

ATTENDEES

CHAIR	Andrea Gardella (EDC), standing in for Leah Gilbert Morris (EDC)
SECRETARIAT	Paul Heaney
AFD	Adama Mariko, Charlotte Cristofari
ATI	Clement Yapo
AXA XL	Simon Morden, Andrew MacFarlane
BPIFRANCE	Maëlia Dufour, Mathilde Moreau, Elsa Pancek, Paul Chevert
DZ BANK	Ralph Lerch
EDC	DJ Kim
EKN	Karin Wessman
UKEF	Helen Meekings
US DFC	Marlena Hurley

Apologies from: Leah Gilbert Morris (EDC), Chris Mitman (INVESTEC), Olga Sclovsciaia (MIGA)

SUMMARY

We introduced new participants joining the calls for the first time.

We reported back on the press release, which has been picked up by a number of industry media outlets including *Trade Finance Global*, *Global Trade Review*, *Reinsurance News*, *DB Flow* and *TXF* – with thanks to all working group participants who helped to share and amplify this message.

Next, we discussed the three workstreams and the proposed concrete deliverables emerging from discussions during the last call.

RECAP: Workstreams and deliverables

- WS1: Products, Inventive, Innovation – series of VLOGs / case studies and end year summary report
- WS2: Best practice in low-carbon transition – Workshop on e.g. TCFD reporting
- WS3: Policy coherence and alignment – survey and white paper / gap analysis

VLOG case studies / explainers and summary report

In discussion it became clear that there is high potential for cross-over work between workstream 1 and 2. The proposed VLOG and summary approach could be expanded to cover both topics in both workstreams as the initial “what is it?” and “how to?” aspects.

In addition to exploring definitions of low-carbon / cleantech, and exploring different industry sectors, several new aspects were raised:

1. Understanding the client side

- What are the transition needs of clients across different sectors?
- How do you dialogue with your clients when designing products / incentives?
- How can we be more flexible in our approach to accommodate this?

2. Handling new types of risk

- Support for innovation often involves additional risk in the form of e.g. untested technology
- Given that ECAs have a responsibility not to make a loss over the business cycle, how are different institutions approaching this?

UKEF can share information on development of their transition export development guaranteed facility, in which disincentives kick in when transaction is not proceeding as expected

EDC talked about their research into how company size has an impact on transition needs

AXA XL offered to share information on specialist private insurance capacity dedicated to covering technology risk

Broadening the scope of the proposed deliverable to cover elements of both WS1 and WS2, could mean producing a larger set of videos which would map out how organisations can think about transition from first principles through to product delivery and impact analysis. E.g.

- What is low carbon transition? – definitions, implications
- Example challenges by sector, company size
- Dialogue with clients – understanding needs, adapting approaches, when to stretch
- Product design for climate incentives / disincentives
- Working with partners to mitigate new risks (*e.g. technology*)
- Portfolio assessment (*e.g. bpifrance case study, carbon footprint assessment*)

This could be a multi-media project, based around VLOGs, but with accompanying written materials to outline technical aspects, as well as trends summary to tie together the different individual pieces.

Workshop / TCFD reporting

We also discussed a possible workshop and in particular a focus on TCFD reporting.

TCFD is challenging, but it is not clear how many institutions are seriously invested in this yet.

UKEF / EDC are; EKN are just starting to explore and bpifrance are not currently.

We will try to assess within the BU ECA Committee how many ECAs this is relevant for

Survey and whitepaper

Discussing WS3 and the proposal for a survey / whitepaper, it was raised that we need to be mindful about capacity and not over-commit ourselves.

One of the challenges for this workstream is that the landscape is changing very quickly, and any attempt to create a comprehensive overview of the policy environment and different climate frameworks will likely become outdated by the time it is completed.

However, it was agreed that a broad understanding of 'what others are doing' is generally helpful for all institutions.

The main proposal was to create a very brief survey to collect information on what different institutions are reporting and where, as well as any policy updates on e.g. implementation of COP26 statement.

This could be updated around twice a year.

EKN offered to share a template of survey questions which had been circulated, as a potential starting point for developing our own survey.

OTHER INITIATIVE UPDATES

At the end of the call we heard brief updates on other initiatives from working group members connected to these:

Finance in Common

FiCS 2022 will be co-organised with AfDB and EIB. Under discussion to be addressed at the summit are topics: 1) green infrastructure 2) health and social 3) climate adaptation, resilience and biodiversity and 4) human rights and inequalities. The meeting will include report back to G20 and will anticipate the COP 27 meeting. FiCS welcomes engagement with the BU, and the CWG for the upcoming meeting.

E3F

France is currently holding the EU Presidency and the MoF is aiming to use E3F to help guide how the ECAs can contribute to implementation of COP26 commitments. Bpfinance also offered to share a short written summary update of the last E3F meeting.

OECD and GFANZ

OECD is looking at a review of the common approaches and appropriating climate, biodiversity and how CCSU can be leveraged to support this.

Some participants within GFANZ are looking into creating an ECA-specific sub-group of the alliance

ICC Banking Commission Export Finance Sustainability Working Group

First phase of the White Paper launch has been to promote the findings across the industry, presenting a snapshot of the current state of the market. It is now moving towards an action phase where the focus of work is to advocate for implementation of some of the recommendations.

At the same time, the latest ICC trade register is exploring the potential to extend this reporting to cover sustainable loans as part of the data set. This may include categorising historical data as well as future submissions. Adequate standard definitions are a prerequisite to this.

Slides presented by Ralph during this update have also been uploaded to the CWG page on the BU website.

NEXT CALL AND ACTION POINTS

- The next call is on Tuesday 5th April at 13:00 GMT – 1hr call

We will share in advance a fleshed-out proposal for the different pieces of practical work discussed so far:

- 1)** video content and supporting materials relating to both WS1 and WS2 and
- 2)** survey / paper to inform on developments in the policy environment, as part of WS3

During the next call we want to start confirming commitments from working group members to help take forward a piece of input towards these.