

## ATTENDEES

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CHAIR	Leah Gilbert Morris (EDC)
BU SECRETARIAT	Paul Heaney, Eve Hall
AFD	Adama Mariko
AXA XL	Venetia Fubert
BPIFRANCE	Elsa Pancek, Mathilde Moreau
DFC	Marlena Hurley
DZ BANK	Ralph Lerch
EDC	DJ Kim
MIGA	Olga Sclovscia
UKEF	Meg Nicolaysen

*Apologies from: Clement Yapo (ATI), Simon Morden (AXA XL), Karin Wessman (EKF)*

## SUMMARY

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### BRIEF UPDATES / Tour de table:

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The Chair welcomed all participants and introduced Eve Hall at the BU Secretariat who will be leading the group following Paul Heaney's promotion as the BU Acting Secretary General.

#### UKEF – TCFD report publication

UKEF will be shortly publishing its second annual Task Force on Climate-related Financial Disclosures (TCFD) report, a major organizational milestone. The report includes analysis of financed emissions and decarbonisation targets. UKEF will work towards delivery of a BU video explainer on TCFD reporting in the next couple of weeks.

(Update: UKEF's TCFD report for the financial year 21/22 is now available [here](#), within the Annual Report and Accounts – the TCFD section starts on p. 97.)

#### MIGA – scaling up solar

MIGA closed a transaction recently involving DFC financing of six polar projects in Egypt, refinanced by bond funded by institutional investors. Looking for ways to scale up, in cooperation with EBRD. MIGA is looking to share details of the transaction and can provide background project info for anyone interested and is willing to do an 'innovation' webinar on this topic. More info: <https://scatec.com/2022/04/28/scatec-refinances-six-power-plants-in-egypt-with-a-green-project-bond/>

#### DFC – blue bonds

DFC also recently signed a commitment for a project which will reach financial close in Autumn 2022.

DFC has signed up for a webinar on blue bonds for October, to include technical level info and reporting obligations on green aspects, following the financial close of the deal.

### **BPIFRANCE – E3F update**

The Export Finance for Future (E3F) annual transparency report is to be published imminently, following which the report will be added to the Resources section of the BU Climate Working Group's website. It will benchmark portfolio changes across energy transactions showing increase in renewable energy / green transactions and decrease in oil and gas transactions. The next E3F meeting is on Friday, 24 June – BPIFRANCE will keep the group up to date on developments.

### **AFD / FICS**

Recap: FicS (Finance in Common Summit) is the global movement of all public development banks (PDBs) focusing on climate and sustainable finance - have identified 550, including some ECAs, with around 80 institutions filling dual mandate.

AFD have been engaging with G20 presidency and presented the first FiCS report as part of the sustainable finance track. International Development Finance Club (IDFC - 27 PDBs) pledged at COP26 to mobilise 1.3 tn USD by 2025 funding for climate finance with no additional commitment for coal financing.

IDFC cumulative share of climate finance is around 20% - if extended to all PDBs globally this would equate to 500bn climate finance per year mobilised, against a known achievable target. If 40% could be reached this would amount to USD 1 tn.

DFC enquired re possible ECA involvement; Adama reported that only 10% of PDBs have cross-border activity whereas 90% are national development banks (NDBs). NDBs are the first risk takers when developing projects, mostly government policy projects, and are important for building sustainable project pipelines and driving the climate finance. ECAs can help in meeting government needs and identify specific collaboration opportunities within this community.

Priorities for this year are:

- Increase coordination with COP27 team on climate action from PDBs
- Conducting on-going dialogue with private sector and banks (through GFANZ). Will also try to connect to this BU climate working group.

Discussions with Glasgow Financial Alliance for Net Zero (GFANZ) are largely around de-risking, scaling, blending but moving this towards more concrete commitments will take time and the debate is still maturing.

Private sector is looking for increased de-risking from public sector to encourage financial flows into climate projects.

Opportunity to utilise BU AGM in November (which coincides with COP 27) to expand on this conversation and discuss trade and transactions at national level. Special focus on Africa trade and investment in Kigali.

Adama offered to connect us with IDFC Members in Africa (National Bank of Rwanda) and in LatAm, to increase dialogue with BU in these areas.

## Carbon Credits Discussion

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DFC has seen inquiries around cover for protecting carbon credits relating to investment in nature-based solutions, but traditional PRI products are not necessarily suited to this since there is rarely an underlying contract from the host government specifically relating to the grant of carbon credit. The different frameworks across different host countries and weak governance around carbon credit systems are not really aligned on this and are inhibiting climate-positive investment.

DFC invited other BU climate working group members to share ideas in finding ways we can encourage governments to commit contractually to the right of investors with respect to carbon credits. This would make it easier to apply PRI for this purpose.

AXA expressed interest in mangrove ecosystems. Have been looking at issues around identifying relevant stakeholders and how the PRI product can be positioned to effectively de-risk the transaction.

MIGA has some experience with transactions where they have specifically insured government authorisation to release carbon credit. WBG is looking at this issue and it is a major consideration, but PRI can add value even in the absence of letters of authorisation.

MIGA, DFC and AXA agreed for a separate follow-up call on this topic, after which they would report back to the group.

## Carbon Transition Explainers

Working group members discussed the plans for the workstream 2 series of explainer videos, and the production guidelines intended to make contributions to/participation in the explainer video series more efficient and streamlined. The production guidelines will be shared with the group in the next email and posted to the BU Climate Working Group website to encourage others' participation.

### Explainers:

UKEF – July on TCFD reporting

EDC – August/September on science-based targets

BPIFRANCE – August/September on carbon footprint

EKN (follow up call) – Oct on Scientific Council / RE transition plans / TBC. The Chair indicated she would follow up separately to confirm with EKN.

## Content to pipeline for Innovation and Transition streams

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The Chair issued a reminder to the group to keep generating additional ideas for potential contributions to either the Innovation webinar series (workstream 1) or the Video Explainer technical series (workstream 2), ideally with an indication by which date they would be able to prepare the relevant content for the coming months so that a more robust workplan is built out.

## **FOLLOW UP AND NEXT MEETING**

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AXA innovation showcase webinar likely in early July to present their technology risk solutions.

DFC, MIGA, AXA connecting on carbon credits and to report back.

MIGA webinar on solar transaction in Egypt, timing TBC.

ATI reporting on African energy forum. Regional Liquidity Support Facility webinar in Sept / Oct.

DFC on blue bonds for Marine Conservation in Oct / Nov.

BPIFRANCE Climate bonus topic TBC.

Link to the scheduling spreadsheet -

[https://docs.google.com/spreadsheets/d/11KuAn1PIRuHS3n\\_qO-VUaL8xGp7WTUvIcpV0u0WYCd4/edit?usp=sharing](https://docs.google.com/spreadsheets/d/11KuAn1PIRuHS3n_qO-VUaL8xGp7WTUvIcpV0u0WYCd4/edit?usp=sharing)

**Next call: 18<sup>th</sup> July**

The agenda to include WG member updates with topic updates provided in advance, tour de table, update on other networks and a summary of progress on the workstreams.