

EMBARGOED UNTIL WEDNESDAY, 29 JANUARY, 10AM GMT

New study: European Export Finance Drives Renewable Energy Transition, But Leaves Developing Countries Behind

Over the past few decades, export credit agencies and export-import banks (hereafter both ECAs) have de-risked and facilitated the development of fossil fuel and renewable energy projects worldwide. A new open-access study by HEC Lausanne, ETH Zurich, HEC Paris, and Perspectives Climate Research published in Nature Communications, raises concerns about current inequities for lower-income countries and remaining fossil fuel financing, but also highlights the potentially pivotal role of ECAs in advancing the new climate finance targets.

ECAs are state-backed agencies that help national exporters finance deals abroad by providing guarantees or loans. For over a century, they have played an important role in global trade, particularly in large-scale infrastructure projects - from oil and gas pipelines to refineries and power plants. As the urgency to reduce greenhouse gas emissions grows, ECAs are being increasingly called upon to support the shift to renewable energy worldwide. However, while ECAs handle financing volumes on a par with multilateral development banks such as the World Bank, the scope and direction of their energy investments have largely remained opaque.

A team of researchers, including Philipp Censkowsky (lead author, HEC Lausanne, University of Lausanne), Paul Waidelich, Bjarne Steffen (both ETH Zurich) and Igor Shishlov (Perspectives Climate Research gGmbH and HEC Paris), have analysed close to 1,000 transactions between 2013 and 2023 that financed energy-related infrastructure and were supported by ECAs. Their study, to be published in *Nature Communications*, offers the first comprehensive analysis of ECA energy deals on a near-global scope, and highlights three important findings:

1. Renewable growth accelerating, but fossil fuel support remains

The study finds that the share of ECA commitments to renewable energy has risen significantly over the past decade—from under 10% in 2013 to around 40% in 2022–2023. This trend is largely driven by offshore wind, and more recently, green hydrogen projects. Yet, despite this surge in renewables, fossil fuels, especially oil and gas, continue to draw substantial ECA support. So, while ECAs are transitioning away from coal and increasing support for renewables, significant investments in oil and gas remain, and a complete phase-out of fossil fuel financing appears distant.

2. National disparities with consequences for policy

The study revealed that ECAs do not all follow the same trajectory, highlighting notable disparities between countries. For instance, members of the Export Finance for Future coalition (E3F), a group of European countries committed to aligning their export finance with the Paris Agreement, have introduced stricter fossil fuel exclusions and are boosting their renewable portfolios, although Italy stands out as an exception (see Table “Country-level trends” below). Meanwhile, major players like South Korea, Japan, and China maintain significant levels of oil and gas lending. Since such continued

support for fossil fuels is at odds with many countries' pledges under the Paris Agreement, the authors call for an agreement at the OECD (where ECA terms and conditions are negotiated) as well as the relaunch of the International Working Group on ECAs with China. This could help to create a climate-compatible level playing field where countries that withdraw support for fossils need not fear others seizing freed-up market shares.

3. Wealthier nations receiving a disproportionate share

Finally, the study revealed a concerning trend, that is, the 'greening' of ECA portfolios, which is to the detriment of support to developing countries. Indeed, the researchers found that ECAs' support for renewables is more likely to be concentrated in higher-income countries. As a result, the 'greening' of portfolios actually means that less ECA support is directed to emerging and lower-income nations, where access to affordable finance is even more critical to enable a just transition. In fact, the share of ECA energy finance going to lower-income countries dropped from 47% in 2013-15 to below 30% in 2022-23.

Moving forward

The authors caution that their estimates are most likely on the low side, as data are only partially available for some key ECA countries like Canada or China. However, their findings call for more rigorous climate policies within OECD countries, as well as for renewed international cooperation, especially with non-OECD countries such as China. Crucially, enhanced renewables support via ECAs could help scale up the new collective quantified goal (NCQG) on climate finance, set at a minimum of USD 300 billion annually by 2035 at COP29. Finally, ECA mandates should be broadened to accommodate the needs of lower-income regions – a prerequisite for a just and equitable energy transition worldwide.

Study lead author Philipp Censkowsky from HEC Lausanne concludes: *“ECAs have been a missing piece in research on international energy and climate finance. Their role goes beyond just financing: by de-risking large infrastructure projects, ECAs have a steering function in determining which energy infrastructure gets built - and ultimately influence global emissions pathways.”* He adds: *“It is high time for ECAs to complete the shift to renewable energy, and through carefully designed policies and international cooperation, become true catalysts for a rapid and just energy transition.”*

Details of the study:

Censkowsky, P., Waidelich, P., Shishlov, I., & Steffen, B., Quantifying the shift of public export finance from fossil fuels to renewable energy. *Nature Communications*, DOI: <https://doi.org/10.1038/s41467-025-55981-0>

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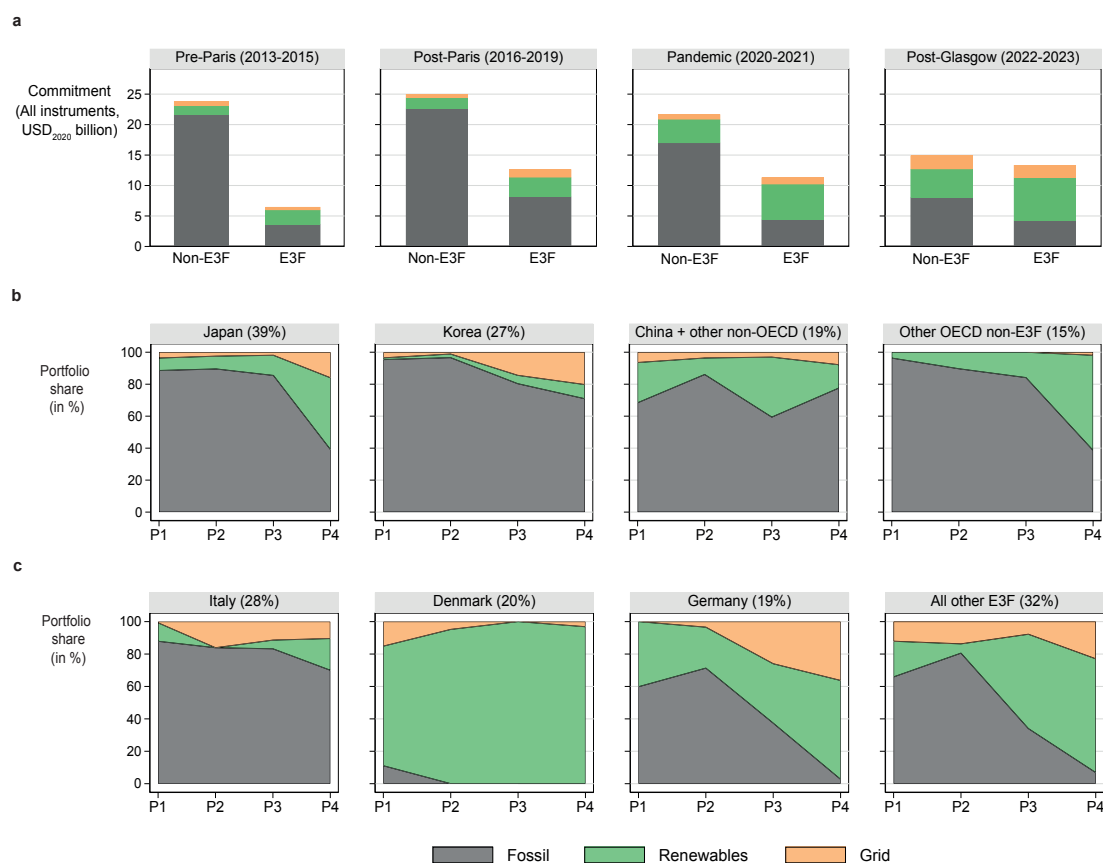
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Additional information:

Portfolio 'greening' within and outside the E3F member countries



E3F = Export Finance for Future, a coalition of ten European countries. Figure from Main article (Figure 3). See key country data below.

Country-level trends

Country*	Share fossil fuels (in %)		Share renewables (in %)		Share grid (in %)	
	2013-15	2022-23	2013-15	2022-23	2013-15	2022-23
Japan	89%	39%	8%	45%	4%	16%
Korea	95%	71%	1%	9%	4%	20%
China + other non-OECD ¹	68%	78%	25%	15%	6%	8%
Other OECD non-E3F ²	96%	39%	4%	59%	0%	2%
Italy	88%	70%	11%	20%	1%	10%
Denmark	11%	0%	74%	97%	15%	3%
Germany	60%	3%	40%	61%	0%	36%
All other E3F ³	66%	7%	22%	70%	12%	23%

*excludes untied guarantees, i.e., guarantees that are not tied to national exports. For Canada see online SI.

¹India, Indonesia, Malaysia, Russian Federation, Saudi Arabia, South Africa, Thailand, UAE

²Australia, Austria, Czech Republic, Hungary, Luxembourg, Mexico, Norway, Poland, Switzerland, United States

³Belgium, Finland, France, Netherlands, Spain, Sweden, United Kingdom.

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Regarding geographical trends, co-author **Paul Waidelich** (ETH Zurich) says:

“This pattern reveals an important equity concern. We see significant ECA support to projects in high-income countries, while lower-income nations - where climate finance is desperately needed - see their shares in ECA commitments decreasing.”

Regarding ECA financing trends, co-author **Igor Shishlov** (HEC Paris & Perspectives Climate Research), says:

“ECAs are indeed shifting from coal and backing more renewables, which is a positive development for the energy transition. However, major investments in oil and gas remain and without more stringent policies, we’re far from a comprehensive exit from all fossil fuel financing”.

Regarding changing ECA mandates, co-author **Bjarne Steffen** (ETH Zurich) says:

“We identify a clear divide in how quickly ECAs are adopting greener mandates—and the policies behind those mandates. If countries remain uncoordinated, fears of ‘giving up market share’ in fossil-based industries could undermine global climate objectives”.

Regarding ECAs role in global trade, **Philipp Censkowsky**, lead author of the study, says:

“Historically, public export finance has been strongly entrenched with the roll-out of fossil fuel infrastructure globally, for two main reasons: The first is because often fossil fuels are sourced from politically unstable countries. So, banks would simply not finance the exports of capital goods to projects in such countries without a state-backed guarantee that their loan will be repaid. The second is the scale of investments in the fossil energy sector, which are often much larger than what private insurance would cover, especially in risky environments. In contrast, we find that renewable deals are on average 2-3 times smaller. In this context, harnessing ECAs as active agents of a rapid and just energy transition requires regulation, smart financing policies and new political mandates”.