

UK trade partners agree to end export credit support for unabated coal power

Key international trade partners including the US, EU, Australia and Canada, have today agreed to end export credit support for unabated coal-fired power plants. This was agreed at the Organisation for Economic Co-operation and Development (OECD) meeting ahead of COP26.

The UK ended all financial support for overseas fossil fuel projects in March 2021 and is encouraging international partners to make similar commitments as President of the G7 and an independent member of the OECD.

Through the UK's international climate leadership, the country's export credit agency, UK Export Finance (UKEF), has helped to align the climate change commitments of export credit agencies in the OECD with the UK's world leading position on fossil fuels.

International Trade Secretary and UK International Champion on Adaptation and Resilience for the COP26 Presidency, Anne-Marie Trevelyan, said:

I am delighted UK Export Finance has helped to make this important breakthrough on the eve of COP26. The UK has led the way on climate action internationally as the world's first country to end support for overseas fossil fuel projects and legislate net zero.

After a series of tough negotiations over many months, our firm action to decarbonise our export credit support is now being met by our trading partners. There is more to do – we will continue to make the case that action is needed now to align our finance behind green trade to protect our planet.

UKEF operates under international standards set by the OECD to ensure exporters do not gain an unfair competitive advantage on the international stage. This ban ensures exporters in OECD member countries will be unable to apply for export credit and tied aid support for:

- new coal fired power plants without operational (CCUS) facilities; and
- existing coal-fired power plants, unless the purpose of the equipment supplied is pollution or CO2 abatement and such equipment does not extend the useful lifetime or capacity of the plant, or unless it is for retrofitting to install CCUS.

For more information on the policy announcement, [please visit the OECD's website](#).

About UKEF

[UK Export Finance](#) is the UK's export credit agency and a government

department, working alongside the Department for International Trade as an integral part of its strategy and operations.

Established in 1919, UKEF provides insurance, guarantees and loans where the private sector will not. Backed by the strength of the government's balance sheet, UKEF has £2 billion of direct lending dedicated to financing clean growth projects and over £50 billion of capacity for exporters to tap into.

This helps to make exports happen which otherwise might not, especially in economic downturns when access to finance is constrained. All support provided by UKEF is on commercial terms, generating a return for the UK taxpayer.

Contact