Assessment of the alignment of CDP's international energy-related portfolio and policies with the Paris Agreement

Max Schmidt, Ziqun Jia and Luisa Weber

perspectives climate research

Freiburg, Germany, 10.06.2024

Perspectives Climate Research

Perspectives Climate Research gGmbH (PCR) is an independent and internationally active research company based in Freiburg, Germany. PCR conducts research for both governments, international organizations, non-governmental organisations and the private sector maintaining high methodological standards. As the research branch of the renowned consultancy Perspectives Climate Group, PCR has extensive expertise in political science, economics and climate science and works on informing international climate policy as well as UNFCCC negotiations.

Authors

This research report was led by Max Schmidt and co-authored by Ziqun Jia and Luisa Weber (Perspectives Climate Research).

Design and layout

Rosaria Caddeo

Aknowledgements

The authors would like to thank for their support, valuable comments as well as detailed and constructive discussions Beatrice Moro from ECCO and Cristiano Maugeri from ActionAid Italy. The report was commissioned by ActionAid italy. Views expressed in this report are solely those of Perspectives Climate Research and do not reflect the views of organisations that provided inputs.

Disclaimer

This research report was prepared by Perspectives Climate Research and reflects independent views of the authors who take sole responsibility for information presented in this research report, as well as for any errors or omissions. Neither Perspectives Climate Research nor sponsoring organisations can be held liable under any circumstances for the content of this publication.

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

Figures

Tables

Abbreviations

AICS	Italian Agency for Development Cooperation
CCS	Carbon Capture and Storage
CCUS	Carbon Capture, Utilisation and Storage
CDP	Cassa Depositi e Prestiti S.p.A
COP	Conference of the Parties
CSO	Civil Society Organisations
DFI	Development Finance Institution
E3F	Export Finance for Future
ECA	Export credit agency
EDFI	European Development Finance Institutions' Association
ESG	Environmental, social and governance factors
G7	Group of 7
G20	Group of 20
GDP	Gross domestic product
GHG	Greenhouse gas
GW	Gigawatt
IEA	International Energy Agency
IFRS	International Financial Reporting Standards Foundation
INECP	Integrated National Energy and Climate Plan
IRENA	International Renewable Energy Agency
LNG	Liquefied Natural Gas
MAECI	Ministry of Foreign Affairs and International Cooperation
MDB	Multilateral Development Bank
MEF	Ministry of Economy and Finance
NCQG	New collective quantified goal
NDB	National Development Bank
NDC	Nationally Determined Contributions
NECP	National Energy and Climate Plan
NRRP	National Recovery and Resilience Plan
O&G	Oil and gas
OCI	Oil Change International
ODA	Official development assistance
PCAF	Partnership for Carbon Accounting Financials
PDB	Public Development Bank
RE	Renewable energy
SBTi	Science-Based Targets initiative
SDGs	Sustainable Development Goals
TCFD	Task Force on Climate-Related Financial Disclosures
UNFCCC	United Nations Framework Convention on Climate Change

Contents

Executive Summary

Cassa Depositi e Prestiti S.p.A. (CDP)[1] is a majority-government-owned group of Italian financial institutions and, among others, Italy's public development bank.[2] We assessed CDP's international energy investments regarding their alignment with the Paris Agreement across five dimensions using and updating the Paris alignment methodology developed by Perspectives Climate Research (Shishlov et al., 2021). Overall, CDP's international energy portfolio and policies were rated **'Unaligned' with the Paris Agreement** (assessment score 0.22/3.00). The main reason for the score received by CDP is the **chasm between its domestic sustainability ambitions and fossil-dominated international investments.**[3] In the absence of granular data made publicly available by CDP, this report analysed data on CDP from the internationally recognised Public Finance for Energy Database: Overall, the international energy investment portfolio of the group's companies shows a significant exposure to the oil and gas (O&G) sectors. **Of the EUR 2 billion of CDP's international energy portfolio in 2016-2022, 77.9% went to fossil fuels** (clean energy:[4] 14.8%, 'Other': 8.3%), but **since 2020 clean energy investments grew more than six-fold**, starting from a small total amount (EUR 25 million to EUR 155 million) (OCI, 2024). **In contrast, of the EUR 957 million for domestic energy investments in the same period, 72.9% supported clean energy**, 16.4% 'Other' and only 10.7% fossil fuels (including in 2022 the first investments since 2017; ibid.).[5] Adding up to EUR 3 billion in investments since 2016, the **energy sector represents roughly 2.5% of CDP's total loan portfolio as of 2022** (CDP, 2023).

Table 1: Overview of CDP's international energy portfolio (2016-2022)

Average amount invested per year (p.a.)	EUR 291.7 million (fossil fuels: EUR 227.1 million)
for countries in the Global South p.a.:	EUR 186.2 million (fossil fuels: EUR 155.5 million)
Countries in the Global South invested in:	Egypt, Myanmar, Nigeria, Mozambique, Peru, Uganda; other unspecified countries in the Caribbean, Latin America, Sub-Sahara Africa
Other countries invested in:	France, Oman, Russia, USA; other unspecified countries in Central & Western Europe
Mechanisms used and trends	-Only 4/17 transactions via equity, not loans -Latin America: Clean energy investments only -Overall six-fold increase of clean energy since 2020 -No new oil investments since 2019, but gas (2016, 2020, 2021)

Sources: OCI, 2024

[1] Where not explicated otherwise, in this report 'CDP' and 'CDP S.P.A.' are used interchangeably.

[2] Shareholding structure as of 2022: 82.77% Ministry of Economy and Finance, 15.93% Banking Foundations, 1.30% Treasury (CDP, 2023a).

[3] Excluding the development assistance provided by CDP, as it is only the manager of such funds but does not have decision-making power itself.

[4] Besides RE, 'clean energy' also includes large hydropower, energy efficiency, mixed/unspecified energy sources (OCI, 2024a). See section 2 for an in-depth definition.

[5] Neither internationally nor domestically have major total increases occurred, but in 2020 large gas investments abroad and in 2018 large clean investments in Italy would raise the average amount per year significantly (ibid.).

Though CDP has not financed any coal projects for many years and has implemented a dedicated Energy Policy (CDP, 2022c), CDP still does not have any ambitious or comprehensive fossil fuel exclusion policies. Worse, key guidelines and policies such as on the energy transition (CDP, 2023d) and its Green, Social and Sustainability Bond Framework (CDP, 2021b) keep the door wide open for continued investments in fossil gas, framing it as a clean 'transition fuel'[6] and even promoting it in the face of changed geopolitical circumstances (CDP, 2023l). Further, and despite the recent milestone commitments of ending international support for new and unabated fossil fuel projects made by the Italian government, CDP has not presented a clear plan for how to implement the 26th Conference of the Parties' (COP26) Statement on the Clean Energy Transition (CETP, n.d.). Besides, CDP currently only reports operational greenhouse gas (GHG) emissions (scope 1 and 2) as well as on business travel emissions, but no reporting on financed emissions (scope 3) is yet available. For large financial institutions like CDP with shares[7] in dozens of funds and companies – including the Italian O&G major Eni –, however, scope 3 most often represents the largest emissions category. CDP's international energy portfolio and policies were scored as follows:

Assessment dimension	Weight	Description	Score CDP
1. Transparency	0.2	Financial and non-financial disclosures	0.75/ 3.00
2. Mitigation I	0.4	Ambition of fossil fuel exclusion or restriction policies	0.00/3.00
3. Mitigation II	0.2	Climate impact of and emission reduction targets for all international 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'	0.33/ 3.00
Assessment outcome:		**Unaligned**	**0.22/ 3.00**

Key Recommendations for CDP

CDP as a large financial institution with several roles can either keep slowing down energy transitions outside Italy or start accelerating clean energy investments as it already does in Italy. Among others, CDP should:

(i) As a (potential) clean energy leader, shift all fossil fuel to clean investments and **actively shape the clean energy priorities of peer institutions in Italy** to align with international commitments such as those made at COP28, EU climate targets, and the 1.5°C heating limit.

(ii) Amend the existing Energy Sector Policy (CDP, 2022c) and Energy Transition Guideline (CDP, 2023l), or implement a new one, that **excludes support to all fossil fuels without loopholes no later than 2025**, in line with international practices such as by some export credit agencies (ECAs) that are members of the Export Finance for Future Initiative (E3F; E3F, 2024), e.g. Belgium, Denmark, Finland, France, Netherlands and Sweden

(iii) Make publicly available all the data, results and insights of its ongoing project for the reporting of portfolio

[6] In fact, in an exchange with the authors CDP confirmed that of the EUR 2.8 billion deployed by CDP for the energy transition in 2022, some (not further specified) investments went into gas projects (CDP, 2023).

[7] As clarified in an exchange with the authors, CDP cannot have an active role in the governance of some of the companies it holds shares in such as Eni, for a variety of reasons such as the unbundling rule within the energy sector, the Ministerial Decree concerning the potential conflict of interest with Poste Italiane, and specific shareholder agreements.

GHG emissions (CDP, 2023a). In a next step, CDP should start **reporting its scope 3 (financed) emissions** – very likely the biggest source that dwarfs scope 1 and scope 2 emissions – **as well as all new fossil fuel and clean energy investments**, to follow on group level what some of CDP's and equity share companies already do.

(iv) **Set sector-specific GHG targets in line with the International Energy Agency (IEA)**'s (IEA, 2021, 2022, 2023c) Net Zero Energy pathway in addition to CDP's 30% emissions intensity reduction target by 2030 compared to 2022 (CDP, 2021a).[8]

(v) Publicly communicate **and integrate sector-specific portfolio GHG targets with the next ESG Plan and Strategic Plan for 2025-2027** and include **ambitious targets for reducing all financed emissions** (including the energy sector) – not just for selected (private) sectors as has been the case so far.

(vi) Include a reference to the **'Do No Significant Harm' principle** and the principles of informed consent in the **General Responsible Procurement Policy** and consequently stop financing all fossil projects, in Italy and abroad.

(vii) Implement a carbon footprinting tool for projects[9] and screening mechanisms such as a dedicated **Sustainable Development Analysis & Opinion Mechanism** as it has been used by the *Agence Française de Développement* for various years[10] (AFD, 2017, n.d.b.).

(viii) Develop a **dedicated finance structure that encourages 'green' investments both inside and outside Italy** and incentivise '**results-based financing**' in line with the Sustainable Development Goals (SDGs). Similar to OECD level reforms for ECAs (European Commission, 2023), this could include longer repayment periods or lower 'green' dual interest rates, among others. Future loans should also include **climate-resilient debt clauses**[11] as they are already being used by the European Bank for Reconstruction and Development (EBRD, 2023) or the ECA UK Export Finance (HM Government, 2023).

(ix) As the single biggest shareholder, **use its share in Eni (27.7%) to direct finance and investments from fossil fuels to clean energy**, to stop Eni from merely transitioning from being an 'oil major' to a 'gas major' (World Benchmarking Alliance, n.d.) [12]

(x) **Apply the new paradigm of "Minimising Risk, Maximising Returns, and Measuring Impact"** that guides its inaugural Strategic Monitoring Report (CDP, 2023g, n.d.e.) **also to CDP's operations outside Italy**, specifically on climate and energy issues.

(xi) **Transparently define 'climate finance'** across CDP's entire portfolio, in line with international standards as committed to via the European Development Finance Institutions' Association (EDFI) Statement on Energy & Climate (CDP, 2024a).

(xii) **Deepen the collaboration with Civil Society Organizations (CSO)** in Italy and beyond to ensure setting CDP on a Paris-aligned climate path, including at **all future public consultations** regarding CDP's policies

[8] As per ESG Plan (2022-2024), the calculation of CO2 emissions relative to the loan portfolio began in 2022, with one project.

[9] "[To] promote low-carbon development through the projects it finances, in line with France's commitment to combat climate change and AFD's strategic orientation plan." (AFD, 2017)

[10] „[Used by the] AFD Group to ensure that every project it finances is aligned with the Sustainable Development Goals (SDGs). Through an analysis and rating system, it qualifies each project's contribution to sustainable development. By applying this mechanism, the positive impacts of projects can thus be optimized and those that could have a negative impact on one or more dimensions of sustainable development are excluded." (AFD, n.d.b.)

[11] To pause debt repayment when climate shocks or natural disasters hit (HM Government, 2023).

[12] As clarified in an exchange with the authors, CDP cannot have an active role in the governance of some of the companies it holds shares in such as Eni, for a variety of reasons such as the unbundling rule within the Energy sector, the Ministerial decree concerning the potential conflict of interest with Poste Italiane, and specific shareholder agreements.

such as the 2022 Multistakeholder Forum (CDP, 2022b) and **publish the consultation reporting.**

(xiii) Change the self-understanding **from being a passive 'policy taker' to making climate-specific proposals for the one-year and three-year Italian development plans** by the Joint Committee for Development Cooperation and the National Council for Development Cooperation as the decision-making bodies; make more use of the possibility to support climate-aligned development cooperation via its own budget and not just as the manager of public funds for the SDGs.

Key recommendations for the Italian Government

The Italian government should fully align CDP with the objectives of the Paris Agreement by considering the recommendations presented in this report, including:[13]

(i) **Do not use the Italian Climate Fund (EUR 4.4 billion) for investing in gas extraction** on the African continent, currently justified by the intention to deepen the 'energy cooperation' between the two neighbours (Civillini, 2024; Cotugno, 2024). If Italy really was concerned about improving cooperation in the medium-to long-term, know-how transfer or measures to foster the growth of local supply chain - including of renewable energy (RE) would be much more promising. Bilateral and regional energy cooperation should focus on scaling up RE energy efficiency and energy access in African countries.

(ii) **Providing specific guidance for a concrete and near-term timeline to phase out public financing of fossil fuels**, including through CDP, and consistent with the Net Zero by 2050 roadmap by the IEA (IEA, 2021, 2022, 2023c) as well as the global 1.5°C temperature increase limit. This implies an immediate phase out of support for all new fossil fuel infrastructure. This should also include domestic financing by all Italian financial institutions, including CDP. The final draft of Italy's **National Energy and Climate Plan (NECP) should provide such a credible vision for an exit from all fossil fuels**.

(iii) Adopting directives for **operationalising government guarantee mechanisms on CDP exposures** of partner countries' public and private sector**, as recommended by CDP's International Development Policy** (CDP, 2023e).[14]This should include a guarantee fund to cover the exposures for loans granted by CDP using its own resources in the area of international cooperation and development finance, a government guarantee of last resort to cover exposures assumed by CDP using its own resources to governments, central banks, state public entities and international financial organisations, and a guarantee fund for loans to companies in the partner countries issued by CDP using its own resources (ibid.).

(iv) **Further efforts are needed to redirect CDP's fossil finance support to RE** and other sustainable (climate-neutral or climate-positive) activities in line with the Paris Agreement, strengthening the competitiveness of Italy's companies with international presence in these strategic industries. All of the EUR 4.4 billion Italian Climate Fund (2022-2027) must be used for clean energy and climate-related development assistance only, and not to finance fossil fuel projects – a possibility that Prime Minister Giorgia Meloni has been favouring to turn Italy into a (gas) 'energy hub' (Civillini, 2024).

(v) Italy's Joint Committee for Development Cooperation and the National Council for Development Coopera-

[13] Additional and more detailed recommendations for the government and CDP are provided under each assessment sub-dimension. An overview of all recommendations is provided in section five of this report.

[14] This should be coordinated with Italy's ECA SACE which, so far, only provides bank loans to non-financial companies 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 (Schmidt *et al.*, 2024).

tion should **make clean energy and climate contributions the top priority in the next development cooperation plans** (annual and three-yearly respectively).

(vi) As the sixth largest supporter of fossil fuels within the Group of 20 (G20; OCI, 2024a), Italy should seize the opportunity of being the **current Group of 7 (G7) Presidency and lead by example with phasing out all its international public support to fossil fuels**, especially after 15 years of promises to end all fossil fuel subsidies made by the G7 every year since 2009 (IISD, 2024).

(vii) Lastly, Italy should also **stop framing the import of liquefied natural gas (LNG) as increasing the 'energy security'**. In contrast, fossil gas is a security risk, most clearly demonstrated when LNG ships were attacked in the Red Sea in late 2023 and early 2024 (Chow, 2023; Stapczynski and MacDonald, 2024) Developing and extracting fossil gas is also often accompanied by severe social and environemntal risks for local populations. For years, besides worsening climate change, the LNG terminal in Mozambique had major negative impacts on the social and humanitarian situation especiallz in Cabo Delgado in the North of the country - co-financed by CDP's largest loan over the entire period observed.

1. Introduction

Limiting temperature increases to 1.5°C above pre-industrial levels requires massively re-directing financial flows away from carbon-intensive activities and towards low-carbon activities. However, despite commitments made under Article 2.1c of the Paris Agreement – in which Parties agreed to make "finance flows consistent with a pathway towards low greenhouse gas emissions […]" (UNFCCC, 2015) – many countries still provide significant financial support to fossil fuel value chains, among others, through their national development banks (NDBs) such as Italy's *Cassa Depositi e Prestiti* S.p.A. (CDP).

Text Box 1: What are National and Bilateral Development Banks?

NDBs have first been set up after the Second World War to pursue reconstruction and industrial policies, as is most clearly expressed in the names of the European Bank for Reconstruction and Development or the German *Kreditanstalt für Wiederaufbau (*'Reconstruction Loan Corporation'*).* Many NDBs have been privatised since the 1980s with the rise of a neoliberal development dogma (Lombardi and Gaddi, 2024), which includes Italy's CDP (in 2003). Originally, CDP focussed exclusively on public entities and became an NDB only fairly recently (CDP, 2016); the same holds true for CDP's role as a public development finance institution (DFI) which it acquired only in 2015 (see further section 2). In general, NDBs have lower financing capacities compared to multilateral development banks (MDBs), e.g. the African or Asian Development Bank, which are subject to international law as they have been established by more than two countries (ibid.). However, per US dollar spent, the impact of NDBs can be as high or even higher as that of MDBs: NDBs are usually majority-owned by a single national government – as is CDP by Italy – that defines its own priorities and geographical focus, building on the country's own particular strengths and interests (Humphrey and Brugger, 2020). DFIs, in turn, have generally been set up (or acquired the role later, as CDP) specifically to support developing countries' private sector, they are either independent – as in the case of CDP – or part of bilateral development banks (OECD, n.d.) and are funded mostly by national or international development funds besides frequently benefitting from government guarantees (ibid.). This ensures their creditworthiness: CDP and other NDBs are regularly assessed by Moody's, Fitch and other credit rating agencies (CDP, 2023f). This, in turn, allows them to "raise large amounts of money on international capital markets and provide financing on very competitive terms", mostly (long-term) loans below market rates. All public development banks (PDBs)[15]– oversee USD 2.2 trillion annually or 10% of the total global finance (Finance in Common, n.d.). For NDBs like CDP, no separate aggregate figure exists (OCI, 2024b).

Over the past years, a surge of relevant commitments targeting international public finance by governments underscored the urgent need for action. Some outstanding achievements are:

- The **Statement on International Public Support for the Clean Energy Transition**[16] **launched at COP26 in Glasgow**, a UK-led initiative of now 40+ signatories (countries and financial institutions) which commits them to end new direct public support for the international 'unabated' fossil fuels, except in limited and clearly defined circumstances, by the end of 2022 (CETP, n.d.). In the course of 2022 – against the backdrop of the Russian invasion of Ukraine – signatories did reduce their fossil fuel financing but only by USD 6.5 billion while supporting clean energy only with an additional USD 5.2 billion (Jones and Mun, 2023).
- At the 28th Conference of the Parties (COP28) of the United Nations Framework Convention on Climate Change (UNFCCC), the first-ever **Global Stocktake** of international climate ambitions signalled the "be-

[15] See further Finance in Common, no date for a detailed definition of PDBs.

[16] See further COP26, 2021

ginning of the end of the fossil fuel era". (UNFCCC, 2023) While the final cover decision did not include language on the phase-out of all fossil fuels, Parties unanimously called for "efforts towards the phase-down of unabated coal power, phasing out inefficient fossil fuel subsidies, and other measures that drive the transition away from fossil fuels in energy systems, in a just, orderly and equitable manner, with developed countries continuing to take the lead" (ibid.). Additionally, the stocktake called on Parties to take actions towards achieving a tripling of RE capacity installed and doubling energy efficiency improvements globally by 2030 (ibid.).

- Looking ahead, as part of their Paris Agreement commitments, Parties to the UNFCCC are set to decide on a **new collective quantified goal (NCQG) for climate finance** at COP29 in Azerbaijan in November 2024. This will include determining the quantum of the NCQG, and what shape and form it should take. This comes against the backdrop that the existing USD 100 billion goal has been ineffective in mobilising enough public and private finance for climate action. Moreover, in 2025 Parties are required to revise their **Nationally Determined Contributions (NDCs)**, with a time horizon of 2035 and which have to be guided by the outcome of the first global stocktake (UNFCCC, 2024) as well as Article 2.1.(c) of the Paris Agreement to make "finance flows consistent with a pathway towards low [GHG] emissions and climate-resilient development". These revisions are critical as they reflect each country's commitment to reducing GHG emissions and adapting to climate impacts based on their national circumstances and capabilities. This upcoming NDC cycle presents an opportunity to increase ambition and implement more robust and transparent measures. In order to set ambitious new targets, contribute to the European Green Deal and achieve its NDC, Italy's National Energy and Climate Plan (2021-2030) will be guiding to mobilize sufficient public and private finance (European Commission, 2023).

This data snapshot demonstrates the insufficiency of commitments emerging from the current coalition and club landscape, especially in the case of Canada (high share of domestic fossil fuel support), China (outside of most commitments) and South Korea (no G7 member, no COP26 Statement signatory). It is hence an urgent priority to work towards enlarging existing clubs and coalitions while not backsliding on their ambition. Indeed, the IEA has repeatedly called for ending all new fossil fuel supply developments on the path to Net Zero, including fossil gas, by the end of 2021 (IEA, 2021, 2022, 2023c). Conversely, Tienhaara et al. (2022) report more than 55,000 new upstream oil and gas projects in 159 countries for which a final investment decision is expected between 2022 and 2050 that would need to be cancelled in line with the IEA Net Zero pathway. Many of these projects benefit from public support such as by CDP.

2. Overview of CDP

Founded in 1850, CDP has been historically closely linked with Italy's economic and social development, particularly during Italy's reconstruction after the Second World War. In the 2000s, CDP first became a joint-stock company with the Ministry of Economy and Finance (MEF) as a majority shareholder,[17] and was then classified by the European Central Bank as a "financial and monetary institution."[18] Subsequently, CDP's operations were widened to investments abroad. In 2012, CDP became shareholder[19] in large state-owned enterprises including, with a 76% share, SIMEST (CDP, n.d.c.) which, since 1991, has supported Italian companies in their internationalisation efforts (SIMEST, n.d.), and the group CDP S.p.A. was created (CDP, n.d.c.). Shortly after, in 2015, CDP became the official Italian Financial Institution for Development Cooperation and in 2016 the Italian National Promotional Institution which allowed CDP S.p.A. to broaden the scope of its activities further (ibid.)

As of 2024, CDP's mission is to "foster sustainable development in Italy, using savings responsibly to support growth and boost employment, supporting innovation, business competitiveness, infrastructure and local development." (CDP, n.d.) In its first-ever ESG Plan (environmental, social and governance factors), CDP also refers to itself as the "preferred vehicle for attracting private resources in order to increase investments made for sustainable purposes." (CDP, 2021c) For these purposes, CDP defined three 'transformative pillars' that cut across all its areas of engagement: (1) Technical advisory role and management of third-party funds (through mandates); (2) Sectoral analyses and lending and investment policies guiding actions designed to generate an impact; (3) Financial instruments in support of Italy's strategic sectors (CDP, n.d.g.).

Besides postal savings bonds[20] – which have provided capital to CDP since 1857 (CDP, n.d.c.)–, CDP is financed through ESG issuances on national and international financial markets (CDP, n.d.a.). However, the share of (green) bonds with USD 17.8 billion makes up only a small fraction of CDP's overall funding sources, compared to the USD 281.7 billion from postal savings and USD 63.8 billion from other funding (CDP, 2023p). CDP's business model is illustrated in Figure 1.

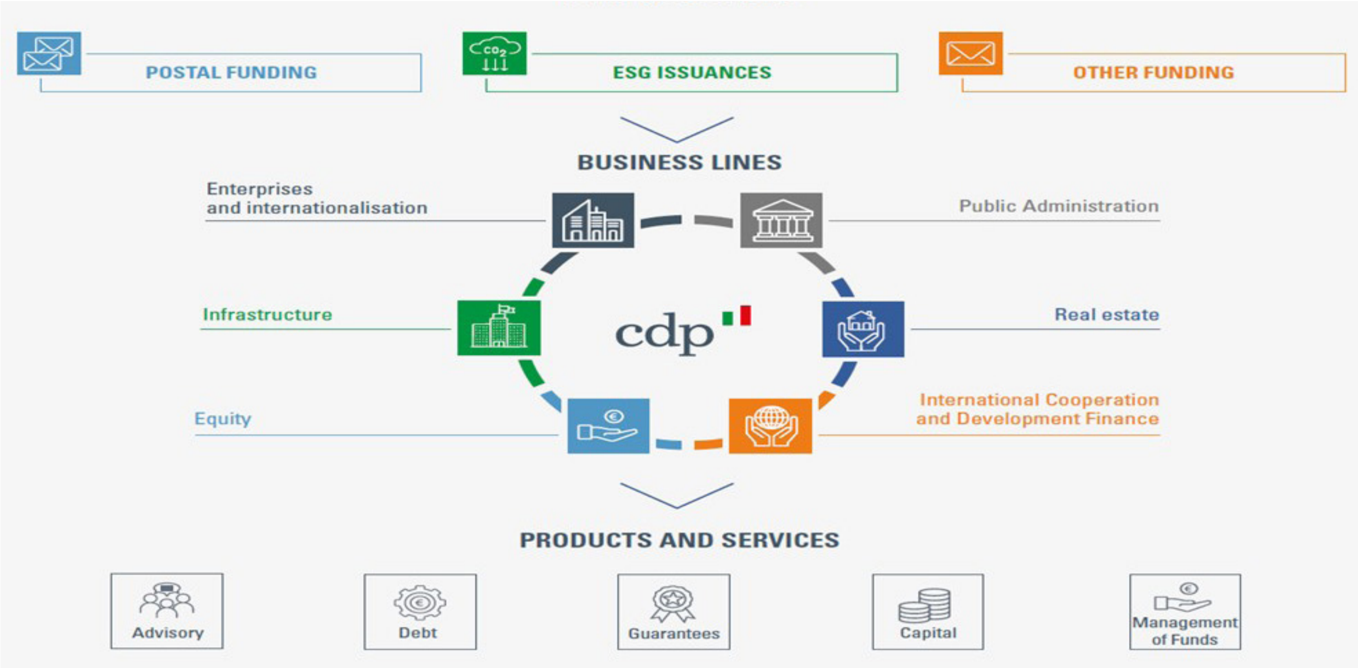
[17] Initially 70% were held by the MEF, and 30% by 66 bank foundations (CDP, no date c). As of early 2024, the MEF holds 82.77% and shares of the Treasury are 1.30%, while the remaining 15.93% are being held by bank foundations (CDP, n.d.a.).

[18] Like Germany's *Kreditanstalt für Wiederaufbau* (KfW) or the French *Caisse des Dépôts et Consignations* (CDC).

[19] As clarified in an exchange with the authors, CDP cannot have an active role in the governance of some of the companies it holds shares in such as Eni, for a variety of reasons such as the unbundling rule within the Energy sector, the Ministerial decree concerning the potential conflict of interest with *Poste Italiane*, and specific shareholder agreements.

[20] Postal Saving Bonds are essentially debt securities issued by CDP via which individuals and institutions lend money to CDP.

Figure 1: CDP Group's business and operating model.



Source: CDP, 2023, p. 11

Of CDP's companies, various invest in energy projects abroad (both REs and fossil fuels).[21] For CDP Equity, which is owned 100% by CDP S.p.A., this is the case only for the majority-owned Ansaldo Energia (CDP Equity, 2023). In the case of CDP RETI and SIMEST, of which CDP S.p.A. is not the exclusive but the majority shareholder,[22] many more companies invest in energy projects abroad. For CDP RETI – a dedicated investment vehicle established in 2012 (CDP, n.d.b.) –, this includes the Italgas group (26% share by CDP RETI), Snam Group (31.4%) and the Terna Group (29.9%) (CDP, 2023b), and for SIMEST ten international companies in the energy sector, none of which it is a majority shareholder of (nine RE[23] [24], and one O&G company[25]). Based on publicly available information, the authors did not identify any energy-related investments abroad by Fintecna, CDP Immobiliare, and CDP Real Asset Sgr (see Figure 2 and Table 2).

[21] Domestically, CDP-owned companies provide energy-related investments as well, e.g., via CDP Equity's *Fondo Nationale Innovazone* and its investments in the clean tech sector or via GreenIT, a joint venture of CDP Equity and Eni S.p.A. investing exclusively in RE (CDP Equity, 2023).

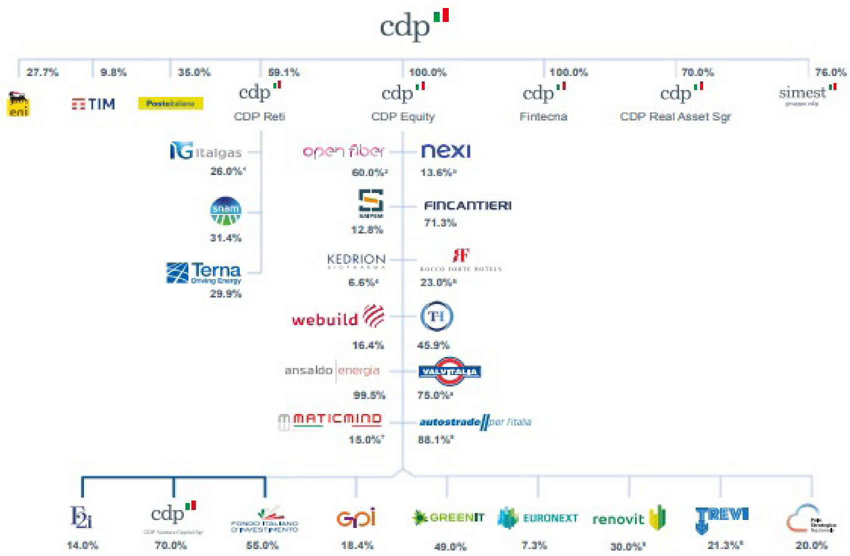
[22] For CDP RETI, 35% are held by State Grid Europe Limited - SGEL - a company within the State Grid Corporation of China group (CDP, n.d.b.).

[23] Alerion Spain Sl, PLT Spagna Sl, PLT Colombia S A S, Enerray Global Solar Opportunities Inc, Geo Investment Holding Inc., Energia Pacifica Inc., Fri-El Ethiopia Farming & Processing Plc, Simto Limited and Sipa Holdings Ltd (SIMEST, 2023, p. 106).

[24] In its Annual Report 2021, SIMEST also listed two Mexican and one Chilean RE-company in which it had a share of 4% and 5% respectively (SIMEST, 2022, p. 96).

[25] Bellelli Emirates Engineering General Contracting Llc (SIMEST, 2023, p. 111).

Figure 2: The CDP Group.



CDP GROUP INVESTMENTS AT 31.12.2023 (NON-EXHAUSTIVE REPRESENTATION)

1. Snam holds an additional 13.5% in Italgas.
2. CDP Equity holds a 60% stake in the vehicle Open Fiber Holdings, which owns 100% of the share capital of Open Fiber.
3. Participation held through CDP Equity by 5.3% and through CDPE Investimenti by 8.3% (of which CDP Equity is the 77.1% shareholder).
4. CDP Equity holds a 6.6% stake in Kedrion Holding, which indirectly holds 100% of Kedrion's share capital, Parent company of the Paneuropean group following the acquisition of Bio Products Laboratory.
5. Participation held through CDPE Investimenti, held for sale at 31.12.2023, and dismissed in January 2024.
6. Participation held through CDPE Investimenti.
7. CDP Equity holds a 15% stake in SPV Mozart HoldCo, which holds 100% of Maticmind's share capital, through the company Mozart Bidco.
8. Participation held through Holding Reti Autostradali, held by CDP Equity at 51%.
9. Snam holds 60.05% of the company.

#43 enterprises funds
#10 infrastructures and facilities funds
#7 real estate funds
#7 international cooperation funds

SGR

Source: CDP, 2024, p. 10

Table 2: Overview of the energy-related companies CDP S.p.A. controls and over which it exercises management and coordination.

Key aspects/Group Companies	CDP Equity[26]	CDP RETI[27]	SIMEST[28]
Shares held by CDP S.p.A.*	100%	59.1%	76.0%
Sectors of investment*	**(Renewable) Energy generation, energy efficiency**, toll highways, financial services, shipbuilding, digital health, tourism operations, biotechnology, technology systems integration, digital payment solutions, fibre networks, cloud solutions, infrastructure construction, underground engineering, flow control components	**Gas and energy infrastructures** (SNAM), **gas distribution and networks** (Italgas), grid operations (TERNA)	Chemical/**Petrochemical**, **RE**, Metal industry, Infrastructure and Construction, Mechanical industry, Aeronautics, Non-financial services, Electronics/ Computer Science, Agribusiness, Automotive, Cruising, Textile, Other industries
Countries with energy investments outside Italy*	Ansaldo Energia S.p.A. (88.3% share) has more than 40 companies and branches worldwide, but more than 95% of its supply chain is located in Europe	TERNA (29.9%) operates in 45 countries SNAM (31.4%) has assets in Albania, Algeria, Austria, Egypt, France, Greece, Israel, Slovakia, Tunisia, and the UK Italgas (26.0%) is present in Greece	**O&G** in the UAE (Belleli Emirates Engineering General Contracting LLC, 20.0%) **RE** in Colombia, Ethiopia, Mauritius, Spain, Uganda, USA (shares between 24.5% and 49.0%)
Total assets as of 2022 (in million EUR)	10,146.731	72.26	544.66
New assets in 2022 (in million EUR)	4,204.9**	6.27	-1.65***

Note: *= Data as of 2022; ** = In 2022, CDP Equity made a total of EUR 4.24 billion in new equity investments (+89%) and reported a negative cash flow for two other asset classes. Besides the payment of equity commitments in favour of Ansaldo Energia (EUR 35.6 million) and impairment adjustments (EUR 6131.5 million), none are new (international) energy investments; *** = In 2022, the value of four of SIMEST's asset items fell, while that of four others rose only slightly.

Sources: Luca, 2021; CDP Equity, 2023; CDP RETI, 2023; SIMEST, 2023; SNAM, 2023, n.d.; Ansaldo Energia Group, n.d.b., n.d.a.; Italgas, n.d.

As it is outside the scope of this report to assess CDP's share of all international fossil fuel and clean energy[29] finance provided by Eni, Text Box 2 provides an overview of their complex relationship.[30]

[26] Mission: "CDP Equity is an undertaking, which mainly carries out the business of acquiring equity investments in "companies of major national interest"1 that are in a stable situation of economic and financial balance and have adequate profitability and significant growth prospects, such as to generate value for investors. CDP Equity operates both through direct investments in companies and indirect investments by underwriting funds." (CDP Equity, 2023, p. 8)

[27] Mission: "The corporate purpose of CDP RETI is the holding and ordinary and extraordinary management, directly and/or indirectly, of equity investments in SNAM [...], ITALGAS [...] and TERNA[...], with the Company acting as a long-term investor with the objective of supporting the development of transport, dispatching, regasification, storage and distribution infrastructure for natural gas, as well as electricity transmission." (CDP RETI, 2023, p. 6)

[28] Mission: "SIMEST Spa [sic!] is the CDP Group company that supports the internationalisation of Italian companies [...] Through its instruments, SIMEST supports companies throughout the international development cycle, from the initial assessment of opening up to a new market to expansion through foreign direct investment." (SIMEST, 2023, p. 6)

[29] In this report, we follow the widely used definition of 'clean energy' "that is both low carbon and has negligible impacts on the environment and human populations if implemented with appropriate safeguards. These types of energy include solar, wind, tidal, geothermal, and small-scale hydro. This classification also includes energy-efficiency projects where the energy source(s) involved are not primarily fossil fuels" (Jones and Mun, 2023 p. iii; (OCI, 2024a)), and thus excludes nuclear. Where not stated otherwise, 'clean energy' and 'RE' are used interchangeably in this report.

[30] Besides CDP S.p.A., Eni has had a complex relationship with Italy's major gas grid operator, Snam, for many years. For example, in 2012, CDP sold 1.2% (EUR 1.1 billion) of shares in Eni as part of a government plan for Eni to exit Snam (Reuters, 2012). More recently, in January 2023 Eni finalised the sale to Snam of the 49.9% interest (directly and indirectly held) in the company's operating two groups of international gas pipelines connecting Algeria to Italy and the offshore pipelines connecting the Tunisian coast to Italy. These interests were transferred by Eni to SeaCorridor Srl held by Snam (49.9% interest) and Eni (50.1% interest) and both exercise joint control over SeaCorridor (Eni, 2023). ENI also signed with Snam an agreement to develop the Ravenna CCS project in now-

Text Box 2: CDP and its relationship with Eni S.p.A.

Since the first privatisations of state-owned Italian companies in the 1990s, CDP S.p.a. has held a significant (and since 2021 increasing) share in Eni (27.7% in 2023), making it the company's single biggest shareholder (CDP, 2024a).[31] Eni is considered one of the seven oil majors,[32] operating in 62 countries, and in 2022 reported revenues of USD 141.8 billion.[33] Though Eni aims to transition away from oil in the long term, it aims to increase oil production at least up to 2027 (Eni, 2024a) and an increase its gas production until 2040, as part of its "decarbonization journey" (Eni, 2024b),[34] mentioning the term 'climate' or the global 1.5°C heating limit not even once in its new 2024-2027 plan (Eni, 2024a).

Eni views gas as a long-term 'transition fuel' and keeps entering new gas projects (both exploration and production) such as North Field East LNG in Qatar and Congo LNG in 2022, a year of 'windfall profits' in which Eni's operating profits from gas alone more than tripled (EUR 2.1 billion), compared to 2021 (Eni, 2023). Recently, Italy's largest importer of natural gas filled the gap of lower Russian supplies by shipping increased volumes from Africa. Eni has been present on the continent for decades and already announced that Algeria, Egypt and Libya will be Italy's main gas suppliers for the next few years (Amante and Balmer, 2024). As part of the Mattei Plan – named after the late founder of Eni –, the Italian government aims to deepen the mostly gas 'energy cooperation' with its neighbouring continent further, for which both CDP and Eni are likely playing a key role (Cotugno, 2024).

However, Eni targets net-zero emissions by 2050 (scope 1, 2 and 3), planning to offset all residual emissions, and as a member of the Carbon Disclosure Project already reports its entire net GHG lifecycle emissions based on the best-practice Greenhouse Gas Protocol, including its scope 3 missions from the use of its sold oil (and gas) products (Eni, 2023).[35] To reach net zero, Eni still has a long way to go: It reports only 2.3 gigawatt (GW) of installed RE capacity in 2022 (though twice as much as in 2021),[36] which helped bring down scope 1 and 2 emissions by 11% while overall carbon intensity (including scope 3) fell by a minuscule 0.4% compared to 2021 (ibid.). By 2030, Eni aims to store a total of 30 million tonnes of carbon per year, equalling almost ¼ of the world's currently planned total (ibid.), but still minuscule compared to the annual 1.2 gigatonnes needed by 2050 as per the IEA's Net Zero Emissions Scenario (IEA, 2023b).

Crucially, Eni still has not shared publicly a credible plan for how it aims to reconcile its climate ambitions for 2050 with its O&G growth strategy,[37] and has been knowing of the risks posed by burning its products since 1970 (Levantesi, 2023). Against this background, Italy's first-ever climate lawsuit opened in February 2024 against Eni, CDP and the MEF (as Eni's biggest and second biggest shareholders), to compensate for the suffered and future damage resulting from climate change (Levantesi, 2024). Thus, even though CDP's (and the MEF's) shares in Eni has allowed it to exert influence on Eni's corporate policies, including its environmental and sustainability strategies, the complex relationship between the three has not yet created a 'virtuous cycle' of credible, upward-facing climate ambitions. On the contrary: Eni has been able to water down national and European climate policy for decades because of its close relationship with the Italian government (Levantesi, 2022). CDP can use its share in Eni as well, to direct finance and investments from fossil fuels to RE, to stop Eni from merely transitioning from being an 'oil major' to a 'gas major' (World Benchmarking Alliance, n.d.).[38]

[31] 26.2% in 2022 (CDP, 2023a), 26.0% in 2021 (CDP, 2022a) and 2020 (CDP, 2021d).

[32] Together with BP, Chevron, ConocoPhilipps, ExxonMobil, Royal Dutch Shell, TotalEnergies.

[33] Eni is among the 2,000 most influential companies worldwide (World Benchmarking Alliance, n.d.).

[34] Recently, Eni also increased drilling for new wells (28 in 2020, 31 in 2021, 40 in 2022), mostly in North- and Sub-Saharan Africa (Eni, 2023).

[35] Category 11 of GHG Protocol - Corporate Value Chain (Scope 3) Standard. Estimates based on upstream (Eni's share) production sold.

[36] In 2022, a record 300 GW of RE have been newly installed worldwide. However, by 2030, at least 1,000 GW are needed annually to stay below the global 1.5° heating target (IEA, 2023c).

[37] The same holds true for the Italian government's draft NECP (Reclaim Finance, Greenpeace and ReCommon, 2023).

[38] As clarified in an exchange with the authors, CDP cannot have an active role in the governance of some of the companies it holds shares in such as Eni, for a variety of reasons such as the unbundling rule within the Energy sector, the Ministerial decree concerning the potential conflict of interest with Poste Italiane, and specific shareholder agreements.

Besides the group companies and equity investments, CDP also acts as a manager of public resources, including of the resources of the European Commission and – more climate-relevant – the Italian Climate Fund as well as the Revolving Fund for Development Cooperation (CDP, 2023q).

Text Box 3: CDP within Italy's development finance system.

Since 2015, CDP is the official Italian Financial Institution for Development Cooperation, acting both as a manager of national, European and international public resources – including non-repayable grants – and as a lender of its own resources with up to EUR 1 billion per year (CDP, n.d.c.). The Italian Development Cooperation System is represented by the **National Council for Development Cooperation** (CNCS, a permanent instrument of participation, consultation and proposal (Ministry of Foreign Affairs and International Cooperation, n.d.a.).[39] Besides CDP, the CNCS consists of the following stakeholders: the **Ministry of Foreign Affairs and International Cooperation** (MAECI),[40] the **MEF**[41] and the **Italian Agency for Development Cooperation** (AICS).[42] Italian thematic and sectoral priorities are identified by the 'Three-Year Programming and Policy Planning Document for Italian Development Cooperation', drafted by MAECI and MEF. An annual plan for Italian Cooperation is defined by the **Joint Committee for Development Cooperation**, chaired by the Minister or the Deputy Minister in charge of Development Cooperation (Ministry of Foreign Affairs and International Cooperation, n.d.b.), comprising MAECI and MEF as well. Historically, Italy has been far below the international target of committing 0.7% of developed countries' GDP to ODA, not exceeding 0.3% (EUR 0.36 billion in 2021) (CDP, 2023a).

In 2022, CDP co-launched[43] the **Italian Climate Fund**, worth EUR 4.4 billion over five years or EUR 840 million per year[44] (EUR 1,040 billion for 2024)[45], to finance mitigation and adaptation projects (50% each) in developing countries (ibid.). Though the fund is managed by CDP and it proposes the action plan and use of resources, the investment strategy and business plan are decided on by the Steering Committee comprising CNCS and the Joint Committee. CDP also manages the **Revolving Fund for Development Cooperation** and resources of the European Commission of the fund (CDP, 2023q).

Additionally, CDP is not just a manager of public funds and a 'policy taker', but can also (pro-)actively contribute to development cooperation and the SDGs via its own resources (CDP, 2023a). As one of only two areas of focus and strategic priorities,[46] CDP identifies four sectors targeting climate and environmental protection, "in which the Italian production system can contribute significantly": energy efficiency, circular economy, ecosystem- and community-based adaptation, and 'clean energy' (CDP, 2023f, p. 3). Importantly, CDP does not define the latter in any publicly available document. Thus, CDP still does not exclude financing gas projects in developing countries, presumably "in accordance with the priorities of the Italian institutions and the other development finance institutions" (ibid.).

[39] Governed by Ministerial Decree 1002/714/BIS of 28/11/2014 and subsequent amendments and provided for by article 16 of Law 125/2014 (ibid.).

[40] "[Defining] the policy priorities of Italian Cooperation and ensures the coordination of its initiatives" (CDP, 2023f, p. 8)

[41] "[Providing] public resources through the Revolving Fund for Development Cooperation (FRCS); this fund is endowed with 5.2 billion euro and is dedicated to providing concessional loans to sovereign entities of the partner countries and in the future, once the reference regulatory framework is complete, to the private sector" (ibid.).

[42] "[R]esponsible for the technical implementation of Italian Cooperation programmes through the execution and monitoring of activities in partner countries; the AICS uses non-repayable grants from public resources" (ibid.).

[43] Together with Italy's Ministry of the Environment and Energy Security (MSAE).

[44] Only EUR 40 million from 2027 on.

[45] As per the Energy Decree Law of 2023.

[46] The other being 'sustainable and inclusive growth'.

3. CDP's climate-related policies and governance

Since 2017, CDP has been reporting on sustainability aspects, in accordance with regulatory requirements as communicated in its latest half-yearly non-financial report, for example (CDP, 2023p), and aims to put "[s]ustainability at the centre of [its] strategy" (CDP, n.d.h.). The group's strategy and goals recognise climate change and ecosystem protection as one of its four key challenges,[47] which include the action areas of energy transition, circular economy and safeguarding of the territory (CDP, n.d.g.). CDP's ESG Plan (2022-2024) builds on the challenges and action areas expressing its ambition of "[b]eing a green institution virtuous both in its consumption and use of resources, and in its business decisions." (ibid.) In fact, among others,[48] CDP aims to be carbon-neutral in its operational emissions by 2030 – including business travel –, and reports to have already reduced GHG emissions by 77.5% in 2022 compared to 2019 as the most recent year not to be under the effect of trends altered by COVID, excluding financed emissions.[49] In 2022, CDP published its inaugural Strategic Monitoring Report which is guided by the paradigm of "Minimising Risk, Maximising Returns, and Measuring Impact", including on climate, but as of now only for CDP's operations within Italy (CDP, 2023g, n.d.e.).

Further, based on CDP's three climate-related and the other seven action areas of its key challenges, it developed ten strategic guidelines. While the ones on circular economy (CDP, 2023h) and transport (CDP, 2023t) make some links to climate change, this is done more coherently by its energy transition guideline (CDP, 2023l) as well as CDP's broader Energy Sector Policy (CDP, 2023k). Both situate CDP within Italy's national and European decarbonisation targets, including Italy's 2030 Integrated National Energy and Climate Plan (INECP; Government of Italy, 2019) and the COVID-19-related National Recovery and Resilience Plan (NRRP; Government of Italy, 2021),[50] as well as international climate targets under the United Nations's Paris Agreement and the SDGs.

CDP's Energy Sector Policy acknowledges the need to drastically cut coal and oil consumption under every climate mitigation scenario (besides doubling down on energy efficiency). It somewhat oddly expresses that CDP "supports the transition of economies towards a more sustainable business model, aimed at ensuring levels of climate-altering emissions consistent with international commitments and with the sustainable curbing of global temperature [...]" (CDP, 2023e, p. 6). At the same time, however, its section on the gas sector is silent on climate, framing polluting fossil gas instead as a clean 'transition fuel' (ibid.). However, the notion that fossil gas is a cleaner alternative to other fossil fuels has been proved wrong repeatedly – including in the journal Nature (Hmiel *et al.*, 2020) and by the United Nations Environment Programme (UNEP, 2023) –,[51] thus expressing an economic and political rather than a scientific stance.

Similarly, CDP's 'Green, Social and Sustainability Bond Framework'[52] – created by its eponymous working group[33] and adopted in 2021 – only excludes "[e]xtraction and support extraction activities of natural gas, crude oil and other products deriving from oil refining"(CDP, 2021b, p. 18), keeping the window open for other up- and downstream activities of fossil fuel value chains such as distribution, refining or storage. Overall, CDP provides five examples of

[47] Besides inclusive and sustainable growth, digitisation and innovation, rethinking value chains.

[48] Clarified in an exchange between CDP and the authors. Also: Minus 30% in printed paper and toner consumption by 2024, compared to 2019.

[49] "[Applying to] CDP S.p.A. and the companies it directly controls and over which it exercises management and coordination." (ibid.)

[50] "[Whose] largest allocation of resources is envisaged for the "[g]reen revolution and ecological transition" (more than 31% of the total amount of the NRRP, or about EUR 70 billion) (CDP, 2023a).

[51] Due to the previously (and massively) underestimated emissions of methane, the main constituent of fossil gas.

[52] Consisting of four eligible categories, including one on 'Green Energy and Environmental Sustainability'.

different financial products with sustainability focus in its ESG Plan 2022-2024: direct ESG loans, indirect ESG loans, ESG Bonds, subsidised lending and a guarantee agreement with the European Investment Bank (CDP, 2021c). Text Box 4 provides an overview of other policies, commitments and initiatives that are linked to CDP's "transformation process towards a business and operating model designed to create sustainable value." (ibid. p. 5).

Text Box 4: Other relevant climate-related policies and initiatives by/for CDP.

In 2018, CDP first re-orientated its strategic perspective towards the UN SDGs as part of its **2019-2021 Business Plan** (CDP, 2018). In 2019, CDP published its first-ever **Sustainability Report** (CDP, 2019a) which was integrated into CDP's non-financial statement and Integrated Report from 2020 onwards, and an amendment to the articles of association was made, regarding "the possibility of financing activities to promote sustainable development [...]"[53] (CDP, 2021c). In 2022, CDP applied for the first time a methodology that adopts the principle of the '**impact generation chain'** to accurately report the potential contribution to the UN SDGs (CDP, 2023a). Further:

- Besides its **Sustainability Framework Group Policy** (CDP, 2023s), CDP adopted its **General Responsible Lending Policy** with systematic exclusions based on human rights and other reference standards (CDP, 2023n), besides its **General Responsible Investment Policy** (CDP, 2023m) and **General Responsible Procurement Policy** (CDP, 2023o) which, however, do not mention the systematic exclusion of fossil fuels;
- CDP has in place a **General Policy on Stakeholder Engagement** ('*Politica Generale Stakeholder Engagement*'), building on the European Sustainability Reporting Standards by the European Financial Reporting Advisory Group and in line with the Corporate Sustainable Reporting Directive (CDP, 2023r);
- A **Stakeholder Grievance Mechanism** has been made available to the civil society "in order to report current or potentially negative social/environmental impacts that may result from operations financed by CDP or from operations for which the financial support of CDP was requested [...]" (CDP, n.d.f.);
- CDP published its first-ever **Half-Yearly Non-Financial Report** (CDP, 2023p), drawn up on a voluntary basis and based on the **Global Reporting Initiative Sustainability Reporting Standards** (GRI, n.d.). Shortly before, CDP Group initiated the '**ESG Community'**, a network of 25 of its (inter-)nationally active group and main investee companies (CDP, 2023e);[54]
- CDP introduced its **Inaugural Green Bond**, worth a total of USD 500 million, whose proceeds are intended in particular to support infrastructure investments in RE, energy and water efficiency and sustainable mobility. This bond follows on eight previous issues under the CDP Green, Social and Sustainability Bond Framework since 2017 (CDP, 2023p).

In terms of ESG (including climate) risk assessment, CDP details for example in its Energy Sector Policy that its risk department "ensures the assessment of climate and environmental risks, which complements and completes the ex-ante sustainability assessment [...]" (CDP, 2023f; p. 17). More precisely, besides four standard examination criteria,[55] CDP has a ESG risk monitoring in place (see further CDP, 2021c, p. 15) which, in 2023, was strengthened by issuing a Group Policy applying to all companies subject to management and coordination of the Parent Company (CDP, 2023p). CDP's Risk and Sustainability Committee, as its name suggests, performs only a control function and provides guidance regarding risks and sustainability (CDP, 2021c). As demonstrated in its 2023 half-yearly financial report, for example, CDP is highly aware of climate-related risks (physical, transition risks) and only invests in clean energy domestically but, as section 4 shows, this has not (yet) led to CDP phasing down or even excluding fossil fuel investments abroad.

[53] "CDP promotes long-term economic, social and environmental sustainability to the benefit of shareholders and stakeholders relevant to the company." (CDP, 2021c).

[54] Ansaldo Energia, Autostrade per l'Italia, CDP Equity, CDP Real Asset SGR, CDP Reti, CDP Venture Capital, ENI, Euronext, Fincantieri, Fintecna, Fondo Italiano di Investimento SGR, Greenit, Italgas, NEXI, Open Fiber, Polo Strategico Nazionale, Poste Italiane, Renovit, Saipem, Simest, Snam, Terna, Hotelturist (TH Resorts), Gruppo Trevi, Valvitalia and Webuild.

[55] Strategic consistency, quality of the counterparty, project technical quality and impact, additionality.

4. Assessment of the alignment of CDP's international energy-related portfolio and policies with the Paris Agreement

We assess the 'Paris alignment' of CDP' international energy-related portfolio and policies based on the methodology developed by Perspectives Climate Research (Shishlov et al., 2021). Though originally developed for ECAs like Italy's SACE, this methodology is also applicable to international activities of public and development banks such as CDP as it conceptually and practically builds on existing approaches to 'Paris alignment' developed for other financial institutions such as MDBs. Most notably, this includes the structure and rationale of the Public Banks' Climate Tracker Matrix by the environmental think tank E3G (E3G, n.d.), which, in turn, is based on the six building blocks of the Paris Alignment Working Group by major MDBs. Perspectives' assessment differs notably from these two approaches since it transparently underpins each assessment dimension (hereafter referred to as 'dimensions') 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 (see Figure 3).

Figure 3: Labels of Paris alignment and corresponding score ranges.

Unaligned	0.00 - 0.50
Some progress	0.51 - 1.50
Paris aligned	1.51 - 2.50
Transformational	2.51 - 3.00

Further, Perspectives' methodology also notably differs from other approaches to assess the 'Paris alignment' of financial institutions since it applies a weighting approach to the assessment dimensions. This permits the emphasis of some dimensions over others as some dimensions are more imminently important to reaching the Paris climate goals (e.g., mitigation is considered more important than disclosure). The selection of weights reflects a careful consideration of priorities and is based on the expertise of experts from research and civil society organizations (Shishlov et al., 2021). The final scoring for each question is carried out by evidence-based expert judgement. In the following, we only assess CDP's international (not domestic) energy investments, also excluding development finance that CDP manages as Italy's official DFI, in line with previous assessments of financial institutions by the authors (see further Perspectives Climate Group, 2024). All relevant policies by CDP have been considered as they are group-wide (thus including international investments), so that the absence of dedicated international policies does not change the scoring.

Assessment dimension	Weight	Description	Score CDP
1. Transparency	0.2	Financial and non-financial disclosures	0.75/ 3.00
2. Mitigation I	0.4	Ambition of fossil fuel exclusion or restriction policies	0.00/3.00
3. Mitigation II	0.2	Climate impact of and emission reduction targets for all international 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'	0.33/ 3.00
Assessment outcome:		**Unaligned**	**0.22/ 3.00**

4.1. Dimension 1: Financial and non-financial disclosure and transparency

The first dimension is underpinned by four key questions regarding the transparency of financial and non-financial disclosures of CDP. This dimension is a crucial prerequisite to evaluate the Paris alignment of its international energy-related portfolio and policies in subsequent dimensions and to hold governments accountable for supporting businesses abroad against their commitments under international treaties, such as the Paris Agreement. The methodology weighs this dimension with a total of 20%, recognizing that transparency, while important, is only a precondition for decarbonization itself.

In this assessment dimension, CDP was rated with 'Unaligned' with an assessment dimension sub-score of 0.75/3.00.

Q Nr.	Dimension 1 – key questions	Rating
1.1	To what extent can the GHG intensity of all international activities supported by the institution be assessed based on publicly available data? (Non-financial disclosure)	Some progress
1.2	In how far can the share of international fossil fuel finance over total international portfolio be assessed? (Financial disclosure)	Unaligned
1.3	In how far can the share of international climate finance over total international portfolio be assessed? (Financial disclosure)	Unaligned
1.4	To what extent does the institution adhere to the Recommendations and Supporting Recommended Disclosures of the Task Force on Climate-related Disclosure (TCFD)?	Paris aligned

Q1.1: To what extent can the GHG intensity of all international activities supported by the institution be assessed based on publicly available data? (Non-financial disclosure)

The assessment question Q1.1 was rated with '**Some progress**'. Like the majority of NDBs, CDP is not reporting on the GHG emissions of the activities it supports (scope 3), but only the business travel as scope 3-emissions together with its operational ones (scope 1 and 2). In its Integrated Report (CDP, 2023a), CDP stresses that a project is underway to advance scope 3 reporting, but in the latest Integrated Report (CDP, 2024a), no updates are (yet) provided on this. However, CDP states that for its target of 30% lower emission intensity of direct financing by 2030 compared to 2022, it followed two widely-recognised international standards, the Partnership for Carbon Accounting Financials (PACF, 2024) as well as the Greenhouse Gas Protocol (GHG Protocol, 2024), as a first promising step.

We **recommend** that CDP formally joins PCAF to commit itself to disclosing financed activities and their emissions within the next three years. We **also recommend** CDP to publish – as soon as possible – on its website and in its annual reports the actual and estimated future emissions data for both its direct investments (the stock of all emissions-intensive projects) and indirect investments, i.e. the GHG emissions-related to the equity shares CDP holds such as in Eni, clearly distinguishing between national and international investments.

Q1.2: In how far can the share of international fossil fuel finance over the total international portfolio be assessed? (Financial disclosure)

This assessment question was rated with '**Unaligned**'. As for most international financial institutions in the G20, data on CDP's fossil fuel finance has been compiled in the Public Finance for Energy Database (OCI, 2024a). However, data on international fossil fuel finance is not made publicly available by CDP[56] and neither is disaggregated information at the project level; in key documents such as its annual reviews or its half-yearly financial and

[56] Neither is it for domestic fossil fuel finance.

non-financial reports, and data for CDP's international portfolio is for the most part not distinguished from national investments.[57] In this regard, CDP is not performing worse than other PDB's such as the world's biggest, the China Development Bank (CDB, 2024). However, in the absence of an international transparency initiative for PDBs as it exists for ECAs with the E3F, for example, CDP would have to voluntarily report more transparently. In any case, CDP could already and more clearly differentiate between clean energy and fossil fuel investments, best illustrated by the fact that it considers fossil gas as part of the energy transition (CDP, 2023p).[58] Due to this lack of transparency and granularity, the share of international fossil fuel finance over total international portfolio cannot be easily calculated, and no higher score can be given.[59]

We **recommend** that CDP starts reporting all its international support on transaction level across all sectors, similar to its national investments and showcases (CDP, 2023), building on SIMEST's (SIMEST, 2022) transparent reporting.[60] Ideally, reporting should be offered in publicly available HTML format with an option to download as Excel tables to facilitate public data accessibility and processing. We **further recommend** that – beyond business travel as scope 3-emissions – CDP starts reporting following the (GHG Protocol, 2023), particularly its chapter 3 on fuel- and energy-related activities and category 15 on investments, to maximise the transparency of its portfolio.

Q1.3: In how far can the share of international climate finance over total international portfolio be assessed? (Financial disclosure)

This assessment question was rated with '**Unaligned**'. CDP does not define 'climate finance', and loans such as to the Africa Finance Corporation (EUR 100 million)[61] for development cooperation do not clearly distinguish the respective amounts per sector (CDP, 2023a). Specific instruments are targeting activities (see further Q4.4) that comply with the EU Taxonomy (but only in Italy, thus not relevant for international finance outside the EU). Hence, it is not possible to estimate the share of total climate finance over the total international portfolio. Similarly, transactions earmarked as 'green', do not necessarily support activities that have a positive impact on climate mitigation. This is notable because the EU Taxonomy – while providing an important starting point – includes also other activity types, e.g., sustainable activities, circular economy or water protection.

We **recommend** that CDP defines 'climate finance' specifically based on project and investment types that would qualify as such, in line with international standards as committed to via the European Development Finance Institutions' Statement on Energy & Climate (CDP, 2024a). The decisive part of climate finance will and should be – in accordance with CDP's and Italy's climate targets – its RE portfolio. However, climate finance is typically considered more broadly than RE finance only. Major MDBs, for instance, consider an activity-based approach with ten separate categories to classify climate mitigation finance as well as an intention-based approach to denote climate adaptation finance (MIGA *et al.*, 2022). Ultimately, CDP and the Italian government should consider how CDP can contribute to attaining international climate finance commitments under the UNFCCC and the Paris Agreement (Censkowsky et al., 2022; OECD, n.d.).

[57] Except for its international cooperation and development finance, which it outside the scope of this assessment.

[58] Even though the EU Taxonomy includes 'natural gas' (and nuclear), simply following this classification is a political decision by CDP and/or the Italian government since fossil gas is anything but 'green' (see further section 3).

[59] Assessing CDP's share of international fossil fuel finance over total international portfolio is not made easier by the circumstance that in 2022 CDP received the equity investment of SACE in SIMEST (76.01%) and transferred to the MEF its 100% equity investment in SACE (CDP, 2023a).

[60] As of the time of writing, SIMEST's Annual Report for 2022 has not yet been available.

[61] In CDP's role as manager of public funds.

Q1.4: To what extent does the institution adhere to the Recommendations and Supporting Recommended Disclosures of the Task Force on Climate-related Financial Disclosure (TCFD)?

This assessment question was scored '**Paris aligned**' since CDP complies with the recommendations of the TCFD[62] for its last two Integrated Reports, across the TCFD's four pillars of climate-related governance, strategy, risk management, metrics and objectives (CDP, 2022a, 2023a). To some extent, subsidiaries of CDP's group companies do report some information aligned with the TCFD recommendations themselves. In 2021, Italgas (26% share by CDP RETI), for example, explored the relationship between its gas business and climate change in the report "Driving innovation for energy transition" (Italgas, 2021). Besides, CDP mentions the TCFD for example in its Sustainability Framework to situate relevant regulations and initiatives within the EU, but does not suggest systematically adhering to them regarding its ESG and SDG targets under the "Strategic Sustainability Objectives of the CDP Group" (CDP, 2023s).

We **recommend CDP** and all the group companies to fully adhere to the TCFD recommendations and the newly developed IFRS S1 and S2 reporting standards of the International Financial Reporting Standards Foundation that integrate all the TCFD recommendations (IFRS, n.d.),[63] thus increasing the degree of detail of the reported information. We further recommend that CDP starts adhering to the Task Force on Nature-related Financial Disclosure whose recommendations promise a more holistic approach to disclosures on environmental risks and opportunities.

4.2. Dimension 2: Ambition of fossil fuel exclusion or restriction policies

The second assessment dimension is underpinned by three key questions covering the ambition of fossil fuel exclusions and/or restriction policies by type of fossil fuel. Today, the most notable policies emerged from the signatories of the Statement on International Public Support for the Clean Energy Transition. However, the majority of G20 governments only vaguely committed to climate- and or sustainability-related targets, that have substantive interpretative leeway. Due to the pre-eminent importance of rapid phase-out of public support for fossil fuel value chains, the methodology weighs this assessment dimension with 40%.

In this assessment dimension, CDP was rated as 'Unaligned' with an assessment dimension sub-score of 0.00/3.00.

Q Nr.	Dimension 3 – key questions	Rating
2.1	**Coal**: How ambitious is the institution regarding exclusions or restrictions for support of coal and related value chains internationally?	**Unaligned**
2.2	**Oil**: How ambitious is the institution regarding exclusions or restrictions for support of oil and related value chains internationally?	**Unaligned**
2.3	**Natural gas**: How ambitious is the institution regarding exclusions or restrictions for support of gas and related value chains internationally?	**Unaligned**

Q2.1: How ambitious is the institution regarding exclusions or restrictions for support of coal and related value chains internationally?

This assessment question was rated with '**Unaligned**'. At least since 2016, CDP has not done any direct investments

[62] The TCFD was an initiative promoted in December 2015 by the Financial Stability Board, an international body set up at the G20 meeting in London in April 2009. The TCFD aimed to make the information provided by companies on the financial impact of climate change on their activities and strategies comprehensive and comparable (FSB, 2021).

[63] In early 2024, the work of the TCFD has been completed and companies' progress on the TCFD recommendations is now tracked under the International Financial Reporting Standards Foundation's IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (IFRS, n.d).

in coal or related value chains, neither domestically nor abroad. However, besides international commitments by the Italian government to phase down fossil fuel support (see section 1), CDP still has not in place any policy that explicitly prohibits all investments in the coal sector. Though CDP's Energy Sector Policy acknowledges the need to drastically cut coal consumption (not production explicitly) under every climate mitigation scenario (CDP, 2023f, p. 6), its General Responsible Investment Policy leaves the door open for new coal-related investments except for such that support the construction of new power plants (CDP, 2023h, p. 11).[64] I.e., increased production for existing plants could in principle still be supported, and CDP does not exclude support for Carbon Capture, Utilization and Storage (CCUS) of existing plants.[65] This would be in stark contrast to the recent announcement during the ministerial meeting of the Italian G7 Presidency to shut down all their coal-fired power plants by 2030-2035 (WRI, 2024).

We recommend CDP to comprehensively report on all elements of the coal, O&G value chains to provide clarity on the current level of support per fuel type, in terms of number of projects and volume of finance provided both nationally and internationally, both direct and indirect (equity) investments. As a second step, we **recommend** amending CDP's Energy Sector Policy, Energy Transition Guideline and General Responsible Investment Policy so that all investments in any coal (as well as O&G) project that help expanding current levels of operations are being prohibited, e.g. transport and distribution infrastructure. If such a clarification is outside the scope of these policies, a new, dedicated policy should be implemented.

Q2.2: How ambitious is the institution regarding exclusions or restrictions for support of oil and related value chains internationally?

This assessment question is rated as '**Unaligned**', and the above justification and recommendations apply (see Q2.1). Please also note that, historically, CDP has financed oil projects domestically and internationally, besides holding a 27.7%-share in the O&G major Eni (CDP, 2024a), up from 26.2% by the end 2022 (CDP, 2023a). In its Energy Sector Policy (CDP, 2022c), CDP demonstrates some understanding of the urgent need to phase out all support to oil (and gas) but leaves so many loopholes for continued support across upstream and downstream activities as well as power generation that it must not be considered a fossil fuel exclusion policy. Besides the same recommendations as for Q2.1., we thus also **recommend** that CDP uses its share in Eni to direct finance and investments from fossil fuels to RE, especially abroad (see Figure 4).

Q2.3: How ambitious is the institution regarding exclusions or restrictions for support of gas and related value chains internationally?

This assessment question was rated with '**Unaligned**', and the above justification (see Q2.2) and recommendations apply (see Q2.1, Q2.2). Framing fossil gas as "the least polluting hydrocarbon [that] can contribute significantly to the energy transition" (CDP, 2022c, p. 11), CDP so far shows to ambition to exclude support to the gas sector. In contrast, CDP's energy transition guideline (CDP, 2023l) explicitly supports fossil gas, "in the lights of developments in the international context" and for the "promotion of energy security", referring to the Russian invasion of the Ukraine in 2022. Besides, Italy's current right-wing government foresees a major role for CDP in its plan to turn Italy into a major hub for gas from Africa and the Mediterranean for the rest of Europe (Bressa, Colucci and Cotugno, 2024), facilitated

[64] "In particular, with reference to the Climate Change and Ecosystem Protection Focus Areas, in its energy and transport companies engagement activities CDP will pay particular attention to ensuring that appropriate mitigation measures are adopted for existing activities and to avoiding the construction of new coal- or oil-power generation plants and [...] road infrastructure that have the effect of slowing the transition to more environmentally efficient transport systems and/or do not provide sustainable mobility support measures."

[65] CDP Development Finance and SIMEST have some (limited) fossil fuel exclusion standards in place, as members of EDFI and its Harmonised EDFI Fossil Fuel Exclusion List (EDFI, 2020), besides a renewed commitment in 2023 to end all new loans in the field of coal and oil (CDP, 2024a).

by the EU's Taxonomy classification of fossil gas[66] as a target for 'sustainable' finance (European Commission, 2022). We further **recommend** that CDP closes all loopholes for investing in fossil gas. CDP's justification of promoting fossil gas is already outdated. Newer "developments in the international context" such as attacks on LNG ships in the Red Sea in late 2023 and early 2024 show that importing fossil fuels via ships or pipelines does not necessarily improve energy security (Chow, 2023; Stapczynski and MacDonald, 2024). Besides. one could argue that such 'developments' also include the increasing import of LNG from the US to Europe since 2019 (IEA, 2024) and studies suggesting that Europe has already hit 'peak gas' in 2021 (IEA, 2023a). Decentralised RE, on the other hand, promises to maximise energy independence and thus energy security, as highlighted by international energy advisory bodies such as the and the International Renewable Energy Agency (IRENA, 2019).

4.3. Dimension 3: Climate impact of and emission reduction targets for all international activities

The third assessment dimension is underpinned by three key questions regarding the climate impact and GHG emissions reduction targets for all of CDP's international activities. To achieve the objectives of the Paris Agreement, not only rapid fossil fuel phase out is required, but other sectors also need to drastically reduce absolute emissions levels (IEA, 2021). The dimension is assigned an overall weight of 20%.

In this assessment dimension, CDP scored 'Unaligned' with an assessment dimension sub-score of 0.00/3.00.

Q Nr.	Dimension 3 – key questions	Rating
3.1	Can a declining trend in GHG intensity of the total international portfolio be observed? (tCO_2e/EUR, Scope 1-3 emissions)	**Unaligned**
3.2	How significant is the international fossil fuel financing relative to total international energy-related portfolio? (average of new commitments from the last three years where data is available)	**Unaligned**
3.3	To what extent do all international emission-relevant sectors have targeted GHG reduction targets and in how far are GHG reduction targets in line with benchmarks of acceptable 1.5°C pathways?	**Unaligned**

Q3.1: Can a declining trend in GHG intensity of the total international portfolio be observed? (tCO2e/EUR, Scope 1-3 emissions)

In this assessment question, CDP was rated '**Unaligned**'. As highlighted in Q1.1, CDP states in its most recent Integrated Report (CDP, 2024a) that it followed PCAF and the Greenhouse Protocol for setting its target of 30% lower emissions intensity of its direct investments by 2030 compared to 2022. However, there is still no comprehensive GHG accounting system within CDP for its international support (scope 3), but only for the group's direct emissions (scope 1) and emissions from energy consumption (scope 2) in line with its ESG Plan (CDP, 2021c, 2023a). This results in the lack of data to identify any emissions trend of the international portfolio over time. More precisely, CDP does not (yet) use any internationally recognised GHG methodology such as PCAF or the Greenhouse Gas Protocol to report its own scope 3 emissions, those of the group companies or its equity shares and their (international energy) investments. Even if one was to take CDP's reported emissions intensity (not included: financed/scope 3 emissions) as a proxy for the GHG intensity of its total international portfolio, the score would be 'Unaligned' since they have

[66] Together with nuclear energy.

been increasing consistently instead of falling since 2021 (CDP, 2024a).[67] [68]

We **recommend** fast-tracking the implementation of a GHG accounting system that allows CDP to additionally monitor the evolution of emissions intensity of its international portfolio, thus enabling it to track if it is in line with the group's strategy (CDP, 2023p) and identify corrective measures where needed. Most notably, we recommend joining the Greenhouse Gas Protocol and PCAF as international best practices, using both an 'equity share approach' as well as an 'operational control approach' to transparently report on financed emissions and their change over time.

Q3.2: How significant is the international fossil fuel financing relative to total international energy-related portfolio? (average of new commitments from the last three years where data is available)

The score for this question is 'Unaligned'. Italy's public finance institutions such as CDP and SACE[69] have been one of the biggest supporters of fossil fuels (OCI, 2024a), having shifted hardly any international finance from fossil fuels to clean energy since signing the Glasgow Statement (Jones and Mun, 2023). Between 2016 and 2022, CDP committed a total of USD 3 billion to the energy sector, of which EUR 1.7 billion for fossil fuels and only EUR 1 billion for clean energy [70] projects ('Other': USD 0.3 billion)[71]. Of these EUR 3 billion, 68% (EUR 2.04 billion) were invested outside Italy and almost all of CDP's total fossil fuel investments were made abroad (EUR 1.6 billion) rather than domestically (EUR 0.1 billion). In the COVID-19-pandemic years 2020 and 2021, CDP made four major gas investments (all abroad), worth almost EUR 1 billion alone (see Figure 4). Otherwise, CDP would have received the score 'Some progress', as it granted no new international support to fossil fuels in 2022.[72]

[67] CDP reports a drop of 7% of portfolio emissions intensity in 2023 compared to 2022, but this is due to the definition of its target which is not to be equalised with group- and operations-wide emissions and emissions intensity that CDP reports less prominently on in the same report (and which excludes financed/scope 3 emissions) (CDP, 2024a).

[68] Some of the companies in which CDP has a participation, such as Italgas, Snam, Terna and Eni, have determined and already made public their GHG reduction targets, but it is outside the scope of this assessment to assess them on a company level.

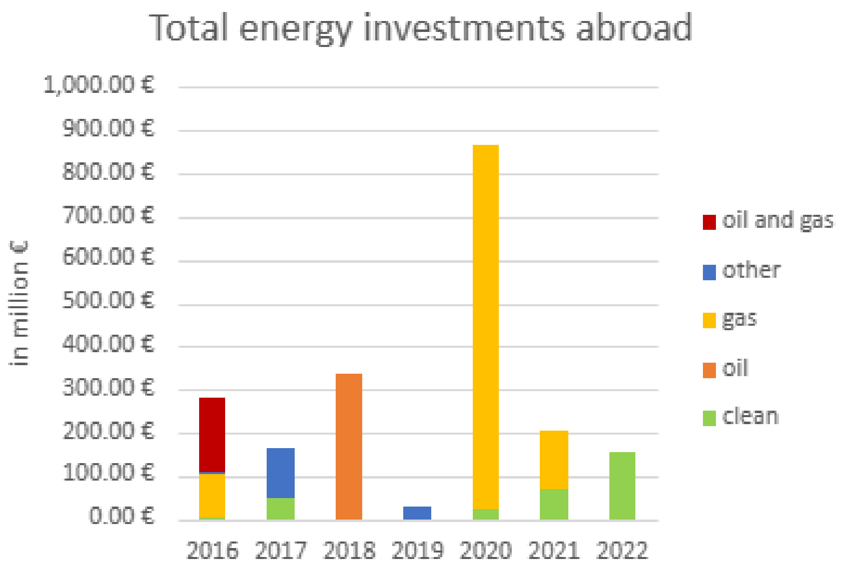
[69] SACE is Europe's biggest public financier of fossil fuels, and in 2023 did not make any progress towards more alignment with the Paris Agreement. In contrast, after some positive signs in 2020, SACE returned to supporting fossil fuel projects and infrastructure, from EUR 9.3 billion in 2021 to EUR 12.2 billion in 2022 (see further Schmidt et al., 2024).

[70] Using the same definition as Jones & Mun (2023; see section 1).

[71] Including large hydropower, energy efficiency, mixed and unspecified energy sources.

[72] Though CDP invested another EUR 33 million in gas in Italy in 2022 (ibid.).

Figure 4: CDP's energy-related investments outside Italy, 2016-2022.



Source: The authors, based on OCI, 2024b

We **recommend** a rapid phasing out of the financial support to all fossil fuel activities in the very short term, consistent the Glasgow Statement. The majority of energy investments within Italy (USD 1 billion) are already clean (USD 0.7 billion in 2016-2022; ibid.). While CDP's climate and sustainability governance has evolved significantly since 2018 (see section 3), so far this has not led to 'greening' CDP's international clean energy investments. Besides, more granular reporting at the transaction level, and clear information on the commitments outstanding (both project stock and flow), clearly highlighting those supporting RE or mitigation actions as well as those supporting fossil fuels, would contribute to setting targets and monitoring progress over time towards the achievement of CDP's and Italy's mitigation goals.

Q3.3: To what extent do all international emission-relevant sectors have targeted GHG reduction targets and in how far are GHG reduction targets in line with benchmarks of acceptable 1.5°C pathways?

This question was scored '**Unaligned**'. In June 2023, CDP defined the general target of a 30% reduction of its portfolio emissions (in t CO2/million EUR) by 2030 compared to 2022[73], but limits this to loans to the private sector and the three business units – Financing to Corporates, Infrastructure and International Cooperation and Development Finance. CDP specifies that "[p]ublic administration and equity activities are not included within this perimeter" (CDP, n.d.g.), i.e., no target exists for reducing the emissions financed by CDP Equity via its shares and funds, CDP RETI and its shares of Italgas, Snam and Terna or with regard to CDP's 26%-share of Eni, besides lending to public entities and the emissions related to grants. Though setting a general target is a laudable first step, additional sector-specific targets together with a net-zero goal (no later than 2050 and with the setting of intermediate targets) are needed to ensure rapid progress regarding the phase out of all fossil fuel support

Sector-specifically, CDP refers to emission reductions only vaguely in its Transport Sector Policy (CDP, 2023u), not quantifying scale or time horizons for most sectors.[74] Most strikingly, in the Energy Transition guideline CDP refers

[73] As per ESG Plan (2022-2024), the calculation of CO2 emissions relative to the loan portfolio began in 2022, with one project.
[74] With the exception of the maritime sector, as clarified in the Integrated Report 2023: "CDP was among the first Italian financial institutions to adhere to the Poseidon Principles framework that provides a reference structure for integrating climate considerations into financing decisions and promoting the decarbonisation of international maritime transport [...]" (CDP, 2024, p. 136)

to EU targets such as net zero emissions by 2050 (CDP, 2023l), the EU's 'Fit For 55' package[75] and 'REPowerEU' as well as previous Italian climate targets, but in its key messages constructs – again – an artificial conflict between domestic energy security and international climate targets.[76] Further, while CDP refers to emissions in its General Responsible Investment Policy, it does so in the broadest terms, naming "climate change and protection of the ecosystem" as a focus area for the country[77] that is "aimed at ensuring levels of climate-altering emissions consistent with international commitments and with sustainable curbing of global temperature." (CDP, 2023h, p. 6). The policy also mentions emissions as part of CDP's ESG Due Diligence, but without any targets. Further, CDP makes no other meaningful reference to GHG emissions targets in any other key document, including its Sustainability Framework (CDP, 2023s) that merely "supports" SDG 13 ('Climate Action) and "recognises" SDG 15 ('Life on Land'). Thus, while environmental targets to reduce CDP's direct environmental impact (CDP, 2023a)[78] are laudable, this does not affect the lion's share of the value chain emissions of third parties receiving financial support through CDP.

We **recommend** that CDP makes publicly available all the data, results and insights of its ongoing project for the reporting of portfolio GHG emissions (ibid.) and to set sector-specific portfolio GHG targets in line with the IEA's Net Zero Energy pathway in addition to its 30% emissions reduction target by 2030 compared to 2022 (IEA, 2021, 2022, 2023c). Besides, since CDP frequently highlights Italy's alignment with the EU's climate targets, it should set a target for net zero portfolio emissions (direct and indirect) by 2050 or earlier. For doing so, it could follow the lead of the London-based HSBC Holdings Plc which uses the IEA's scenario and for its sectoral targets for financing O&G states: "[They] will need to be refreshed periodically to reflect updated 1.5°C-aligned scenarios for achieving net zero by 2050 [and] must keep pace with science and real economy developments." (Marsh, 2024).

It is **further recommended** to have a third-party verification on targets and regarding continuous monitoring of implementation. The Science-Based Targets initiative (SBTi), for instance, supports companies in defining clear and credible mitigation targets and involves a third-party entity review process[79]. CDP could itself establish science-based targets to define the mitigation target consistent with the Paris Agreement's long-term goals. As another step, CDP could consider investing more (or exclusively) in companies with implemented science-based targets.

4.4. Dimension 4: Climate finance: Positive contribution to the global climate transition

The fourth assessment dimension is underpinned by five key questions regarding CDP's contribution to a just climate transition and sustainable development. Rapidly ramping up and improving climate finance is crucial to achieve the objectives of the Paris Agreement and contribute to a green and just post-COVID recovery (Averchenkova *et al.*, 2020). This dimension is weighted with 10%.

[75] Aiming for at least 55% less GHG emissions by 2030 compared to 1990.

[76] "The promotion of the green economy and the reduction of [GHG] emissions cannot, however, ignore the need to guarantee the security of the national energy system, ensuring the supply system through an adequate development and maintenance of strategic infrastructures." (CDP, 2023g, p. 3)

[77] Leaving it open whether this also holds true for international investments.

[78] Such as reducing CDP's per capita emission intensity, paper and toner consumption, 50% less company emissions by 2024 compared to 2019 (2030: 100% less) and targeted use of 100% energy from RE.

[79] In April 2024, SBTi faced an international backlash over a controversial plan to lower their standards, potentially opening the door for greenwashing attempts by companies (Greenfield and Harvey, 2024). As of the time of publication, however, this plan has not been implemented.

In this assessment dimension, CDP was rated 'Unaligned' with an assessment dimension sub-score of 0.40/3.00.

Q Nr.	Dimension 4 – key questions	Rating
4.1	What is the reported share of international climate finance over total international portfolio?	Unaligned
4.2	How can the quality/appropriateness of international climate finance earmarks be assessed?	Unaligned
4.3	What is the share of international clean energy financing over total international energy-related financing? (average of new commitments from the last three years where data is available)	Some progress
4.4	To what extent does the pricing structure take into account climate impacts of international activities?	Unaligned
4.5	In how far does the institution ensure positive sustainable development contributions of its international activities?	Some progress

Q4.1: What is the reported share of international climate finance over total international portfolio?

This assessment question is scored with '**Unaligned**' due to a lacking definition of and absent granular reporting on climate finance (see Q1.3). We **recommend** reporting activities, both new commitments and existing ones, in a more transparent and disaggregated manner, so that researchers and the general public can duly evaluate its progress on ramping up RE and broader climate finance. Ultimately, aligning with the Paris Agreement means allocating far more resources to climate-related activities, all of which can boost jobs under the right enabling environment.

Q4.2: How can the quality/appropriateness of international climate finance earmarks be assessed?

This assessment question is scored with '**Unaligned**'. CDP assesses progress on its main commitments[80] to verify its consistency with its own ESG Plan and publishes the results in the non-financial report (CDP, 2023p). However, as repeatedly mentioned above, this is not sufficient to provide a clear picture of the climate finance provided by CDP over its entire portfolio and shares. Besides, where CDP reports on its alignment with the EU Taxonomy (CDP, 2023a), transactions earmarked as 'green' do not necessarily support activities that have a positive impact on climate mitigation since it captures six different climate and environmental objectives.[81] This means that not all activities complying with the Taxonomy necessarily have a positive (though at least neutral) climate impact. We therefore **recommend** clearly defining climate finance earmarks and provide granular reporting accordingly (see more recommendations in Q1.3). Lastly, CDP has shown that it can bring down fossil fuel investments in Italy (since 2017; OCI, 2024a), and now CDP should design new instruments to earmark more resources towards clean investments abroad as well.

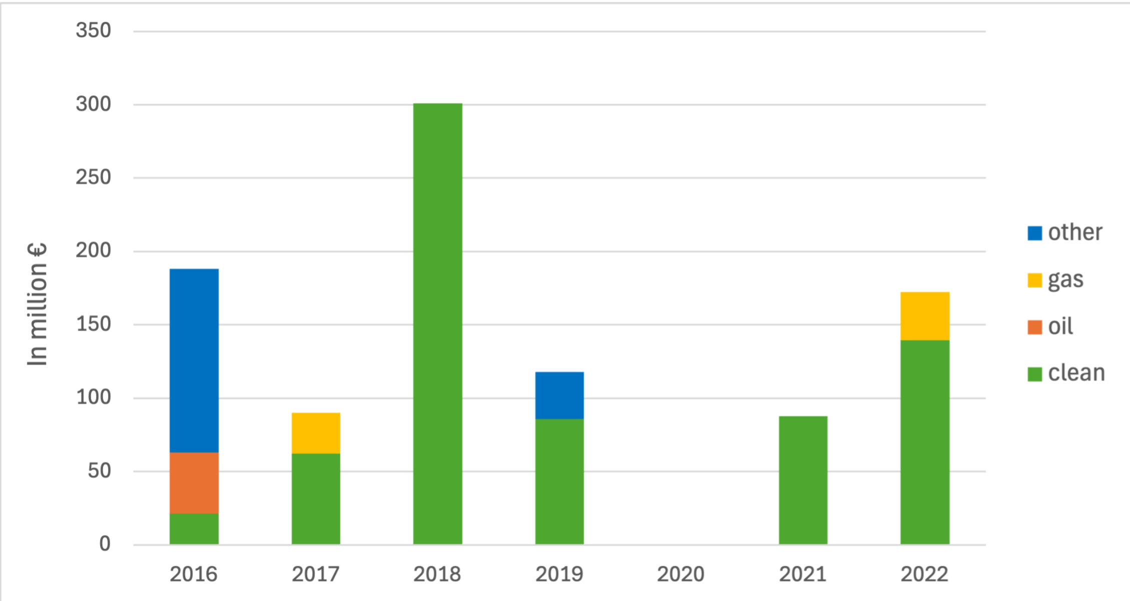
Q4.3: What is the share of international clean energy financing over total international energy-related financing? (average of new commitments from the last three years where data is available)

[80] Across CDP's four main challenges: Climate change and ecosystem protection, inclusive and sustainable growth, digitisation and innovation, rethinking value chains.

[81] a) Climate change mitigation, b) climate change adaptation; c) sustainable use and protection of water and marine resources; d) transition to a circular economy; e) pollution prevention and control; and f) protection and restoration of biodiversity and ecosystems (European Commission, n.d.).

Q4.3 was scored with the label '**Some progress**'. On average, CDP's clean energy investments abroad amounted to EUR 43 million per year (EUR 302 million in total between 2016-2022; see Figure 4). For the last three years with available data (2020-2022), a rapid increase can be identified, though starting from EUR 0 committed internationally to RE in 2018 and 2019. In 2020, CDP still committed 34-times more to fossil fuels (gas) internationally than to RE (EUR 841 million and EUR 25 million respectively) and in 2021 twice as much was newly invested in gas internationally than in clean energy (EUR 136 million and EUR 70 million). In 2022, however, CDP committed EUR 155 million to RE internationally and nothing to fossil fuels (ibid.).[82] For comparison: Since 2017, almost all of CDP's energy investments in Italy have been clean (ibid.),[83] illustrating the widening gap between domestic and international considerations (see Figure 5). Most strikingly, CDP doubled down on international gas investments in 2020 and 2021 while scaling up clean energy investments at home since then.

Figure 5: CDP's energy-related investments in Italy, 2016-2022.



Source: The authors, based on OCI, 2024b

We **recommend** CDP to provide much stronger and more coherently support to RE and energy efficiency activities. This will allow the achievement of both reducing GHG emissions while at the same time supporting the expansion of the RE and energy efficiency markets for Italian exporters; given the mandate and roles of CDP, it is well placed for playing a fundamental role for doing so both domestically and internationally. Interestingly, all of CDP's four equity investments in the energy sector abroad since 2016 were clean (ibid.).[84] CDP should build on and expand these lucrative clean investments while divesting from fossil ones that are at risk of turning into 'stranded assets' and that negatively impact a stable global climate. We further **recommend** that resources should be freed by reducing all fossil fuel support as soon as possible. All new activities should, at the very least, not be climate-harming and, ideally, contribute to climate mitigation, thus resulting in a significant re-direction of fossil finance flows.[85]

[82] In an exchange with the authors, CDP stated for 2022 figures that diverge from those collected by OCI (including both direct and indirect investments): Of the EUR 590 million for international energy investments, 50% were support for strategic supply chain in energy sectors, 40% development of new technologies and energy carriers to reduce C02 emissions, 7% Energy Efficiency in hard-to abate sectors, 3% other funds for clean energy project.

[83] Though CDP invested another EUR 33 million in gas in Italy in 2022 (ibid.).

[84] A fund in France dedicated to investing in green bonds (EUR 70 million; 2021), sustainable development projects in Latin America (EUR 25.1 million; 2020), RE and energy efficiency infrastructure projects in Western Europe (EUR 50 million; 2017), and the acquisition of 49% of Thesan USA Corp. that is specialised in RE and sustainable construction solutions (EUR 1.9 million; 2016).

[85] This would also free up more financial resources for providing grants rather than mostly loans. The only grant (EUR 30 million)

Q4.4: To what extent does the pricing structure take into account climate impacts of international activities?

The score to this assessment question is '**Unaligned**'. CDP provides a wide range of financial instruments, but no information is available regarding different pricing structures linked to the environmental performance or to the carbon intensity of the international activities financed. Incentivising international sustainable activities is already done by a wide range of financial institutions, including the French development bank, *Agence Francaise de Développement* (AFD, n.d.a.) which uses at least six different green finance products.[86] CDP, meanwhile, only vaguely refers to its "financial instruments in support of Italy's strategic sectors" as part of its 2022-2024 strategy (CDP, 2023a, p. 17). The green fonds and companies that CDP invests in are all made with the purpose "to develop strategic assets in the Italian market" but not explicitly abroad (CDP, 2023a, p. 84), including products such as CDP's ESG basket bond, a bond for Maregaglia Steel (for ESG-linked transactions in the industry) or *Prestito Investimenti Green BEI* which has been launched in partnership with the European Investment Bank (funds of EUR 100 million each).[87]

We **recommend** systematically implementing and transparently communicating incentive mechanisms and price discrimination tools that provide more support to mitigation and sustainable activities over carbon-intensive activities, both in Italy and abroad. The incentive(s) can contribute to increase the demand from customers to be supported in the implementation of positive climate impacts. Different solutions can be introduced in each financial instrument to support positive climate activities.

Q4.5: In how far does the institution ensure positive sustainable development contributions of its international activities?

The score for Q4.5 is '**Some progress'**. CDP is committed to the 17 SDGs (though only mapping them for Italy; CDP, 2023a) which should be considered a baseline for international activities, has set some laudable targets such as net-zero operational emissions by 2030 and has achieved its objective of having in place at least ten sustainability targets even one year had of its timeline (CDP, 2024a). As discussed in section 3, CDP has its own ESG Plan and Sustainability Framework that indicates the alignment of the company's operations with several SDGs and especially regarding environmental impacts, including reducing the impacts of its own operations together with portfolio-related emissions of the Group (see further Q3.3). Its Sustainability Framework requires both ex-ante and ex-post assessments[88] of the (expected) impacts and benefits of the initiatives eligible for financing, and its project examination criteria are in line with the financial industry's standards. CDP also has a ESG risk monitoring in place.[89] CDP has further received high 'Advanced' ESG scores from Moody's Analytics (CDP, 2023f), taking into account CDP's lending and investment activities carried out both in Italy and abroad (the latter also via the business line related to International Cooperation and Development Finance).[90] However, as mentioned in section 2, neither for coal nor O&G are

was aimed at improving the accessibility of electrical services for rural populations and increasing the skills of the institutions involved in the electrification process in Myanmar (OCI, 2024a).

[86] 'Adapt 'Action', 'The 2050 Facility', 'The Kiwa Initiative', 'The Metis Fund', 'Sunref' and 'AGREENFI'.

[87] The only exception are CDP's investments in the Africa Renewable Energy Fund II (AREF II) and in the Africa Finance Corporation which supports RE and energy efficiency (among others), but both are supported in CDP's role as a financial institution for development cooperation (CDP, 2023a), outside the scope of this assessment.

[88] For ex-post assessment also on their effectiveness and additionality.

[89] CDP's ESG risk monitoring will be strengthened further in the course of 2024 (CDP, 2021c), but as of the time of writing, this announcement could not be considered for the assessment.

[90] This, however, raises questions about the Paris alignment of Moody's ESG scores rather than supporting CDP's commitment to sustainable development In an exchange with the authors CDP clarified that Moody's Analytics ESG Assessment highlights as a controversy that Eni and two of its major shareholders, including CDP, faced lawsuit filed by NGOs and Italian citizens over human rights and climate change violations", to which CDP's response has been considered "proactive" (see also Text Box 2).

dedicated exclusions in place which allow for continued unsustainable development via climate-damaging fossil fuel investments (see further Figure 4).

We **strongly recommend** that CDP revises its policies for supporting fossil fuels, particularly its Energy 'Transition' Guideline (CDP, 2023l) that argues for the continued use of fossil gas and its Energy Sector Policy (CDP, 2023k) since fossil fuels lie at the root of sustainability problems (far beyond 'only' climate change). **We further recommend** strengthening environmental policies, applying them more consistently throughout CDP's portfolio of investments abroad, communicating more transparently and minimizing any environmental risks.

4.5. Dimension 5: Engagement - Outreach and 'pro-activeness'

The fifth assessment dimension is underpinned by three key questions aimed at capturing the engagement and ambition of climate and sustainability policies of the Italian government and CDP in international fora as well as with national exporters and banks. This dimension is weighted with 10%.

In this assessment dimension, CDP is rated as 'Unaligned' with an assessment dimension sub-score of 0.33/3.00.

Q Nr.	Dimension 5 – key questions	Rating
5.1	To what extent does the institution itself or its government actively engage in relevant international fora to liaise with like-minded institutions for ambitious climate policies for its international investments?	Some progress
5.2	To what extent does the institution itself or its government actively engage in relevant national fora with view to implementing ambitious climate policies for its international investments?	Unaligned
5.3	To what extent does the institution or its government actively engage with national companies to transform international fossil fuel-related value chains and incentivise low GHG investments abroad?	Unaligned

Q5.1: To what extent does the institution itself or its government actively engage in relevant international fora to liaise with like-minded institutions for ambitious climate policies for its international investments?

This assessment question was scored with '**Some progress**'. Among others (see further Figure 6), since 2018 CDP has taken part in the Green Finance Mapping project of the International Development Finance Club, to improve the reporting on and guide investments towards green activities (CDP, 2023a). In 2019 CDP adopted the International Finance Corporation's Operating Principles for Impact Management, as one of 60 international public and private financial institutions, reflecting the best practices shared by the companies active in the (environmental) impact investing sector (CDP, 2019b).[91] Since 2020, CDP has been participating at the annual Finance in Common Summit, bringing together more than 500 PDBs "with the aim of guiding global financial flows towards the SDGs and the objectives of the Paris Climate Agreement." (CDP, 2023a, p. 59). CDP adheres to the United Nations Global Compact and the Social Impact Agenda to promote a sustainable global economy (CDP, n.d.d.).

[91] And „[integrating] considerations for the social and environmental impact in all phases of the investment life cycle, whilst verifying the activities of the signatories through disclosure and annual verification actions." (ibid.)

Figure 6: CDP's involvement in climate and ESG working groups.

	Working group name	Promoter organisation	Purpose	Actors involved
Governance (cross-cutting topics)	EU Platform on Sustainable Finance ("EU PSF")	Unione Europea	Provide recommendations to the EU Commission on how to use the EU Taxonomy	European Commission, multilateral organisations, private sector
	Promoting the implementation of harmonised standards	EDFI	Promote the use of KPIs and uniform indicators to calculate ESG impacts in Cooperation Partner Countries	EDFI members
	Sustainability-Linked Bonds	ICMA	Sharing best practices and promoting tools and KPIs for Social Responsible Investment (SRI)	EU and international financial institutions, Social Responsible Investors
Environmental	Climate Working Group	IDFC	Align methods for measuring financial flows in the field of climate and environment	IDFC members
	Investors Dialogue on Energy ("IDE")	Unione Europea	Sharing best practices to finance projects in the energy sector	EU financial institutions, university, energy sector experts
	Joint Initiative on Circular Economy ("JICE")	JICE	Mobilise resources in favour of the circular economy in the EU	JICE Members
	Alleanza per l'Economia Circolare	Alleanza per l'Economia Circolare	Promote circular economy models and circularity in business strategies	Alliance members
Social	Coalition on Gender Equality and Women's Empowerment in Development Banks	Finance in Common ("FiCS")	Develop initiatives in favour of gender equality and promote networking	FiCS members
	2X Impact Management and Measurement	2X Global	Define KPIs and tools to measure impacts in terms of gender equality	2X Global members
	Valore D – Social and Governance	Valore D	Provide concrete support to companies for the integration of DE&I issues into the business model	Italian financial enterprises and institutions

Source: CDP, 2024, p. 84

Further, since 2020 CDP has been an observer of and technical advisor to the EU Platform on Sustainable Finance, tasked with assisting the European Commission in developing the EU Taxonomy further (CDP, 2020, 2023c). For various years, both CDP Development Finance and SIMEST have been members of EDFI whose annual meeting was hosted by them in May 2022 (CDP, 2023a).[92] In 2022, CDP assumed the role of General Secretariat of the international D20 Long-Term Investors Club (D20-LTIC) of 24 G20 financial institutions, of which it is also a founding member. At COP28 in Dubai, CDP organised the event "Eyes on Sustainable Future", bringing together major national promotional institutions(CDP, 2023), and facilitated a meeting which approved a Declaration of Intent committing them to strengthen cooperation on climate finance, including new partnerships and agreements (CDP, 2023i).[93] CDP also considers itself a "leading player in a number of significant initiatives at European level [..], which involves most EU institutions, the most important European associations in the sector and financial partners such as [...] other National Promotional Banks [...]." (CDP, 2023a, p. 59).On a bilateral level,[94] CDP and the Kazakh Sovereign Fund signed a deal to facilitate the energy transition and sustainable investments in both countries, though the precise targets have not been shared publicly (CDP, 2024b). Most recently, CDP also joined the Climate Adaptation & Resilience Investors Collaborative, a working group between DFIs to develop innovative tools for climate adaptation (CDP, 2023j), and as part of Italy's G7 Presidency, held a . first coordination meeting with other G7 PDBs and DFIs aiming to contribute to Italy's 2024 G7 Summit (CDP, 2024c).

[92] EFDI, besides some common policies and adherence to international standards (EDFI, n.d.c.), also developed financing facilities such as EDFI ElectriFI or the Interact Climate Change Facility (EDFI, n.d.b.). However, while EDFI ElectriFI is co-funded by Italy (EDFI, n.d.a.), neither CDP nor SIMEST are listed among the involved members of its Interact Climate Change Facility (EDFI, n.d.b.).
[93] The Blue Mediterranean Partnership, the Partnership with African Development Bank under the Global Green Bond Initiative, the North Macedonia Energy Transition Investment Platform and strengthening the Partnership with the Africa Finance Corporation (AFC) (ibid.)
[94] Similar, individual news items include for example CDP's first financing in Viet Nam (USD 35 billion) to facilitate the growth of small and medium-sized enterprises, particularly run by women, and support green investments to facilitate the transition to RE and energy efficiency adjustments, together with international financing partners (CDP, 2023d).

No higher scoring could be given since – besides the D20-LTIC – CDP does not state in detail how active it is in other fora and initiatives beyond mere participation. Besides, many of the fora listed by CDP have a limited climate focus, at best. We thus **recommend** that CDP uses its strategic position across fora to become a climate agenda-setting leader via:

1. Enhancing transparency in the communication and reporting and putting pressure on peers to do the same in relevant fora.
2. Engaging with like-minded partners of the EDFI and D20-LTIC pushing for the complete exclusion of all coal, O&G support.
3. Strengthening relationships with like-minded partners calling for a reform of international public finance to move rapidly towards a full alignment with the Paris Agreement goals.
4. Enhancing and publicly reporting on CDP's position in international climate-related negotiations involving policies in the PDB system.
5. Promoting ambitious climate-related reforms for European competition policy with the Directorates General for Trade and Climate at the European Commission.

Q5.2: To what extent does the institution itself or its government actively engage in relevant national fora with view to implementing ambitious climate policies for its international investments?

Q5.2 was scored with '**Unaligned**'. In 2022, CDP organised its first-ever Multistakeholder Forum (CDP, 2022b) and for discussing all of its Sectoral Strategic Guidelines and new policies it organised consultations via seven closed-door meetings to gather feedback and suggestions from the civil society before the approval by the Board of Directors. However, CDP does not report transparently to what extent it considered the feedback given by the over 160 stakeholders (CDP, 2023a). Specifically, CDP's Energy Sector Policy (CDP, 2023k) and Energy Transition Guideline (CDP, 2023l) should not be considered ambitious climate policies as they keep the door wide open for fossil gas. CDP lists a variety of memberships with Italian organisations (see also Figure 6),[95] but all of them focus on sustainable development in the broadest sense, not specifically on climate policies (CDP, n.d.g.).

We **recommend** that CDP strengthens outreach activities such as roundtables or public events with the participation of CSOs, labour unions, Italian exporters as well as research institutions and academia, specifically with regards to the Paris alignment and, more broadly, the status of implementation of the Italian climate commitments. When CDP organises stakeholder consultations, these should not be mere 'talking shops', and summaries of (anonymised) contributions should be published. We **further recommend** that CDP could also be leading an initiative that brings together academia, experts and representatives from relevant stakeholders as well as from the civil society in Italy, to contribute to defining how to align international finance from PDBs with the Paris climate goals.

Q5.3: To what extent does the institution or its government actively engage with national companies to transform international fossil fuel-related value chains and incentivise low GHG investments abroad?

This assessment question was scored with '**Unaligned**'. As shown repeatedly, internationally CDP is still very active in the O&G sector and its contribution to REs is limited in comparison. There is very limited evidence that CDP is actively engaging with Italian companies active abroad in re-directing financial flows to less GHG-intensive activities

[95] The Italian Alliance for Sustainable Development, the Foundation for Sustainable Development, the Sustainability Makers, Organismo Italiano di Business Reporting, the Alliance on Circular Economy and the Italian Sustainable Investment Forum (CDP, n.d.d).

or products, nor is there a specific form of support for companies that aim at investing in low-carbon technologies, for example.

We **recommend** that CDP works more closely with internationally active Italian companies and proactively engages with new Italian customers that have the potential for climate-friendly investments abroad. In addition, CDP should start discussing with its current customers involved in the O&G sector or polluting activities/products to rapidly transform their businesses. Since CDP also holds equity shares and is the majority shareholder of a diversity of funds and enterprises (see Figure 2), it can and should exert pressure to phase out support to fossil fuels, in line with Italian, European and international climate commitments. CDP should work closely with other national authorities to understand the implications (such as job losses) and potential needs to adopt complementary policies as support to fossil fuels is phased out.

5. Conclusions and recommendations

In this study we applied a multidimensional methodology to assess the 'Paris alignment' of CDP's international energy-related portfolio and policies, a majority-government-owned group of Italian financial institutions. The study finds that CDP is '**Unaligned**' with the objectives commonly agreed under the Paris Agreement. As part of its international energy investments, CDP is still providing significant support to the O&G sector, which has traditionally been a major sector of investments for CDP. Between 2016-2022, 78% of the international energy investments of the group's companies were for O&G (clean energy: 14.8%, 'Other': 7.3%) (OCI, 2024b).[96] Though CDP has not financed any coal projects for many years, CDP still does not have any fossil fuel exclusion policies in place. This stands in stark contrast with the national and international commitments by the Italian government. This includes the Statement on International Public Support for the Clean Energy Transition launched at COP26 in Glasgow, for which the Italian government still has not presented a clear implementation. Worse, key guidelines and policies such as on the energy transition (CDP, 2023l) and its Green, Social and Sustainability Bond Framework (CDP, 2021b) keep the door wide open for continued investments in fossil gas, which CDP and the Italian Government implicitly frame as a clean 'transition fuel'.[97] Thus, in its final draft in June 2024, Italy's NECP should provide a credible vision for an exit from all fossil fuels.

To facilitate transparency, more granular reporting would be needed, including implementing a system to quantify the carbon intensity of the whole group's investment portfolio (scope 3 emissions). Financial instruments to promote green investments in Italy should be expanded to European and international markets to green CDP's energy investment portfolio. Priority on emission reduction activities should be given, e.g. through the definition of dedicated pricing structures that incentivise and facilitate investments in low-carbon technologies of Italian companies with an international presence. This should go in parallel with the phasing out of support to any fossil fuel activity domestically and abroad.

Further, Italy is member of the G7 and G20 groups – Italy held the G20 Presidency in 2021 and is holding the G7 Presidency in 2024, with focus on climate and energy in Africa (Cotugno, 2024). Thus, Italy should lead by example and expand its clean energy investments instead of turning Italy into a gas-based 'energy hub' and using the Italian Climate Fund (EUR 4.4 billion) for investing in gas extraction in Africa (ibid.; Civillini, 2024). In fact, CDP as the man-

[96] In an exchange with the authors, CDP stated for 2022 figures that diverge from those collected by OCI (including both direct and indirect investments): Of the EUR 590 million for international energy investments, 50% were support for strategic supply chain in energy sectors, 40% development of new technologies and energy carriers to reduce C02 emissions, 7% Energy Efficiency in hard-to abate sectors, 3% other funds for clean energy project.

[97] In fact, in an exchange with the authors CDP confirmed that of the EUR 2.8 billion deployed by CDP for the energy transition in 2022, some (not further specified) investments went into gas projects (CDP, 2023).

ager of the Italian Climate Fund could be instrumental for reaching the international ODA target of 0.7% of GDP by doubling Italy's contributions (CDP, 2023a), particularly (grant-based) ones with a clean energy and climate focus. For doing so, Italy's decision-making Joint Committee for Development Cooperation and the National Council for Development Cooperation should make clean energy and climate contributions the top priority in the next round of development cooperation plans. All recommendations are summarized per assessment dimension below.

Table 3: Summary of key recommendations per assessment dimension

Key recommendations for aligning CDP's international energy portfolio and policies with the Paris Agreement	
Financial and non-financial disclosure and transparency (***Dimension 1***)	• Track and disclose GHG emission reporting in accordance with the international best practices, e.g., PCAF and the Greenhouse Gas Protocol • Start reporting on all international support on transaction level across all sectors, as already done for national investments • Publish on the website and in annual reports the actual and estimated future emissions data for both direct investments and indirect investments • Define climate finance using unambiguous lists of activities following international best practices • Fully adhere to the TCFD recommendations and the newly developed IFRS S1 and S2 reporting standards of the International Financial Reporting Standards Foundation
Ambition of fossil fuel exclusion or restriction policies (***Dimension 2***)	• Comprehensively report on all elements of the coal, O&G value chains to provide clarity on the current level of support per fuel type, both nationally and internationally, for both direct and indirect (equity) investments • Amend the General Responsible Investment Policy so that all investments in any coal project that help expanding current levels of operations are being prohibited • Close all existing loopholes for investing in O&G • As the single biggest shareholder, use its share in Eni of 27.7% to direct finance and investments from fossil fuels to RE
Climate impact of and emission reduction targets for all international activities (***Dimension 3***)	• Fast-track the implementation of a GHG accounting system to monitor the evolution of the carbon intensity of CDP's entire portfolio, especially for (international) energy investments (scope 3) • Rapidly phase out the financial support to fossil fuels, consistent with Italy's (broken) promise to end all such support by 2022, as per the Glasgow Statement • Utilise a third-party to set science-based mitigation targets consistent with the Paris Agreement's long-term goals and continuously monitor the implementation status, e.g., through the SBTi
Positive contribution to the global climate transition (***Dimension 4***)	• Define climate finance and enhance the granularity of the related reporting • Update the Energy 'Transition' Guideline and the Energy Sector Policy to end all new support for fossil gas • Increase the support to RE and climate-friendly activities, while phasing out all support to fossil fuels (in Italy and abroad) • Define and transparently report incentive mechanisms and price discrimination tools that strengthen the support to mitigation and sustainable activities over carbon-intensive and unsustainable activities • Strengthen all existing environmental policies, and apply them more consistently throughout CDP's portfolio of investments abroad
Outreach and 'pro-activeness' (***Dimension 5***)	• Strengthen outreach activities to CSOs, transparently report contributions and how they are reflected in new policies • Take a lead in different fora to call for a complete phase out of fossil fuels support by national and public development banks • Engage more closely with internationally active Italian companies and with new Italian customers that have the potential for climate-friendly investments abroad • Push companies involved with fossil fuels to transform their businesses, via CDP's equity investments (e.g. as majority shareholder in Eni with 27.7%)

References

AFD (2017) 'The AFD Carbon Footprint Tool for Projects - User's Guide and Methodology'. AFD. Available at: https://www.proparco.fr/en/ressources/afd-carbon-footprint-tool-projects-users-guide-and-methodology (Accessed: 7 April 2024).

AFD (no date a) *Finance projects*. Available at: https://www.afd.fr/en/finance-projects (Accessed: 17 April 2024).

AFD (no date b) *The sustainable development analysis and opinion mechanism*. Available at: https://www.afd.fr/en/sustainable-development-analysis-opinion-mechanism (Accessed: 7 April 2024).

Amante, A. and Balmer, C. (2024) 'Italy's Meloni pledges new partnership with Africa, funds limited', *Reuters*, 30 January. Available at: https://www.reuters.com/world/europe/italys-meloni-opens-africa-summit-promises-new-partnership-2024-01-29/ (Accessed: 7 April 2024).

Ansaldo Energia Group (no date a) *About Us*, *Ansaldo Energia Group*. Available at: https://www.ansaldoenergia.com/about-us (Accessed: 7 April 2024).

Ansaldo Energia Group (no date b) *Companies*, *Ansaldo Energia Group*. Available at: https://www.ansaldoenergia.com/companies (Accessed: 7 April 2024).

Averchenkova, A. *et al.* (2020) *Delivering on the 100 billion climate finance commitment and transforming climate finance*. The Independent Expert Group on Climate Finance. Available at: https://www.un.org/sites/un2.un.org/files/2020/12/100_billion_climate_finance_report.pdf (Accessed: 17 March 2024).

Bressa, R., Colucci, G. and Cotugno, F. (2024) 'CLEW Guide – Italy moves on green transition, but fossil ties remain tight', *Clean Energy Wire*, 15 March. Available at: https://www.cleanenergywire.org/factsheets/clew-guide-italy-moves-green-transition-fossil-ties-remain-tight?pk_keyword=clew-guide-italy-moves-green-transition-fossil-ties-remain-tight&pk_content=title (Accessed: 18 March 2024).

CDB (2024) *Annual Reports*, *China Development Bank*. Available at: https://www.cdb.com.cn/English/gykh_512/ndbg_jx/2023_jx/ (Accessed: 30 March 2024).

CDP (2016) *Annual Report 2016*. Rome: CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Group_AR_2016_EN.pdf (Accessed: 25 March 2024).

CDP (2018) *Cassa depositi e prestiti Group: Approval of the 2019-2021 Business Plan 200 billion euro over three years to support enterprises, infrastructures and local areas*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/cassa_depositi_e_prestiti_group_approval_of_the_20192021_business_plan_200_billion_euro_over_three_years_to_support_enterprises_infrastructures_and_local_areas?contentId=CSA20539 (Accessed: 9 April 2024).

CDP (2019a) *2019 Sustainability Report*. Rome: CDP. Available at: https://www.cdp.it/resources/cms/documents/cdp-bilancio-sostenibilita-2019_EN.pdf (Accessed: 3 April 2024).

CDP (2019b) *Sustainable investments: CDP adopts the principles developed by IFC*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/sustainable_investments_cdp_adopts_the_principles_developed_by_ifc?contentId=PRG23071 (Accessed: 27 March 2024).

CDP (2020) 'The new "EU Platform on Sustainable Finance" is launched: CDP's commitment to sustainability recognised with observer appointment', *CDP*, 8 October. Available at: https://www.cdp.it/sitointernet/page/en/the_new_eu_platform_on_sustainable_finance_is_launched_cdps_commitment_to_sustainability_recognised_with_observer_appointment?contentId=PRG30767 (Accessed: 10 April 2024).

CDP (2021a) *2022-2024 Strategic Plan: CDP for the Italy of the future*. Available at: https://www.cdp.it/sitointernet/en/piano_strategico.page (Accessed: 9 April 2024).

CDP (2021b) 'CDP Green, Social and Sustainability Bond Framework'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP-Green-Social-and-Sustainability-Bond-Framework_18-06-2021.pdf (Accessed: 8 April 2024).

CDP (2021c) 'CDP's 2022-2024 ESG Plan: An integrated approach'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Piano_ESG_presentazione_ENG.pdf (Accessed: 2 April 2024).

CDP (2021d) *Integrated Report 2020*. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP-Integrated-Report-2020_ENG.pdf (Accessed: 3 April 2024).

CDP (2022a) *2021 Integrated Report*. Rome: CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP-Bilancio-Integrato_2021_ENG.pdf (Accessed: 5 April 2024).

CDP (2022b) *2022 Multistakeholder Forum*. Available at: https://www.cdp.it/sitointernet/page/en/2022_multistakeholder_forum?contentId=EVT40685 (Accessed: 30 March 2024).

CDP (2022c) 'Politica del Settore energia'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Politica_del_Settore_energia.pdf (Accessed: 10 April 2024).

CDP (2023) *2022 Annual Review*. Rome: CDP.

CDP (2023a) *2022 Integrated Report*. Rome. Available at: https://www.cdp.it/resources/cms/documents/Bilancio_Integrato_22-23_EN_LIA_accessibile.pdf.

CDP (2023b) *Annual Report 2022*. CDP. Available at: https://www.cdp.it/resources/cms/documents/RFA_2022_Gruppo_CDP_ENG.pdf (Accessed: 2 April 2024).

CDP (2023c) *CDP continues to work with EU Platform on Sustainable Finance*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/CDP_continues_to_work_with_EU_Platform_on_Sustainable_Finance?contentId=PRG42398 (Accessed: 10 April 2024).

CDP (2023d) *CDP first financing in Vietnam: $35 million for SMEs*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/cdp_first_financing_in_vietnam_35_million_for_smes?contentId=PRG46435 (Accessed: 12 April 2024).

CDP (2023e) *CDP: the ESG Community gets underway to promote sustainability in companies*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/cdp_the_esg_community_gets_underway_to_promote_sustainability_in_companies?contentId=PRG44038 (Accessed: 9 April 2024).

CDP (2023f) *CDP's ESG score from Moody's Analytics increases by three points*, *CDP*. Available at: https://www.cdp.

it/sitointernet/page/en/cdps_esg_score_from_moodys_analytics_increases_by_three_points?contentId=CSA45859 (Accessed: 27 March 2024).

CDP (2023g) 'CDP's impact on the development of Italy: first Monitoring Report published', *CDP*, 12 July. Available at: https://www.cdp.it/sitointernet/page/en/cdps_impact_on_the_development_of_italy_first_monitoring_report_published?contentId=PRG44154 (Accessed: 3 April 2024).

CDP (2023h) 'Circular Economy - Sectoral Strategic Guidelines'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_CIRCULAR_ECONOMY_ENG.pdf (Accessed: 2 April 2024).

CDP (2023i) *Climate protection, CDP signs five new agreements at COP28*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/climate_protection_cdp_signs_five_new_agreements_at_cop_28?contentId=PRG45943 (Accessed: 17 April 2024).

CDP (2023j) 'Disclosure Statement, Operating Principles for Impact Management'. Available at: https://www.cdp.it/resources/cms/documents/CDP_Disclosure_Statement_2023.pdf (Accessed: 30 March 2024).

CDP (2023k) 'Energy Sector Policy'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Energy_Sector_Policy.pdf (Accessed: 3 April 2024).

CDP (2023l) 'Energy Transition-Sectoral Strategic Guidelines'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_ENERGY TRANSITION_ENG.pdf (Accessed: 12 April 2024).

CDP (2023) *Eyes on a sustainable future: European funding institutions exchange views*, *CDP*. Available at: https://www.cdp.it/sitointernet/page/en/eyes_on_a_sustainable_future_european_funding_institutions_exchange_views?contentId=PRG46007 (Accessed: 14 April 2024).

CDP (2023m) 'General Responsible Investment Policy'. CDP. Available at: https://www.cdp.it/resources/cms/documents/General_Responsible_investment_policy.pdf (Accessed: 4 April 2024).

CDP (2023n) 'General Responsible Lending Policy'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_General_responsible_lending_policy.pdf (Accessed: 3 April 2024).

CDP (2023o) 'General Responsible Procurement Policy'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Politica_Generale_Responsible_Procurement_ENG.pdf (Accessed: 2 April 2024).

CDP (2023p) *Half-yearly non-financial report of the CDP Group 2023*. Rome: CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_2023_Half_Yearly_Non_Financial_Report_ENG.pdf (Accessed: 1 April 2024).

CDP (2023q) 'International Cooperation and Development Finance: Sectoral Strategic Guidelines'. Available at: https://www.cdp.it/resources/cms/documents/CDP_INTERNATIONAL_COOPERATION_ENG.pdf (Accessed: 5 April 2024).

CDP (2023r) 'Politica Generale Stakeholder Engagement'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Politica_Generale_Stakeholder_Engagement.pdf (Accessed: 2 April 2024).

CDP (2023s) 'Sustainability Framework'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Sustainability_framework_ENG.pdf (Accessed: 4 April 2024).

CDP (2023t) 'Transport and Logistics Nodes - Sectoral Strategic Guidelines'. Available at: https://www.cdp.it/resources/cms/documents/CDP_TRANSPORTATION_LOGISTICS_NODES_ENG.pdf (Accessed: 3 April 2024).

CDP (2023u) 'Transport Sector Policy'. CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Transport_Sector_Policy_ENG.pdf (Accessed: 27 March 2024).

CDP (2024a) *2023 Integrated Report*. Rome: CDP. Available at: https://www.cdp.it/resources/cms/documents/CDP_Bilancio_Integrato_2023_ENG.pdf (Accessed: 6 April 2024).

CDP (2024b) 'CDP and Kazakh Sovereign Fund Sign Deal to Promote Business Cooperation between Their Countries', *CDP*, 18 January. Available at: https://www.cdp.it/sitointernet/page/en/cdp_and_kazakh_sovereign_fund_sign_deal_to_promote_business_cooperation_between_their_countries?contentId=PRG46728 (Accessed: 12 April 2024).

CDP (2024c) *G7 Public Development Banks and Development Finance Institutions held a first coordination meeting aiming to provide tangible contributions to Italy's 2024*, *X (formerly Twitter)*. Available at: https://x.com/GruppoCDP/status/1750232777054654908 (Accessed: 9 April 2024).

CDP (no date a) *About Us*. Available at: https://www.cdp.it/sitointernet/en/cdp_chi_siamo.page#:~:text=Our%20Mission&text=We%20foster%20sustainable%20development%20in,and%20investments%20of%20public%20administrations. (Accessed: 28 March, 2024)

CDP (no date b) *CDP RETI*, *CDP RETI*. Available at: https://www.cdp.it/sitointernet/en/cdp_reti.page (Accessed: 2 April 2024).

CDP (no date c) *History*, *About us*. Available at: https://www.cdp.it/sitointernet/en/170_timeline_storia.page (Accessed: 23 March 2024).

CDP (no date d) *Memberships and collaborations*, *Cassa Depositi e Prestiti*. Available at: https://www.cdp.it/sitointernet/en/adesioni.page (Accessed: 10 April 2024).

CDP (no date e) 'Monitoring and Impact evaluation: Methodological Guidelines'. Available at: https://www.cdp.it/resources/cms/documents/CDP_Monitoring_and%20Impact%20evaluation_Methodological_Guidelines.pdf.

CDP (no date f) *Stakeholder Grievance Mechanism*, *CDP*. Available at: https://www.cdp.it/sitointernet/en/cooperazione_grievance_mech.page (Accessed: 10 April 2024).

CDP (no date g) *Strategy and goals*, *Sustainability*. Available at: https://www.cdp.it/sitointernet/en/strategia_e_obiettivi.page (Accessed: 2 April 2024).

CDP (no date h) *Sustainability*. Available at: https://www.cdp.it/sitointernet/en/sostenibilita.page. (Accessed: 27 March, 2024)

CDP Equity (2023) *Annual Report 2022*. CDP Equity. Available at: https://www.cdp.it/resources/cms/documents/

CDP_Equity_RFA-2022_ENG.pdf (Accessed: 1 April 2024).

CDP RETI (2023) *Annual Report 2022*. CDP RETI. Available at: https://www.cdp.it/resources/cms/documents/RFA_2022_Gruppo_CDP_RETI_ENG.pdf (Accessed: 3 April 2024).

Censkowsky, P., Shishlov, I. and Darouich, L. (2022) *Paris alignment of Export Credit Agencies: The case of the Canada (Export Development Canada)*. Freiburg: Perspectives Climate Research.

CETP (no date) *Clean Energy Transition Partnership*. Available at: https://cleanenergytransitionpartnership.org/ (Accessed: 9 April 2024).

Chow, E. (2023) 'Some LNG vessels avoid passing Yemen as Red Sea attacks increase -data', *Reuters*, 20 December. Available at: https://www.reuters.com/business/energy/some-lng-vessels-avoid-passing-yemen-after-red-sea-attacks-increase-data-2023-12-19/ (Accessed: 28 March 2024).

Civillini, M. (2024) 'Italy launches "ambiguous" Africa plan fuelling fears over fossil fuels role', *Climate Home News*, 30 January. Available at: https://www.climatechangenews.com/2024/01/30/italy-launches-ambiguous-africa-plan-fuelling-fears-over-fossil-fuels-role/ (Accessed: 30 March 2024).

COP26 (2021) 'Statement on International Public Support for the Clean Energy Transition', *COP26*, 4 November. Available at: https://webarchive.nationalarchives.gov.uk/ukgwa/20230313124743/https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy-transition/ (Accessed: 17 March 2024).

Cotugno, F. (2024) 'Italy makes cooperation with Africa G7 climate and energy focus', *Clean Energy Wire*, 26 January. Available at: https://www.cleanenergywire.org/news/italy-makes-cooperation-africa-g7-climate-and-energy-focus?pk_keyword=italy-makes-cooperation-africa-g7-climate-and-energy-focus&pk_content=readmore (Accessed: 30 March 2024).

E3F (2024) *Export Finance for Future*. Available at: https://www.linkedin.com/company/export-finance-for-future-e3f/posts/?feedView=all (Accessed: 9 April 2024).

E3G (no date) *E3G Public Bank Climate Tracker Matrix*, *E3G*. Available at: https://www.e3g.org/matrix/ (Accessed: 30 March 2024).

EBRD (2023) 'EBRD to offer climate resilient debt clauses in sovereign, municipal loans', *EBRD*. Available at: https://www.ebrd.com/news/2023/ebrd-to-offer-climate-resilient-debt-clauses-in-sovereign-municipal-loans.html (Accessed: 10 April 2024).

EDFI (2020) 'Harmonised EDFI Fossil Fuel Exclusion List'. EDFI. Available at: https://edfi-website-v1.s3.fr-par.scw.cloud/uploads/2021/02/EDFI-Fossil-Fuel-Exclusion-List-October-2020.pdf (Accessed: 17 March 2024).

EDFI (no date a) 'ElectriFI', *EDFI*. Available at: https://www.edfi.eu/facility/electrifi/ (Accessed: 17 April 2024).

EDFI (no date b) *Finance*. Available at: https://www.edfi.eu/finance/ (Accessed: 17 April 2024).

EDFI (no date c) *Policy*. Available at: https://www.edfi.eu/policy/ (Accessed: 17 April 2024).

Eni (2023) *Eni Annual Report 2022*. Eni. Available at: https://www.eni.com/content/dam/enicom/documents/eng/reports/2022/Annual-Report-2022.pdf (Accessed: 7 April 2024).

Eni (2024a) *Eni Capital Markets Update 2024-2027*. Eni. Available at: https://www.eni.com/en-IT/media/press-release/2024/03/PR-2024-capital-markets-update.html (Accessed: 25 March 2024).

Eni (2024b) *Our decarbonization journey*. Available at: https://www.eni.com/en-IT/sustainability/decarbonization.html (Accessed: 25 March 2024).

European Commission (2022) *EU Taxonomy: Vote by EP on Complementary Delegated Act*, *European Commission - European Commission*. Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_22_4349 (Accessed: 15 March 2024).

European Commission (2023) *Italy - Draft Updated NECP 2021-2030*. European Commission. Available at: https://commission.europa.eu/publications/italy-draft-updated-necp-2021-2030_en (Accessed: 7 April 2024).

European Commission (2023) 'OECD members agree to EU initiative to modernise export credits'. Available at: https://policy.trade.ec.europa.eu/news/oecd-members-agree-eu-initiative-modernise-export-credits-2023-04-03_en#:~:text=The%20maximum%20repayment%20term%20will,years%20for%20most%20other%20projects. (Accessed: 5 April 2024).

European Commission (no date) *EU Taxonomy Navigator*, *European Commission - European Commission*. Available at: https://ec.europa.eu/sustainable-finance-taxonomy/ (Accessed: 27 March 2024).

Finance in Common (no date) *Why finance in common*? Available at: https://financeincommon.org/why-finance-in-common (Accessed: 28 March 2024).

FSB (2021) *Task Force on Climate-related Financial Disclosures 2021 Status Report*. Financial Stability Board. Available at: https://www.fsb.org/wp-content/uploads/P141021-1.pdf (Accessed: 17 March 2024).

GHG Protocol (2023) 'Scope 3 Calculation Guidance'. GHG Protocol. Available at: https://ghgprotocol.org/scope-3-calculation-guidance-2 (Accessed: 3 April 2024).

GHG Protocol (2024) *Greenhouse Gas Protocol*. Available at: https://ghgprotocol.org/ (Accessed: 28 March 2024).

Government of Italy (2019) 'Integrated National Energy and Climate Plan'. Available at: https://energy.ec.europa.eu/system/files/2020-02/it_final_necp_main_en_0.pdf (Accessed: 3 April 2024).

Government of Italy (2021) 'National Recovery and Resilience Plan'. Available at: https://www.italiadomani.gov.it/en/strumenti/documenti/archivio-documenti/national-recovery-and-reslieince-plan.html (Accessed: 5 April 2024).

Greenfield, P. and Harvey, F. (2024) 'Climate target organisation faces staff revolt over carbon-offsetting plan', *The Guardian*, 11 April. Available at: https://www.theguardian.com/environment/2024/apr/11/climate-target-organisation-faces-staff-revolt-over-carbon-offsetting-plan-sbti (Accessed: 17 April 2024).

GRI (no date) *Standards*. Available at: https://www.globalreporting.org/standards/ (Accessed: 30 March 2024).

HM Government (2023) 'Mobilising Green Investment - 2023 Green Finance Strategy'. HM Government. Available at: https://assets.publishing.service.gov.uk/media/643583fb877741001368d815/mobilising-green-investment-2023-green-finance-strategy.pdf (Accessed: 10 April 2024).

Hmiel, B. *et al.* (2020) 'Preindustrial 14CH4 indicates greater anthropogenic fossil CH4 emissions', *Nature*, 578(7795), pp. 409–412. Available at: https://doi.org/10.1038/s41586-020-1991-8.

Humphrey, C. and Brugger, F. (2020) *The Role of Multilateral Development Banks in Financing the Sustainable Development Goals*. Policy Paper. Available at: https://ethz.ch/content/dam/ethz/special-interest/gess/nadel-dam/publications/NADEL_Policy_Paper_MDB_EN_web.pdf (Accessed: 26 March 2024).

IEA (2021) *Net Zero by 2050 - A Roadmap for the Global Energy Sector*. Paris: IEA. Available at: https://iea.blob.core.windows.net/assets/7ebafc81-74ed-412b-9c60-5cc32c8396e4/NetZeroby2050-ARoadmapfortheGlobalEnergySector-SummaryforPolicyMakers_CORR.pdf.

IEA (2022) *An updated roadmap to Net Zero Emissions by 2050*. Available at: https://www.iea.org/reports/world-energy-outlook-2022/an-updated-roadmap-to-net-zero-emissions-by-2050 (Accessed: 28 March 2024).

IEA (2023a) 'After peak in mature markets, global gas demand is set for slower growth in coming years', *IEA*, 10 October. Available at: https://www.iea.org/news/after-peak-in-mature-markets-global-gas-demand-is-set-for-slower-growth-in-coming-years (Accessed: 27 March 2024).

IEA (2023b) *Tracking Clean Energy Progress 2023*. Paris: IEA. Available at: https://www.iea.org/reports/tracking-clean-energy-progress-2023 (Accessed: 30 March 2024).

IEA (2023c) *World Energy Outlook 2023*. Paris: IEA. Available at: https://www.iea.org/reports/world-energy-outlook-2023. (Accessed: 30 March, 2024)

IEA (2024) *Gas Market Report, Q1-2024*. Paris: IEA. Available at: https://iea.blob.core.windows.net/assets/601bff14-5d9b-4fef-8ecc-d7b2e8e7449a/GasMarketReportQ12024.pdf (Accessed: 25 April 2024).

IFRS (no date) *ISSB and TCFD*. Available at: https://www.ifrs.org/sustainability/tcfd/ (Accessed: 17 March 2024).

IISD (2024) 'Experts Call on G7 to Get Serious on Fossil Fuel Subsidy Reform', *IISD*, 16 April. Available at: https://www.iisd.org/articles/press-release/experts-call-g7-fossil-fuel-subsidy-reform#:~:text=G7%20countries%20have%20committed%20every,bloc%20will%20miss%20this%20target. (Accessed: 1 April, 2024)

IRENA (2019) *A new world: The geopolitics of the energy transformation*. Abu Dhabi: IRENA. Available at: https://www.irena.org/-/media/files/irena/agency/publication/2019/jan/global_commission_geopolitics_new_world_2019.pdf (Accessed: 16 March 2024).

Italgas (2021) *2021-Driving innovation for energy transition - TCFD report*. Available at: https://www.italgas.it/wp-content/uploads/sites/2/2022/10/2021-Driving-innovation-for-energy-transition.pdf (Accessed: 27 March 2024).

Italgas (no date) *Geographical presence*. Available at: https://www.italgas.it/en/group/activities/geographical-presence/ (Accessed: 7 April 2024).

Jones, N. and Mun, B. (2023) *Putting Promises Into Practice: Clean Energy Transition Partnership signatories' progress on implementing clean energy commitments*. IISD. Available at: https://www.iisd.org/publications/report/putting-promises-into-practice-cetp-commitments (Accessed: 28 March 2024).

Levantesi, S. (2022) 'Italy's Lurch to the Right Raises Risk of Fossil Gas Lock-In', *DeSmog*, 21 September. Available at: https://www.desmog.com/2022/09/21/italys-lurch-to-the-right-raises-risk-of-fossil-gas-lock-in/ (Accessed: 30 March 2024).

Levantesi, S. (2023) 'Italy's Eni Faces Lawsuit Alleging Early Knowledge Of Climate Change', *DeSmog*, 9 May. Available at: https://www.desmog.com/2023/05/09/italys-eni-faces-lawsuit-alleging-early-knowledge-of-climate-change/ (Accessed: 3 April 2024).

Levantesi, S. (2024) 'Climate Trial Against Oil Giant Eni Opens in Italy', *DeSmog*, 19 February. Available at: https://www.desmog.com/2024/02/19/eni-climate-trial-greenpeace-italy-recommon-global-warming-lawsuit-report-climate-denial/ (Accessed: 2 April 2024).

Lombardi, L. and Gaddi, M. (2024) 'The Case for a National Development Bank: The Main Issues', 13 August. Available at: https://transform-network.net/blog/working-group/the-case-for-a-national-development-bank-the-main-issues/#:~:text=At%20any%20rate%2C%20after%20WWII,of%20these%20banks%20were%20privatised. (Accessed: 28 March 2024).

Luca, P. (2021) 'Snam rileva il 25% del "gasdotto della pace", tra Israele ed Egitto', *la Repubblica*, 30 November. Available at: https://www.repubblica.it/economia/2021/11/30/news/snam_gasdotto_della_pace_israele_egitto_gas_naturale-328429574/ (Accessed: 30 March 2024).

Marsh, A. (2024) *Shifting Climate Scenarios Muddy the Picture for Investors - Bloomberg*. Available at: https://www.bloomberg.com/news/articles/2024-02-07/shifting-climate-scenarios-muddy-the-picture-for-investors?srnd=undefined (Accessed: 17 March 2024).

MIGA *et al.* (2022) *2021 Joint report on multilateral development banks' Climate finance*. MIGA. Available at: https://www.eib.org/attachments/lucalli/mdbs_joint_report_2021_en.pdf (Accessed: 17 March 2024).

Ministry of Foreign Affairs and International Cooperation (no date a) *Consiglio Nazionale per la Cooperazione allo Sviluppo (CNCS)*. Available at: https://www.esteri.it/en/politica-estera-e-cooperazione-allo-sviluppo/cooperaz_sviluppo/consiglio-nazionale-per-la-cooperazione-allo-sviluppo-cncs/ (Accessed: 28 March 2023).

Ministry of Foreign Affairs and International Cooperation (no date b) *The Joint Committee*. Available at: https://www.esteri.it/en/politica-estera-e-cooperazione-allo-sviluppo/cooperaz_sviluppo/disciplina-della-cooperazione-italiana/comitato-congiunto/ (Accessed: 30 March 2024).

OCI (2024a) 'Public Finance for Energy Database'. Available at: https://energyfinance.org/#/data (Accessed: 10 April 2024).

OCI (2024b) 'Public Finance for Energy Database'. Available at: https://energyfinance.org/#/ (Accessed: 10 April 2024).

OECD (no date) *Development finance institutions and private sector development*, *OECD*. Available at: https://www.

oecd.org/development/development-finance-institutions-private-sector-development.htm (Accessed: 20 March 2024).

PACF (2024) *Financial institutions taking action*. Available at: https://carbonaccountingfinancials.com/financial-institutions-taking-action (Accessed: 27 March 2024).

Perspectives Climate Group (2024) 'Export Credit Agencies'. Available at: https://perspectives.cc/initiative/eca/ (Accessed: 17 March 2024).

Reclaim Finance, Greenpeace and ReCommon (2023) *Valutazione Della Strategia Climatica Dell'Eni*. Available at: https://www.recommon.org/wp-content/uploads/2024/01/Reclaim-Finance_IT_FINAL.pdf (Accessed: 5 April 2024).

Reuters (2012) 'Italy's CDP sells 1.7 pct of Eni for 1.096 billion euros', *Reuters*, 14 September. Available at: https://www.reuters.com/article/uk-cdp-eni-idUKBRE88C19K20120913/ (Accessed: 2 April 2024).

Schmidt, M. *et al.* (2024) *How can SACE progress towards alignment with the Paris Climate Agreement?* Freiburg: Perspectives Climate Research. Available at: https://perspectives.cc/wp-content/uploads/2024/01/SACE_Italy_2024.pdf (Accessed: 20 March 2024).

Shishlov, I., Censkowsky, P. and Darouich, L. (2021) *Aligning Export Credit Agencies with the Paris Agreement*. Freiburg: Perspectives Climate Research.

SIMEST (2022) *Annual Report 2021*. SIMEST. Available at: https://www.simest.it/app/uploads/2022/12/financial-statements-and-reports-2021.pdf (Accessed: 10 April 2024).

SIMEST (2023) *Bilancio E Relazioni D'esercizio 2022*. SIMEST. Available at: https://www.simest.it/app/uploads/2023/05/BIL_SIMEST_2022-2023-mag16.pdf (Accessed: 10 April 2024).

SIMEST (no date) *SIMEST*. Available at: https://www.simest.it/en/ (Accessed: 30 March 2024).

SNAM (2023) 'Eni-Snam partnership for gas pipelines between Algeria and Italy finalised', *SNAM*, 11 January. Available at: https://www.snam.it/en/media/news-and-press-releases/comunicati-stampa/2023/eni-snam-partnership-for-gas-pipelines-between-algeria-and-italy-finalised.html (Accessed: 4 April 2024).

SNAM (no date) *SNAM's presence in Italy and Europe*. Available at: https://reports.snam.it/2016/annual-report/the-snam-group/snams-presence-in-italy-and-europe.html (Accessed: 7 April 2024).

Stapczynski, S. and MacDonald, F. (2024) 'LNG Tankers Divert From Red Sea as Qatar Warns of Escalation', *Bloomberg*, 16 January. Available at: https://www.bloomberg.com/news/articles/2024-01-16/qatar-diverts-gas-tankers-away-from-red-sea-to-avoid-risks (Accessed: 28 March 2024).

Tienhaara, K. *et al.* (2022) 'Investor-state disputes threaten the global green energy transition', *Sciences*, 376(6594), pp. 701–703. Available at: https://doi.org/10.1126/science.abo4637.

UNEP (2023) *Is natural gas really the bridge fuel the world needs?*, *UNEP*. Available at: http://www.unep.org/news-and-stories/story/natural-gas-really-bridge-fuel-world-needs (Accessed: 2 April 2024).

UNFCCC (2015) 'Paris Agreement'. UNFCCC. Available at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf (Accessed: 10 April 2024).

UNFCCC (2023) 'COP28 Agreement Signals "Beginning of the End" of the Fossil Fuel Era', *UNFCCC*, 13 December. Available at: https://unfccc.int/news/cop28-agreement-signals-beginning-of-the-end-of-the-fossil-fuel-era (Accessed: 15 March 2024).

UNFCCC (2024) 'Building Support for More Ambitious National Climate Action Plans', *UNFCCC*, 14 March. Available at: https://unfccc.int/news/building-support-for-more-ambitious-national-climate-action-plans#:~:text=The%202025%20NDCs%20are%20to,is%20scheduled%20for%20November%202025.&text=The%20NDCs%203.0%20are%20to,at%20the%20end%20of%202023. (Accessed: 25 March 2024).

World Benchmarking Alliance (no date) *Eni*. Available at: https://www.worldbenchmarkingalliance.org/publication/oil-and-gas/companies/eni-3/ (Accessed: 30 March 2024).

WRI (2024) 'Statement: G7 Leaders Agree to Shut Down Coal Plants', *World Resources Institute* [Preprint]. Available at: https://www.wri.org/news/statement-g7-leaders-agree-shut-down-coal-plants (Accessed: 3 May 2024).

CONTACT

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

info@perspectives.cc
www.perspectives.cc