

Brussels, 5 February 2026
(OR. en)

6045/26
ADD 1

LIMITE

CCG 7

'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council
Subject: Report on developments in the EU's export finance system
- Approval

REPORT ON DEVELOPMENTS IN THE EU'S EXPORT FINANCE SYSTEM

INTRODUCTION

Since 2020¹, the Council annually examines and approves annual reports on developments in the EU's export finance system, intended to raise awareness of new trends in officially supported export finance and the changing global environment in which European export credit agencies (ECAs) operate, and to make suggestions for the way forward.

Each year the Council invites the Export Credits Group to submit such a report to it, via Coreper.

¹ 5090/20.

The fourth report, reviewing the year 2024, was approved by the Council on 11 March 2025².

The current reporting exercise covers the year 2025.

I. CHALLENGES TO EUROPE'S COMPETITIVENESS IN EXPORT FINANCE

The traditional export credits system, which has long been shaped by the OECD Arrangement on Officially Supported Export Credits, has faced increasing challenges since the early 2010s. Factors such as new actors, varied financing models and increased global competition in the new geostrategic reality are reshaping the landscape. Against this backdrop, the successful completion of the first phase of modernisation in 2023 was a key achievement. While this was an important first step demonstrating the possibility for the Arrangement to address the evolving geopolitical and geoeconomic reality with the regulatory framework, the Arrangement still faces pressing challenges. In this context, the focus of the work over the last year was two-fold: first, on continuing the modernisation of the Arrangement by starting the second phase of the process, and second in the establishment of the EU export credits strategy towards enhancing EU competitiveness, matched internally through reflections on the role of EU ECAs within the framework of EU policies related to competitiveness including the Global Gateway strategy.

Parallel work has been conducted on the remaining issues from the first phase of the modernization, mainly on climate change related aspects.

This work included addressing the following relevant issues.

² 5743/25 + ADD 1.

1. Climate

i) Revision of the Arrangement and Sector Understandings

The process of revising the climate-related provisions of the Arrangement was launched in 2020, with the first agreement in October 2021 on ending official export credit support for unabated coal-fired power plants. This provided the basis for further developments and was followed by a comprehensive revision of the Climate Change Sector Understanding (CCSU), which was concluded by the Participants in March 2023 and entered into force on 15 July 2023³.

Following on from the agreement reached by the Participants on 20 October 2021 to end official export credit support for unabated coal-fired power plants⁴, Council conclusions on export credits⁵ called on the Commission to launch a discussion with the Participants to the OECD Arrangement to reach an agreement on ending officially supported export credits for projects in the fossil fuel energy sector, beyond coal and including oil and natural gas projects, in line with some Participants' COP 26 commitments.

³ 10121/23 + ADD 1.

⁴ 12622/21 and 12623/21 (Annex).

⁵ 7101/22.

Discussions regarding the review of Article 6 of the Arrangement began in March 2023 and continued in 2024. However, an agreement on restricting support for fossil fuels was not possible at that point in time, despite an ambitious EU position⁶. Building on this experience, in 2025 steps were taken towards establishing a foundational basis for increasing transparency on export credit transactions within the energy sector. In the margins of the Participants plenary session in November 2025, the EU, Norway, the UK, Australia and Switzerland signed a Joint Statement on Voluntary Transparency for Energy Transactions notified under the OECD Arrangement on Officially Supported Export Credits with Voluntary Participants⁷. The core objective of this joint statement was to anchor the practice of voluntary disclosure of energy-related transactions within the export credit landscape, while permitting the EU and like-minded Participants to continue to engage with other Participants to find a consensus agreement on fossil fuels and transparency when the international context is more favourable.

These discussions are set to continue in the coming years. The EU remains committed to continuing discussions on the revision of Article 6 of the Arrangement and the Climate Change Sector Understanding (CCSU).

In parallel, the goal of decarbonisation in international shipping through specific provisions for green ships under the Ship Sector Understanding (SSU) remained high on the agenda of the Export Credits Group in 2025. The Group supported sharing of information on all topics that could facilitate technical discussions on potential amendments to the SSU in this respect.

⁶ 16807/24 + ADD 1.

⁷ 14423/25.

ii) Exchange of information

In the 2022 Council conclusions on export credits, the Member States expressed their willingness to enrich their annual reporting to the Commission pursuant to Annex I to Regulation (EU) No 1233/2011 with a climate-oriented review of their respective officially supported export credit activities, sector by sector, in line with a commonly agreed methodology to be drawn up in 2023. To this end, a revised template for the annual reporting of ECAs' activities to the Commission was agreed in September 2023⁸. The second report drawn up by the Commission on the basis of the revised template was discussed by the Export Credits Group in January 2026⁹.

2. Enhancing the global competitiveness of the Arrangement

Within the OECD

The first phase of the modernisation of the existing rules on officially supported export credits set out in the Arrangement was launched by the Participants¹⁰ in November 2020. It aimed to adapt the financial terms to market needs in a changing global financial landscape, in particular with respect to provisions governing maximum repayment terms and repayment profile. The first phase of modernisation was concluded and the amended provisions entered into force on 15 July 2023¹¹. The process also encompassed provisions regarding the Commercial Interest Reference Rate (CIRR) reforms. In 2025 the Export Credits Group also supported the revision of the Arrangement as regards the interest rate provisions, which set the minimum CIRR that applies to official financing support for export credits¹². This revision of the Arrangement entered into force in July 2025.

⁸ WK 7165/23 REV 2.

⁹ 16423/25 + ADD 1.

¹⁰ The participants in the Arrangement are Australia, Canada, the EU, Japan, South Korea, New Zealand, Norway, Switzerland, Türkiye, the UK (joined on 7 June 2021) and the US.

¹¹ 10117/23 + ADD 1 and 10121/23 + ADD 1.

¹² 10214/25 + ADD 1.

The Export Credits Group also supported the proposal regarding the Aircraft Sector Understanding (ASU) financial terms and conditions for spare engines and used aircraft contracts¹³ and the ASU terms on the obligor risk classification in *de minimis* transactions involving agricultural aircraft¹⁴.

As already noted, there are pressing challenges ahead for the Arrangement. Official support from non-OECD actors outside the scope of the Arrangement continues to compromise fair competition, particularly in developing countries. Among the Participants, increased recourse to untied instruments that not only emphasise national content but also aim to promote broader national interests through more diverse and flexible support mechanisms threatens the level playing field. Against this backdrop, the EU proposed initiating the second phase of modernisation of the Arrangement, as outlined in the Common Framework for Modernisation of the Arrangement¹⁵, to achieve the following: 1) introduce flexibility that empowers exporters to better compete with non-OECD actors, especially in developing markets, by modernising the Tied Aid framework and investigating potential additional flexibilities for non-concessional finance; and 2) enhance transparency regarding official export support that falls outside the Arrangement's scope.

These discussions were reflected in the decision made by the Heads of Delegation during their meeting in December 2025¹⁶ to delineate the EU's ambitions and work plan regarding the second phase of the Modernisation and to actively pursue these discussions with the other Participants.

¹³ 6394/25.

¹⁴ 13548/25.

¹⁵ WK 7894/20 REV 3.

¹⁶ WK 160/26.

At global level

The International Working Group (IWG) process was launched on the basis of a bilateral initiative by President Obama and then Vice-President Xi Jinping in February 2012. The long-term objective of the IWG is to agree on a new set of multilateral disciplines on export credits. On 19 November 2020, the European Union and 10 like-minded countries announced the suspension of technical negotiations in the IWG¹⁷, noting the lack of consensus among IWG members on certain core issues, including the transparency of the terms offered in export finance transactions, and the need for a commitment from all IWG members to international standards for debt sustainability.

The EU reassesses the need to hold a high-level IWG meeting at the end of each calendar year. In its assessment, the EU considers proposals from other IWG members, and the progress achieved on the EU's priorities in the field of officially supported export credits. The assessment carried out in 2025 by the Export Credits Group led to the conclusion that the conditions for calling a meeting of the IWG vice-ministers in 2025 had not been met and that, under the circumstances, it was not in the EU's interests to call such a meeting at this stage¹⁸.

¹⁷ https://trade.ec.europa.eu/doclib/docs/2020/november/tradoc_159084.pdf

¹⁸ WK 15096/25.

Council Conclusions on export credits

On 15 March 2022, the Council adopted Conclusions on export credits. Those Conclusions not only highlighted the previously mentioned points but also expressed the Member States' commitment to strengthening the role of export credits as vital tools in pursuing key policy objectives for the EU and its Member States. The Council Conclusions recognised the need to modernise the Arrangement in order to preserve its relevance against increased global competitiveness. They also welcomed the Commission's commitment to explore options for an EU strategy for export credits, including an EU export credit facility and enhanced coordination of EU financial tools as a complement to national export credit facilities, to development aid, and to investment support, both at national and EU levels and emphasised that the design of any possible EU facility must focus on addressing market failures and institutional gaps and possible valuable synergies in the EU landscape for the provision of official support.

The Conclusions also drew attention to the experience and key role of national ECAs in mobilizing private capital and stakeholders required for the successful implementation of the EU Global Gateway strategy.

While the comprehensive revision of the Arrangement was concluded in 2023, some outstanding issues in the CCSU and work to implement stricter conditions to provide support for the fossil fuel sector, as noted above, are still pending. Internally, Member States reported on their national implementation of the climate pact in line with the Council Conclusions.

There have also been significant EU internal developments regarding the EU strategy for export credits, including the creation and work of the Commission Expert Group on Enhanced Coordination of External Financial Tools, cooperation of ECAs with the EIB Group aimed in particular on support for exports and investments in Ukraine, the setting up of the Global Gateway Investment Hub and the launch of negotiations about the next EU Multiannual Financial Framework.

At their meeting in December 2025, Heads of Delegation noted the need to work on a new set of Council Conclusions which would take into account current challenges for export credits financing and outline the EU commitments towards addressing them¹⁹.

EU strategy on export finance and enhanced coordination

The Commission's trade policy review communication of 18 February 2021 announced the Commission's commitment to 'exploring options for an EU strategy for export credits', including an EU export credit facility and enhanced coordination of EU external financial tools.

This process was taken up within the Council through the Conclusions on export credits adopted in March 2022²⁰ and, regarding the analytical design of the EU export credits strategy and assessment of the opportunities for enhanced coordination and for an EU export credits facility, through the Feasibility Study on an EU strategy on export credits of May 2023²¹.

Throughout 2025 and in various contexts, the Export Credits Group discussed potential coordination between various funding streams in the Member States and in the EU, and the challenges and opportunities this could bring for EU exporters. The experience and role of national ECAs in mobilising private capital and various stakeholders to successfully implement the EU Global Gateway strategy was also discussed.

In particular, the launching of the Global Gateway Investment Hub in October 2025 and prospective scaling up of its operations was and will continue to be closely followed, as it could provide input to the ongoing discussions on the export credits strategy, including on a specific EU financial tool to support ECAs operations. The potential of the Global Gateway Investment Hub as a model for coordination between Teams National (including ECA involvement) and Team Europe was noted.

¹⁹ WK 160/26.

²⁰ 7101/22.

²¹ WK 3621/23 REV 1 + ADD 1 REV 1.

With the positive endorsement of Heads of Delegation, the Export Credits Group pursued reflections on ways to boost EU export credits support and strengthen external EU financing. The Danish Presidency prepared an overview²² of potential headlines / building blocks that could be used in developing an updated high-level message on export credits to address the new EU initiatives on financing related to export credits, in particular in the ongoing discussions on the next multiannual financial framework (MFF), the involvement of export credits in the Global Gateway, Team Europe / Team National-approaches, the new Global Gateway Investment Hub and approaches to improve EU competitiveness.

It is also noted, that the Commission Expert Group on Enhanced Coordination of External Financial Tools continued its work in 2025, enhancing coordination between relevant official financing institutions at national and EU level, which has further increased the momentum of these discussions. Member States' ECAs are engaged in the work of this expert group, together with the relevant ministries, the participating EU institutions, including the European Investment Bank (EIB), Member States' development finance institutions (DFIs) and representatives of EU industry, with a view to identifying opportunities for and facilitating coordination regarding specific projects that support the EU's policy objectives. The Group met two times in 2025 (March and October).

Global Gateway framework

In a joint communication of 1 December 2021, the Commission and the High Representative of the Union for Foreign Affairs and Security Policy launched the Global Gateway strategy²³, a European strategy to boost smart, clean and secure links in digital, energy and transport sectors, and strengthen health, education and research systems across the world.

²² WK 13476/25.

²³ 14675/21.

Since the first Global Gateway flagship projects list was drawn up in 2022, EU ECAs have been invited to take part in this process through their national representations. In 2025, EU ECAs were once again invited to take part in this annual exercise through the RELEX Horizontal Questions Working Party and through regular updates and discussions in the Export Credits Group.

The second conference on Enhanced Coordination of external financial tools and scaling up of the Global Gateway took place on 1 October 2025. The conference underscored the need to include ECAs in the EU toolbox to support EU competitiveness. The independent experts moderating the Conference provided their Operational Conclusions, which notably emphasised the need to develop an EU-level financial tool to support operations of EU ECAs and considered the principal parameters of this tool. The Operational Conclusions also recommended to create a dedicated European Commission coordination unit to systematically integrate ECAs with DFIs and EU offers. This recommendation is already being put forward in the framework of the Global Gateway Investment Hub.

The launching of the Global Gateway Investment Hub in October 2025 provided new perspectives for enhancing the participation of ECAs in the projects within the Global Gateway framework. The aim of the Global Gateway Investment Hub is to provide a central framework for receiving and assessing EU private-sector investment projects and connecting them with a broad array of financial and non-financial EU support, including funding from the European Commission, the EIB, DFIs, ECAs, and national governments. By offering a clear, coordinated and agile entry point for investment proposals, the hub is expected to foster impactful projects that promote sustainable development abroad while opening up new opportunities for EU businesses.

II. MULTIANNUAL FINANCIAL FRAMEWORK

In July 2025, the Commission put forward two proposals with potential impact on the involvement of EU ECAs in the EU financing architecture: the European Competitiveness Fund²⁴ and the Global Europe Instrument²⁵. The proposed Global Europe Instrument intends to foster partnerships that contribute ‘simultaneously to the sustainable development of partner countries and to the strategic interests of the Union’ and the EU financial support is seen as a tool to advance the EU’s competitiveness, economic security and open strategic autonomy. The Global Gateway was formally designated as the main vehicle for EU economic foreign policy, which reinforces the EU’s focus on leveraging private-sector investment to achieve its foreign policy goals.

While the scope of application of the two above mentioned instruments differs, they are interlinked. Both proposals contain provisions which aim at ensuring the consistency, coherence, synergies and complementarity in Union external action, in particular to support global competitiveness, ensure diversified supply sources, and strengthen export potential and opportunities of European companies. The funds may contribute to each other’s actions. The EUR 200-billion (proposed) Global Europe Instrument places emphasis on the external dimension of EU competitiveness, thus offering synergies with the internal focus of the EUR 409 billion (proposed) European Competitiveness Fund. The examination of these two proposals is ongoing within specifically tasked Council preparatory bodies. The Council Export Credits Group has, for its part, prepared a paper on key features and principles for EU export credit support²⁶, which could feed into the ongoing discussions in specific Council fora.

²⁴ COM(2025) 555 final.

²⁵ COM(2025) 551 final.

²⁶ WK 13541/25 REV 3.

For its part, the Commission is carrying out exploratory work within the framework of the MFF on the EU financial tool(s) open to ECAs. This also includes a report by external experts on the potential EU financing tool and exploration of options for the EIB to support ECAs' business under the current MFF.

The Export Credits Group will maintain its role in providing input for the MFF discussions throughout this process. The Presidency paper on key features and principles to ensure the additionality of an EU-level export credit support tool was endorsed by the group in December 2025 and will be relevant background to inform the discussions in other Council and relevant EU fora.

III. RESPONSE TO THE WAR IN UKRAINE

i) Response to the war in Ukraine

Since the start of the war, almost EUR 180 billion in support has been provided to Ukraine and Ukrainians. This includes financial, humanitarian, emergency budget and military support for Ukraine from the EU, Member States and the European financial institutions, as well as resources made available to help Member States cater for the needs of Ukrainians fleeing the war.

The EU's Ukraine Facility will provide up to EUR 50 billion in grants and loans for the period 2024-2027 to support Ukraine's efforts to sustain macro-financial stability, promote short-term recovery and rebuild and modernise the country, whilst implementing key reforms on its EU accession track.

Within the Ukraine Investment Framework (UIF), the facility's investment arm, the first guarantee and grant agreements totalling EUR 1.4 billion were signed in 2024 at the Ukraine Recovery Conference in Berlin to support the country's recovery and reconstruction. These agreements benefit private companies, including small and medium-sized enterprises (SMEs), municipalities and Ukrainian state-owned enterprises through their focus on the repair, rehabilitation and development of energy infrastructure.

Since 2024, the EU guarantee tool to support EU SMEs and small mid-cap exports to Ukraine, provided by InvestEU through the European Investment Fund (EIF), was operationalised. This programme provides ECAs in participating EU countries with guarantees, backed by the EIF, to help reduce the risks associated with exporting goods and services to Ukraine. It aims to bolster Ukraine's economic recovery and resilience by encouraging trade and economic partnerships with EU companies. As of July 2025, several EU Member States are participating in this programme.

In 2025 there were further developments with regard to the proposed investment programmes in support of EU and Ukrainian investors and EU exporters, within the UIF.

In particular, an EU foreign direct investment and EU single market integration programme was proposed through the EIB with the aim of overcoming market failure and creating immediate enabling and catalyst effects for EU and Ukrainian corporates to invest in capital-intensive and large-scale projects in Ukraine. This programme targets all sectors eligible under the Ukraine Facility, the Ukraine Plan and the UIF strategic orientations, with a specific focus on new capital expenditure and green investments²⁷. The proposed investment scheme is divided into two sub-components:

1. support for European corporates investing on-balance-sheet in long-term projects in Ukraine;
2. support for Ukrainian corporates sponsoring projects with sizeable EU supply of capital goods.

The UIF agreement was approved in October 2025 and the negotiations between the Commission and the EIB on the guarantee were launched.

In 2026, the Export Credits Group will continue monitoring the progress of these initiatives and examine the lessons learned and opportunities that such an approach could bring for ECAs' activities.

²⁷ WK 13724/25.

ii) Economic sanctions against Russia

In 2025, the Council adopted a series of targeted economic sanctions against Russia²⁸. Throughout this process, the members of the Export Credits Group coordinated and discussed the implications for EU export credit providers with their counterparts in the relevant Council preparatory bodies.

IV. TEMPORARY AMENDMENTS TO CERTAIN PROVISIONS OF THE ARRANGEMENT

Article 32 a) of the Arrangement states: ‘There shall be no tied aid to countries whose per capita GNI, according to the World Bank data, is above the upper limit for lower middle income countries. The World Bank recalculates this threshold on an annual basis. A country will be reclassified only after its World Bank category has been unchanged for two consecutive years.’ In June 2024, the World Bank classified Ukraine as an upper middle income country for the first time. This classification was used by the World Bank again in June 2025 and as a consequence, Ukraine is no longer eligible to receive tied aid.

While Ukraine’s economy has been significantly impaired by the crisis resulting from Russia’s war of aggression, real growth has been driven by construction activity (24.6 %), reflecting a sizable increase in investment spending (52.9 %) supporting Ukraine’s reconstruction effort amid ongoing destruction. Furthermore, the continued decline in population, which has fallen by more than 15 %, has a significant effect on per capita GNI, which has risen. Against this background, the EU considered it judicious to support the common line extending to Ukraine eligibility for tied aid²⁹. This common line entered into force in August 2025 and will remain in place for two years.

²⁸ 13555/25 and 13553/25 + ADD 1.

²⁹ 10217/25 + ADD 1.

V. REPORTING IN LINE WITH COUNCIL DECISION 2006/789/EC

According to the Council Decision of 13 November 2006 on consultation and information procedures in matters of credit insurance, credit guarantees and financial credits, the Policy Coordination Group for Credit Insurance, Credit Guarantees and Financial Credits is to submit half-yearly reports on the application of the procedure referred to in Titles I and II of that Decision.

In 2025, 750 notifications were submitted, and no difficulties were encountered in the application of the procedure set out in that Council Decision.

The Export Credits Group will be informed on a half-yearly basis about the application of the Council Decision, and a further report will be submitted to the Council through this annual reporting exercise.

VI. ASSESSMENT OF THE MAIN DEVELOPMENTS

- (a) The EU's efforts to bring the negotiations to a successful conclusion and to secure the entry into force of the revised Arrangement on Officially Supported Export Credits on 15 July 2023 brought closer the prospect of a more level playing field for official support for export credits. However, there are still urgent challenges facing the Arrangement. Official support outside the Arrangement's scope, provided by both OECD and non-OECD actors, continues to undermine fair competition, particularly in developing countries, potentially distorting the level playing field between Participants. The EU is therefore ready to launch the second phase of modernisation, agreed in the Common Framework and building on the progress already achieved.
- (b) The revised CCSU, as part of the overall revision, allowing countries to offer more flexible support for green projects, has been the foundation for further work undertaken on the climate-related parts of the Arrangement and in particular on the outstanding elements of the CCSU and in relation to the review of Article 6. The EU remains committed to steering the discussion at Participants level and thereby pursuing its Green Deal agenda.

- (c) The EU's negotiating ambition to end all support for fossil fuel projects (in the mandated review of Article 6 of the Arrangement) has made it possible to significantly advance discussions at the OECD. While an agreement on the revision of Article 6 was not possible, the EU proposed to interested Participants a 'coalition of the willing' transparency exercise, as a first step, to anchor the practice of voluntary disclosure of energy-related transactions. On this basis the EU, with like-minded Participants, will continue to engage with other Participants to find a consensus agreement on fossil fuels and transparency once the international context is more favourable.
- (d) Work on an autonomous EU strategy has taken on particular importance. Enhanced coordination of EU external financial tools can leverage greater complementarities between official support for export credits and the relevant external financial tools managed by the EU institutions, in particular development finance and climate finance. The Commission and the Member States will continue to work together to develop the strategy, in particular in the context of the ongoing MFF negotiations.
- (e) The measures taken to mitigate the economic effects of the war in Ukraine and engage in its reconstruction make it possible to harness the potential of the EU's ECAs in this process. The Commission and Member States will continue to work together with other stakeholders, such as the EIB, to provide support to Ukraine.

VII. CONCLUSION AND WAY FORWARD

The Permanent Representatives Committee was asked to recommend that the Council:

- approves this report;
- notes the results achieved by the EU in discussions to end export credit support for fossil fuels, including the ongoing negotiations on the outstanding issues and the transparency-related initiatives, as set out above, under the Arrangement on Officially Supported Export Credits;

- notes the EU ambition to launch the next phase of modernisation the Arrangement on Officially Supported Export Credits in order to preserve its relevance and foster fair competition and the level playing field between Participants;
 - notes the approach taken to the ongoing work on the EU export credits strategy, including enhanced coordination of external financial tools, as set out above, and invite the Export Credits Group to continue its work in relation to the EU strategy for export credits , including in the context of the ongoing MFF negotiations, and to provide guidance for these efforts, including through the heads of delegation, as necessary;
 - invites the relevant Council preparatory bodies to monitor developments at global level and assess the progress made regarding the International Working Group on Export Credits in 2026;
 - invites the Export Credits Group to continue providing the Council, via Coreper, with reports on developments in the EU’s export finance system.
-