

To:

Ms. Katherina Reiche

Federal Minister for Economic Affairs and Energy

Bundesministerium für Wirtschaft und Energie

10100 Berlin

02.06.2026

Subject: Revision of the Climate Policy Sector Guidelines for Foreign Trade Promotion

Dear Minister Reiche,

We are writing regarding the forthcoming revision of the climate policy sector guidelines for foreign trade promotion. In light of Germany's national and international climate commitments, as well as the growing economic importance of climate-compatible industries, we urge the Federal Ministry for Economic Affairs and Energy to strengthen the existing guidelines and close the remaining loopholes for fossil fuel-related support mechanisms.

The figures reported by the German government to the Export Finance for Future (E3F) 2025 Transparency report¹ initiative demonstrate that fossil fuel-related business is already losing relevance compared to climate-positive business activities. In addition, Germany signed the Clean Energy Transition Partnership (CETP) in 2021, formerly known as the "Glasgow Statement," thereby committing to ending public financing for fossil fuel projects abroad by the end of 2022. The sector guidelines initiated this necessary transition process, but they have not yet fully implemented the commitments Germany has undertaken internationally.

We acknowledge that the German sector guidelines extend beyond the power sector and also address emissions-intensive sectors such as transportation, including shipping and civil aviation, as well as industrial processes. In this regard, Germany's approach is more comprehensive than that of many other CETP signatories. Nevertheless, the current framework still contains too many exemptions and loopholes. This applies equally to export credit guarantees, investment guarantees, and untied loan (UFK) guarantees, for which climate assessments exist but comprehensive sector guidelines are still lacking.

Support for gas-fired power plants should be terminated. Industry representatives frequently argue that the current requirements are too ambitious and that a coal-to-gas transition would already constitute a sufficient contribution to climate protection. However, this perspective neglects the long-term consequences of new fossil gas infrastructure. Even highly efficient gas-fired power plants, including those described as "H2-ready" or "CCS-ready," create a fossil fuel lock-in effect that is incompatible with the long-term objective of climate neutrality - in Germany as well as in partner countries. CCS remains an unproven and economically uncertain technology at industrial scale and should not be used to justify continued fossil fuel investments. Likewise, claims regarding future conversion to hydrogen are insufficient without strict and enforceable criteria. In particular, the potential use of blue hydrogen risks prolonging fossil fuel dependency, while limited supplies of genuinely green hydrogen should be prioritized for sectors where direct electrification is not feasible, especially in industrial processes.

¹https://www.exporkreditgarantien.de/_Resources/Persistent/b/7/1/5/b715c13f8a6fc669f97c8313d2773190895957d8/e3f-annual-transparency-report-2025.pdf

An analysis² by the New Climate Institute shows that shifting the burden of proof for demonstrating 1.5°C compatibility to the respective project developer or buyer would require them to justify why additional fossil gas generation capacity is the only available option in the specific country context to achieve a 1.5°C-aligned decarbonisation pathway. From an industrial policy perspective, maintaining a “business-as-usual” approach is particularly risky in a global economy that increasingly depends not only on decarbonization, but also on technological innovation and sustainable competitiveness.

The exemptions concerning the upstream gas sector should be removed entirely. The development of new oil and gas fields is incompatible with the International Energy Agency’s Net Zero 2050 scenario. Developing new upstream infrastructure takes years and will not serve Germany’s energy security. Current rises in global gas prices show the risks and long-term cost-inefficiency of fossil gas. The German government’s own data in the E3F Transparency Report confirms that no guarantees for such activities were issued between 2015 and 2023. Eliminating these exemptions would therefore merely formalize existing practice and ensure policy coherence.

Furthermore, continued support for gas midstream infrastructure also needs to be ended. Infrastructure such as transport and storage facilities for new gas projects contributes to further upstream fossil fuel production and entrenches long-term dependency on gas infrastructure. Current exemptions for projects that are supposedly “convertible to hydrogen” remain problematic, as they perpetuate investment incentives for fossil gas systems and delay the transition to genuinely sustainable alternatives.

Finally, transparency concerning public guarantees and climate assessments must be significantly improved. It is unacceptable that detailed project information is regularly published only for export credit guarantees. Equivalent transparency standards should also apply to investment guarantees and UFK guarantees. Public accountability on the specific criteria of the climate assessment is essential to ensure that foreign trade promotion aligns with Germany’s climate objectives and international obligations.

The revision of the sector guidelines offers an important opportunity to align Germany’s foreign trade promotion instruments with a credible pathway toward climate neutrality and future-oriented industrial development. We therefore respectfully urge the Ministries to eliminate the remaining fossil fuel loopholes and to adopt a clear, transparent, and science-based framework for Germany’s foreign export promotion.

An identical copy of this letter was also sent today to your colleagues Mr. Lars Klingbeil (Federal Minister of Finance and Vice-Chancellor), Ms. Reem Alabali-Radovan (Federal Minister for Economic Cooperation and Development), Mr. Johann Wadephul (Federal Minister for Foreign Affairs) and Mr. Carsten Schneider (Federal Minister for the Environment, Climate Action, Nature Conservation, and Nuclear Safety).

We would be happy to discuss this matter further with you.

Yours faithfully,

² <https://newclimate.org/news/what-15degc-compatibility-means-in-practice-for-the-revision-of-germanys-export-credit>

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Oil Change International

Germany:

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ClientEarth Germany
Deutsche Umwelthilfe
FIAN Deutschland
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