

SERV guidelines on aligning its support for the clean energy transition

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The decarbonisation of the economy in general and the fossil energy sector in particular is crucial to achieving the targets of the Paris Agreement. Export risk insurance can play a key role in this regard. Swiss Export Risk Insurance (SERV) takes this into account and defines decarbonisation as one of the three main pillars of its climate strategy.

With these guidelines, SERV is aiming in particular to appropriately implement the [COP26 Statement](#)¹ (the “Glasgow Declaration”) on international public support for the clean energy transition, taking into account all legal bases. The COP Statement was signed by Switzerland in November 2021.

These guidelines relate to export projects in the fossil energy sector and include upstream activities (production, exploration), midstream activities (refining, transportation, logistics, storage) and downstream activities (fossil-fuel power stations, sales) related to fossil fuels. They also include the associated infrastructure.

Exports related to fossil fuels outside the energy sector, such as in other carbon-intensive industries (e.g. waste management, transport, manufacturing including cement and fertiliser production, district heating, building technology and agriculture), do not fall under the COP26 Statement and these guidelines. Also not covered is the decommissioning of existing plants or projects to reduce environmental pollution or carbon emissions caused by existing infrastructure, provided that their useful life or capacity is not extended.

For the export projects/activities affected by this guideline (see above), the following applies:

- 1 No insurance is offered for coal-, oil- and peat-based activities (except emergency power capacities using oil or diesel) and upstream activities for all fossil fuels.
- 2 For other activities, the following criteria apply collectively:
 - The activity is not ruled out by the country’s nationally determined contributions (NDCs); and
 - The activity meets the Paris Agreement’s requirements to limit global warming to 1.5°C applicable to the sector and region in question; and
 - The carbon lock-in risk is considered to be minimal; and
 - The project uses best available techniques (BAT).

¹The 2021 UN Climate Change Conference in Glasgow was referred to as COP26. Within the context of the United Nations Framework Convention on Climate Change (“UNFCCC”), the United Nations holds official annual meetings of the UNFCCC parties (Conference of Parties, COP), at which the progress made in the area of climate change is assessed.

If not all of the criteria listed under point 2 are met, insurance may still be offered if one or more of the following additional criteria are fulfilled:

- Credibility of future measures that would significantly reduce carbon emissions, thereby meeting the requirements for limiting global warming to 1.5°C; or
- Insufficient availability of low-carbon alternatives; or
- Economic, foreign, trade and development policy interests of Switzerland.

All of these criteria together make up SERV's COP26 methodology.

SERV may request proof that the criteria have been met in accordance with this methodology. This must be provided in the form of a report from an independent environmental consultancy accepted by SERV.