

Aligning finance flows with 1.5° C: The role of Export Credit Agencies

Last updated: January 2023

Export credit agencies (ECAs) are either private companies operating on behalf of a country's government or are public agencies themselves that provide support for the export of goods and services of national companies. ECAs are hitherto an under-researched contributor to the lock-in of fossil fuel infrastructure but can play a decisive role in promoting the global climate transition.

Methodology

Following an initial [study](#) on external and internal climate change policies for export credit and insurance agencies, in 2021, Perspectives Climate Research developed a [first dedicated Paris alignment methodology for ECAs](#). The methodology permits to assess and compare individual ECAs and their respective governments across five weighted dimensions underpinned by a total of 72 benchmark criteria:

- 1. Transparency:** Financial and non-financial disclosures (20%)
- 2. Mitigation I:** Ambition of fossil fuel exclusion or restriction policies (40%)
- 3. Mitigation II:** Climate impact of and emission reduction targets for all activities (20%)
- 4. Climate finance:** Positive contribution to the global climate transition (10%)
- 5. Engagement:** Outreach and 'pro-activeness' of the ECA and its governments (10%)

Country case studies and other reports

- 11/2022: [The United States \(EXIM\)](#)
- 04/2022: [The United Kingdom \(Greening UK Export Finance\)](#)
- 02/2022: [Canada \(Export Development Canada\)](#)
- 11/2021: [Germany \(Euler Hermes\)](#)
- 10/2021: [Japan \(NEXI and JBIC\)](#)
- 10/2021: [The Netherlands \(Atradius Dutch State Business\)](#)
- 09/2021: [Aligning Export Credit Agencies with the Paris Agreement](#)
- 03/2020: [External and internal climate change policies for export credit and insurance agencies](#)

Outreach activities

- 12/2022: **Roundtable at the U.S. EXIM Bank, Washington D.C.**, discussing the US case study with Reta Jo Lewis, President and Chair of EXIM, and civil society organizations including Oil Change International, the Sierra Club and Oxfam US
- 11/2022: Moderation of a panel at the **OECD Civil Society Stakeholder Forum** on reforming the Climate Change Sector Understanding (CCSU) under the OECD Arrangement
- 11/2022: Presentations at **COP27** side events at the IDFC Pavilion and the Italian Pavilion
- 09/2022: Presentation at the **International Conference on Fossil Fuel Supply and Climate Policy**: "[Aligning officially supported export finance with the Paris Agreement](#)"
- 07/2022: Host of **first roundtable on OECD Arrangement Reform** with Civil Society Organisations and researchers
- 05/2022: Presentation at the **7th OECD Investment Treaty Conference**: "[Aligning Finance Flows with the Paris Agreement Overview and experiences from the export finance system](#)", building on a previous contribution to the OECD public consultation on investment treaties and climate change (03/2022)
- 11/2021: Presentations at **COP26**, side event: "[Aligning export finance with the Paris Agreement: high time to phase out fossil fuels](#)"
- 07/2021: Host of a **public webinar**, "[Launch of the ECA Paris Alignment Methodology](#)"
- 05/2021: Presentation at the **Climate Expo**: "[Aligning Export Credit Agencies with the Paris Agreement](#)"

Media appearances and blog contributions

- 11/2022: "[US Exim lags on climate despite Biden's pledges, report says](#)", coverage in **Global Trade Review (GTR)**
- 04/2022: "[Why the world needs less oil and gas, and what Canada can do to keep 1.5°C alive](#)", opinion piece in the Canadian the **Hill Times**
- 02/2022: "[Canada's export credit agency needs to clean up its act on climate](#)", coverage in **Canada's National Observer**
- 11/2021: "[Export finance must get in line with climate commitments](#)", blog post on **Ideas4Development (Agence Française de Développement, AfD)**
- 09/2020: "[G20 governments must urgently align their export credits with the Paris Agreement](#)", blog post on **Ideas4Development (Agence Française de Développement, AfD)**