Belgium, Germany, and the Netherlands) have policies that restrict international fossil fuel financing but do not fully meet the pledge (Table 1). While some signatories have violated the agreement (Figure 4), fossil fuel finance is dropping even among signatories with policies that do not match the ambition of the CETP (Figure 3).

The 28% (USD 5.6 billion) increase in clean energy finance in 2025 compared with the pre-CETP baseline does not match the drop in fossil fuel finance. Only 42% of the funding removed from fossil fuels has been redirected into clean energy. To fully meet their CETP commitment, they must not only end their support for fossil fuels but also increase their support for clean energy projects. Such public finance support is essential to support renewable energy (which faces high capital costs in emerging markets outside China); distributed renewables for those still lacking electricity access, grids, storage, and transition support for workers and communities; and energy access, particularly in regions that have some of the biggest financing needs, particularly in the Global South (Tucker & O'Manique, 2025).



Table 1. Summary assessment of publicly available fossil fuel policies in 16 high-income signatories of the CETP, plus the EIB, as of October 2026

Country/institution	DFIs	ECAs	Legend
Australia	N/A	✓	✓ All the assessment criteria are ranked as CETP-compatible or beyond CETP
Belgium	–	–	– At least one assessment criterion is ranked as “below CETP.” One criterion maximum is ranked as “off-track.”
Canada	✓	✓	
Denmark	✓	✓	
EIB	✓	N/A	✗ At least two assessment criteria are ranked as “off-track”
Finland	✓	✓	
France	✓	✓	
Germany*	–	–	
Italy	✗	✗	
Netherlands	✓	–	
New Zealand	N/A	✓	
Norway	✓	–	
Portugal	✗	✗	
Spain	✓	✓	
Sweden	✓	✓	
Switzerland	✓	✗	
United Kingdom	✓	✓	

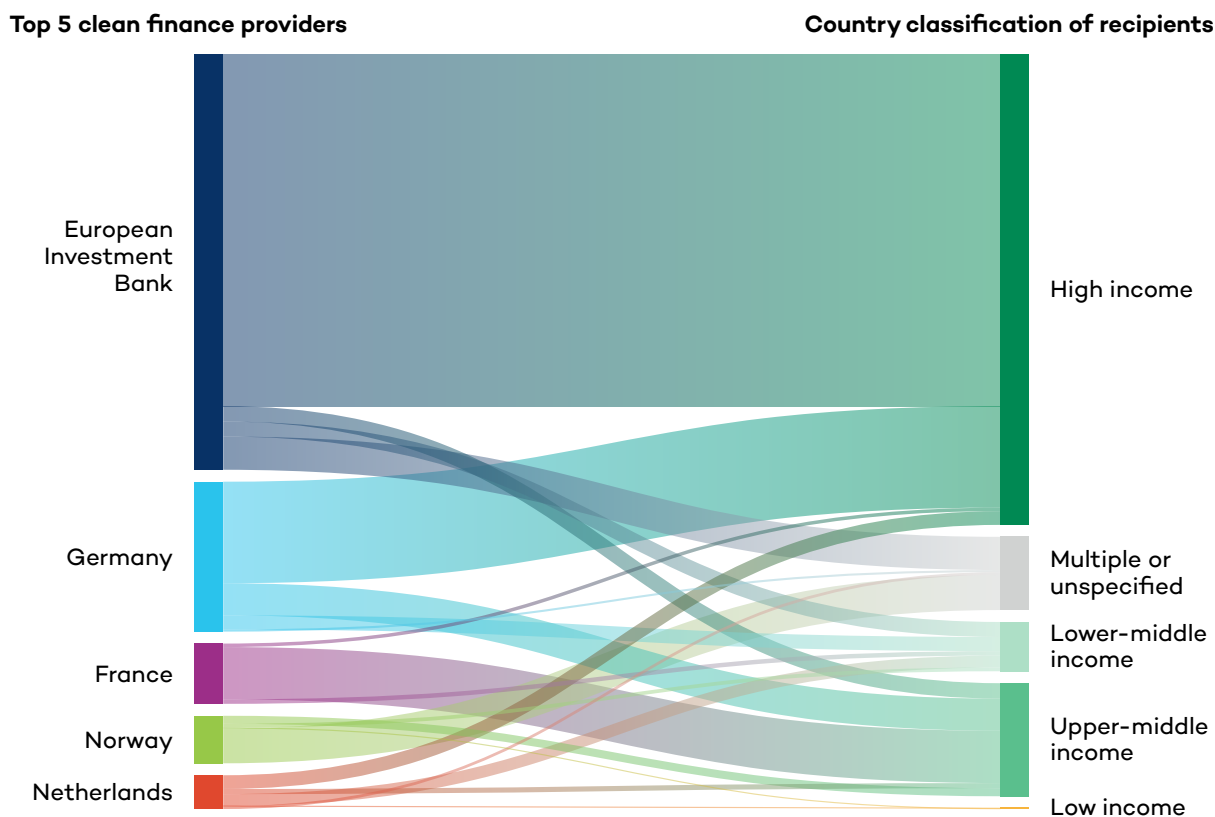
Source: Adapted from Jones et al., 2025 and McGibbon & van der Burg, 2025.

Note: *Germany has put forward a proposal to weaken its fossil fuel financing restrictions, which is currently under consultation.

CETP members’ international public financing for clean energy is largely flowing into advanced economies. In 2025, 71% of CETP members’ clean energy finance flowed to advanced economies, whereas only 24% flowed to emerging and developing economies (EMDEs) (5% flowed to multiple or unclear countries) (Figure 2). The top five recipients of clean energy financing were Poland, Germany, France, Italy, and the United Kingdom. The top five EMDE recipients of clean energy financing were Kazakhstan, Egypt, South Africa, Saudi Arabia, and Türkiye. Meanwhile, the top five recipients of fossil financing were Hungary, Ukraine, Angola, the Netherlands, and Italy. Fossil fuel financing for the Netherlands and Italy came entirely from Germany’s development finance institution, KfW, and consisted of loans for a fossil gas storage facility (Italy) and petroleum products storage (the Netherlands). Sixty percent of CETP members’ fossil fuel finance in 2025 went to advanced economies, compared with 40% for EMDEs.



Figure 2. Clean energy finance from five largest CETP providers in 2025, by World Bank country classification

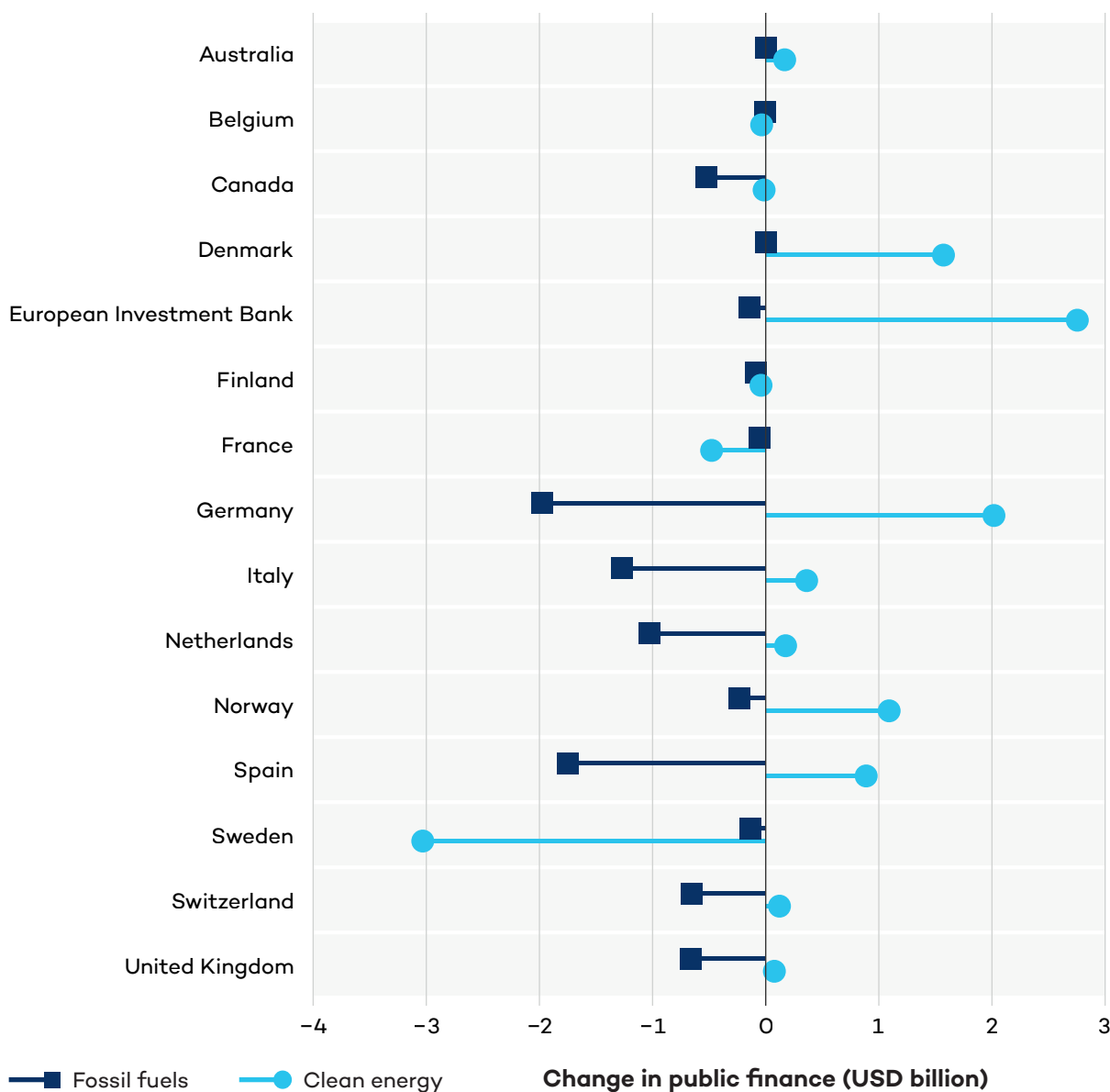


Source: Authors' calculations based on OCI, n.d.

The largest amounts of clean energy finance in 2025 were provided by the EIB (USD 11 billion), Germany (USD 4 billion), Denmark (USD 3.2 billion), France (USD 1.6 billion), and Norway (USD 1.2 billion). Concerningly, some signatories who have best-practice policies on fossil fuels—such as France and Sweden—have seen large drops in 2025 in their clean energy finance compared to the pre-CETP 2019–2021 annual average (Figure 3).



Figure 3. Change in CETP signatories' international public finance for clean energy and for fossil fuels, 2025 relative to 2019–2021 annual average

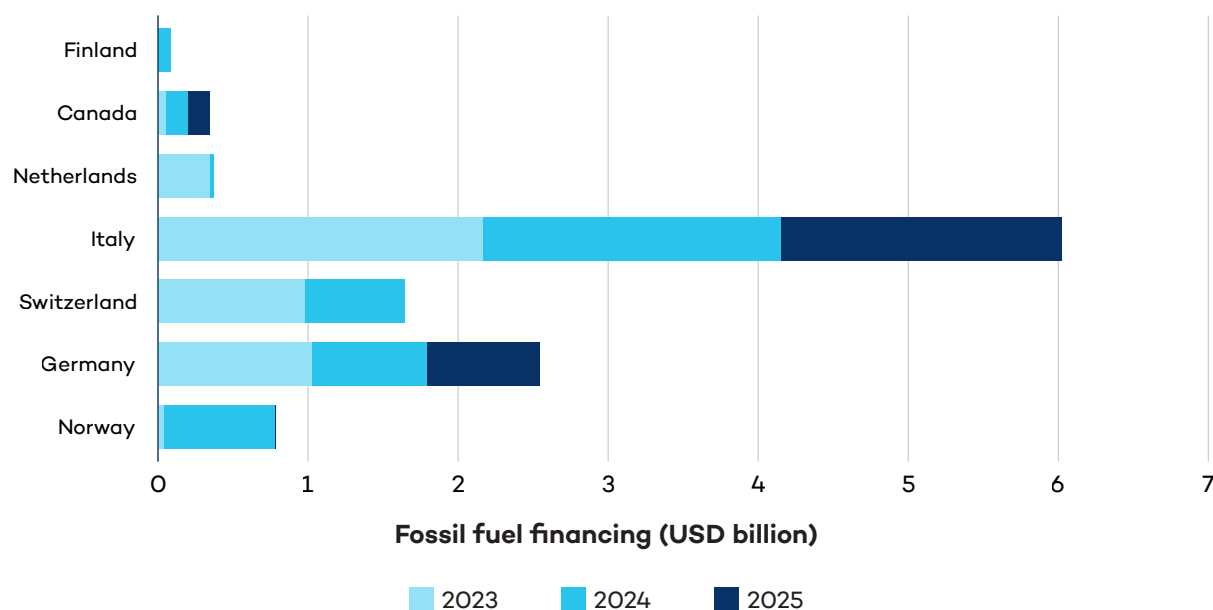


Source: Authors' calculations based on OCI, n.d.

Some countries continue to break the pledge, despite the political and economic rationale for reducing fossil fuel dependencies being stronger than ever (Figure 4). Italy is the biggest fossil fuel financer, with USD 6 billion in fossil fuel projects after the end-of-2022 implementation deadline. This is followed by Germany (USD 2.5 billion) and Switzerland (USD 1.6 billion) (Figure 4). Denmark, Sweden, and the EIB provided some financing for fossil fuels, with most of it going toward humanitarian assistance in Ukraine, which fell within allowed exceptions to the fossil fuel exclusion policy. In addition, in 2025 Switzerland's ECA, SERV, initially approved three gas-fired power plants, but final approvals were not issued before the end of 2025 (Bosshard, 2025).



Figure 4. Fossil fuel financing by CETP signatories after the implementation deadline, 2023-2025



Source: Authors' calculations based on OCI, n.d.

ECAs provided the majority (64%) of the 2025 fossil fuel finance from CETP signatories, although this percentage varies among CETP countries. This shows a need for governments to further restrict financing from these institutions in particular. As institutions with a public mandate and an outsized influence on energy investment patterns, ECAs have a responsibility to act.

Box 1. United States

The United States left the CETP in January 2025. It remains bound by a near-identical G7 commitment to end fossil fuel finance (G7, 2022). Despite this, the U.S. Export-Import Bank (US EXIM) in particular continues to be used as a tool for fossil fuel expansion. In financial year (FY) 2025, the US EXIM financed nearly USD 8 billion in fossil fuel projects, compared to USD 117.5 million for clean energy (OCI, n.d.). This fossil fuel support included USD 4.7 billion for Mozambique liquefied natural gas (LNG), despite an ongoing investigation into potential war crimes (European Center for Constitutional and Human Rights, 2025).

So far in FY 2026, the US EXIM has approved support for LNG exports to Turkey (USD 400 million) and Egypt (USD 2 billion), United Arab Emirates-based fossil fuel commodity traders (amount unknown), and a coal mining project involving Blackhawk Mining (amount unknown) (US EXIM, 2026a, 2026b, 2026c, 2026e). In September 2026, the Trump Administration announced up to USD 7 billion in EXIM financing to help Argentina to exploit fossil fuels and critical minerals in the country (US EXIM, 2026d). Another potential large financier of fossil fuels is the U.S. International Development Finance Corporation (DFC), which is currently considering support for a fossil fuel



power plant in Greece (DFC, n.d.). The DFC provided up to USD 40 billion for a maritime ship reinsurance facility for shipping, including fossil fuel energy transport, through the Strait of Hormuz, but the program had not provided any insurance as of May (Financial Times, 2026).

The United States still has the opportunity to become a leader in phasing out its international fossil fuel finance. First, US EXIM's current reauthorization ends this year (December 2026), giving the new Congress that comes in January 2027 an opportunity to require US EXIM to end its support for fossil fuels. Second, when a new president takes office in 2029, the United States can make it a top priority to rejoin the CETP and retake leadership in securing an Organisation for Economic Co-operation and Development- (OECD-)wide agreement on ending international export finance for fossil fuels (Jones, 2024).

In non-CETP G20 countries and MDBs, international fossil fuel financing also decreased between 2019–2021 and 2025, but by a significantly smaller amount. Between 2019–2021 and 2025, G20 and MDB fossil financing dropped by up to 63%, showing that the CETP has been effective, as the CETP signatory group has seen a far larger fossil fuel finance drop in the same period (up to 80%) than non-CETP countries (OCI, n.d.). South Korea is a notable exception, where international public finance for energy remains largely concentrated in fossil fuels: Korean public financial institutions financed USD 10.8 billion in new fossil fuel projects in 2025, versus USD 2.8 billion in renewables (Song et al., 2026).

In non-CETP G20 countries and MDBs, international clean financing between 2019–2021 and 2025 more than doubled. This finance increased by 135% from USD 11.6 billion to USD 27.3 billion. Of this 135% increase, a significant proportion came from MDBs. Removing MDBs, the increase in clean energy financing from G20 countries is 36%—still higher than the CETP clean energy increase of 28% over the same period. This raises questions as to why CETP signatories, despite pledging that they would “prioritise our support fully towards the clean energy transition” (CETP, 2021), are not expanding their clean energy finance more than non-CETP signatories.

Box 2. Lessons from Uzbekistan for fully prioritizing clean energy finance

Since the CETP implementation deadline, Uzbekistan has attracted at least USD 1.1 billion in finance for clean energy from several coalition members, making it among the CETP's top developing-country recipients. French Development Agency (Agence Française de Développement [AFD]) loans, infrastructure projects, and technical assistance for Uzbekistan's energy sector reforms since 2020 (AFD, n.d., 2024) have all contributed to creating viable clean energy projects in the country.

In Uzbekistan, some commitments from CETP institutions were arranged alongside significant MDB support and leadership. For instance, the Dutch DFI, FMO, provided capital to several solar and wind projects (e.g., Sherabad, Samarkand, Jizzakh, and Zarafshan) through investment frameworks developed and supported by the World Bank,



the Asian Development Bank, the European Bank for Reconstruction and Development, and the International Finance Corporation (FMO, 2022, 2023a, 2023b, 2023c). Increased cooperation with other CETP institutions alongside national development banks and pooling investment risks could be one solution to fully prioritize clean energy finance in developing countries, with full consideration of the types of instruments that best promote clean energy in the Global South.

3.0 What Now for CETP? Recommendations

CETP signatories should celebrate their progress, including on the international stage. Achieving an up to 85% drop in international fossil fuel finance makes the CETP one of the most successful climate leadership coalitions to date. However, there is still work to do. The following recommendations are for CETP signatories to finish the job and ensure international public finance supports a fair fossil fuel phase-out and accelerated transition to renewables.

Maintain progress in ending international public support for fossil fuels, in the name of climate action, energy security, and affordability.

This work should include members using their voice and vote at MDBs and stopping gas finance. Countries need to close policy loopholes and stop breaking the CETP commitment. In particular, Germany's ongoing process of watering down its CETP commitment should halt (Oil Change International, 2026), Italy must begin to adhere to the agreement (Oil Change International, 2023), and Switzerland's continued fossil fuel financing should stop.

Redouble efforts to engage more countries in the initiative.

To sustain momentum, the CETP must continue to gain new signatories. Major financiers such as South Korea, Japan, and China, as well as multiple MDBs, have not yet signed on. Securing their commitment by COP 31 would greatly enhance the initiative's impact and credibility.

Implement commitments to phase out domestic fossil fuel subsidies.

The credibility of the CETP depends on all signatories showing climate leadership domestically as well. Many CETP countries continue to provide significant domestic subsidies for fossil fuels, which risks undermining the transformative potential of the statement. At the same time, CETP countries have made numerous commitments to phase out such subsidies, including in the G7, G20, UNFCCC, and via the Coalition on Phasing Out Fossil Fuel Incentives Including Subsidies (G20, 2009; G7, 2016; UNFCCC, 2021).

Materially scale up clean energy finance on fair and just terms, especially for transformative energy democracy and environmental justice priorities.

This finance must not be a vehicle to further indebt countries. Public finance institutions must apply safeguards and standards to ensure all projects uphold and protect human rights,



including communities' Free, Prior, and Informed Consent, add local value, and follow key civil society principles for a just energy transition (Equitable Just Energy Transition, n.d.).

Meet their fair share of international climate mitigation, adaptation, and loss and damage finance with new, additional, and predictable public funding, primarily grants.

Members must also support changes to outdated international tax, trade, and financial rules that limit fiscal and policy space to pursue industrial development and public investment for the energy transition, particularly in the Global South.

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Appendix A. Methodology

The analysis in this brief uses data from Oil Change International's (OCI's) Public Finance for Energy Database (OCI, n.d.), an open-access database that includes 20,000+ energy transactions (with a total value of over USD 2 trillion) of G20 ECAs, national development banks, DFIs, and the nine major MDBs dating back to 2013. 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). 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 OECD on energy-related official development assistance 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 on the Public Finance for Energy Database (OCI, n.d.) website. 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.

The range given of the fossil finance drop in 2025 is the result of 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. EDC reporting on the impact of its CETP policy to end international public finance highlighted that the policy would impact about CAD 2.5 billion (USD 1.8 billion) in financing, meaning the rest of its oil and gas financing is likely domestic (EDC, 2022).

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