

Finnvera
Porkkalankatu 1PL 1010
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Finland

6 October 2022

Dear Finnvera,

At the global climate conference in Glasgow last year, alongside 38 countries and institutions including all Export Finance for Future (E3F) members, Finland signed a commitment to end international public finance for fossil fuels by the end of 2022.¹ We, the undersigned civil society organizations (CSOs) congratulate you on this important step. At the upcoming E3F Summit on 3 November, you have an important opportunity to, together with fellow E3F members, reaffirm your Glasgow commitment and present your updated policies and or guidelines. This way you can provide an important contribution to building momentum towards COP27, setting an example for implementation that can be followed by fellow Glasgow Statement signatories.

The E3F coalition's central objective is to "align export finance with climate objectives"² and "accelerate the progressive phasing out of fossil fuel related projects".³ All ten E3F member countries concretized this commitment when they signed onto the Glasgow Statement on International Public Support for the Clean Energy Transition, which includes an end of 2022 deadline for ending fossil fuel support.⁴ In our view, this should also mean fossil-fuel exclusion policies are made a prerequisite for existing and new E3F members. If all E3F members, fellow Glasgow Statement signatories and the G7 follow through on this commitment, \$39 billion a year could be shifted out of fossil fuels and into clean energy.⁵ With devastating climate impacts witnessed from the Horn of Africa to Pakistan, there is no time left to delay implementation.

This shift in public finance is especially important in the current turbulent political context and energy crisis. Fatih Birol, the head of the International Energy Agency has stated that: "a faster transition from fossil fuels towards clean energy represents the best way out of it."⁶ New oil and gas infrastructure takes too long to build to provide a viable solution to reducing Russian fossil fuel imports. At the same time, research tells us that energy efficiency and renewable alternatives can rapidly replace Russian fossil fuel supply,⁷ while eliminating the need for investments in new fossil fuel infrastructure in the European Union and elsewhere.

E3F's role in the global transition to clean energy systems is vital, considering that export credit agencies are the largest public financiers of fossil fuels globally. G20 export credit agencies provided more than 11 times more support for fossil fuels (USD 40.1 billion a year) than for

¹ *Statement for International Public Support for the Clean Energy Transition* (2021) [Glasgow Statement] <https://bit.ly/3USqioH>

² French Ministry for the Economy (2021) "Seven countries launch international coalition "Export Finance for Future" (E3F) to align export finance with climate objectives" Available at: <https://bit.ly/3Cc8xrZ>

³ E3F (2022) "E3F Transparency Reporting" Available at: <https://bit.ly/3M1RCN5>

⁴ Glasgow Statement (2021) available at: <https://bit.ly/3Ei05tV>

⁵ IISD, Tearfund, OCI (2022) "Turning Pledges into Action: How Glasgow Statement Signatories can meet their commitment to shift international public finance out of fossil fuels and into clean energy by the end of 2022" Available at: <https://bit.ly/3T3Cot5>

⁶ Fatih Birol (2022) "Three myths about the global energy crisis" Fatih Birol (2022) Available at: <https://bit.ly/3SrQapD>

⁷ Ember, E3G, and RAP (2022) "EU can stop Russian gas imports by 2025" <https://bit.ly/3fvu9rB>

renewables (USD 3.5 billion) from 2018-2020, with Russia being the second largest recipient of G20 fossil fuel support during this period.⁸ The science is clear that to meet a 1.5°C warming target by the end of the century, no new fossil fuels, including oil and gas fields, can be exploited,⁹ and that existing fossil fuel infrastructure needs to be shut down before the end of their lifetime.¹⁰ The E3F countries are not yet on track to meet their COP26 commitment. Four E3F members, **Spain, the Netherlands, Italy, and Germany, still have not presented updated policies** or guidelines to follow through on their promise.

We welcome Finnvera's recent policy to limit guarantees to oil and gas projects; however, this policy is **not yet aligned** with what is needed to keep 1.5°C degrees within reach.¹¹ Finnvera's oil and gas restrictions must be strengthened to exclude all fossil fuel financing, including all oil power plants and gas power plants that "replace production with higher emissions".¹² E3F's recently published Transparency Report demonstrated that Finnvera insured **10 times more in fossil fuels than renewables** from 2015-2020, with 1 billion EUR in fossil transactions compared to a miniscule 0.1 billion EUR in renewables,¹³ highlighting the substantial impact an improved policy will have on Finnvera's finance.

We count on Finland's leadership in implementing the Glasgow Statement commitments - such leadership is vital for securing a clean energy future, mitigating the climate crisis, and keeping the goal of limiting the global temperature rise to 1.5°C degrees within reach. As civil society organizations, we call on Finland to **close the loopholes in Finnvera's existing policy** and ensure that all E3F members lead the way in Glasgow Statement implementation. E3F members should do this by collectively launching their policies to end public finance for fossil fuels at the E3F Summit ahead of COP 27, and using their diplomatic capital to ensure fellow Glasgow Statement signatories follow suit.

Signed,

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David Ryfisch, Germanwatch

Desmond D'Sa, South Durban Community Environmental Alliance

Gabriele Nanni, Legambiente Onlus Aps

⁸ Friends of the Earth US and OCI (2021) "Past Last Call: G20 public finance institutions are still bankrolling fossil fuels" Available at: <https://bit.ly/3LTxWLC>

⁹ International Energy Agency (2021) "Net Zero by 2050" <https://www.iea.org/reports/net-zero-by-2050>

¹⁰ Kelly Trout *et al* (2022) "Existing fossil fuel extraction would warm the world beyond 1.5 °C" *Environ. Res. Lett.* Available at: <https://iopscience.iop.org/article/10.1088/1748-9326/ac6228>

¹¹ Kelly Trout *et al* (2022) "Existing fossil fuel extraction would warm the world beyond 1.5 °C" *Environ. Res. Lett.* Available at: <https://iopscience.iop.org/article/10.1088/1748-9326/ac6228>

¹² Finnvera (2022) "Export financing for fossil fuels is reduced by international agreements - Finnvera limits export guarantees to oil and gas projects" Available at: <https://bit.ly/3lRapdN>

¹³ E3F (2022) "E3F Transparency Report" Available at: <https://www.linkedin.com/feed/update/urn:li:activity:6942903793122463744>

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