



# UN-Convened Net-Zero Export Credit Alliance (NZECA)

Presentation to the Berne Union Climate Working Group  
22 August 2023



# Agenda

1. **Introductions**
2. **Status update on the NZECA**
3. **Why the NZECA?**
4. **Technical priorities**
5. **Next steps & how to get involved**
6. **Q&A**



# Status update





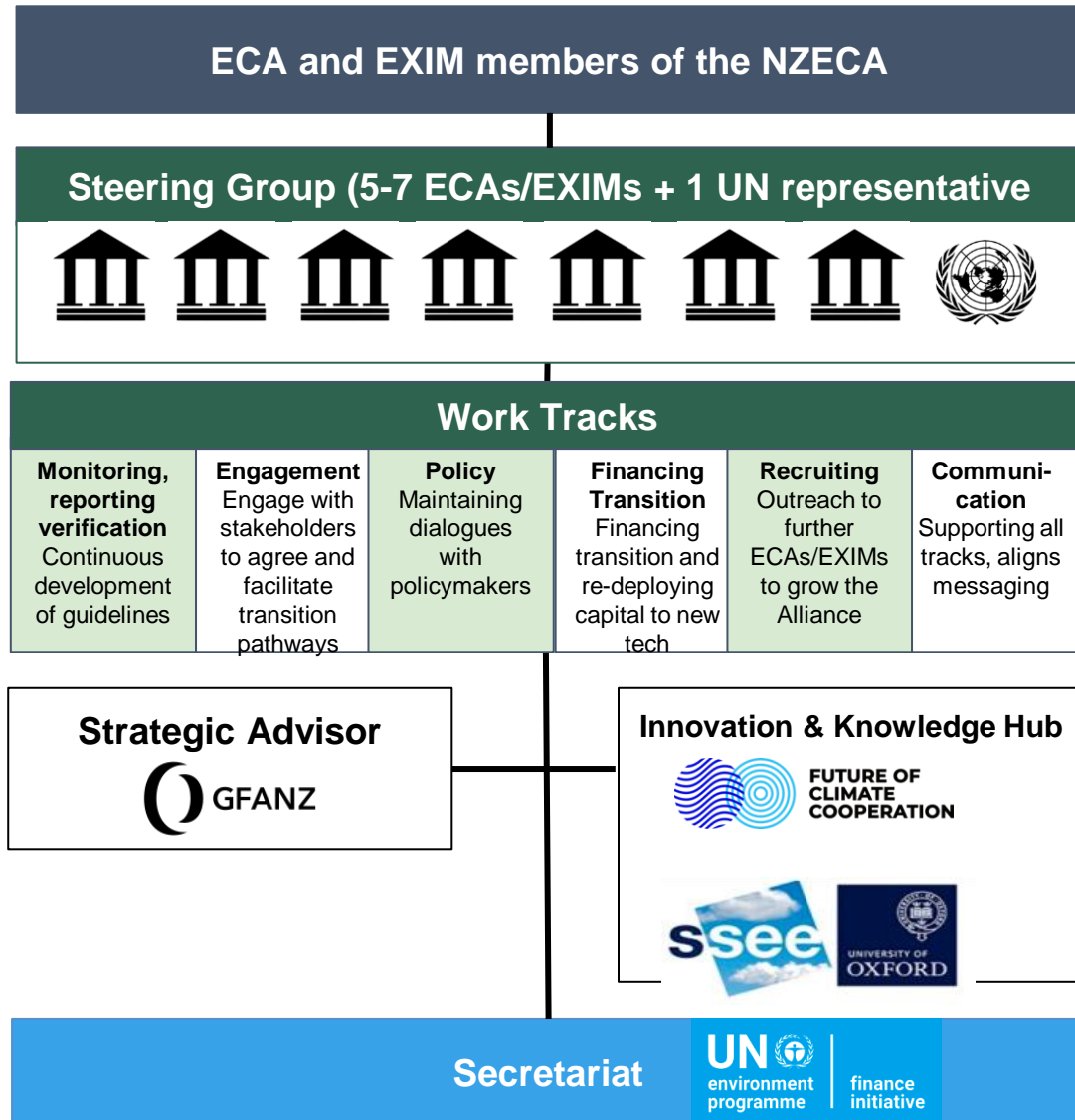
# NZECA Status Update

- A group of 5-7 ECAs and EXIMs have been meeting regularly over the last couple of months to develop the structure and focus of the Alliance.
- We are working on key documents we will need for launch including:
  - **the Commitment text:** a summary document outlining what members are committing to when they sign up to join the NZECA
  - **the Governance document:** document that will describe the accountability and decision-making structure of the Alliance. It will also cover off the roles and responsibilities of members, working groups, and the Secretariat that make up the Alliance.

**Our work so far is still in progress so we are always looking for more ECAs and EXIMs to join us in developing the Alliance and ensure that it adds value to a range of export credit agencies.**

# Quick recap of governance model

*Sample structure and work tracks of NZECA when fully operational*



**ECAs and EXIMs who are part of the NZECA will be supported by:**

- GFANZ is the world's largest coalition of financial institutions committed to transitioning the global economy to net-zero greenhouse gas emissions, with **over 550 members across more than 50 countries**.
- UNEP FI convenes 3 of the net-zero alliances under GFANZ already. Collectively, these alliances have **230 members with \$87 trillion in assets under management** across asset owners, insurers and banks.
- The Innovation and Knowledge Hub at the University of Oxford, which will provide world-leading expertise on methodology development, climate policy, export credits and global governance.



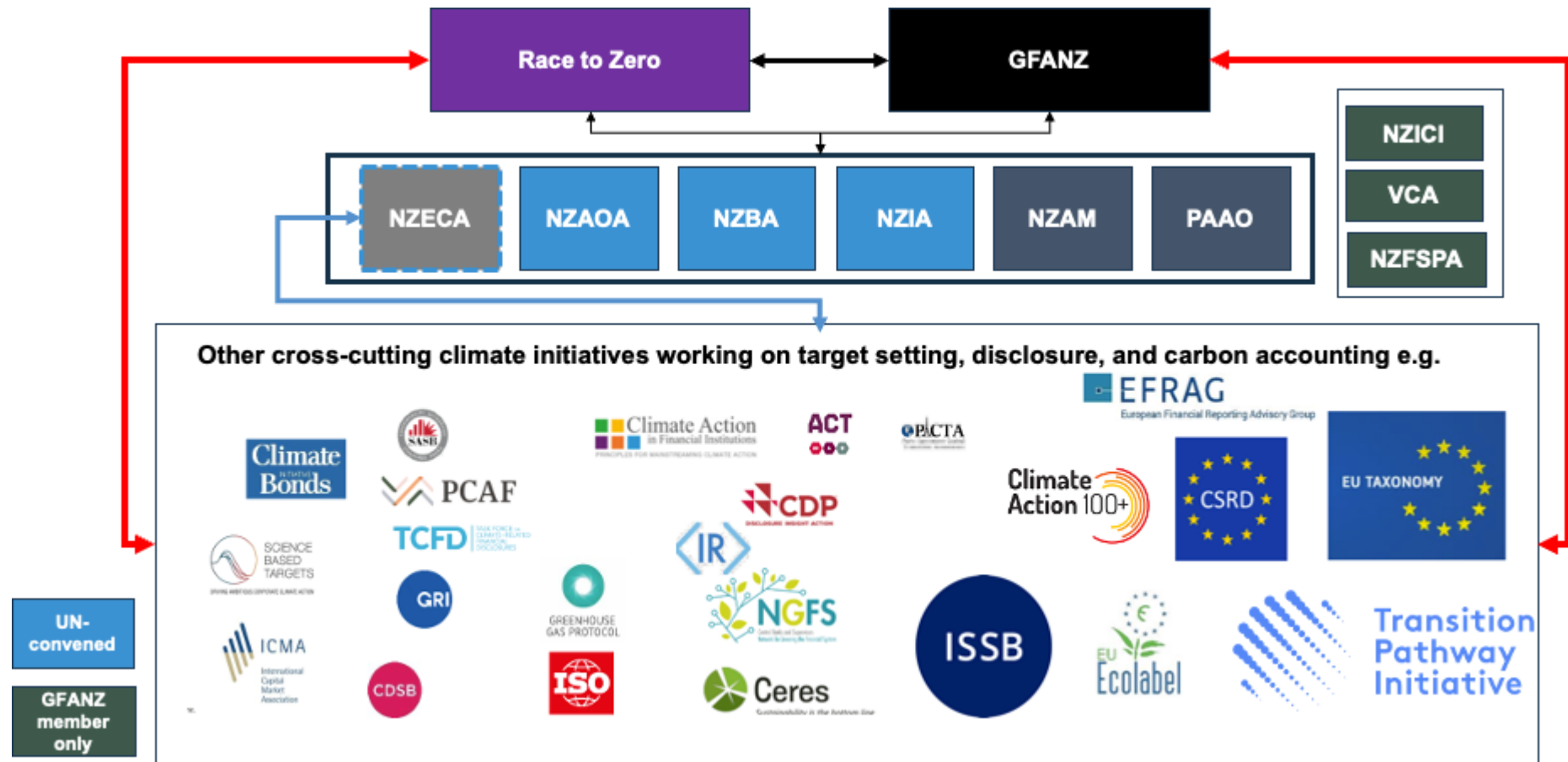


**Why the NZECA?**

# The NZECA will be the access point between members and a host of other climate initiatives

This will be achieved through:

- A dedicated secretariat, hosted by UNEP FI and supported closely by GFANZ and FCC
- Membership of GFANZ and Race to Zero (all signatories to the NZECA are expected to become members of these groups)



**Race to Zero** is a global campaign by the High-Level Champions of COP 26. It brings together net zero commitments from a range of leading networks and initiatives across society. To be accredited, initiatives must meet Race to Zero's 'minimum criteria'. Institutions cannot join individually.

**The Glasgow Finance Alliance for Net Zero** is a global coalition of leading financial institutions committed to accelerating the decarbonization of the economy and coordinates the financial sector net zero alliances.

**What are ECAs already involved in the NZECA development doing? And why do they believe the NZECA would add value?**





# The Net-Zero Export Credit Alliance will be a new platform dedicated to bringing together a high ambition group to deliver on net-zero commitments by 2050 or sooner

The NZECA will seek to work closely with existing groups, such as the Berne Union and E3F, but will seek to create differentiated opportunities for ECAs and EXIMs.



## Bringing together leading ECAs and EXIMs

The NZECA would seek to bring together a subset of ECAs and EXIMs who are committed to delivering on net-zero commitments. This core group will be best placed to develop and mainstream alignment on net-zero approaches for all ECAs and EXIMs through leading by example.



## Focused on implementation and accountability for net-zero commitments

The NZECA will seek to delve into the development of methodologies on target setting, reporting, monitoring and client engagement for net-zero commitments for ECAs and EXIMs.



## Developing consensus on net-zero approaches

Through a process of alignment and standardization, the NZECA will help level the playing field for industries across different jurisdictions on export credit, which will provide more stability for jobs and economic growth throughout the climate transition.



## Creating greater access for ECAs and EXIMs across existing climate initiatives

The NZECA will ensure better collective representation of ECAs and EXIMs across several influential climate initiatives, including GFANZ, TCFD, PCAF, SBTi and the UNEP FI-led net zero alliances.



## Benefitting from the support of GFANZ, UNEP FI and FCC

The NZECA will be closely supported by GFANZ, UNEP FI and FCC, which enable it to benefit from involvement in key events (e.g. COP28) and emerging topics of shared interest (e.g. JETPs) with the support of leading authorities and scholars on net-zero.



**Technical priorities**

# Key technical priorities of the NZECA

The Alliance will utilise state-of-the-art tools and seek to leverage existing initiatives to develop technical resources to accelerate climate action by export credit agencies.

## Target setting at portfolio level



This will involve the development of sector and asset specific methodologies for ECAs and EXIMs to set and report ambitious climate target sets. The development of target setting will be done in close collaboration with groups such as SBTi and PCAF.

## Measurement of impact on real economy emissions



This will focus on moving beyond measuring climate risks and opportunities to managing ultimate impacts on the real economy. This would involve first developing approaches to identify and measure organisational impacts.

## Financing the transition



This would look to outline financing strategies which would deliver real-economy emissions reduction in support of an orderly, net-zero transition. Strategies to be explored include climate solutions, aligned or aligned assets/products and managed phaseout in sectors.

## Joint engagement and monitoring of engagement



This would look to develop standards on client engagement across sectors and jurisdictions to ensure consistency of messaging. The Alliance would seek to identify key levers available to ECAs and EXIMs to create climate positive impact.

## Development of net zero benchmarks



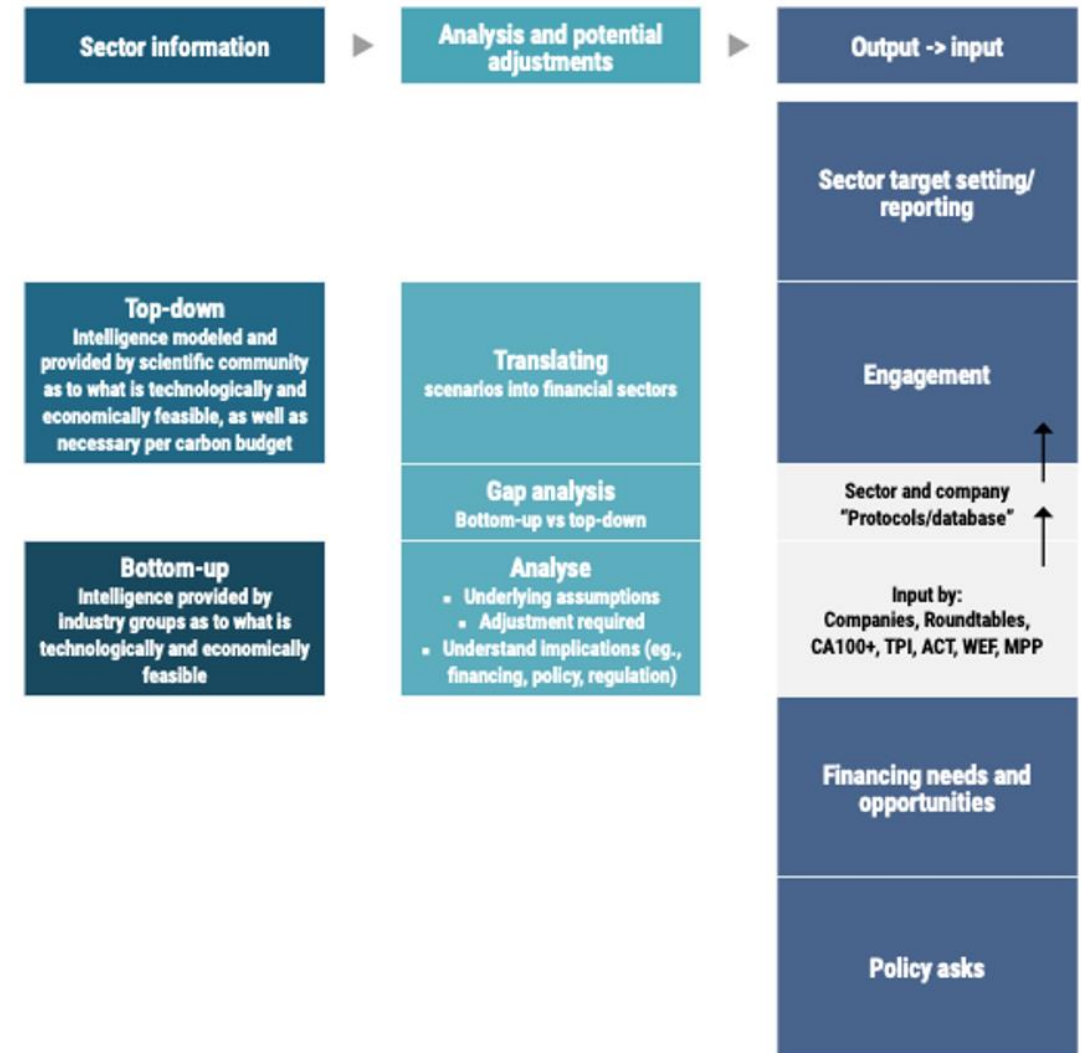
This will involve developing industry-wide principles for net zero benchmarks for export credit portfolios. Principles may include avoiding mechanical exclusions of high-emitting sectors and including forward-looking indicators as key inputs.




# Example: Target setting methodology

**Sector engagement is critical to create changes outside of the financial sector and impact the real economy.** The graphic provides an example of an approach to setting targets at sectoral level. which involves:

- Collecting both top-down and bottom-up data. The Alliance would work with existing data providers and members to understand gaps in data and create more consistent frameworks for data collection.
- Defining an average carbon reduction pathway for key high-emitting sectors in the portfolio. Sectoral decarbonisation pathways which have already been developed can be used to inform this and to set targets.
- Setting clear portfolio alignment targets, underpinned by analysis - these may be intensity-based or absolute-reductions on all material sectors.
- Identifying financing needs and opportunities across sectors to create a truly robust, resilient and sustainable economy.



Source: AOA Target Setting Protocol



**Next steps and how to  
get involved**

# Next steps - timeline

Biweekly meetings and email coordination of the Incubation Group up to COP28 launch

- Runthrough the Commitment text and confirm process for finalising
- Discuss the Governance model, discuss/refine draft structure from UNEP FI
- Finalise the Governance document
- Plan for COP28 launch, including comms strategy
- NZECA is launched at COP28
- Incubation group dissolves, and NZECA is formed by founding signatories

Q2

Q3

Q4

Q1 2024

## 15-16 June: TXF Global 2023 & other conferences

- Eric Usher (Head of UNEP FI) to share the NZECA concept
- Andreas Klasen and reps working on the NZECA to have a number of informal meetings

## August: Ongoing outreach to ECAs and EXIMs

- Conduct an ECA group meeting / webinar in late August with a wider participation of ECAs; preceded by the wide outreach through various channels (please share ideas) and bilateral discussions with interested ECAs

## November: COP28

- Official NZECA launched with leadership group
- Structure of working groups, leads and 2024 priorities are finalised

## January onwards: Implementation of the NZECA workplan

- Priorities over the year will likely include increasing the membership, developing related tools and other resources, establishing links with other net-zero initiatives, and the first in-person summit of the membership



# How to get involved

- There is an open opportunity to get involved with the NZECA without needing to commit to membership immediately. ECAs and EXIMs are welcome to join an ‘incubation group’ which is meeting regularly over coming months to develop the priorities, structure and launch plans for the NZECA.
- ECAs and EXIMs interested in hearing more about the NZECA or the incubation group are welcome to contact:
  - **UNEP FI:** Remco Fisher ([kai.fischer@un.org](mailto:kai.fischer@un.org)) and/or Rahnuma Chowdhury ([rahnuma.chowdhury@un.org](mailto:rahnuma.chowdhury@un.org))
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  - **GFANZ:** Eileen Wang ([ewang@gfanzero.com](mailto:ewang@gfanzero.com))

## Incubation Group Concept



Semi-formal  
brainstorming group,  
no commitments



Working with peers and  
future Secretariat  
experts



Will exist only until the  
NZECA launch at  
COP28



Developing core  
NZECA outputs e.g.  
the Commitment Text



Q&A