



## The Net Zero Export Credit Agencies Alliance

### Commitment Document

Based on the best available science, including the findings of the Intergovernmental Panel on Climate Change (IPCC), on the drivers and impacts of climate change, we believe there is an urgent need to accelerate the transition towards global net zero greenhouse gas (GHG) emissions. Export credit agencies must play our part to help deliver the goals of the Paris Agreement and ensure a 'just transition' to a low carbon economy. We recognize the role of official trade and export finance in supporting exporters with their transition to a low carbon economy, leading to real economy emissions reductions, and promoting a shift in finance flows towards emissions-neutral, climate resilient projects and investments.

#### **My organisation, therefore, commits to:**

- **support the goal of net zero greenhouse gas emissions by 2050 or sooner, consistent with a maximum average global temperature rise of 1.5°C above pre-industrial levels and incorporating the need for a just transition.**
- join the Net Zero Export Credit Agencies Alliance (NZECA) or 'the Alliance' convened by the UN Environment Programme Finance Initiative, contributing to the goals and activities of the Glasgow Financial Alliance for Net Zero (GFANZ).

#### **In addition, my organisation commits to:**

1. **Transition all operational and attributable GHG emissions from ECA and EXIM underwriting, guarantees and lending portfolios, and other business activities to align with pathways to net-zero by mid-century, or sooner, including CO2 emissions reaching net-zero at the latest by 2050, consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100.**
  - a. This approach will take into account the best available scientific knowledge, including the findings of the IPCC, so we commit to review and (if necessary) revise our targets at least every five years after the target is set.
  - b. GHG emissions here refer to export credit agencies' (ECA) Scope 1, 2 and 3 emissions. ECAs' Scope 3 emissions should include Scope 1 and 2 emissions associated with the transactions they are providing support

to, as well as Scope 3 emissions, where significant, and where data allow.

2. **No later than 18 months after making this commitment (12 months for organisations joining after the Target Setting Guidelines are in place), set and publicly disclose an intermediate science-based target(s)<sup>1</sup> for 2030 or sooner, consistent with a pathway to net zero by 2050 at the latest.** Targets may initially be aggregate or sector-based in scope, prioritising the most GHG-intensive sectors, but 2030 targets should seek to include all emissions as soon as methods allow and based on materiality and impact.
3. **Prioritise its role in decarbonising the real economy by facilitating exporters'** and, where possible, other parties **transition to net-zero emissions.** This may be achieved through engagement and through products and services offered.
4. **End new direct support for the international unabated fossil fuel energy sector<sup>2</sup> by the end of 2024<sup>3</sup>,** except in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit and the goals of the Paris Agreement. The timescales for legacy fossil fuel exposure phaseout will be guided by the appropriate decarbonisation scenarios, described in the following point.
5. **Use decarbonisation scenarios which: are from credible and internationally recognised; are no/low overshoot; rely conservatively on negative emissions technologies; and to the extent possible, minimise misalignment with other Sustainable Development Goals.** The IPCC, IEA and/or NGFS scenarios will be initial, but not exclusive, reference points and the Alliance will develop its understanding and use of further sector-level pathways as appropriate. We will provide a rationale for the scenario(s) chosen.
6. **Prioritise our efforts where we have, or can have, the most significant impact,** e.g. the most GHG-intensive and GHG-emitting sectors within our portfolios, financing low/no-emission infrastructure, which are key to the transition to a net-zero carbon economy.
7. **Publish annually evidence<sup>4</sup> that action is being taken in line with the commitments made here** and share it with UNEP FI to review and monitor consistency with best practice and the UNFCCC on:
  - a. progress against absolute emissions and/or emissions intensity targets following relevant international and national GHG emissions reporting protocols and/or climate portfolio alignment methodologies, for example, the Partnership for Carbon Accounting in Financials (PCAF), aligned with the GHG Protocol. Periodic disclosures for key sectors will start not later than within 12 months of the setting of the target(s). These disclosures shall be supported with disclosure of goals, actions and

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<sup>1</sup> In accordance with the Target Setting Guidelines endorsed by the Alliance.

<sup>2</sup> Including coal-related infrastructure, including mines as well as storage and transport infrastructure.

<sup>3</sup> Or within one year from the date of signing the Commitment for members joining after 2024.

<sup>4</sup> This evidence can sit, *inter alia*, in a climate action plan, TCFD report, transition plan, sustainability report or equivalent.

accountability mechanisms that will be set to implement and achieve interim and long-term targets.

- b. progress against a high-level<sup>5</sup> reviewed climate strategy including an outline of forward-looking climate-related actions and sectoral policies covering short- and mid-term activities. These periodic disclosures will start at the latest within 12 months of joining the Alliance.

8. **Contribute to the development (within 12 months) and implementation of guidelines for target setting for our alliance**, and work to achieve policy coherence in relevant fora including but not limited to the OECD Working Party on Export Credit, Export Finance for Future (E3F) and the Berne Union.

**My organisation will meet these commitments through:**

- prioritising exporter engagement, and offering products and services to support exporters' transition;
- engaging on corporate and industry (financial and real economy) action, as well as public policies, to help support a net-zero transition of economic sectors in line with science-based targets, and giving consideration to associated social impacts, including to local communities and local environments;
- ensuring external policies and engagement activities are aligned to intermediate (2030 or sooner) and 2050 or sooner organisational net-zero targets and associated social impacts;
- supporting innovation, including facilitating nascent technology for export, the near-term deployment of existing viable technologies, and scaling up the financing and underwriting of credible, safe, and high-quality climate solutions that, to the extent possible, are compatible and/or minimise misalignment with other Sustainable Development Goals; and
- Working together with peers, UNEP FI in its role as Secretariat for the Alliance, and leading scientific, methodological and data-related organisations as appropriate to agree definitions and/or approaches for key concepts including (but not limited to) Scope 3 emissions for export credit, timescales for fossil fuel phaseout, materiality and direct support for sectors. This work will be undertaken with reference to existing guidance from climate initiatives; for example, PCAF, SBTi, ISSB, Race to Zero, UNFCCC, GFANZ, E3F, TCFD, the OECD, IPCC, IEA and existing net zero alliances such as NZBA.

**My organisation understands that:**

- while offsets can play a role to supplement decarbonisation in line with climate science, its priority will be on emissions reduction over the use of external offsets; and
- offsets should not be used to meet interim and longer-term net zero targets, except in limited applications (and only where their usage adheres to emerging international best practice). The reliance on carbon offsetting for achieving

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<sup>5</sup> Board-level or equivalent

end-state net zero should be restricted to carbon removals to balance residual emissions. Offsets should always be additional and certified.

**My organisation makes this Commitment with the expectation that:**

- The vital role of export credit agencies in supporting the transition of the real economy to net-zero emissions will only succeed in achieving this objective by working in partnership with our exporters, financial partners and other stakeholders who will also need to play their part.

**Name** \_\_\_\_\_

**Role** \_\_\_\_\_  
[please insert role / title]

**On behalf of** \_\_\_\_\_  
[please insert organisation name]

**Signature**

**Date**