

ATTENDEES

CHAIR	Leah Gilbert Morris (EDC)
BU SECRETARIAT	Eve Hall Paul Heaney
AFD, FiCS	Adama Mariko
ATI	Clement Yapo
ATRADIUS DSB	Arjen Walbroek
BPIFRANCE	Alexine Bourgeois Elsa Pancek
CESCE	Julio Fernandez-Giro Ayuga Rocio Uriarte (<i>invited</i>)
CREDENDO	Geert Goossens (<i>invited</i>)
DZ Bank	Ralph Lerch
EDC	Trevor Kuhn Erik Nielsen
EKN	Karin Wessman Victor Carstenius Christine Lund Andresen
FINNVERA	Pekka Karkovirta (<i>invited</i>)
MIGA	Maria Margarita Cabrera Boero
UKEF	Mark Anderson
US DFC	Daniel Buckley

Apologies from: Marlena Hurley (US DFC), Olga Sclovscia (MIGA), Andrew MacFarlane (AXA XL), Toke Philipsen Prahm), EKF

SUMMARY

The Chair opened the meeting by welcoming the CWG members and meeting invitees – representatives from CECSE, FINNVERA and CREDENDO. The main purpose of the call was to continue sharing the implementation of the COP26 Joint Statement for the Clean Energy Transition experiences.

First, the Secretariat asked for input for structuring a climate workshop at the BU spring meeting. This meeting will take place in Brussels on 9th May and will involve participants from across the BU membership.

BU Spring Meeting Plenary Climate Workshop proposal for feedback

The proposed topics and requested areas of input were:

1. Policy landscape update – discuss initiatives which have a direct impact on the climate finance landscape for export credit, either by introducing opportunities or challenges relevant to the

business of our members (provide BU members with a set of key takeaways and identify which initiatives should be featured, e.g., OECD, E3F, EU Taxonomy etc.)

2. Organisational change – present participants with key areas for organizational change, focusing on product development, incentivisation, portfolio assessment, monitoring, etc. (identify which areas of organisational development would be most valuable to concentrate on given the diversity of the meeting participants)

3. Climate Transition of clients – look at how BU members are working with their clients to support their transition needs, e.g., how to identify these needs, what conversations were being held with clients and how to connect organisational climate policy to the needs of end clients.

The CWG members were asked to contribute to the session and share experience in their organisations.

COP 26 Implementation Experience

The Export Finance for Future (E3F) coalition was established in April 2021 to promote and support the transition of investments towards climate-neutral export projects and greater transparency on climate impacts. The members of the E3F are Finland, the Netherlands, Belgium, Spain, Italy, France, Sweden, Germany, Denmark and the United Kingdom.

The focus of this call was on ECAs from E3F representative countries Spain, Finland, and Belgium, all signatories of the COP26 statement of actions: <https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy-transition/> and how they interpret and implement COP26 and E3F statement.

FINNVERA

[Export financing for fossil fuels will be reduced by international agreements – Finnvera restricts export credit guarantees for oil and gas projects | Finnvera](#)

Finland intends to be climate neutral by 2035 and prioritises technological innovation in finding scalable alternatives to fossil fuels. Finnvera operations have been aligned to mitigate climate change and include restricting financing for the oil and gas:

No export credit guarantees will be granted for the exploration and drilling of new oil or gas fields, or for extension of old fields, or for fixed infrastructure built for these fields (e.g., oil pipelines).

Export credit guarantees will be granted for oil-fired power plants only in limited situations: reserve power plants, or isolated electricity networks in remote areas where other solutions are not feasible to ensure security of supply or enable use of renewable energy. Similar limitations apply for gas-fired power plants, for example the power plant serves as a reserve for renewable energy.

Finnvera makes public the projects that they guarantee within the scope of the policy and their justifications according to its sectoral policy (exceptions must be consistent with the 1.5°C warming limit).

Exclusions: trade finance (repayment period of less than 2 years) and projects in Finland; non-fossil fuel based energy production and sectors outside energy production; power generation in energy-intensive sectors; electricity and heat networks and power generation of critical infrastructure in society (e.g., hospitals, water utilities) and projects improving the state of the environment or safety.

CESCE

New commitment in line with COP26 statement was introduced on 1st of January as per [CESCE climate change policy](#), with no official support to be granted to projects aimed at the activities of exploration, production, transport, storage, refining, processing and distribution of thermal coal, oil or natural gas, as well as the generation of energy using said fuels.

Additional initiatives include focus on transparency and development of new products.

Exclusions include:

- When the investment to be made or the goods and services to be exported have the essential goal of dismantling the plant or improving its environmental performance without extending its useful life;
- Support for smaller operations, not exceeding €30MM in the insured amount, will be assessed on a case by case basis (this exception will not apply to operations aimed at oil exploration, etc).
- Support for operations linked to the supply or storage of fuel necessary for long-distance air or sea transport, for which there is currently no commercially-viable alternative technology, will be assessed on a case by case basis.

The policy outlines operation aimed at the electricity generation sector, natural gas production chain, and petrochemical industry.

CESCE has made an additional commitment directly arising from the signing of the COP26 declaration - its goal to reduce the exposure of its portfolio to the Hydrocarbons Industry by 75% by 2035 compared to the 2020 levels.

CREDESCO

Credendo' s policy regarding public support for the energy transition from fossil fuels to clean energy

Credendo supports transactions aimed at limiting greenhouse gas emissions by granting incentives for transactions that qualify for the "Credendo Green Package" (lower thresholds for the Belgian content of a transaction, a higher covered percentage, expansion to include domestic transactions with export potential, etc.)

Credendo will only provide export support in exceptional circumstances for projects within the international fossil fuel energy sector. No support for new coal-fired power plants without operational installations for carbon capture, utilisation and storage or similar technologies (CCUS), and the supply of equipment to existing coal-fired power plants, unless the equipment supplied is intended to reduce air and water pollution or CO2 emissions and does not extend the useful life or capacity of the plant. From 1 January 2023, Credendo' s cover policy was adapted to exclude exploration and operation of new coal mines, new oil fields or new gas fields; expansion of existing mines or plants without CCUS; etc.) Maintenance services, energy efficiency projects and carbon capture projects will still be covered.

Cover for midstream and downstream projects that have already started production, oil fields whose development has already been approved and gas fields already being developed before 2022 will remain possible under certain conditions. Sectors that use fossil fuels for production, but do not form part of the energy sector themselves (the steel sector, cement sector, petrochemical sector, etc.) or the transport sector, also qualify for cover. The same applies to electricity grids and heating or cooling distribution systems (water or air).

All presenters confirmed that their policies apply to both existing and new projects although the pipeline for transactions where these nuances will need to be applied is limited.

FOLLOW UP AND NEXT MEETING

Ideas for either the Innovation webinar series (workstream 1) or the Video Explainer technical series (workstream 2) with projected deadlines welcome. Please contact Eve at the Secretariat directly.

The Chair noted that the next call would continue the implementation theme with presentations from BPIFRANCE, MIGA, DFC and EDC. It was added that a technical session within the CWG would also be appreciated as well as more focus on transparency, accountability and reporting aspects.

Next call: 25 April 2023