

A white banner with blue text and a cartoon dog illustration. The text on the banner reads "STOP FUNDING FOSSILS" in large, bold, blue capital letters. Below this, a horizontal line separates the main message from the hashtag "#KEEPITINTHEGROU" in smaller blue capital letters. To the left of the text is a black and white cartoon illustration of a dog's head with a collar and a tag.

**STOP  
FUNDING  
FOSSILS**

**#KEEPITINTHEGROU**

# Turning pledges into action:

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

June 2022

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 **OILCHANGE**  
INTERNATIONAL

## Germany Pushes for G-7 Reversal on Fossil Fuels in Climate Blow

- Europe faces energy fallout from Russia's war in Ukraine
- Pledge to end public financing of such fuels came recently

## G7 accused of 'backsliding' on climate goals over energy security fears

Pledges to halt fossil fuel investment watered down against Ukraine war backdrop





# G7 leaders' Communiqué

“...Recognising the importance of national security and geostrategic interests we commit to end new direct public support for the international unabated fossil fuel energy sector by the end of 2022, except in limited circumstances clearly defined by each country consistent with a 1.5°C warming limit and the goals of the Paris Agreement. In this context and **with a view to accelerating the phase out of our dependency on Russian energy, we stress the important role increased deliveries of LNG can play, and acknowledge that investment in this sector is necessary in response to the current crisis.** In these exceptional circumstances, **publicly supported investment in the gas sector can be appropriate as a temporary response**, subject to clearly defined national circumstances, and if implemented in a manner consistent with our climate objectives and without creating lock-in effects, for example by ensuring that projects are integrated into national strategies for the development of low-carbon and renewable hydrogen.”

Sam Reynolds, Energy Finance Analyst  
March 2022



## Now is Not the Time to Build More LNG Import Terminals in Asia

*Price-Sensitive LNG Buyers Risk Being Pushed Out of the Market by Volatile Prices, Leaving Import Assets Stranded*

Clark Williams-Derry, Energy Finance Analyst  
April 2022



## The U.S. Can Increase LNG Exports to Europe

*No New Contracts or Infrastructure Are Required*



BRIEFING

## EU CAN STOP RUSSIAN GAS IMPORTS BY 2025

ACCELERATING CLEAN ENERGY AVOIDS FOSSIL LOCK-IN

Does phasing-out Russian gas require new gas infrastructure?

Briefing note

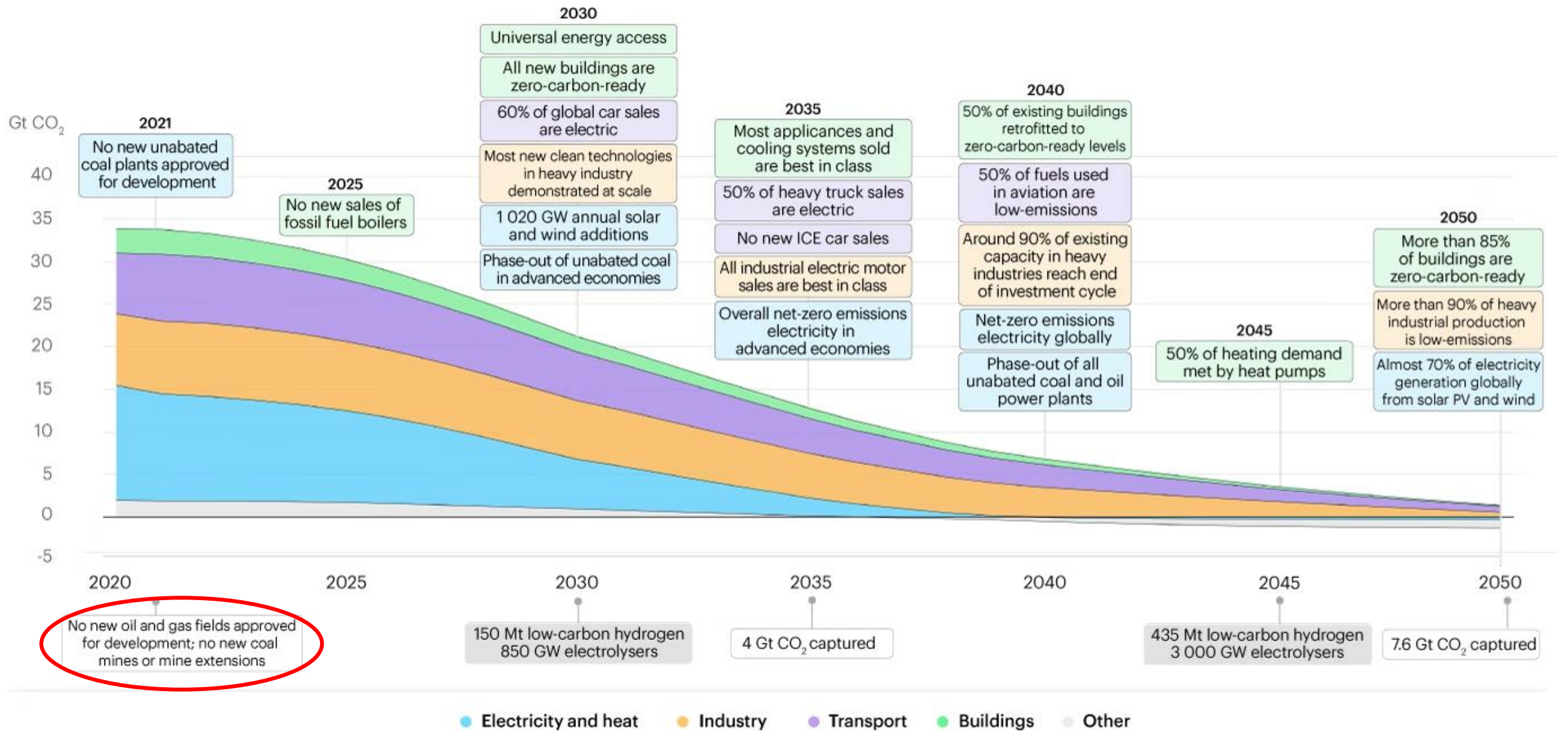


## Box 1. Key Glasgow Statement commitments

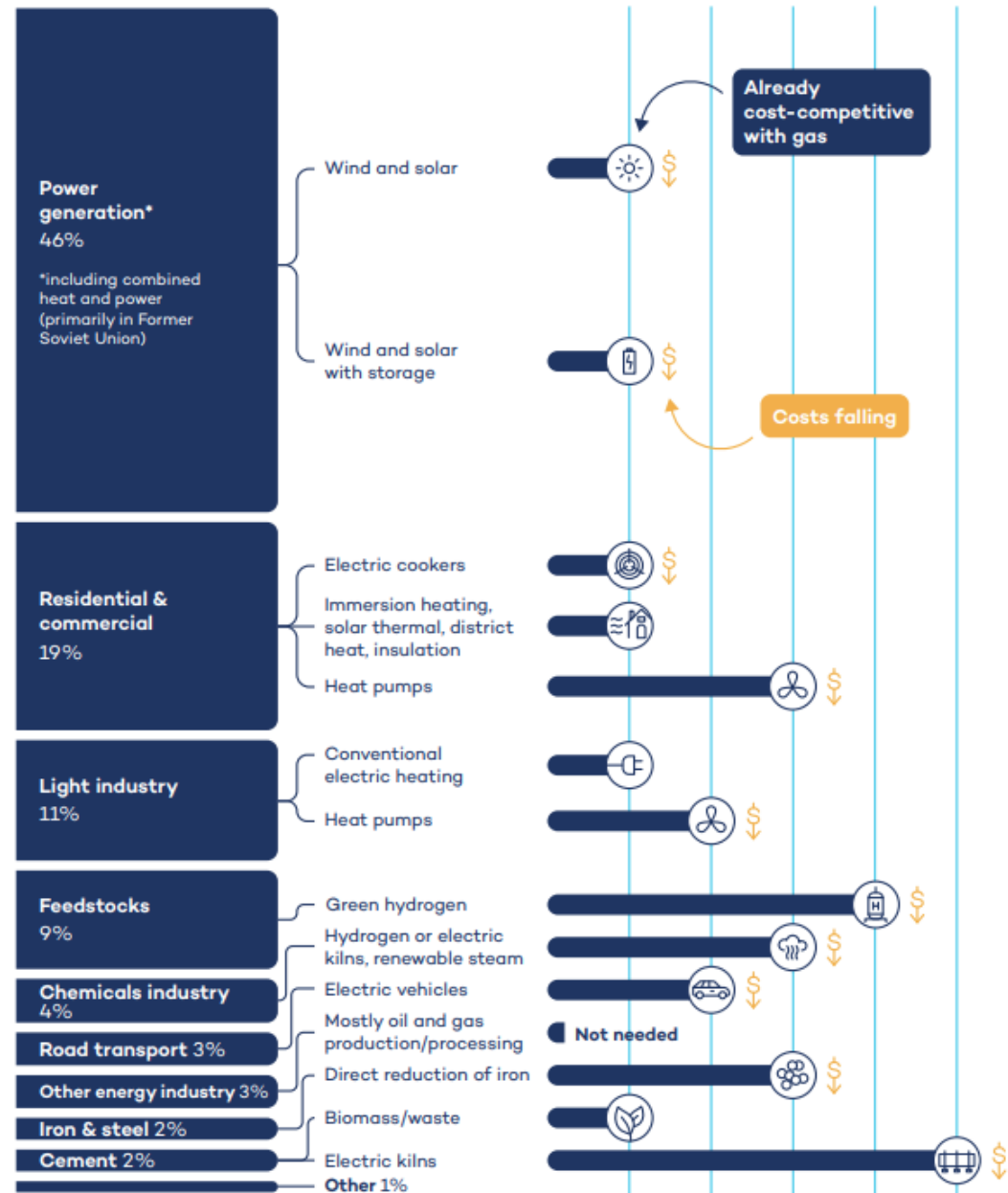
By signing onto the statement, governments and public finance institutions have committed to:

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

*Source: UN Climate Change Conference UK 2021, 2021.*



Percentages represent share of low- and middle-income countries' use of gas



Source: Muttitt et al., (2021). Step off the gas. International Institute for Sustainable Development.



# Key findings

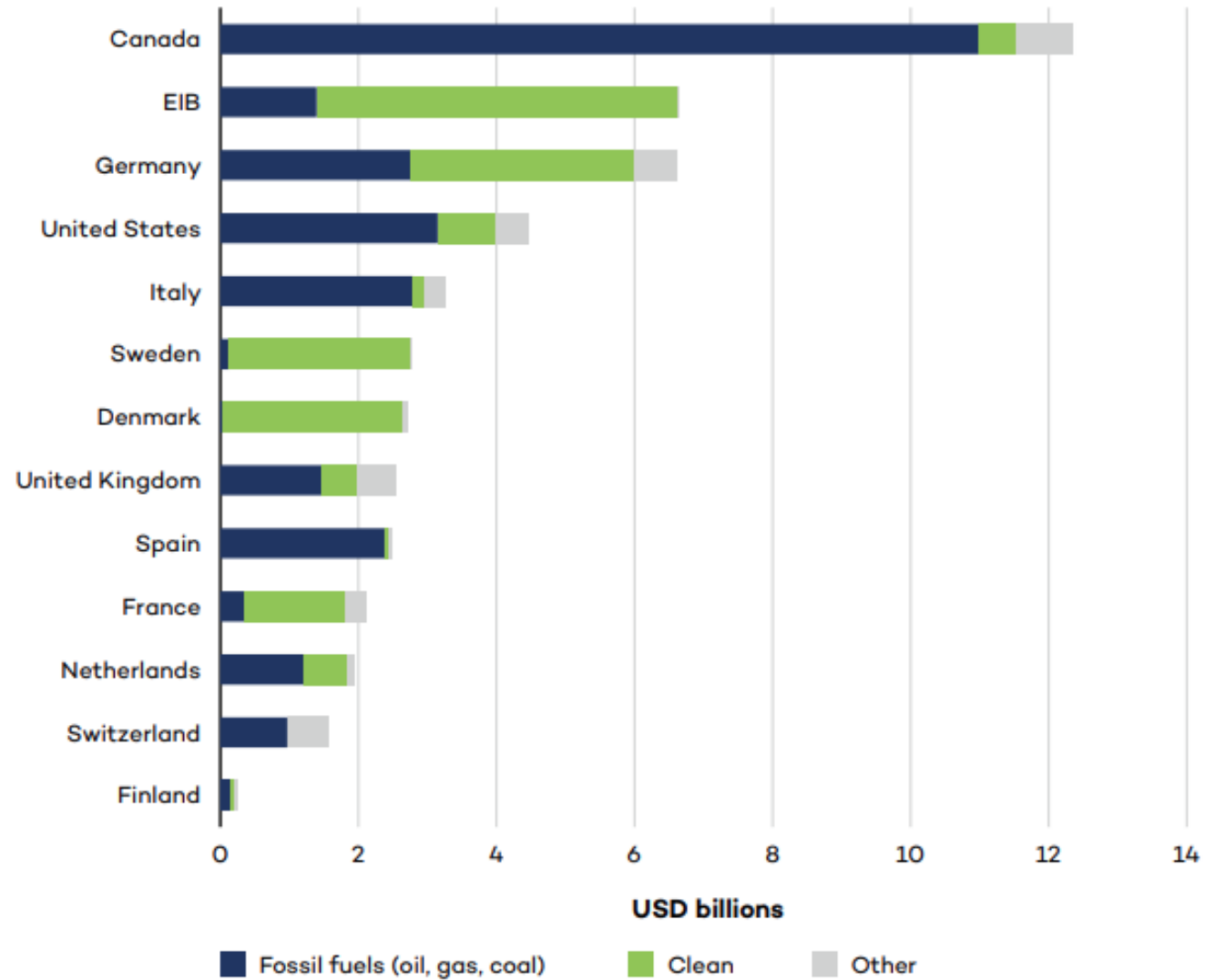
- Signatories have an opportunity to shift at least **\$28 billion a year** out of fossil fuels and into clean energy.
- With 6 months to go until the end of 2022 deadline, **most countries and institutions still need to publish Glasgow-aligned policies**. Export credit agencies lag behind most.
- The main implementation risk is that signatories introduce **exemptions for gas support** - this was already a risk and is now an even bigger risk because of the war in Ukraine.
- Countries and institutions generally **lack concrete strategies to increase clean energy support**.
- **Good practices exist**: robust policies currently are in place in Denmark, the United Kingdom, at Swedfund, the French Development Agency, the FMO, and the EIB.
- Case studies on Ethiopia and Sri Lanka show that **the Glasgow Statement can play a role in avoiding fossil fuel lock-in and accelerating a just energy transition in low- and middle-income countries**
- **Many signatories continue to provide significant domestic public finance and subsidies for fossil fuels and approve sizable fossil fuel expansion plans**. To show integrity signatories must end domestic fossil fuel finance and subsidies, ban new licences for oil and gas production, and phase out fossil fuel extraction on a globally just and 1.5°C-aligned timeline.



# International energy finance trends from the Glasgow Statement signatories

- **Canada (\$11bn/yr), the United States (\$3.1bn/yr), Italy (\$2.8bn/yr) and Germany (\$2.8bn/yr)** provided most of the \$28 billion in total fossil fuel finance between 2018 and 2020. ECAs are the source of over 80% of this support.
- **Less than 1% of energy finance went to coal.** This suggests that earlier coal exclusions on trade and development finance have had effect. Indirect coal support through financial intermediaries remains a threat.
- **Most money now flows to gas projects, making up 22% of all energy finance.** Past IISD analysis of G20 public finance to low- and middle-income countries found that most gas finance went to **LNG export and power generation.**
- **Flows to clean energy were substantially lower, at \$18bn a year.** Most of this finance went to wind, solar and energy efficiency. Only 7 out of 39 signatories provided more clean energy finance than fossil fuel finance.
- The largest recipients of Glasgow Statement signatories' finance were **not low-income countries but rather upper- and upper-middle-income countries** for both fossil fuel and clean energy.
- **Most finance (64%) was provided in form of loans, just 0.6% was grants.** This suggests that there is a need to prioritize grant-based financing to avoid already rising debt levels to soar even further.

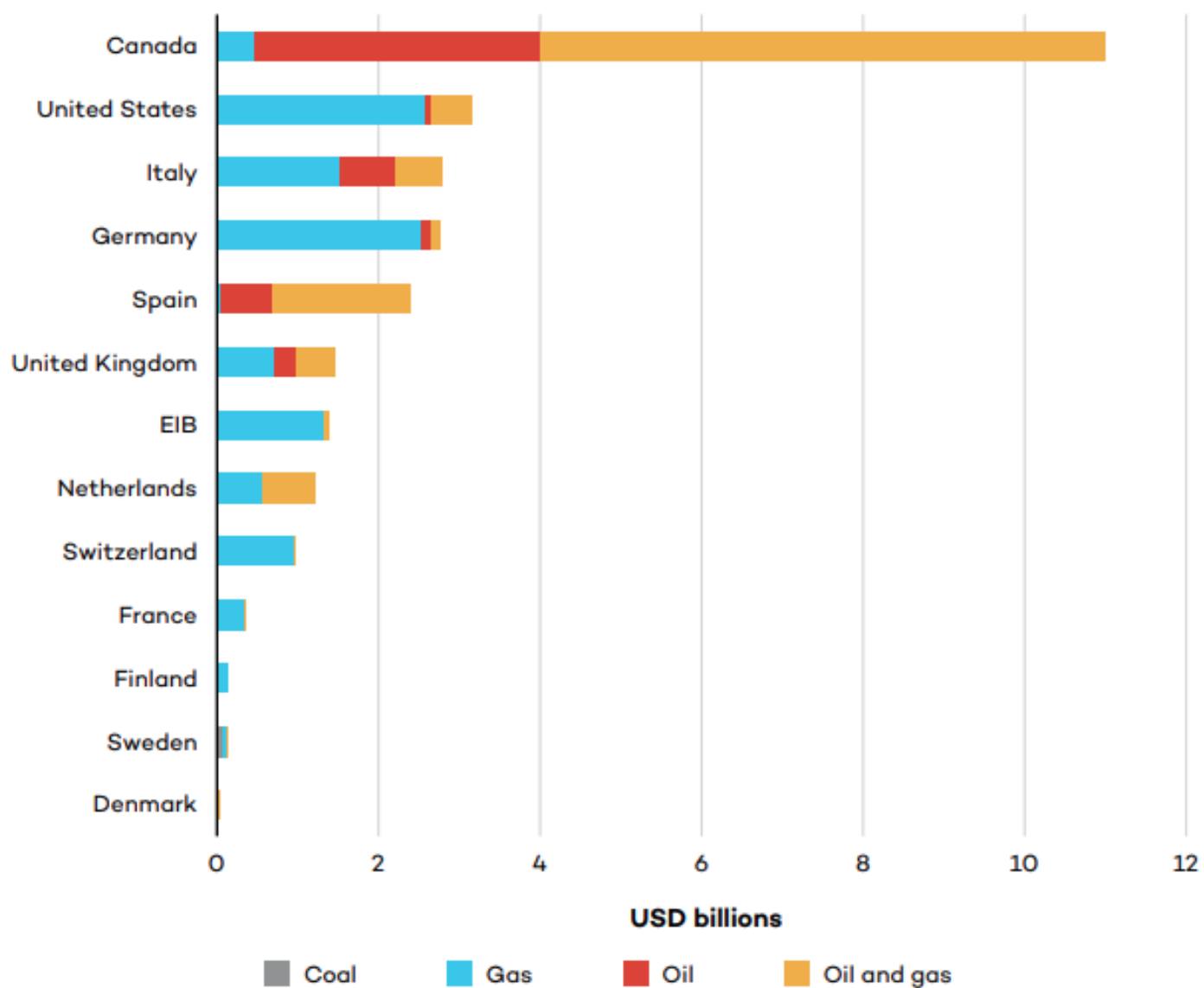
**Figure 2.** Glasgow signatories' IPF for fossil fuels, renewable, and other energy (annual average 2018–2020)



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

Source: OCI, 2022.

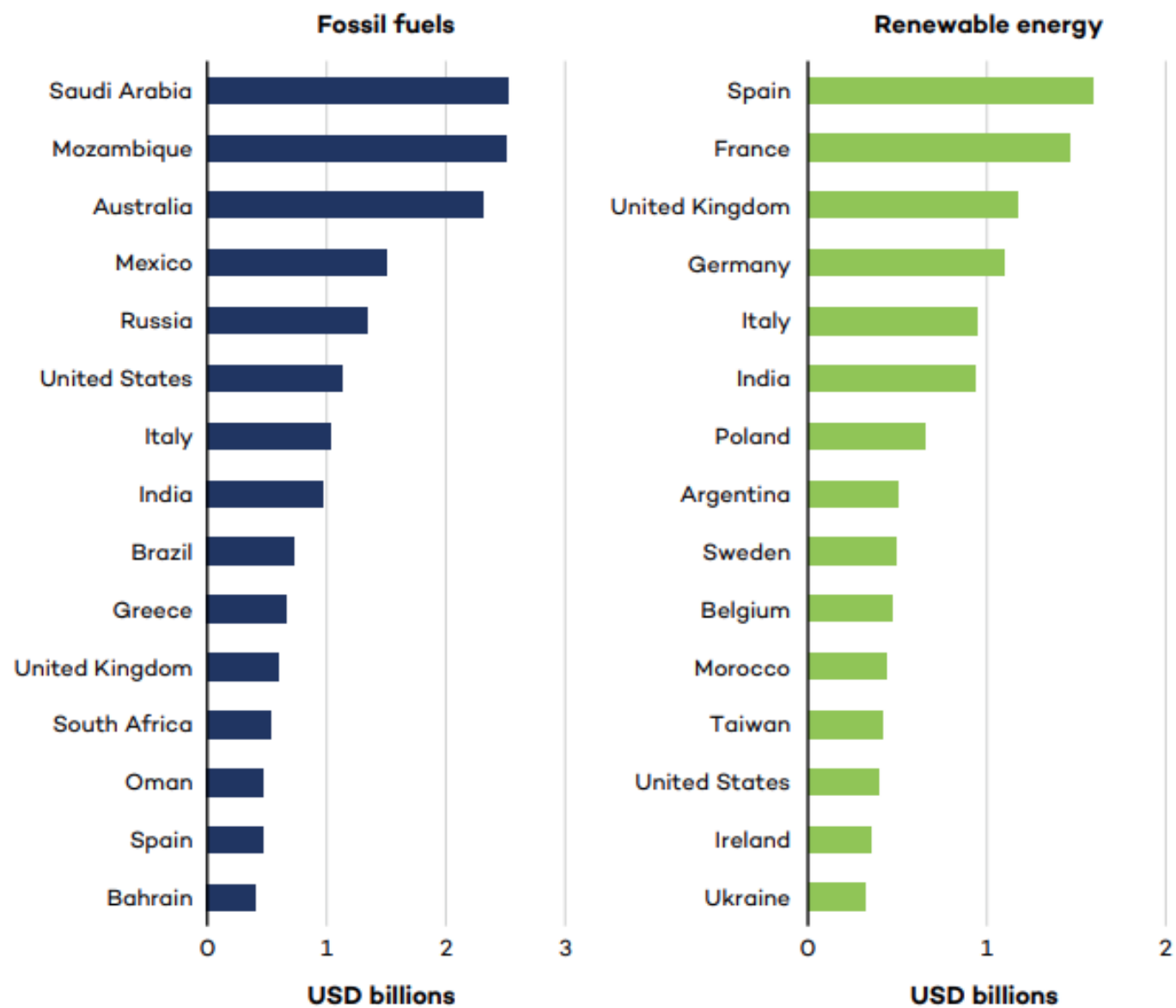
**Figure 3.** Glasgow signatories' IPF for fossil fuels (annual average 2018–2020)



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

Source: OCI, 2022.

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



Source: OCI, 2022.

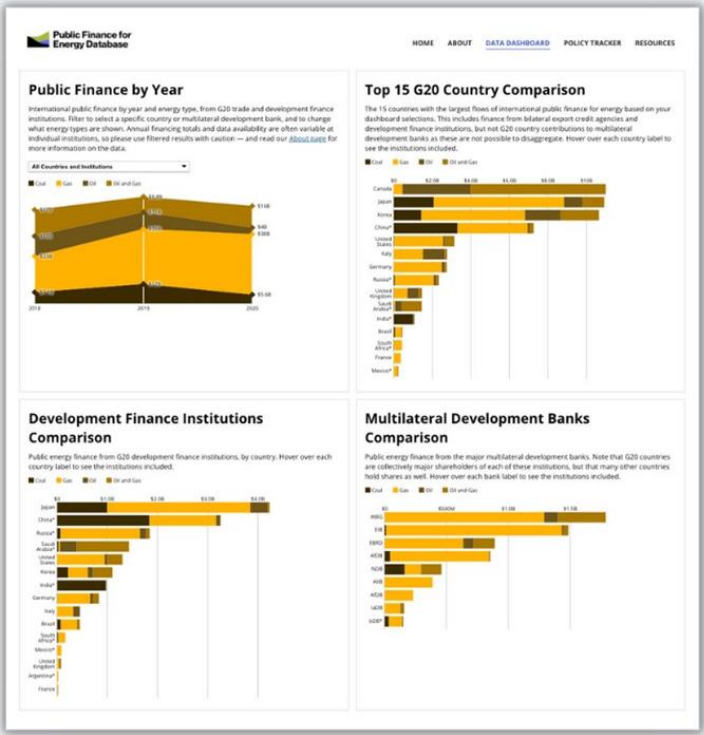


# G7 leaders' Communiqué

## NEW WEBSITE:

The new open-access **Public Finance for Energy Database** tracks over 14,000 transactions totaling nearly \$2 trillion.

**Explore the data:**  
[EnergyFinance.org](http://EnergyFinance.org)







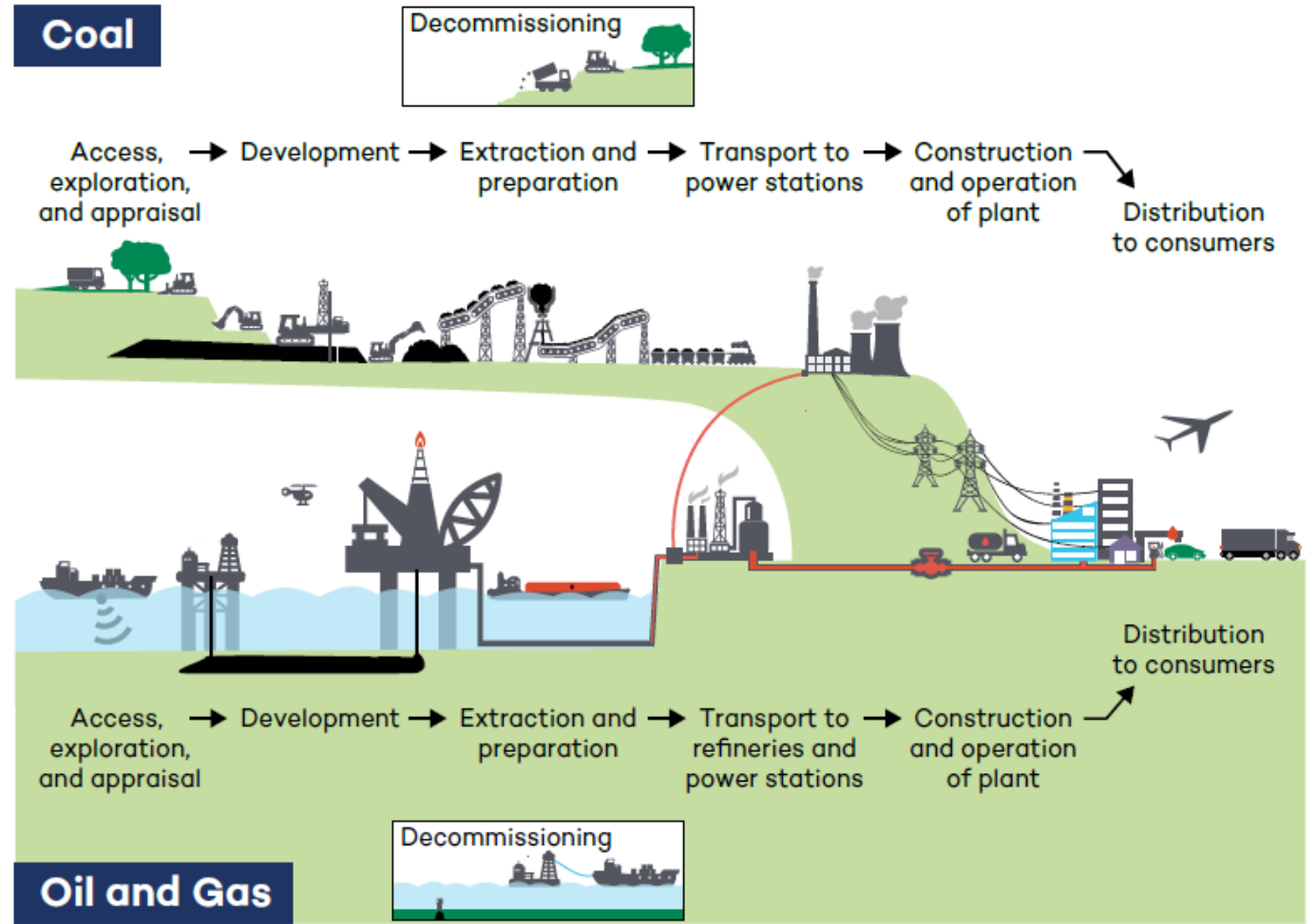
# Turning Pledges into Action

## Policy analysis and recommendations

Lucile Dufour  
June 2022



# The Glasgow Statement implies ending international public support for unabated fossil fuels across the entire value chain



Source: Bast et al., 2015.

Only a handful of pre-existing fossil fuel exclusion policies match the Glasgow Statement's requirements

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



# Policy tools are already available to design gas exclusion policies

Country/ Institution	Compatibility with Glasgow Statement	Sunset clauses for exemptions	Screening criteria for power generation and associated infrastructure (storage and transportation)					
			Geographic restrictions	Contribution to Paris Alignment	Risk Assessment	Evaluation of RE alternatives	E&S safeguards	Exclusion of associated infrastructure
Swedfund (SE)	Beyond Glasgow	n.a.	Blanket exclusion					
French Development Agency (FR)	Beyond Glasgow	n.a.	Blanket exclusion					
Denmark (whole of government approach)	Compatible	2025	●	●	●	●	●	●
FMO (NL)	Compatible	2026	●	●	●	●	●	●
United Kingdom (whole of government approach)	Compatible	No sunset clause	●	●	●	●	●	●

# Clean energy strategy and objectives aren't yet defined clearly

- **Out of 15 Development Finance Institutions:**
  - 🎯 5 have a quantified climate finance target, 3 have a quantified clean energy finance target
  - 🎯 1 has qualitative targets associated with clean energy finance priorities (e.g. renewable energy deployment, energy access, energy efficiency)
  - 🎯 1 one institution makes just transition support a main pillar of its strategy
- **Unharmonized approaches in export credit agencies**

# Recommendations: what signatories should deliver on by COP27



**Implement fossil-fuel exclusions that leave no room for any new support for the exploration, production, transportation, storage, refinement of coal, oil and gas, including LNG infrastructure.**



**Use definitions of “limited and clearly defined exceptions” and “unabated” that do not allow for fossil lock-in. Long-lived gas infrastructure, including gas-fired power, should be excluded from new financing.**



**Apply fossil fuel exclusions to indirect support.**



**Develop concrete plans for shifting public finance from fossil fuels to clean energy and further increase clean energy support for a just energy transition. Develop collaborations with low- and middle-income signatories.**

# Recommendations: what signatories should deliver on by COP27



**Secure new signatories to join the statement by COP 27.**



**Use vote and voice, as MDB shareholders, against new financing for fossil fuel projects**



**Secure oil and gas export finance restrictions at the OECD with a harmonized phase-out timeline by the end of 2022**



**Adopt a set of coherent policies at the domestic level:** phase out fossil fuel subsidies, end ban new licenses for oil & gas production.



# Thank You!

**For more information:**

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