

Policy Brief

From Glasgow to Guiding Action

Ruling out Fossil Fuels at the Multilateral Development Banks - Implications of the Glasgow Statement for the Clean Energy Transition

(1) Background

As a result of the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) 26 in Glasgow, 34 countries and 5 public finance institutions pledged to end international public finance for the unabated fossil fuel energy sector by the end of 2022.¹ Being the first international commitment to include not only coal, but also oil and gas, the Glasgow Statement explicitly extends to signatories' capital invested in multilateral development banks (MDBs).² The potential and goal of the Glasgow Statement is to redirect \$28 billion towards a clean and just energy transition every year, if the commitments are met.³ In this policy brief, we assess the current state of implementation by the signatories with regards to their financing via MDBs, in the context of COP27 in Sharm-el Sheikh – the deadline for additional pledges to be made under the Glasgow Statement.

In 2017, MDBs committed to align their financial flows with the Paris Agreement. In 2018, they identified six building blocks as core areas for alignment, with “Alignment with mitigation goals” being one of them.⁴ Ending support for fossil fuels is one of the most important aspects of mitigation. But an analysis of nine major MDBs shows that, apart from the European Investment Bank (EIB), MDBs have not aligned their fossil fuel exclusion policies to the Paris Agreement.⁵ With a number of limited exceptions, the EIB is phasing out unabated fossil fuel investments since the end of 2021. It fully excludes coal and upstream oil and gas. The Asian Development Bank (ADB), African Development Bank (AFDB), European Bank for Reconstruction and Development (EBRD), the World Bank Group (WBG), and the Inter-American Development Bank (IDB) show some progress on Paris-alignment; they have exclusion policies on (almost) all coal financing and upstream oil and gas investments, but not on downstream oil and gas investments. The Asian Infrastructure Investment Bank (AIIB) and the Islamic Development Bank (IsDB) are completely unaligned given that both lack comprehensive exclusion policies for coal as well as upstream and downstream oil and gas investments. With the exception of the EIB, no major MDB has signed the Glasgow Statement.

1 See UN Climate Change Conference UK 2021 (2021).

2 “For government signatories, this will also guide our approach on the boards of multilateral development banks”, *ibid.*

3 See Dufour et al. (2022).

4 See World Bank (2019).

5 See E3G (n.d.).

Between 2019 and 2021, MDBs have provided on average \$4.6 billion annually for fossil fuel projects, with the biggest investor being the WBG with \$1.4 billion annually.⁶ Despite this being a significant decrease from the average of \$11.4 billion per year between 2013 to 2018,⁷ multilateral investment in fossil fuel energy projects will remain a problem given the absence of effective and comprehensive fossil fuel exclusion policies.

The continued fueling of the climate crisis on behalf of the MDBs highlights the importance of ambitious shareholder action to hold MDBs accountable for their Paris alignment commitments. Glasgow Statement signatories have not only pledged to encourage other governments and institutions to join; by acknowledging that their Glasgow commitment “will also guide our approach on the boards of multilateral development banks”, they have committed to use their voice and vote as shareholders to prevent further MDB investments in the unabated fossil fuel energy sector from 2023 onwards.⁸ The fact that (as of November 2022) signatories hold more than half of the votes at the EBRD, 45% at the WBG and 38% at the AfDB means that effective implementation by signatory shareholders has high potential to turn the tide on MDB fossil fuel financing.

To enable this, signatories now have the responsibility to specify clear criteria to guide the votes of their representatives at MDB executive boards in accordance with the Glasgow Statement. In the following, we give a short overview of current levels of implementation by screening existing relevant policies and guidelines and their distinguishing features. Subsequently, we make suggestions for governments that still need to deliver on their commitments.

(2) Glasgow Statement implementation by MDB shareholders – State of Play

The overall state of implementation of the Glasgow Statement differs between countries and institutions. A recent analysis by the International Institute for Sustainable Development (IISD) of 30 institutions of 18 signatories showed that a third (six of them Export Credit Agencies (ECAs)) do not have a publicly available fossil fuel exclusion policy.⁹ The majority of published fossil fuel exclusion policies by ECAs and bilateral Development Finance Institutions (DFIs) have not (yet) been updated to match the ambition of the Glasgow Statement. “Exemptions” and gas loopholes within pre-existing policies were the most frequent reason for misalignment with the Glasgow Statement.¹⁰ The report only identified the whole-of-government policies by Denmark and the United Kingdom (UK) as collectively Glasgow compatible for their national DFIs, ECAs and MDBs. None of the remaining countries had Glasgow-compatible ECA policies and only three countries had Glasgow-compatible DFI policies.

⁶ See O’Manique, et al. (2022).

⁷ *ibid.*

⁸ See UN Climate Change Conference UK 2021 (2021).

⁹ See Dufour et al. (2022), pp. 20-21.

¹⁰ *ibid.*, p. 22

Our analysis of the implementation of the Glasgow Statement by fifteen high-income signatory states¹¹ focuses on their MDB-relevant fossil fuel policies (see annex A for details). Our research shows that for the majority of countries, a guidance document with effective implications for MDB board voting is either non-existent or unpublished. The US are the only signatory to have published official guidance specifically for MDB vote takings (by the beginning of COP27), while Switzerland, the Netherlands, and Belgium are proven to have unpublished guidance. With a whole-of-government approach, the UK and Denmark have overarching fossil fuel exclusion policies that explicitly also include financing via MDBs. For the other countries considered, no public policy or strategy could be identified that would cover fossil fuel investments at MDBs.

This shortcoming abets the continued funding of fossil fuel projects by MDBs.¹² Governors and their Executive Directors at MDBs require clear instructions to prevent investments that are not Paris-aligned. The two case studies presented below illustrate prevalent issues that need to be addressed in order to improve the coherence of MDB financing with the Glasgow Statement.

Box 1: Low quality of guidance on fossil fuel financing (Switzerland)

Switzerland provides an example of a relatively weak voting guidance that still leaves plenty of room for fossil fuel exemptions.¹³ On the one hand, the guidance states that Switzerland rejects any coal financing, upstream oil and gas investments and mid-stream oil projects. Oil and diesel power plants are not supported except if needed as emergency power capacities. On the other hand, the guidance allows for financing of gas power plants, mid- and downstream gas and downstream oil projects in exceptional circumstances – provided that a list of four well-defined criteria is fulfilled, including e.g. the project’s alignment with the 1.5-degree temperature goal of the Paris Agreement and prevention of lock-in effects. In addition to that, Switzerland will also support non-coal fossil fuel projects that meet only “the majority” of the criteria if they serve Swiss interests regarding security of supply and employment in Switzerland.

The inclusion of potential funding of mid- and downstream oil and gas power projects is generally problematic given that new infrastructure for processing and transport of fossil fuels is fundamentally incompatible with the Glasgow Statement.¹⁴ Emissions need to be reduced immediately to limit global warming to 1.5 degrees. New fossil fuel infrastructure increases emissions and bears considerable risks of carbon lock-in beyond the time at which fossil fuels should leave the energy mix. If such investments are principally still allowed, respective funding decisions will depend heavily on the interpretation of the criteria and the quality and rigour in assessing the defined exceptional circumstances, e.g. by checking against a scientifically-based 1.5°C-compatible country scenario. The extension of exceptions to Swiss national interests in turn renders the criteria ineffective and opens up an array of non-Paris-aligned loopholes.

11 Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, Sweden, Switzerland, UK, United States (US)

12 On average \$4.6 billion annually between 2019 and 2021, see O’Manique et al. (2022).

13 See Federal Department of Economic Affairs, Education and Research (EAER), Federal Department of the Environment, Transport, Energy and Communication (DETEC), Federal Department of Foreign Affairs (FDFA) (2022).

14 See Bouckaert et al. (2021).

Box 2: Ineffectiveness of guidance on fossil fuel financing (US)

A comprehensive voting guidance is only effective if the shareholders adhere to it. The US voting guidance states, for example, that the US will oppose oil-based energy projects but that limited exceptions include projects such as oil-based power generation in crisis situations or ensuring a backup for off-grid clean energy, provided that no cleaner energy option is feasible.¹⁵ At the IDB's executive board, however, the US abstained instead of voting "no" when the board voted on providing international public finance for an oil port facility in Suriname, disregarding its voting guidance.¹⁶ While next to the US a number of other countries also abstained during the vote, regional countries voted yes, which led to the approval of the project.

The provided financial support facilitates the development of new offshore oil fields in the country rather than supporting Suriname in pursuing a just transition away from fossil fuels.¹⁷ The project does clearly not align with the exceptional circumstances outlined in the US voting guidance. Opposing fossil fuel projects requires voting against them at MDB boards instead of just abstaining. A disregard of their own voting guidance by the US renders the guidance ineffective and its contents irrelevant. It also misses out on conveying the signaling power that a firm position in this regard might have on both the bank and other shareholder.

---- end box 2 ----

While these two cases highlight the importance of both ambition and rigorous application, the following example demonstrates that more consistency in ending financial support for unabated fossil fuels is possible.

Box 3: Good practice (Denmark)

An example of relatively good practice is the Danish government's decision (effective as of early 2022) to end Danish public support and export finance for fossil fuels in the energy sector abroad. The whole-of-government approach fully excludes financing for coal and oil and allows limited exceptions for mid- and downstream gas only until 2025, making Denmark the only country that states a clear end date for fossil fuel exceptions. Exceptions include gas-fired power in the poorest developing countries, gas for "clean cooking and heating", and export-related projects that support climate neutrality by 2050. While especially the latter have the potential to weaken the ambition of the policy, at least LNG terminals for export are explicitly not supported. Apart from gas for cooking and heating¹⁸, exceptions are checked against a list of well-defined criteria such as a contribution to increased NDC ambition and climate neutrality, avoiding lock-in, stranded assets and transition risks. If rigorously applied, the exception criteria are so strict that they come close to a full exclusion of all fossil fuel finance.

15 See U.S. Department of the Treasury (n.d.).

16 See Friends of the Earth (2021).

17 See Mainhardt, Heike (2022).

18 Ideally, before supporting gas for cooking and heating, it should be assessed whether renewables combined with electrification could be an alternative. See Gebel et al. (2022).

MDB Guidance Assessment

Country	Scope												Implementation Tools					
	Coal				Oil				Gas				Coverage	Timeline for Fossil Fuel exclusion	End date for all exemptions	Policy Tools	Exemptions	Rating Overall
	Up-stream	Mid-stream	Down-stream	Total	Up-stream	Mid-stream	Down-stream	Total	Up-stream	Mid-stream	Down-stream	Total						
Belgium	Exclusion	Exclusion	Exclusion	Full exclusion for coal	Exclusion	Exclusion	Partial exclusion	Full exclusion for upstream gas. Partial exclusion for mid- and downstream gas.	Exclusion	Partial exclusion	Partial exclusion	Full exclusion for upstream gas. Partial exclusion for mid- and downstream gas.	not mentioned	No clear timeline in place	not mentioned	An exclusion list and screening criteria are in place.	Exemptions for midstream gas and downstream gas and oil apply if the project contributes to the energy transition and is ideally part of the NDC/LTS. Further exceptions include: Absence of feasible green energy sources coupled with a clear positive development (lack of alternatives should be demonstrated); consideration of a country's income and development context and its potential energy mix.	Below Glasgow
Canada	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Denmark*	Exclusion	Exclusion	Exclusion	Full exclusion for coal	Exclusion	Exclusion	Exclusion	Exclusion with very limited exceptions	Exclusion	Exclusion with very limited exceptions	Exclusion with very limited exceptions	Full exclusion for upstream gas. Very limited exceptions for mid- and downstream gas.	Covers direct support.	Entry into force in 2022	Transition period with exceptions for mid- and downstream gas remains until 2025.	An exclusion list, exemption list, and screening criteria are in place.	Exemptions for midstream gas and downstream gas and oil apply if the project contributes to the energy transition and is ideally part of the NDC/LTS. Further exceptions include: Absence of feasible green energy sources coupled with a clear positive development (lack of alternatives should be demonstrated); consideration of a country's income and development context and its potential energy mix.	Below Glasgow
Finland	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
France	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Germany	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Ireland	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Italy	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Netherlands*	Partial exclusion	Partial exclusion	Partial exclusion	Partial exclusion for up- mid- and downstream coal.	Partial exclusion	Partial exclusion	Partial exclusion	Partial exclusion for up- mid- and downstream oil	Partial exclusion	Partial exclusion	Partial exclusion	Partial exclusion for up- mid- and downstream gas.	not specified	No clear timeline in place	not mentioned	Some exemption examples (fossil emergency energy infrastructure (back-up generators), carbon capture, utilization and storage (CCUS)) are named. Screening criteria for all fossil fuel projects are in place.	Screening criteria include energy shortage or energy access in low-income countries with extreme energy poverty, the project's contribution to an energy transition path towards climate neutrality and the absence of a feasible sustainable alternative.	Below Glasgow
Portugal	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Spain	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Sweden	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	No policies	No policies	No policies	no policy document identified	no policy document identified	no policy document identified	no policy document identified			No policies
Switzerland	Exclusion	Exclusion	Exclusion	Full exclusion for coal	Exclusion	Partial exclusion	Partial exclusion	Partial exclusion for up- mid- and downstream oil	Exclusion	Partial exclusion	Partial exclusion	„Full exclusion for upstream gas. Partial exclusion for mid- and downstream gas.“	Partial exclusion for up- mid- and downstream oil	Partial exclusion for up- mid- and downstream oil	not mentioned	A list of exemptions (emissions efficiency, decommissioning of existing assets, gas power plants, LPG for cooking and heating, carbon capture and storage [CCS] and carbon capture, utilization and storage [CCUS]) is included in the policy, as well as screening criteria for exemptions.	Screening criteria include energy shortage or energy access in low-income countries with extreme energy poverty, the project's contribution to an energy transition path towards climate neutrality and the absence of a feasible sustainable alternative.	Below Glasgow
United Kingdom*	Exclusion	Exclusion	Exclusion	Full exclusion for coal	Exclusion	Exclusion	Exclusion with very limited exceptions	Full exclusion for up- and midstream oil. Very limited exceptions for downstream oil.	Exclusion	Exclusion with very limited exceptions.	Exclusion with very limited exceptions.	Full exclusion for upstream gas. Very limited exceptions for mid- and downstream gas.	Covers direct support and partially indirect support.	Effective since 31 March 2021	not mentioned	A list of exemptions (emissions efficiency, decommissioning of existing assets, gas power plants, LPG for cooking and heating, carbon capture and storage [CCS] and carbon capture, utilization and storage [CCUS]) is included in the policy, as well as screening criteria for exemptions.	Screening criteria include a detailed list of funding conditions, as well as examples of allowed and prohibited projects and additional criteria. LNG terminals for export are excluded.	Below Glasgow
United States*	Exclusion	Exclusion	Exclusion	Full exclusion for coal	Partial exclusion	Partial exclusion	Partial exclusion	Partial exclusion for up- mid- and downstream oil	Exclusion	Partial exclusion	Partial exclusion	„Full exclusion for upstream gas. Partial exclusion for mid- and downstream gas.“	„Covers both direct and indirect support.“	Issued in August 2022, but no timeline explicitly mentioned	not mentioned	A list of exemptions (decommissioning, carbon capture, use and storage [CCUS], heat generation (domestic and at times industrial or district heat generation)) is included in the policy, as well as screening criteria for gas exemptions.		Below Glasgow

 Beyond Glasgow	 Glasgow benchmark	 Below Glasgow	 No policies
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*publicly available documents

(3) Making Glasgow work at the MDBs

Implementing the Glasgow Statement requires actions both from the MDBs as well as their shareholders.

The MDBs' responsibility

MDBs need to expand their joint fossil fuel exclusion list for Paris alignment to include all fossil fuel investments. If exceptions are to be applied, these should be extremely limited and MDBs should publish clear 1.5 degrees compatible Paris alignment criteria and any respective assessments. Standardized practices on the exclusion of coal, oil and gas projects are an important market signal for the limited future of fossil fuels. Ultimately, MDBs should direct all energy funding towards renewable energies. To demonstrate their commitment, all MDBs should follow the example of the European Investment Bank (EIB) and sign the Glasgow Statement.

The shareholders' responsibility

In order to implement their Glasgow commitments and facilitate the Paris Alignment of MDBs, signatory states need to publish Glasgow-compatible policies which cover their position as shareholders at the boards of MDBs and become valid by the end of 2022. These can either take the form of overarching policies covering international public support and export finance, or the form of specific voting guidance to reject fossil fuel investments at MDB boards. In either case, it is important that clear criteria are provided, and that any exceptions are extremely limited, precisely defined, temporary, and compatible with a 1.5 degrees pathway. It is crucial that governments adhere to their policies and defend their positions at MDB boards. Publication of MDB board votes, as practiced by the US, can support accountability.

It should be noted that even before being actively applied in board voting, the existence of an ambitious guidance can have important signaling effects to bank staff - considering the amount of time and effort it takes to prepare a project for board voting, staff is likely to abstain from preparing projects that are to be rejected.

Exceptions for gas projects

Coal, upstream oil and gas investments, and investments in new midstream oil and gas infrastructure are completely ruled out under a 1.5 degrees compatible scenario;¹⁹ thus, exceptions by signatories can be expected to be made mainly for downstream oil and gas investments. For these cases, the following criteria provide an overview for relevant elements to include:

(1) Country context:

(a) Does the investment take place in a setting with particularly low energy access rates?

(b) Does the investment take place in a country with a Paris-compatible national climate strategy? (Is the strategy already anchored in legislation or agreed upon in the context of the investment?)

(2) Principle needs and alternatives assessment:

a. Has the exact scope of energy supply needed in the partner country been assessed?

b. Have alternative renewable energy solutions been thoroughly examined and been found technically or economically infeasible to meet these needs?

c. Can the alternatives assessment be accessed and is it convincing and transparent?

(3) Project-specific assessment:

a. Is the project in question required to meet the principle need defined above and is it capable of doing so within a reasonable time frame?

b. Does the project contribute to generating affordable energy access for local population segments most in need of it?

c. Is the project in question compatible with a 1.5°C pathway and the respective CO₂ budget of the country, if checked against a scientifically-based 1.5C-compatible country scenario?

d. Is it compatible with national climate targets (NDC/LTS) as well as with enhanced ambition to be expected in future NDCs?

e. Is the project compatible with the country's necessary and timely transition to renewable energy?

f. Has the risk of lock-in to fossil fuels by the project been assessed (incl. considering potential shifts in demand and their consequences) and has it been convincingly found to be minimal? Will lock-in potential be regularly assessed and have measures been identified to mitigate eventual lock-in risk in the future?

g. For investments in new fossil infrastructure: Have alternative investment options in existing fossil infrastructure been assessed and prioritized?

h. Does the project use the best available technology (BAT)?

i. Does the project support energy efficiency?

j. Does the project follow best environmental and social standards and practices, including precautionary measures to minimize methane leakage?

k. Has financial profitability of the overall investment been demonstrated, i.e.

¹⁹ See Bouckaert et al. (2021), p. 154.

has it been assessed that the investment is not at risk of becoming a stranded asset? (incl. applying shadow carbon pricing)

l. Does the project's results matrix include at least one climate-related results indicator?

m. Will any potential revenues from the project by the partner country be used to secure clean/renewable and affordable energy?

n. If gas infrastructure: Is a transition to green hydrogen (or derivatives) secured in the project contracts?

o. Has it been verified that the project does not cause any harm to other SDG targets, human rights or biodiversity? Is the application of strong governance criteria (SDG 16) ensured in project contracts?

p. Does the project align with a just transition and is this transition effectively supported by the banks (financially/technically)?

It should be noted that under the 1.5°C criterion alone, a range of downstream oil and gas investments are definitely already excluded, such as e.g. oil for heating, new gas power plants that are not primarily used to meet peak load and stabilize grid frequency, and also gas for cooking and heating when renewables combined with electrification are possible as an alternative.²⁰ An ambitious MDB-relevant policy compatible with the Glasgow Statement criterion to make any exception compatible with a 1.5 degrees warming limit should therefore exclude these things.

Effective application and accountability

Compliance with the guidance and appropriate accountability are critical. When going through their checklists, it is important for Executive Directors' offices to make sure that all assessments have been carried out transparently and made available to them in due time before the board voting. Shareholder countries should report on respective votes and the compliance of projects with their respective checklist. They should seek to build alliances with both ambitious capital owners and ambitious recipient countries. Recipient countries are free to do so themselves, but without international public financial support. Short-term energy shortages due to the Russian war on Ukraine should not distract from long-term climate goals. All investments need to be directed to sustainable forms of energy now in order to avoid similar future crises anywhere in the world.

Expanding on the Glasgow Benchmark criteria

Shareholders wanting to go a step further in implementing their Paris commitments could include additional important criteria and elements in their respective voting guidance. First, they can expand to a Paris compatible voting guidance by also covering exclusions for climate-problematic investments in other sectors (apart from energy) or by including criteria for just transition and adaptation. Covering wider themes of the Paris Agreement in a voting guidance creates additional levers to hold MDBs accountable to their Paris alignment commitments. Second, shareholders can explicitly state their intention to convince other members within their constituencies of their positioning against fossil fuel support. Swit-

²⁰ See Bouckaert et al. (2021), Fyson et al. (2022), IEA (2022), Gebel et al. (2022).

zerland already includes such a comment in its voting guidance. This approach encourages dialogue with non-Glasgow signatories about the need to phase out fossil fuels and increases the chances of turning around constituency votes. Third, signatory shareholders can limit the time period during which exemptions can be applied, following the Danish example. From 2025 onwards, Denmark will not provide any support for the unabated fossil fuel energy sector. Finally, shareholders could develop a trust fund to cover the costs for independent assessments of MDB analyses of fossil fuel energy projects and potentially also Paris alignment assessments. This would support shareholders in holding the banks accountable.

(4) Literature

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Layout

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(5) Attachment

Guidance Assessment Framework

Guidance Assessment Framework

(vgl. IISD 2022: Turning Glasgow into Action pp. 68-69)

	Criteria	Beyond Glasgow	Glasgow Benchmark	Below Glasgow	Absence of policy element / off track
Scope	Coal exclusion	Full exclusion for coal finance, including associated infrastructure	Full exclusion for coal finance, including associated infrastructure	Partial exclusion for coal finance.	No coal finance exclusion policy.
	Oil exclusion	Full exclusion for oil, with no exceptions.	Full exclusion for upstream and midstream oil. Full exclusion for unabated downstream oil, except in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit.	Full exclusion for upstream oil support. No or partial exclusion for midstream and downstream oil.	No oil and gas exclusion policy, or partial exclusion for upstream oil and gas
			(A screening list for projects is present which includes well-defined criteria such as geographic restriction, contribution to enhanced NDCs and carbon neutrality (Paris alignment), lock-in and transition risks, absence of alternatives, application of environmental safeguards.) Accepted exceptions: Oil-based power generation in crisis circumstances or as a backup for off-grid clean energy, given that no cleaner energy option is technically or commercially feasible.		
	Exclusion of gas	Full exclusion for gas, with no exceptions.	Full exclusion for upstream gas. Full exclusion for unabated mid- and downstream gas, except in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit.	Full exclusion for upstream gas support. No or partial exclusion for midstream and downstream gas.	No gas exclusion policy, or partial exclusion for upstream oil and gas.
		Clearly excluded should be: 1. new infrastructure for further processing or transportation of natural gas (e.g. new gas pipelines, LNG-Export-Terminals) 2. Activities that increase demand for gas, also considering that renewable power generation has largely achieved cost parity (e.g. new gas power plants that are not used primarily for peak load interception and grid frequency stabilization, or gas for cooking and heating when renewables combined with electrification are possible instead) A screening list for projects is present which includes well-defined criteria such as geographic restriction, contribution to enhanced NDCs and carbon neutrality (Paris alignment), lock-in and transition risks, absence of alternatives, application of environmental safeguards.			
	Direct/indirect support *	The policy covers direct and indirect support.	The policy covers direct support.	Not specified.	Not specified.
Timeline	Timeline for fossil fuel exclusion	The policy includes an end date before 2022.	The policy includes an end date of the end of 2022.	The policy includes an end date between 2022 and 2024.	The policy includes no end date, or an end date after 2025.
Implementation Tools	Policy Tools	Reference to and quality of policy tools (exclusion list/emissions benchmarks/capping or reduction targets at the portfolio level/screening criteria).			
	Definition of "exemptions"	Elements of definition.			

*(via financial intermediaries and policy-based lending inMDBs)

Ranking for the Overall Assessment:

- All the assessment criteria (coal, oil, and gas restrictions, coverage [direct/indirect support] and timeline) are ranked as Glasgow-compatible or beyond
- At least one assessment criterion is ranked as "below Glasgow". One criterion maximum is ranked as "off-track".
- At least two assessment criteria are ranked as "off-track".