

DISCUSSION PAPER No. 413**From capacity to catalyst: Sizing the additional export finance an EU guarantee could unlock**

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European companies face a structural financing gap when competing for strategic projects in emerging markets and developing economies. While competitor economies deploy official export credit at scale, European export credit agencies (ECAs) are often constrained by capital limits, country exposure ceilings and reinsurance availability. The EU's Global Gateway strategy requires financial guarantees capable of matching this competitive challenge. This study quantifies how much additional export finance volume an EU guarantee could generate.

Drawing on a mixed-method approach — including secondary data, structured surveys of 14 ECAs and 19 stakeholder interviews — we estimate that an EU guarantee could unlock €7.7 billion in additional ECA-backed export finance annually. This implies approximately €50–55 billion over the next EU multiannual financial framework (MFF) period, expanding in-scope ECA activity by roughly one third. Critically, 50–80% of this amount represents new origination rather than the release of existing pipeline constraints, which is a testament to the catalytic potential of an EU guarantee beyond simple capacity relief. Geographic and sectoral priorities align closely with Global Gateway objectives, with Africa, Asia, Latin America, transport infrastructure and climate and energy dominating ECA assessments.

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Acronyms

CAPEX	Capital Expenditure
CRM	Critical Raw Materials
DAI	Development Alternatives Incorporated
DFI	Development Finance Institution
DG	Directorate-General
ECA	Export Credit Agency
ECF	European Competitiveness Fund
ECG	Export Credits Group
EFSD+	European Fund for Sustainable Development Plus
EIB	European Investment Bank
EMDEs	Emerging Markets and Developing Economies
ESG	Environmental, Social and Governance
EU	European Union
EXIM	Export-Import Bank
GEI	Global Europe Instrument
GG	Global Gateway
INTPA	Directorate-General for International Partnerships
L/C	Letter of Credit
LNG	Liquefied Natural Gas
MC	Management Company
MFF	Multiannual Financial Framework
MLT	Medium- and Long-Term
MS	Member States
NDICI	Neighbourhood, Development and International Cooperation Instrument
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PRI	Political Risk Insurance
PRC	People's Republic of China
SMEs	Small and Medium-sized Enterprises
TPSD	Trade and Private Sector Development Facility
US	United States

Executive summary

The European Union's (EU) Global Gateway (GG) aims at building investment partnerships with developing and emerging economies (EMDEs), while supporting the external competitiveness of European companies in these markets. European companies face a financing gap when competing for strategic projects in EMDEs, while competitor economies have deployed substantial official trade- and investment-related finance to secure positions in infrastructure, energy, and critical raw materials (CRM) supply chains. There is a need to develop, under the next EU Multiannual Financial Framework (MFF) 2028–34, new guarantees to support the external competitiveness of the European private sector that can match the scale and risk appetite available to competitors in operations of EU strategic interest, by expanding collective export credit agencies (ECAs) capacity (e.g. risk-sharing ability and credit enhancement) and complementing existing national capabilities or development finance institutions (DFIs) mandates, while facilitating enhanced cooperation between ECAs and DFIs of EU Member States (MS). Doing so requires a credible estimate of the incremental volume that an EU guarantee could unlock.

This study addresses the following question: What additional realisable annual export finance volume (A), defined as new ECA-supported transactions in scope for an EU financial guarantee, could an EU guarantee unlock?

The analytical framework distinguishes three components that serve distinct roles in estimating the scope. Table 1 defines each component and its estimation approach.

Table 1: Model components¹

Element and Confidence	Specification	Data Sources
Observed volume (O) (high)	Currently served ECA volumes in-scope (baseline context)	ECA reports, OECD statistics, ECA survey (tier 1–2), as well as estimates
Constrained volume (C) (medium)	Projects not accommodated due to capacity or other constraints; distinguished by constraint type	ECA survey (tier 2) and interviews (tier 3), as well as estimates
Additional realisable volume (A) (medium)	Incremental volume ECAs assess as deliverable with an EU guarantee	ECA survey (tier 2) and interviews (tier 3), as well as estimates

Source: Authors.

Given the confidentiality of application-level data and the absence of standardised reporting across ECAs, the analysis employs a triangulated mixed-method approach: secondary data from ECA annual reports and OECD

¹ Note: this framework addresses the guarantee component. A separate blending and technical assistance envelope may also form part of the total budget provision, not considered in this study.

statistics (tier 1); structured survey inputs from 14 MS ECAs (tier 2); and qualitative evidence from 19 stakeholder interviews and focus group discussions, including with the European Investment Bank (EIB) (tier 3). Results are presented as ranges rather than point estimates to reflect the genuine uncertainty inherent in forward-looking ECA assessments. Twelve ECAs provided direct quantitative responses to the forward-looking question on additional annual in-scope volume deliverable with an EU guarantee. Three ECAs did not provide numerical estimates for distinct stated reasons, though none of these implies an absence of pipeline. Estimates for these three ECAs and one additional non-respondent are derived using differentiated conservative imputation rates. Four ECAs had no in-scope volumes. All responding ECAs pass the plausibility check individually.

The main results of the study point to **the aggregate estimate of €7.7 billion in additional realisable volume (A) annually by ECAs; over a seven-year MFF, it implies a volume of approximately €50–55 billion, expanding in-scope ECA activity by roughly one-third**. This represents demand that ECAs assess as ununlockable with EU guarantee support but not deliverable under business-as-usual conditions (Table 2).

Table 2: Annual volume assessment summary

Component	Annual Value
Observed volume (O) – baseline	€25.0 bn
Constrained volume (C) – of which C ^{cap} validation floor	€3.1 bn (C ^{cap} : €2.0 bn)
Additional realisable volume (A) – central estimate	€7.7 bn
Additional realisable volume (A) – range	€7.4 bn – €9.3 bn
Additional realisable volume (A) – confirmed floor	€5.4 bn

Source: Authors.

This confirms that an EU guarantee would not merely release existing bottlenecks but catalyse projects that ECAs are not currently pursuing due to risk appetite or strategic prioritisation. The effect extends to the private sector: once ECAs can credibly commit to supporting transactions in target markets, exporters and project sponsors adjust their commercial strategies accordingly, multiplying the direct volume impact. Any future EU guarantee should respect the principle of additionality by targeting genuine market failures not addressable by private actors alone, complementing rather than displacing private financial sector participants, including commercial banks and private reinsurers. The EU budget cannot be used to substitute for private capital where it is already effective; the EU guarantee is intended to crowd in private sector engagement, not crowd it out.

The geographic and sectoral distribution aligns closely with GG priorities. Africa was cited by eight responding ECAs (73%) as a priority region for additional volume, reflecting both strategic alignment and current under-penetration

relative to competitors. Asia was cited by seven ECAs (64%) and Latin America by five (45%). Neighbourhood and Eastern European enlargement countries were cited by four ECAs (36%); several noted that these markets are already well-served or present different risk profiles. The Middle East was cited by only one ECA. Regarding sectors, transport infrastructure dominates, cited by nine respondents (82%), followed by climate and energy, cited by seven (64%). This reflects the capital-intensive, long-tenor nature of these sectors, where ECA capacity constraints bind most tightly and where EU strategic interests are most acute. Health was cited by five ECAs (45%). Digital infrastructure was cited by two ECAs, while CRM and mining were identified by one ECA under the 'other' category as a priority area. Education received no citations.

The €7.7 billion central annual estimate implies approximately €50–55 billion over a seven-year MFF period (2028–2034). Importantly, this volume is not simply an existing pipeline released: survey evidence indicates that 50–80% represents new origination, i.e., transactions that would not exist at all without the EU guarantee, because ECAs, exporters, and project sponsors currently self-exclude from markets where they know financing is unavailable. Translating this estimated volume into an EU guarantee envelope and associated budget provision requires separate analysis of the instrument's portfolio composition, risk-sharing, leverage and provisioning.

1. Introduction

The European Union's (EU) Global Gateway (GG) aims at building investment partnerships with emerging markets and developing economies (EMDEs), while supporting the external competitiveness of European companies in these markets. Whereas several tools and solutions are now being implemented to achieve the aim of building investment partnerships, such as the European Fund for Sustainable Development Plus (EFSD+) guarantees and EU blending programmes under NDICI-Global Europe, there is a need to develop, under the next EU Multiannual Financial Framework (MFF) 2028–34, new guarantees to support the external competitiveness of the European private sector.

European companies face a financing gap when competing for strategic projects in EMDEs. Export Credit Agencies (ECAs) in EU Member States (MS) provide substantial official export finance support across all products, including pre-shipment offerings, short-term (ST) credit insurance, medium- and long-term (MLT) direct lending and cover, including project finance, untied support, political risk insurance, and critical raw material (CRM) import cover. However, capacity, particularly in the MLT segment relevant to large strategic projects, is unevenly

distributed across MS and subject to structural constraints. These include capital requirements, country and sector exposure limits, and reinsurance availability ([Klasen et al., 2024](#); [Krummaker and Klasen, 2025](#); [Peterson and Downie, 2024](#)). Meanwhile, competitor economies have deployed substantial official export credits and other trade- and investment-related finance tools to secure positions in infrastructure, energy, and critical raw materials (CRM) supply chains. Some competitors benefit from operating outside the OECD Arrangement,² enabling more flexible conditions alongside blended finance solutions ([Bilal and Klasen, 2025](#); [Hopewell, 2021](#)). It is estimated that the two ECAs of the People's Republic of China (PRC; China EXIM and Sinosure) averaged approximately \$25.3 billion annually in new official MLT export credit volumes between 2015 and 2024, establishing footholds that persist even as volumes have moderated (US EXIM, 2025). Most recently, the Export-Import Bank of the United States (US EXIM) has announced a plan to deploy up to \$100 billion for CRM, nuclear energy and LNG combined. In February 2026, the Trump Administration launched \$12 billion "Project Vault" to build critical minerals reserves (US EXIM).

The EU's Global Gateway (GG) strategy needs to match the scale and risk appetite available to competitors in operations of EU strategic interest.

Enhanced coordination between EU development finance institutions (DFIs) and MS ECAs is underway ([Bilal et al., 2025](#); [Meyer et al., 2026](#); [Wetherell et al., 2026](#)). However, current approaches alone cannot close the financing gap: DFIs operate under development mandates that do not systematically cover the commercial export credit risk profile at which MS ECAs operate, leaving a structural gap in GG-aligned risk absorption ([Bilal and Klasen, 2026](#)). An EU-level guarantee could complement both efforts by expanding collective ECA capacity and complementing existing national capabilities or DFI mandates. The 2028–2034 EU Multiannual Financial Framework (MFF) presents the opportunity to establish such a guarantee, but doing so requires a credible estimate of the incremental volume that an EU guarantee could unlock.

This study addresses the question of what additional export finance volume could an EU guarantee unlock? Given the confidentiality of application-level data and the absence of standardised reporting across ECAs, the analysis employs a triangulated mixed-method approach: secondary data from ECA annual reports and OECD statistics (tier 1); structured survey inputs from 14 MS ECAs³ (tier 2); and

² Arrangement on Officially Supported Export Credits (Arrangement) of the Organisation for Economic Co-operation and Development (OECD).

³ Twelve ECAs provided direct quantitative responses to the forward-looking question on additional annual in-scope volume deliverable with an EU guarantee, while three ECAs did not provide numerical estimates for distinct stated reasons, though none of these implies an absence of pipeline. Estimates for these three ECAs and one additional non-respondent are derived using differentiated conservative imputation rates. Four ECAs had no in-scope volumes. All responding ECAs pass the plausibility check individually.

qualitative evidence from 19 stakeholder interviews and focus group discussions, including with the European Investment Bank (EIB) (tier 3). Results are presented as ranges rather than point estimates to reflect the genuine uncertainty inherent in forward-looking ECA assessments. Table 3 summarises the scope of the analysis across five dimensions.

Table 3: Scope of the analysis and dimensions⁴

Dimension	Included	Excluded	Notes
European Participants	EU exporters, investors, and project sponsors (including SMEs); EU content in value chains	Non-EU exporters	National content rules per MS ECA policies apply
Instruments	MLT, PRI, CRM import, and export-related CAPEX/WC financing/insurance/guarantees	Short-term credits; L/C confirmation	Short-term gaps require separate policy discussion
Geography	OECD Country Risk Categories 4–7 and/or ODA-eligible destinations	High-income non-ODA countries	OECD lists as reference
Sectors	GG priority sectors (digital, climate/energy, transport, health, education, research) and CRM	Defence	Defence covered under separate EU guarantee; CRM included
Transaction size	Projects ≥€20m; including SME participation in larger value chains	Small tickets (<€20m)	Reflecting transaction costs; direct SME small tickets out of scope

Source: Authors.

⁴ Note: Partner-country economies also benefit indirectly through access to sustainable infrastructure financing and technology; the table reflects the direct eligibility criteria for EU-supported transactions.

2. Analytical framework

The analytical framework distinguishes three components that serve distinct roles in estimating the scope for an EU-level guarantee.⁵ Table 4 defines each component and its estimation approach.

Table 4: Model components⁶

Element and Confidence	Specification	Data Sources
Observed volume (O) (high)	Currently served ECA volumes in-scope (baseline context)	ECA reports, OECD statistics, ECA survey (tier 1-2), as well as estimates
Constrained volume (C) (medium)	Projects not accommodated due to capacity or other constraints; distinguished by constraint type	ECA survey (tier 2) and interviews (tier 3), as well as estimates
Additional realisable volume (A) (medium)	Incremental volume ECAs assess as deliverable with EU guarantee	ECA survey (tier 2) and interviews (tier 3), as well as estimates

Source: Authors.

The framework does not simply sum these components. Observed volume (O) is already served by MS ECAs and requires no EU intervention; it provides baseline context. Additional realisable volume (A) is the primary estimate, representing what MS ECAs assess they could deliver beyond current volumes with a new EU guarantee. This estimate incorporates both the release of current constraints and new origination driven by EU strategic priorities. Constrained volume (C) captures projects that sought ECA support but could not be accommodated; estimated via non-conversion rates, i.e. the share of enquiries that did not convert to supported transactions for constraint-related reasons. It serves as a validation anchor rather than a direct input to the volume estimate. However, not all constraints are addressable by an EU guarantee. Survey responses and interviews reveal two distinct constraint categories. The constrained volume ratio (k_1) represents constrained volume as a proportion of observed volume; survey respondents estimated the share of in-scope enquiries not converting for constraint-related reasons, and this is interpreted throughout as C relative to O, consistent with how ECAs assess pipeline shortfall relative to their existing transaction book.⁷ The

⁵ Methodological note: in export finance, pure demand estimation is rarely feasible because application-level data, pricing decisions, and pipeline information are confidential and non-standardised across agencies. This study therefore operationalises 'EU-guarantee-relevant volume' as ECA-elicited incremental capacity under a defined guarantee counterfactual, i.e., the additional volume ECAs assess they could originate and support if EU-level guarantee were available. This is closer to implementable pipeline potential than classical market demand, but it is the appropriate construct for sizing a public instrument designed to expand ECA headroom.

⁶ Note: this framework addresses the guarantee component of the financial guarantee. A separate blending and technical assistance envelope may also form part of the total budget provision, not considered in this study.

⁷ Survey respondents reported non-conversion as a share of in-scope enquiries rather than as absolute volumes, reflecting how ECAs internally track pipeline shortfall. Absolute constrained-volume figures are not standardised across agencies and would not be comparable; the ratio approach is therefore both more robust and more comparable across the sample.

capacity-constraint share (α) distinguishes constraints addressable by an EU guarantee from those that are not. Survey responses indicate that approximately 65% of reported non-conversion is capacity-related ($\alpha = 0.65$); this parameter is used to decompose constrained volume into addressable and non-addressable components for validation purposes. The validation logic applies to the capacity-constrained subset: as a plausibility check, additional realisable volume (A) should typically be comparable to or exceed capacity-constrained volume ($C^{\wedge}cap$). If A is materially below $C^{\wedge}cap$.⁸ This flags either conservative forward-looking reporting of A, overestimation of constrained volume, or partial non-addressability of capacity constraints under the proposed guarantee. Table 5 sets out the model structure.

Table 5: Model structure⁹

Element	Specification	Notes
Observed volume (O)	Σ in-scope volumes	Baseline; already served by MS ECAs
Constrained volume (C)	$C = k_1 \times O$	Total non-conversion; comprises $C^{\wedge}cap + C^{\wedge}non$
– of which capacity-constrained ($C^{\wedge}cap$)	$C^{\wedge}cap = \alpha \times C$	Addressable by EU guarantee (α estimate from tier 2)
– of which non-capacity ($C^{\wedge}non$)	$C^{\wedge}non = (1 - \alpha) \times C$	Not primarily addressable
Additional realisable volume (A)	Direct survey input	ECA projections for 2026–30 with EU guarantee
Validation check	$A \geq C^{\wedge}cap$	A typically $\geq C^{\wedge}cap$

Source: Authors.

Translating the volume estimate into EU budget requirements involves applying provisioning rates appropriate to each component of the financial tool;

differentiated by financial product type (risk sharing or credit risk enhancement) and by exposure category (sovereign vs non-sovereign). This approach follows the structure of existing EU financial instruments, including EFSD+, InvestEU, and the incoming Global Europe Instrument (GEI) and European Competitiveness Fund (ECF) proposals for the next MFF ([Jones, 2026](#); [Jones, 2025](#)). Such an assessment falls outside the scope of this publication.

ECA self-reports may exhibit optimistic or conservative bias or reflect internal caution to avoid overcommitment. The study addresses this through three mechanisms: validation against the capacity-constrained floor ($A \geq C^{\wedge}cap$); cross-checks against competitor benchmarks and historical scaling patterns; and conservative imputation for non-respondents (A/O ratio set below respondent average). The resulting estimates are indicative planning figures subject to the uncertainty ranges, not precise forecasts.

⁸ Clearly below across most respondents / scenarios, not a marginal difference.

⁹ Note: If A materially below $C^{\wedge}cap$, investigate: conservative A reporting, overstated C, or partial non-addressability.

3. Volume assessment

3.1 Observed volume

Observed volume (O) captures ECA activity within the study scope. In-scope volumes ranged between €18.1 billion and €26.4 billion over the period, averaging €23.0 billion annually, with a peak in 2023. This baseline establishes context but does not represent the target for a new EU guarantee, as these volumes are already served by MS ECAs. Table 6 presents aggregate in-scope volumes.

Table 6: New In-Scope Commitments (€ m)¹⁰

	2020	2021	2022	2023	2024
Total	18,064.4	24,923.7	20,377.8	26,358.7	25,043.2

Sources: Respective institutions; OECD, 2025; [US EXIM, 2025](#).

3.2 Constrained volume

Constrained volume (C) captures projects that sought ECA support but could not be accommodated. This is estimated via non-conversion rates, i.e., the share of enquiries or potential deals that did not convert to supported transactions for constraint-related reasons.¹¹ Table 7 provides the aggregate constrained volumes.

Table 7: Constrained Volume (€ m)¹²

	2020	2021	2022	2023	2024
Total	2,102.9	3,405.9	2,575.6	2,629.4	3,080.4

Source: ECA survey and/or interviews.

Constraint drivers fall into two categories with different implications for EU intervention. Capacity-related constraints (country limits, concentration ceilings, capital/provisioning headroom, and reinsurance availability) are directly addressable through an EU-level guarantee. Non-capacity constraints (underlying project bankability, non-competitive pricing relative to commercial alternatives, sponsor weakness, and compliance/due diligence burden) reflect

¹⁰ Note: Derived from survey responses where available. Countries with no in-scope activity are recorded as zero on the basis of institutional dialogue.

¹¹ Constrained demand (C) is estimated as $C = k_1 \times O$, where O represents observed in-scope volumes and k_1 is a multiplier derived from non-conversion rates. The non-conversion rate (r) measures the share of potential deals that do not convert to supported transactions due to constraint-related reasons. The multiplier is calculated as $k_1 = r / (1 - r)$, which transforms the non-conversion rate into a ratio of constrained-to-observed volumes. k_1 values reflect lower-bound r within each band, applied conservatively; the 'Very High' category is capped at 0.45 to avoid overstating constrained volume.

¹² Note: k_1 values for responding ECAs derived from non-conversion bands ('Most viable deals convert to support', or 'Low 0–10%' → $k_1 = 0.05$; 'Moderate 10–25%' → $k_1 = 0.18$; 'High 25–40%' → $k_1 = 0.33$; 'Very High >40%' → $k_1 = 0.45$, capped for methodological consistency). Non-responding ECAs are assigned k_1 by peer group based on size and risk profile.

intrinsic transaction characteristics largely unaffected by an EU guarantee. ECAs indicate that capacity constraints account for approximately 65% of reported non-conversion ($\alpha = 0.65$), with country and concentration limits cited by eight of twelve ECAs responding to the constraint-driver question as a primary driver.¹³ The remaining 35% reflects non-capacity factors. This distribution is used to decompose constrained volume into $C^{\wedge cap}$ (addressable) and $C^{\wedge non}$ (non-addressable) for validation purposes (Table 8).

Table 8: Constrained volume by constraint type (€ m; 2024)¹⁴

Constraint Category	Share (α)	Volume	Notes
Capacity-related ($C^{\wedge cap}$)	65%	2,002.3	Addressable by EU guarantee
– Country/concentration limits	40%	1,232.2	Most frequently cited driver
– Capital/provisioning headroom	15%	462.1	Binding for smaller ECAs
– Reinsurance availability	10%	308.0	Especially for long-tenor/high-risk
Non-capacity ($C^{\wedge non}$)	35%	1,078.1	Not directly addressable
– Project bankability/sponsor	15%	462.1	Intrinsic transaction weakness
– Non-competitive pricing	12%	369.6	Other alternatives preferred
– Compliance/due diligence	8%	246.4	ESG, sanctions, AML burden
Total constrained (C)	100%	3,080.4	C = $k_1 \times O$; 2024 figure

Source: Authors based on ECA survey constraint-driver responses.

Constrained volume averaged €2.8 billion annually over 2020–2024;

representing approximately 10–14% of observed in-scope volumes (Table 9). The 2024 figure of €3.1 billion total constrained volume comprises approximately €2.0 billion in capacity-related constraints ($C^{\wedge cap}$) and €1.1 billion in non-capacity constraints ($C^{\wedge non}$). The capacity-constrained portion provides the validation floor for this analysis. As a plausibility check, additional realisable volume reported by ECAs should typically be comparable to or exceed $C^{\wedge cap}$. If A is materially below $C^{\wedge cap}$, this flags either conservative forward-looking reporting of A, overestimation of constrained volume, or partial non-addressability of capacity constraints. The non-capacity portion is not expected to be addressed by the EU guarantee and is therefore excluded from the validation benchmark.

¹³ The 65% capacity-related share is an indicative allocation derived from the frequency of constraint-driver responses across ECAs, not a volume-weighted attribution; it is used for validation purposes only. Additional note: Twelve of the fourteen surveyed ECAs responded to the constraint-driver question; the two non-respondents to this specific question are distinct from the three ECAs that did not provide quantitative A estimates.

¹⁴ Note: Sub-category shares are approximate based on multiple-response questions; category totals (65% capacity-related, 35% non-capacity) are used for validation calculations.

Table 9: Observed vs constrained volume summary (€ bn; %)¹⁵

Metric	2020	2021	2022	2023	2024
Observed (O)	18.1	24.9	20.4	26.4	25.0
Constrained (C)	2.1	3.4	2.6	2.6	3.1
— of which C ^{cap} ($\alpha=0.65$)	1.4	2.2	1.7	1.7	2.0
— of which C ^{non} ($\alpha=0.35$)	0.7	1.2	0.9	0.9	1.1
C as % of O	11.6%	13.7%	12.6%	10.0%	12.3%
Implied k_1 (weighted)	0.12	0.14	0.13	0.10	0.12

Source: Authors.

3.3 Additional realisable volume

Additional realisable volume (A) is the primary estimate for sizing an EU financial guarantee. It captures projects that would materialise only with EU guarantee support, encompassing both the release of current capacity constraints and new origination driven by EU strategic priorities. Twelve ECAs provided direct quantitative responses to the forward-looking question on additional annual in-scope volume deliverable with an EU guarantee. Three ECAs did not provide numerical estimates for distinct stated reasons, none of which implies that there is an absence of pipeline; accordingly, estimates for these three ECAs and one additional institution are derived using differentiated conservative imputation rates. Four ECAs had no in-scope volumes. Table 10 presents the aggregate results.

Table 10: Additional realisable volume – annual aggregate (€ m; ratio)

	2024 In-Scope (O)	Additional (A)	A/O Ratio
Total	25,043.2	7,732.3	0.31

Source: Respective institutions based on the ECA survey.

The results confirm that additional realisable volume is not simply constrained volume released. The aggregate estimate of €7.7 billion in additional realisable volume annually represents demand that ECAs assess as unlockable with EU guarantee support but not deliverable under business-as-usual conditions. This confirms that an EU guarantee would not merely release existing bottlenecks but catalyse projects that ECAs are not currently pursuing due to risk appetite or strategic prioritisation. The effect extends to the private sector: once ECAs can credibly commit to supporting transactions in target markets, exporters and project sponsors adjust their commercial strategies accordingly, multiplying the direct volume impact.

¹⁵ Note: C^{cap}/C^{non} split based on survey-reported constraint drivers ($\alpha = 0.65$ capacity-related). Historical years estimated using 2024 α value.

The geographic and sectoral distribution aligns closely with GG priorities. Africa was cited by eight responding ECAs (73%) as a priority region for additional volume, reflecting both strategic alignment and current under-penetration relative to competitors. Asia was cited by seven ECAs (64%), and Latin America by five (45%). Neighbourhood and Eastern European enlargement countries were cited by four ECAs (36%); several noted that these markets are already well-served or present different risk profiles. The Middle East was cited by only one ECA. Regarding sectors, transport infrastructure dominates, cited by nine respondents (82%), followed by climate and energy, cited by seven (64%). This reflects the capital-intensive, long-tenor nature of these sectors, where ECA capacity constraints bind most tightly and where EU strategic interests are most acute. Health was cited by five ECAs (45%). Digital infrastructure was cited by two ECAs, while CRM and mining were identified by one ECA under the 'other' category as a priority area. Education received no citations.

Two observations warrant discussion. First, the wide variation in A/O ratios among respondents (0.14 to 1.92, excluding n/a entries) reflects genuine differences in strategic positioning and current constraint levels. Some ECAs with ambitious emerging-market strategies report higher ratios, suggesting significant untapped potential; in some cases, high ratios may also reflect dependence on reinsurance availability as a binding constraint, where an EU guarantee would provide structural relief beyond country-limit headroom. Other ECAs with established high-risk market exposure report lower ratios, as they are already active in target geographies and see less marginal uplift from the EU guarantee. A number of ECAs assess additional volume that would exceed their current in-scope activity; these are retained as reported and flagged rather than adjusted, since the survey explicitly asked for realistically deliverable additional volume rather than a mechanically constrained estimate. Second, the concentration of additional volume in GG priority geographies and sectors suggests the EU guarantee would address genuine strategic gaps rather than subsidise business-as-usual activity. The prominence of Africa and of climate and energy infrastructure indicates the EU guarantee would target areas of greatest strategic need, precisely where EU market share has declined relative to the PRC and other competitors.

Uncertainty concentrates in the estimates for a limited number of ECAs that did not provide direct numerical estimates. The central estimate applies differentiated conservative imputation rates for these institutions, each materially below the respondent average. Under a more conservative uniform assumption, the total falls to approximately €7.4 billion; under a higher uniform assumption, it rises to approximately €9.3 billion. Excluding all imputed estimates produces a confirmed floor of €5.4 billion based solely on confirmed ECA assessments. The central-to-upper range of €7.7–9.3 billion is therefore the most policy-relevant interval.

Box 1: New origination vs constraint release

The distinction between constraint release and new origination is analytically important and has direct implications for guarantee design. Constraint release refers to transactions already in the ECA pipeline that fail to convert due to capacity-related limits such as country ceilings, concentration constraints, or capital headroom. An EU guarantee addresses these directly: the same deal, the same exporter, the same buyer, but now viable because the EU absorbs the risk that previously caused the ECA to decline. This component is bounded by C^{cap} and represents a relatively predictable and near-term volume. New origination is a larger and distinct phenomenon. These are transactions that might not currently exist in the ECA pipeline — not because they were rejected, but because they were never pursued. ECAs, exporters, and potential buyer-country sponsors all make ex-ante assessments of what is financeable. If an EU financial guarantee is not available, ECAs do not invest origination resources in markets where they know their credit committees will decline, exporters do not develop proposals where they cannot secure financing, and project sponsors in target countries do not approach European exporters at all. The consequence is that a significant share of potential demand can be self-censored before it reaches the application stage. This extends beyond ECAs: exporters do not develop commercial proposals for markets where they know financing will be unavailable, creating a wider dampening effect on private sector engagement.

Some ECAs reported that effectively all of their assessed additional volume would be new origination; reflecting that they already operate near practical capacity in their target geographies and see few additional viable transactions under business-as-usual conditions; an EU guarantee would fundamentally change the type of project they pursue. Others reported that 75–80% of their additional volume would be new origination. Even ECAs with a stronger constraint-release orientation acknowledged that a meaningful share of their additional assessed volume would come from markets and transactions they are not currently developing.

Three mechanisms explain why a new financial guarantee can generate new origination rather than simply releasing bottlenecks. First, certainty of reinsurance availability changes ECA origination behaviour upstream: once ECAs can commit in advance to covering a transaction, rather than discovering ex-post that capacity is unavailable, they invest in developing projects in markets they currently self-exclude. This is confirmed by ECA interviews, in which several agencies noted that the EU guarantee's value lies not only in capacity relief but in enabling commitment from the outset. Second, EU political backing has a catalytic effect on project development: sponsors in ODA-recipient countries who have learned from experience that MS ECAs will accept are more likely to approach European exporters (and European exporters more likely to tender) if there is a credible EU-level financing commitment behind the offer. Third, EU coverage changes what is competitively viable: in a number of strategic sectors and geographies, European exporters currently often lose to non-OECD competitors not only on price but on financing certainty. An EU financial guarantee could convert commercially sound projects that currently default to non-European financiers into realisable European export opportunities.

Source: Authors.

3.4 Validation

The analytical framework uses capacity-constrained volume (C^{cap}) as a plausibility benchmark: as a check, additional realisable volume (A) should typically be comparable to or exceed C^{cap} , since an EU guarantee would at minimum address existing capacity bottlenecks. Non-capacity constraints (C^{non}) are excluded from this benchmark as they are not directly addressable by the proposed EU financial guarantee. At the aggregate level, the central estimate of additional realisable volume (€7.7 billion) exceeds capacity-constrained volume (€2.0 billion) by a factor of 3.9 (Table 11). This ratio is consistent with survey responses indicating that 50–80% of additional volume represents new origination rather than constraint release.

Table 11: Validation check (aggregate)¹⁶

Metric	Value	Notes
Total constrained volume (C), 2024	€3.1 bn	$C = k_1 \times O$
– capacity-constrained (C ^{cap})	€2.0 bn	Validation floor ($\alpha = 0.65$)
– non-capacity (C ^{non})	€1.1 bn	Excluded from validation
Additional realisable volume (A)	€7.7 bn	Central estimate
A / C ^{cap} ratio	3.9x	Validation passed
A / C total ratio	2.5x	For reference

Source: Authors.

All ECAs that provided direct quantitative responses passed the plausibility check individually. Additional realisable volume meets or exceeds capacity-constrained volume in every case. The variation in A/C^{cap} ratios reflects differences in how ECAs interpret the opportunity: ECAs reporting lower non-conversion rates see greater relative uplift from new origination; they currently turn away few deals, so additional volume is predominantly new business. ECAs with higher non-conversion rates see the EU guarantee more substantially as constraint release; their ratios are closer to 1:1 because a larger share of additional volume would come from the currently blocked pipeline.

Two external cross-checks support the plausibility of the central estimate:

- **Competitor benchmark.** The €7.7 billion central annual estimate implies approximately €50–55 billion over a seven-year MFF period (2028–2034), accounting for ramp-up in the initial years. PRC official export credit institutions averaged approximately \$25.3 billion annually between 2015 and 2024. An EU guarantee unlocking €7–9 billion in additional ECA activity annually represents a credible target for improving competitive positioning; the EU guarantee covers a share of this volume, with ECAs retaining the majority of exposure on their own balance sheet.
- **Scaling ratio.** The aggregate A/O ratio of 0.31 implies that an EU guarantee would expand in-scope ECA activity by roughly one-third. Given that the guarantee would absorb tail risk rather than replace MS ECA capital entirely, this magnitude is both credible and meaningful, without implying a transformational expansion of existing ECA balance sheets.

¹⁶ Notes: Validation logic – A should typically be comparable to or exceed C^{cap}. The ratio of 3.9x indicates additional realisable volume substantially exceeds the capacity-constrained floor, consistent with significant new origination beyond constraint release.

3.5 Summary

The assessment yields a central estimate of €7.7 billion in additional realisable volume annually (Table 12). The estimate passes validation checks at both aggregate and ECA level, with all responding MS ECAs satisfying the plausibility condition $A \geq C^{\wedge cap}$. The central-to-upper demand range of €7.7–9.3 billion and the confirmed floor of €5.4 billion provide an empirical basis for assessing the potential scale of an EU-level guarantee. Translating this volume into guarantee and budget requirements – taking account of portfolio composition, risk-sharing, leverage and provisioning – would require separate analysis.

Table 12: Volume assessment summary¹⁷

Component	Annual Value
Observed volume (O) – baseline	€25.0 bn
Constrained volume (C) – of which $C^{\wedge cap}$ validation floor	€3.1 bn ($C^{\wedge cap}$: €2.0 bn)
Additional realisable volume (A) – central estimate	€7.7 bn
Additional realisable volume (A) – range	€7.4 bn – €9.3 bn
Additional realisable volume (A) – confirmed floor	€5.4 bn

Source: Authors.

4. Conclusions

This study provides an empirical basis for assessing the potential scale of an EU-level guarantee supporting ECA–DFI enhanced coordination under GG. The central estimate is **€7.7 billion in additional realisable annual volume (A)**, with a central-to-upper range of €7.7–9.3 billion and a confirmed floor of €5.4 billion. The case for action under the next MFF is anchored in three observations: First, demand for an EU guarantee is real in GG priority geographies and sectors, i.e., Africa, Asia, Latin America, infrastructure, climate, and energy. Second, between 50% and 80% of the additional volume identified represents new origination rather than constraint release, confirming that the guarantee’s value lies as much in changing ECA, exporter and sponsor behaviour upstream as in releasing existing pipeline. Third, the financing gap is structural: EU DFIs operate under development mandates that do not systematically cover the commercial export-credit risk profile, and competitor economies are scaling official trade- and investment-related finance with offerings that cannot be matched by Member State ECAs operating alone. The central question is therefore no longer only whether additional ECA-supported volume exists, but how an EU-level mechanism could convert that potential into additional, commercially sound and strategically relevant transactions.

¹⁷ Notes: Range reflects sensitivity to imputation assumptions for the ECAs that did not provide direct numerical estimates. Confirmed floor represents direct survey responses only, excluding imputed estimates.

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