EUROPEAN
COMMISSION

Brussels, 20.11.2026
COM(2026) 627 final

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on negotiations undertaken by the Commission in the field of export credits in 2025, in the sense of Regulation (EU) No 1233/2011

1. Introduction

Regulation (EU) No 1233/2011 of the European Parliament and of the Council of 16 November 2011 on the application of certain guidelines in the field of officially supported export credits and repealing Council Decisions 2001/76 EC and 2001/77/EC[1] foresees in its Annex I that the European Commission shall report to the European Parliament on negotiations on officially supported export credits. The present report covers the main developments in international rules on export credits that occurred during the year 2025 (from January 1st to December 31st).

Since the late 1970s, the **OECD Arrangement on Officially Supported Export Credits** ("Arrangement") is the main forum for international rules on export credits[2]. In addition to general rules on export credit transactions, the Arrangement also contains "sector understandings" covering special financing rules for specific industrial sectors and types of activity, including the Climate Change Sector Understanding (CCSU), the Ships Sector Understanding (SSU), and the Aircraft Sector Understanding (ASU).

2. Developments in the OECD during the reporting period

The most notable developments during the reporting period concerned: the launch of the second phase of the modernisation of the Arrangement, amendments to the Commercial Interest Reference Rate (CIRR) provisions set out in Annex XII to introduce a permanent margin of 100 basis points for the construction of the CIRR, and progress in the negotiations to revise the SSU to introduce new financing terms and conditions for (near-)zero and low emission vessels. A number of other noteworthy developments are mentioned below.

Second phase of the modernisation of the Arrangement

In a context where the global landscape for export finance has evolved dramatically over the past two decades, Participants agreed in November 2025 to launch the second phase of the Arrangement's modernisation to face the growing pressure from new actors, diverse financing models, and intensifying geostrategic competition.

In December 2025, the EU put forward a proposal for the second phase of the modernisation, focusing on a two-pronged approach: **flexibility,** to enable exporters to compete more effectively with non-OECD actors, particularly in developing economies, by modernising the Tied Aid framework and exploring possible additional flexibilities for non-concessional finance, and **transparency** for trade-related official support outside the scope of the Arrangement to explore whether such support presents any risk of trade distortions.

The scope of the second phase of the Arrangement's modernisation encompassed different interrelated issues which had been discussed in previous meetings of the Participants, including tied aid, social infrastructure financing in emerging markets and developing economies (EMDEs), lowering down payment requirements in certain countries, securing

[1] OJ L 326, 8.12.2011, p. 45.

[2] There are 11 Participants to the Arrangement today: Australia, Canada, the EU, Japan, Korea, New Zealand, Norway, Switzerland, Türkiye, the United Kingdom and the United States.

competitiveness vis-à-vis non-OECD countries and securing an orderly use of export finance. Particularly, the EU presented in March 2025 a proposal on reviewing the tied aid disciplines, and another Participant presented in June 2025 a proposal to amend the Arrangement to provide favourable terms and conditions for transactions in the infrastructure sector and in November 2025 a proposal to promote infrastructure financing in Emerging Markets and Developing Economies (EMDEs).

It was agreed to integrate these issues in the context of wider discussions on the second phase of modernisation, which is the main focus of work for Participants in 2026.

Energy sector and Fossil fuel support

An agreement could not be reached on the EU proposal from March 2024 to ban officially supported export credits or tied aid in the fossil fuel energy sector except in limited and clearly defined circumstances that are consistent with a 1.5C warming limit and the goals of the Paris Agreement. At the same time, in June 2025, a proposal to eliminate Article 6 and Article 12, c) of the Arrangement was presented and faced opposition from several Participants, including the EU.

In these circumstances, the EU informed Participants in March 2025 of its intention to move forward with a voluntary transparency exercise on transactions supported in connection with the energy sector and invited any interested Participants to join the initiative. The first public report, "Voluntary Transparency for Energy Transactions notified under the Arrangement on Officially Supported Export Credits", was issued on 17 November 2025 with the participation of Australia, Norway, Switzerland, the UK and the EU. This will be updated on an annual basis.

Trade-related aid issues

The OECD Secretariat presented in March 2025 a text proposal to incorporate the reporting requirements and the commitment to apply international competitive bidding when providing untied official development assistance (ODA) credits, contained in the untied ODA Agreement, into the Arrangement. In light of other ongoing discussions on aid-related issues in the framework of the second phase of the modernisation of the Arrangement, there was a wish by Participants for more time to consider whether there were other considerations to take into account before incorporating the text into the Arrangement. It was agreed to take up the issue in the context of wider discussions on the second phase of modernisation.

CIRR reform

Following the discontinuation of LIBOR in 2021, Participants had agreed during their 159th Meeting in November 2023 to extend the temporary 100 basis points margin of the CIRR rate, which was set to expire on 14 July 2024, by one year (i.e., until 14 July 2025) in order to have time to reflect on a more permanent solution that would provide predictability for exporters, buyers and stakeholders.

The Participants agreed through written procedure on 9 July 2025 to maintain the CIRR margin at 100 basis points and to modify the Arrangement text accordingly (i.e. modify footnote 3 of Annex XXII so as to remove any deadline for the "temporary" measure, replacing it with the following: "Participants agree to a margin of 100 basis points for all currencies until such time as an alternative is agreed"). The Chair emphasized that this did not preclude future modifications if Participants had alternative options to suggest in the future.

Sector Understandings

Climate Change Sector Understanding (CCSU)

The work on the CCSU in 2025 continued on the following:

- Sectors with placeholders (that have no definitions or standards): Project Class H type 4 (low emissions water transport) and Project Class J (production of clean liquid and gaseous fuels). As regards Project Class H, Participants agreed to wait until the work of the Informal Expert Group (IEG) of the Shipbuilding Committee was concluded before deciding on the way forward for this project class. As regards Project class J, a text proposal was presented in November 2025 for inclusion in the Arrangement. Experts were invited to provide comments and pursue further efforts to develop text that could be agreed.

- Other sectors: No changes were agreed on Project Class D (carbon capture, utilisation and storage), and Project Class F (clean hydrogen and ammonia), and both were removed from the CCSU agenda item of the Participants' meetings as from November 2025. Participants agreed in March 2025 to keep the text of Project Class E - type 1 (Energy Management, Transmission and Distribution) relating to smart grids and that of Project Class C - type 3 (Smart grids) unchanged, despite the overlap.

Ship Sector Understanding (SSU)

The Informal Expert Group (IEG) met four times in 2025 (14 March 2025, 19-20 June 2025 in Oslo, an intersessional meeting on 24-25 September 2025, and 20-21 November 2025). Discussions progressed on defining special financing terms and conditions for zero and near-zero (ZNZ) tailpipe emission vessels, vessels dedicated to activities in the renewable sector and low emission vessels, focusing particularly on the technical criteria to define ZNZ tailpipe emission vessels and low emission vessels. Discussions also continued on the EU proposal to incorporate the Arrangement's CIRR provisions into the SSU.

During these meetings, the IEG benefitted from the expert advice of external guests, including policymakers, NGOs, academics, and civil society, on a variety of topics including on EU initiatives such as FuelEU Maritime regulation, on the IMO Net Zero Framework (NZF), and on key global trends and regulations on maritime decarbonisation.

Discussions on the revised SSU text continued into 2026, with agreement now taking shape.

Aircraft Sector Understanding (ASU)

Throughout 2025, work continued in the CTC Expert Group (created at the 75th Meeting of the Participants to the ASU in November 2024) on the process to review the list of states which qualified for the reduction of the minimum premium rates ('Cape Town Convention List" or "CTC List"). The work continued into 2026. A proposal to add the United Arab Emirates to the CTC list was approved on 4 April 2025.

It was also agreed to amend the obligor rating process in de minimis transactions in the ASU to simplify the risk obligor procedure. Additionally, it was agreed to amend the ASU to make the temporary Credit Adjustment Spread (CAS) of –29bps permanent in the calculation of the Market Reflective Surcharge. The Arrangement text was modified accordingly in 2026.

Discussions also progressed on the EU proposal to modify the terms and conditions of the ASU to allow for financing disbursements prior to the delivery of new aircraft, where Participants showed little appetite to engage in further discussions within the ASU framework.

Other developments

Common Lines

In 2025, two common lines were proposed by Participants.

The first common line, proposed on 8 July 2025 and subsequently accepted by Participants on 5 August 2025, aimed at allowing Ukraine to receive tied aid (with a minimum concessionality of 35%) despite its classification as UMIC for two years in a row by the World Bank. The rationale was that Ukraine's upgraded World Bank's income classification was in fact linked to increased construction activity for reconstruction efforts, a decline in population and an increase in prices. Thus, Ukraine's new income classification should not result in preventing Ukraine to receive tied aid as it would not serve the main reason for prohibition of tied aid in upper-middle income countries, i.e. to avoid trade distortions and to encourage export financing on standard Arrangement terms rather than on tied aid terms. The common line is valid until 7 August 2027.

The second common line, proposed on 3 November 2025 and accepted on 5 December 2025, was a request for a one-year exemption from country eligibility rules for tied aid, to allow tied aid support for a specific project in Mongolia, whose classification was confirmed as UMIC in July 2025. The common line is valid until 5 December 2026.

3. The International Working Group on Export Credits (IWG)

The IWG was launched in 2012 as a forum for dialogue between the OECD and the non-OECD providers of government supported export credits, with a view to agreeing on a new set of multilateral disciplines, in the form of "Guidelines". Despite twenty IWG negotiating sessions from 2012 to 2019, insufficient progress led to a decision by the EU and a group of other IWG Members to suspend their participation in technical negotiations on 19 November

2020.[3] The Commission and the Council have assessed annually, since the end of 2021, whether there have been any developments that would justify a high-level meeting to discuss a potential reactivation of the IWG. Each of these reviews, including in November 2025, concluded that the necessary conditions have not been met, and that in particular no proposal has been made by any of the IWG member governments on any of the core issues. The next review is planned for the end of 2026.

The Commission will keep the European Parliament and the Council duly informed of new developments.

[3] https://policy.trade.ec.europa.eu/news/eu-and-10-other-members-suspend-participation-negotiations-international-working-group-export-2020-11-19_en