How can SACE progress towards alignment with the Paris Climate Agreement?

Max Schmidt, Dario Brescia, Igor Shishlov,
and Yuliya Romanyuk

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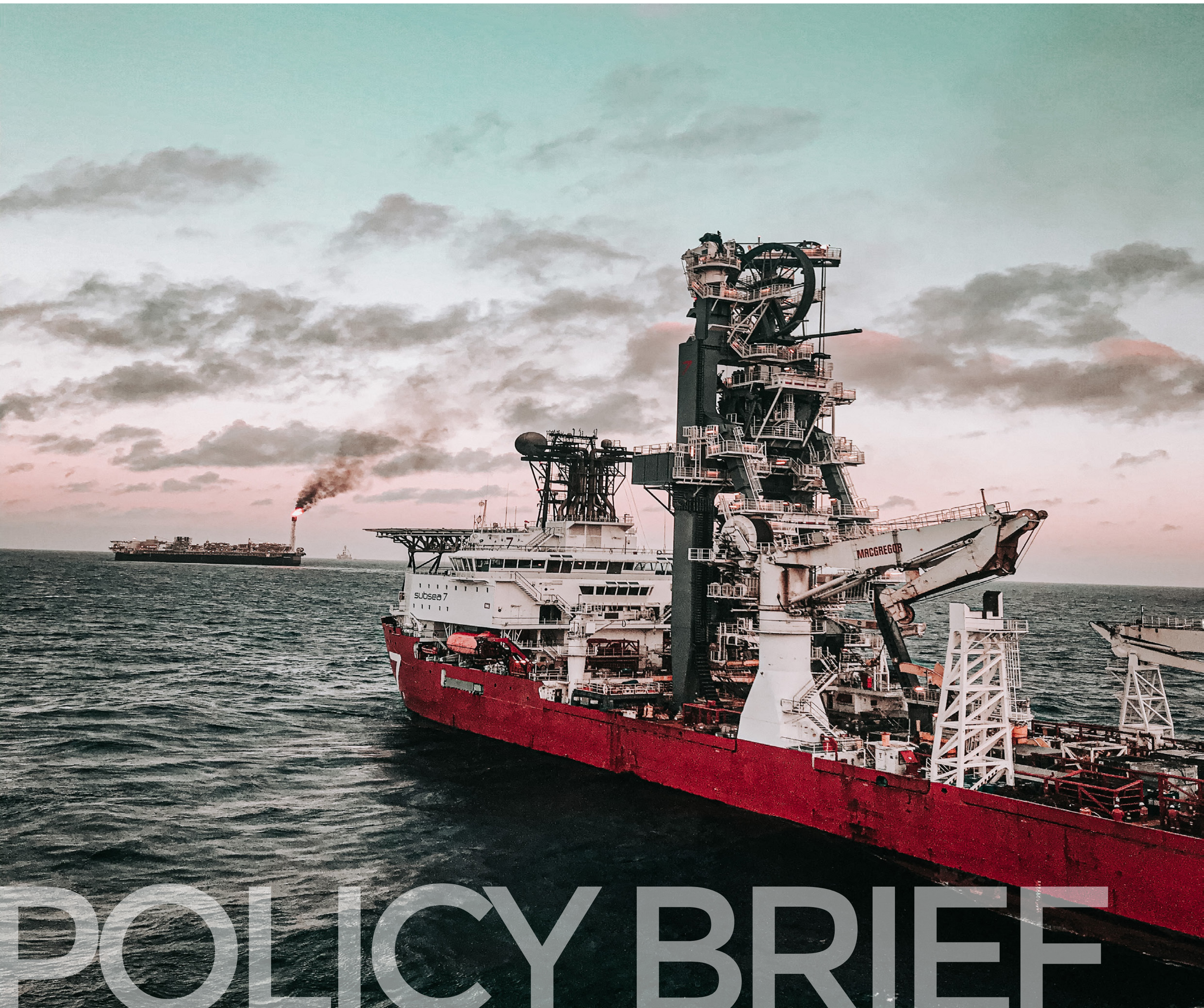

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Authors

This study was led by Max Schmidt and co-authored by Dario Brescia, Igor Shishlov, and Yuliya Romanyuk (Perspectives Climate Research).

Design and layout

Beatrice King

Photography

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Perspectives Climate Research
Hugstetter Str. 7
79106 Freiburg, Germany
info@perspectives.cc
www.perspectives.cc

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1. Key Messages related to SACE's current portfolio

- **Export credit agencies (ECAs)** like SACE play a critical role in the energy sector due to their **unique role of de-risking investments** abroad[1 2].
- SACE is Europe's **biggest public financier of fossil fuels**[3], and in 2023 SACE did not make any progress towards more alignment with the Paris Climate Agreement, i.e., to orient its operations and financing towards staying below the global 1.5°C heating limit.
- The Government of Italy showed some **backsliding on its climate commitments** in 2022-2023, justifying this with current 'energy security' concerns, while SACE **doubled down on its export finance for oil and gas** (O&G) projects.
- According to SACE's financial statements, in 2022 and 2021 **more than 15% of its total portfolio was directly exposed to O&G** (2020: 19.6%)[4 5 6]. This share has not dropped more since **SACE's new support for O&G in 2021 was bigger than in 2020 (26% of the total portfolio vs. 16.7%)[7 8].**
- **Thus, after some positive signs in 2020** (potentially linked to the COVID-19 pandemic), **SACE returned to supporting fossil fuel projects and infrastructure, which contributed to increasing its export support to fossil fuels** from EUR 9.3 billion in 2021 to EUR 12.2 billion in 2022[9 10] **while SACE's total exposure[11] fell** from EUR 66.8 billion in 2021 to EUR 61.9 billion in 2022[12].
- With EUR 5.80 billion, **more than half of SACE's fossil finance went to the African continent** alone (2015-2022), making up 84% of all of SACE's energy-related investments on the continent (EUR 6.95 billion)[13 14].
- Besides, between 2015 and 2022, **SACE committed only 15% of its export credits to renewable energy (RE)**, according to the Export Finance for Future initiative (E3F 2023)[15 16].
- In fact, since signing the **Clean Energy Transition Partnership** (CETP) as part of the Glasgow Statement on International Public Support for the Clean Energy Transition at COP26[17], Italy and SACE have been found to be the biggest 'promise breaker'[18] since other signatories phased out their support to fossil fuel projects much more rapidly and consistently.
- **SACE therefore urgently needs to implement more ambitious climate policies** and redirect financial flows from O&G activities to clean alternatives, halting the support to fossil fuels.
- The construction of new fossil fuel infrastructure takes several years, while its lifetime is usually several decades. However, as the energy transition progresses these investments may not reach the end of their planned lifetime. These potential 'stranded assets' are thus a financial risk whilst also undermining global efforts towards fossil-free finance.
- Though **SACE is highly aware of the physical and financial risks related to climate change** – providing significant space to it in its "Risk Map 2023"[19] with its own climate 'risk score' for every country of the world[20] –, SACE's portfolio is still significantly exposed to fossil fuels that cause and exacerbate the climate crisis.
- SACE has historically been **heavily involved in supporting the export of (cruise) ships**, an industry heavily reliant on fossil fuels and one of the hardest sectors to decarbonise[21]. At least since 2020, cruise ships alone account for **more than 1/3 of SACE's total export support**[22 23 24].
- SACE's **'Energy Transition World Map'**[25] provides both an overview of global progress on the energy transition as well as a scoring for every country, including Italy. A logical next step for SACE would be to go beyond merely identifying and vaguely "[taking] into account"[26] physical[27] and transition risks[28] and try mitigating these risks via its investment strategy, by **increasing its efforts to advance the global energy transition and fossil-free finance flows.**

- Overall, SACE's score of Paris Alignment – as recently assessed by Perspectives[29], **i.e., 0.22/3.00 points**, – did not change: **SACE was already rated 0.00/3.00 points across various relevant assessment categories**, most of which assessed SACE's investments and financed emissions for the years 2015-2020 or the last three years with available data.

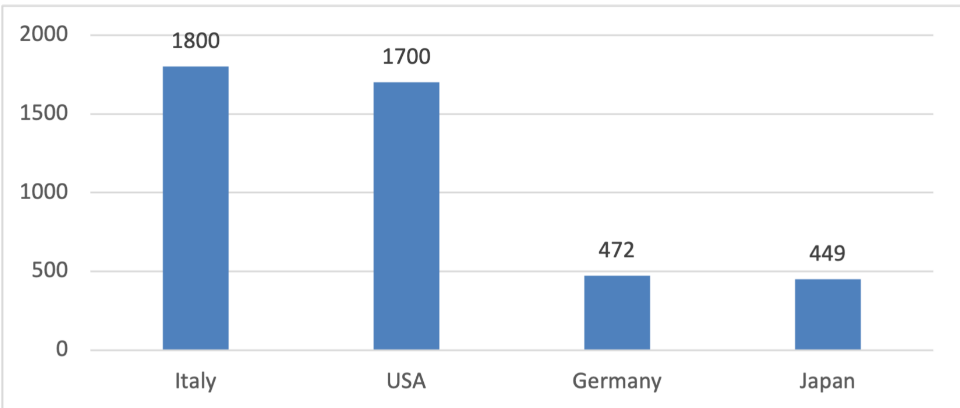
2. Background: Why SACE must be reformed

SACE is among the ten European member countries of E3F but exhibits at the same time the **largest volume of annual support for fossil fuel value chains** when compared to other E3F members (EUR 11.54 billion, 2015-2022). With EUR 5.80 billion, more than half of this fossil finance went to the African continent alone (of which half to Egypt alone), making up 84% of all of SACE's energy-related investments on the continent (EUR 6.95 billion), whereas only EUR 0.15 billion (or 2% of the total for Africa) was dedicated to renewables[30 31 32]. Overall, SACE invested almost 6-times more into fossil fuels than in RE (EUR 2.03 billion, 2015-2022). In 2022, the last year for which data is available, SACE **newly committed approx. EUR 0.79 billion to fossil fuels and only EUR 0.19 billion to RE**[33 34 35]. For comparison: Germany's ECA, ranked second-worst, committed EUR 7.21 billion to fossil fuels but EUR 5.82 billion to RE in the same time period; in 2022, Germany declared new support of EUR 0.10 billion and 0.39 billion respectively, the third time the country committed more export finance to RE than fossil fuels (after 2017 and 2020)[36].

Worse, since signing the CETP[37], SACE has **approved five O&G projects, most recently a USD 500 million guarantee** for an oil refinery in Peru[38 39], and there are at least **five more that are pending approval** in the pipeline[40], according to the 'Fossil Finance Violations Tracker' by Oil Change International[41 42]. Combined, this makes **Italy the largest CETP signatory for approving fossil finance (USD 1.8 billion)**[43], **even before the US** (USD 1.7 billion) and far ahead of Germany and Japan (USD 0.47 billion and USD 0.45 billion respectively)[44] (see Figure 1).

Already before Italy's fossil fuel 'exclusion' policy – dubbed by some NGOs as "**'worst-in-class' climate policy**"[45] – was published in March 2023[46], the ECA was ranked second worst in terms of Paris alignment after Japan[47], as part of Perspectives' studies that covered nine ECAs of global relevance[48] on three different continents. Thus, SACE seemingly **continues to ignore the risk of financing 'stranded assets'** – fossil fuel infrastructure that may never fully recover its investment costs, and in doing so supports carbon-intensive projects that exacerbate the climate crisis.

Figure 1: Volume of financed fossil fuel projects by CETP-signatories between January 2022 and November 2023, in USD million



Source: By the authors, based on OCI (2023a)[49].

3. Assessment of SACE's alignment with the Paris Climate Agreement

Perspectives Climate Research developed a dedicated Paris alignment methodology for ECAs that builds on existing approaches to 'Paris alignment' for other financial institutions, such as multilateral development banks[50]. The assessment of ECAs weights and transparently underpins each assessment dimension with specific key questions (3-5 questions per dimension, in total 18 questions) as well as specific benchmarks (four benchmarks per question, in total 72 benchmarks). The four benchmarks correspond to four labels of Paris alignment[51]. The assessment dimensions, weighting, updated and previous score are shown in Table 1.

Table 1: Assessment results of SACE

Assessment dimension	Weight	Description	Score
1. Transparency	0.2	Financial and non-financial disclosures	0.25/ 3.00
2. Mitigation I	0.4	Ambition of fossil fuel exclusion or restriction policies	0.33/ 3.00
3. Mitigation II	0.2	Climate impact of and emission reduction targets for all activities	0.00/ 3.00
4. Climate finance	0.1	Positive contribution to the global climate transition	0.40/ 3.00
5. Engagement	0.1	Outreach and 'pro-activeness' of the ECA and its government	0.00/ 3.00
Assessment outcome:		**'Unaligned'**	**0.22/ 3.00**

The main reason for the low Paris alignment score received by SACE is the lack of a credible fossil fuel exclusion policy in line with the 1.5° C global heating limit of the Paris Agreement. Overall, except for coal, SACE could essentially **keep its fossil support at the 2021/2022 level almost until the end of the decade**, or even scale up its support in case of gas-related activities, based on arbitrary rationales (see below).

For coal, in line with the OECD's (2021)[52] restriction for support to unabated coal-fired power plants, SACE phased out most support by May 2021, based on its (still not publicly available) Climate Change Policy[53]. While the agreement marks progress for integrating climate change considerations into the OECD Arrangement, it still lacks significant additional components, including other parts of coal value chains, e.g., mining and transport[54].

For oil, the policy by Italy's Ministry of Economy and Finance (MOF)[55] allows for support to oil transport, storage and refining to continue until January 2024 while support to oil distribution can continue until January 2028.

For gas, for which SACE is the 4th biggest ECA financier among G20 countries[56] [57], the policy only excludes support for unabated gas power generation (retrospectively for January 2023), and the exploration and production of gas by January 2026[58]; for transportation, storage, refining and distribution the "[e]ffective date [is still] to be defined following the inclusion of gas in the EU Taxonomy [...]"[59] that was agreed on shortly before[60]. For gas, the policy[61] also provides loopholes such as Italian "national energy security" concerns or an "emissions' threshold for gas-fired power plants in Extra-EU countries" where "flexibility on the threshold of the EU Taxonomy may be considered." The policy justifies exceptions for O&G with other arguments such as "[e]nergy efficiency", "[d]ecommissioning or reconversion" but also with "Paris Agreement Alignment", which in this context is a political statement that is not at all science- or scenarios-based (see Table 2)[62].

Table 2: Overview of all exceptions and rationales to Italy's National Approaches on implementation of the COP26-CETP

Exception	Rationale
National Energy Security	The project is strategic for Italian energy and economic security.
Paris Agreement Alignment	The target country has a credible decarbonization plan in line with the maximum temperature increase target of 1.5° C and the Paris Agreement targets, and the project is in line with the country's decarbonisation plan.
Energy efficiency	The project leads to a reduction in CO2 emissions or improves the energy efficiency of an existing plant.
Decommissioning or reconversion	Existing plants can be decommissioned or reconverted.
Presence of CCS or CCUS	Emission abatement systems such as Carbon Capture and Storage (CCS) or Carbon Capture Usage and Storage (CCUS) are present.
Limited exception for country of destination	If the destination country is a Low-Income or a Lower-Middle Income country based on the World Bank classification, with limited access by the population to electricity and the project is aimed at satisfying local consumption, the project can be eligible, provided that it cannot be replaced by a renewable energy project.
Taxonomy compliance	The gas project/plant is in line with the criteria and emissions' threshold of the European Taxonomy.
Emissions' threshold for Extra-EU countries	For gas power plants in non-EU countries, some flexibility on the threshold of the EU Taxonomy may be considered

Source: By the authors, based on (E3F 2023a, p. 3)[63].

Overall, SACE's assessment result remained the same as in Brescia et al. (2023)[64] since no actual improvement could be identified since then.

4. How to make SACE Paris-Aligned? – Recommendations

Various influence levers and avenues exist for SACE to increase SACE's score in the assessment matrix and to become Paris-aligned. Among others, the composition of the portfolio may partially be due to limited requests for support for clean energy-related projects, while most requests for support are from fossil fuel-intense sectors that are active as exporters, including naval industry and cruise ships, O&G, among others[65]. Thus, SACE, as per its mandate, could[66] and should more freely implement specific incentives for fossil-free investments such as RE applications. SACE is already offering **non-financial support**, i.e., advisory services to companies on export strategies, and could target clean energy companies specifically.

Italy's neighbour France could be a role model in this regard: among others, its ECA Bpifrance Assurance Export introduced a '**climate bonus**' for French export insurance that allows companies to obtain additional financing (grants) for their energy and sustainable transition projects that are in line with the EU Taxonomy[67 68 69]. SACE, so far, only provides bank loans to non-financial companies (EUR 155.3 million in 2022)[70] and has '**Garanzia Green**' as a guarantee instrument (since 2020) which focuses solely on activities implemented in Italy and it is not related to export finance[71]. Besides, as it is aligned with the EU Taxonomy, via Garanzia Green SACE could still support gas projects.

According to SACE's Annual Review, non-financial declaration and Garanzia-webpage on SACE's "central role in supporting the Italian Green New Deal"[72], in 2022, the volume of Garanzia Green has been a total of EUR 3 billion for 244 projects, a considerable share of the SACE group's EUR 54 billion deployed[73 74]. In its financial statements, the ECA reports that, in 2020, under Garanzia Green, 42.7% of the financed number of guarantees were for RE, but in 2021 only 18.7%, while in 2022 it increased again to 24.7%[75 76 77], the remainder being approved mostly for infrastructure and construction as well as the gas sector. Thus, limiting **Garanzia Green to climate-positive (or at least climate-neutral) activities besides expanding it to export finance** might have the potential to significantly increase SACE's support to RE[78]. If this proves to be impossible, a **new instrument dedicated to making SACE's export support (more) Paris-aligned** should be implemented, e.g., similar to France' 'climate bonus'.

In addition, SACE should use new incentives to **support exports that expressly contribute to the Sustainable Development Goals** (SDGs)[79]. This way, SACE – like all ECAs and international financial institutions – can stay relevant and become even **more relevant by contributing positively to the global climate and energy transition**. The Netherlands, for example, similar to Italy a country with a strong O&G exporting industry, increased its support to RE-export finance from only EUR 94 million in 2019 (2018: EUR 0 million) to EUR 487 million in 2021 while decreasing its support to O&G in 2019 and 2020[80 81]. Thus, internally, SACE should implement the following recommendations to follow the lead of peer-ECAs and become (more) Paris-aligned.

Table 3: Recommendations for the reform of SACE

Key recommendations for the 'Paris alignment' of officially supported Japanese export finance	
Financial and non-financial disclosure and transparency (***Dimension 1***)	• Track and disclose scope 3 GHG emissions in accordance with international best practices that include not only business travel but all scope 3 emissions (including investments) that often represent the largest GHG inventories[82 83]; • Disaggregate portfolio data on fossil fuel and RE support across full value chains and publicly disclose the same granular, transaction level data as reported to the OECD Export Credits Group;* • Where possible, disclose project-level data and information, including investment volume, SACE's share, climate-related risks, projected GHG emissions per year;* • Fully publish the Climate Change Policy from 2021* • Beyond 'sustainable finance' and 'green finance', define 'climate finance' publicly using transparent criteria and an unambiguous lists of activities that could be financed by SACE following international best practices;* • For every project, a climate impact and risk analysis should be mandatory besides Environmental Impact Assessments, covering both the project's contribution to (or to tackling) climate change (in line with the Task Force on Climate-related Financial Disclosure);* • For Garanzia Green, detailed data on all projects financed should be published.*
Ambition of fossil fuel exclusion or restriction policies (***Dimension 2***)	• Expand the 2021 Climate Change Policy to phasing out support to metallurgical coal, mining, transport, and related infrastructure;* • Immediately cease support for O&G investments throughout the entire value chains, including LNG; • Reallocate resources from fossil fuels to sustainable and clean investments, clarifying further what constitutes a "green" activity; • Set a net-zero target across scope 1, 2 and 3 emissions for 2050 at the very latest, in line with the common target of the European Union.*
Climate impact of and emission reduction targets for all activities (***Dimension 3***)	• Implement a GHG accounting system to monitor the evolution of the carbon intensity of portfolio; • Utilise a third-party to set verifiable and measurable science-based mitigation targets consistent with Paris Agreement's long-term goals and continuously monitor the implementation status, e.g., through the Science-Based Targets initiative; • Continue reporting on shipping emissions in line with the Poseidon Principles[84] and where possible expand to other sectors, in line with other international 'best practice' • Focus financial support to the (cruise) ship sector on clean projects and in accelerating the transition of the sector to clean alternatives;* • Fully involve SACE's specialists in climate finance, renewable energy, sustainable infrastructure, and environmental risk assessment in decision processes, policy development and project implementation.*
Contribution to a just climate transition and sustainable development (***Dimension 4***)	• Define climate finance and enhance the granularity of the related reporting; • Increase the support to renewables and climate-friendly activities; • Define incentive mechanisms and price discrimination tools that would strengthen the support to mitigation and sustainable activities over carbon-intensive and unsustainable activities, via dedicated incentives such as extending Garanzia Green to export finance or a 'climate bonus' granting preferential conditions for renewable energy projects;* • Translate SACE's risk map into group-wide policies and incentives that do not exacerbate climate risks but encourage exporting climate-resilient RE.*
Outreach and 'pro-activeness' of the ECA and its governments (***Dimension 5***)	• Engage with peer-ECAs to enhance transparency of the reporting; Engage with like-minded partners in different international fora to push for common approaches and strategies, including a call for a complete phase out of fossil fuels support in export finance;* • Engage with relevant domestic companies to identify more appropriate manners to support climate-friendly investment and to push companies involved with fossil fuels to transform their businesses; • Adopt mechanisms that facilitate the alignment between the export priorities of Italy with the national clean energy interests of developing country governments;* • Join the Berne Union's Climate Working Group that SACE is not yet a member of;* • Consider participation in the newly formed Net Zero Export Credit Alliance (NZECA), launched at COP28.*

Source: This table builds on the one provided by Brescia et al. (2023)[85]; *: new or updated recommendation.

5. Who can influence SACE's policies and operations?

Both within and outside SACE, various actors exist that can put the ECA on a Paris-aligned path (see Table 4). Internally, SACE is governed by the **Board of Directors** that oversees the company management, operations and the strategic, industrial and financial plans. **SACE must consult MEF** regarding strategic decisions relevant for business development, thus including questions related to becoming Paris-aligned. MEF is, in turn, supported by the Ministry of Foreign Affairs regarding the implementation of measures that support internationalization of businesses as well as by an inter-ministerial committee[86].

Externally, the **Ministry of Economy and Finance and the Government of Italy can issue decrees and laws via the Annual Budget Law** that can guide SACE's operations, amend its mandate, and define objectives, provide guidance and limitations on the type of project/sectors eligible for SACE's support. Indeed, **SACE witnessed a significant expansion of its mandate** beyond its traditional role in supporting exports over the past three years[87]. For example, in 2022, in the context of the energy crisis, SACE received the new mandate to support Italian businesses via an emergency instrument ('Garanzia Italia') that is also supposed to promote RE in Italy, but it is not related to SACE's export business. Italy, as a historically export-oriented country – currently the 8th largest exporter in the world, accounting for 32% of its Gross Domestic Product[88] –, could become a **global leader and role model** by placing a just energy and climate transition in Italy and abroad at the centre of SACE's mandate. **More targeted decrees and change of SACE's mandate** to make it Paris-aligned are starting points.

Further, **SACE can be pushed to be more supportive by Italian companies and trade associations** that aim to advance the global energy transition and that see it as an opportunity for economic development and new job creation. Similarly, also NGOs and civil society can generate pressure on SACE (and other relevant institutions) to become fully aligned with the Paris Agreement and the SDGs while ensuring the traditional role of supporting investments abroad and within Italy. If SACE and the Italian government do continue to finance new fossil fuel infrastructure and do not phase out existing support, this will only result in a higher risk of **climate litigation against them**, as two legal experts found[89]. Besides, if the **EU Taxonomy**[90] **is reformed** and withdraws gas from its classification as 'sustainable', SACE could no longer justify its support. Considering that every energy 'crisis' – by definition – will eventually end while the fossil fuel infrastructure lasts for decades, the notion of "national security" should be more clearly and stringently defined by the Government who should provide more clear guidance to SACE.

Lastly, though the EU cannot oblige SACE to make its operations Paris-aligned, it does incentivise ECAs to do so. 'Green' export finance explicitly contributes to the European Green Deal[91] and the REPowerEUPlan[92], particularly through measures to support RE and energy efficiency[93]. Recently, Denmark's Export and Investment Fund (formerly known as the ECA EKF, before its merger with two Danish funds), for example, received EUR 31 million by the European Investment Fund "to support new financing for small and medium-sized enterprises to contribute to Europe's green transition"[94]. This state aid is in line with Article 107(3)(c) of the Treaty on the Functioning of the European Union which only allows economic activities and areas of relevance to the European Commission[95]. If SACE wants to receive **additional support from the EU, it should pursue an 'all-of-the-above-approach' and only support energy projects with a clear focus on RE and energy efficiency**, stopping all support to fossil fuel value chains.

Table 4: Overview of domestic and European actors that can influence SACE

Category	Actors
Actors within SACE	• President (Filippo Giansante, since March 2022) • Chief International Business Officer (Michal Ron) • Board of Directors • Management • Advisory Committee • SACE group and shareholders (S.p.A., BT, FCT, SRV)
Political actors in Italy	• Government of Italy • Ministry of Economy and Finance • Ministry of Foreign Affairs • Italian parliament • Interministerial Committee • Project developers, technology providers, financial institutions, e.g., clean energy companies, electric vehicle manufacturers, commercial banks, trade associations, etc.
Civil society actors	• CSOs: ECCO, ActionAid, Friends of the Earth, Oil Change International, Greenpeace, Oxfam, ClientEarth, ReCommon, WWF Italy, Legambiente, Focsiv, Asvis, etc. • Research institutions: Institute for Trade and Innovation, University of Edinburgh, Perspectives Climate Research, etc.
European Union (incl. the EU Taxonomy)	• European Commission • European Investment Fund • Directorate-General for Financial Stability, Financial Services and Capital Markets Union • Platform on Sustainable Finance and its three subgroups • Member States Expert Group on Sustainable Finance • Technical Working Group • Joint Research Centre/'Sevilla Process'

Source: This table was compiled by the authors.

Besides the national and European actors, there are influence levers at the international level including fora such as G7, G20 as well as the OECD, and the Berne Union. In any case, Italy should also proactively **contribute to creating a new 'level playing field'** among trade partners, within existing **'coalitions of the willing'** and **'high-ambition climate clubs'.**

How can pressure be exerted on SACE internationally?

G7/G20

The G7 and G20 countries can work together to set guidelines for export finance that are in line with the Paris Agreement. This could include **exclusion policies, developing criteria for assessing environmental and social impacts, as well as standards for transparency and reporting**. In 2009, the G20 countries committed to phasing out inefficient fossil fuel subsidies and developed a voluntary peer review system chaired by the OECD that evaluated over 140 government support measures by 2021[96]. While it did not lead to a phase out of fossil fuel subsidies in G20 countries – in fact, they have been at an all-time high in 2022[97] –, it helped put pressure on the governments and increased transparency. A similar **peer-review process for G20-ECAs** that goes beyond the E3F members and status reports could increase transparency and peer pressure for Paris-alignment. G20-countries should also **commit to stopping all support to fossil fuels** by public finance institutions which would complement the commitment of phasing out fossil fuel subsidies[98].

OECD

The OECD serves as a forum for member countries to work together to promote economic growth, trade, and development while also upholding social and environmental standards, e.g., via a set of guidelines known as the OECD Arrangement on Officially Supported Export Credits. The OECD Arrangement is the only international policy guiding export finance, hence the efforts of CSOs focusing on the OECD.

The OECD guidelines require due diligence and risk assessment procedures for all projects receiving support to minimize negative impacts and ensure adherence to international environmental and social standards. They also include guidelines specific to some sectors. For example, the Sector Understanding on Export Credits for Coal-Fired Electricity Generation Projects, introduced in 2015, sets limits on carbon intensity of coal power plants that can be supported through ECAs, followed by a full ban of coal-fired power under the Arrangement in October 2021. This led to a significant drop in export finance for coal. Similar restrictions on international support for new oil and gas projects have also been repeatedly suggested by CSOs[99]. While the agreement on coal marks a historic progress for integrating climate change considerations into the OECD Arrangement, it still lacks significant additional components, including other parts of coal value chains, e.g., mining and transport, as well as entire oil and gas value chains, for which there are currently no restrictions.

In November 2023, the EU and UK have tabled such a proposal[100]. Now, CSOs should **continue their coordinated effort to push OECD members to negotiate such restrictions for oil and gas value chains under the OECD Arrangement**. Moreover, the Climate Change Sector Understanding has recently been modernised "to offer greater support for green projects while also expanding the use of export credits"[101]. Thus, Italy should play an active role in **further advancing a fundamental reform of the OECD Arrangement** towards full Paris-alignment.

Berne Union

SACE is a member of the Berne Union, which comprises the global export credit and investment insurance industry and, as of 2023, has 85 Members[102]. Historically, SACE has been an active member of this forum for sharing of expertise and engagement in collaborative projects. Currently, SACE sits in the organisation's Management Committee and in 2020-2022 its Chief International Business Officer, **Michal Ron, was the elected President of the Union**. SACE also held many other official positions, most recently the Vice-presidency in 2014-2016, and Vice-chairmanship of the ECA Committee in 2019-2021. The more SACE and the Government of Italy backtrack from climate ambitions, the more **reputational loss and peer pressure** it will experience, including from the Berne Union's **Climate Working Group**[103] which **SACE is not yet a member** of.

Endnotes

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5 SACE (2022a): Bilancio d'esercizio e consolidato 2021, SACE FCT S.p.A., Rome, p. 172
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9 SACE (2023c): Financial and consolidated Statements 2022, SACE SPA, Rome, p. 13
10 SACE (2022a): Bilancio d'esercizio e consolidato 2021, SACE FCT S.p.A., Rome, p. 20
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14 Public Finance For Energy Database (n.d.) https://energyfinance.org/#/data
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16 E3F "does not depict the exact exposure of each institution's portfolio, mainly due to the following reasons: (i) it only considers products entailing official support for export credits with a repayment term of two years or more (medium to long term); (ii) the amount considered for each transaction is not the outstanding risks but the maximum supported amount, that is, it ignores already repaid amounts; (iii) the time horizon is shorter compared to the average life usually remaining in ECAs' books. Thus, final figures presented in this document may differ from what ECAs report to their national Guardian Authorities." (E3F 2023, p. 2)
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CONTACT

Perspectives Climate Research gGmbH Freiburg
Hugstetter Strasse 7 | 79106
Freiburg | Germany
Phone: +49 761 590 33 823

info@perspectives.cc
www.perspectives.cc