

## ATTENDEES

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CHAIR	Andrea Gardella (EDC)
SECRETARIAT	Paul Heaney (BU)
ATI	Clement Yapo
AXA XL	Simon Morden, Venetia Fubert
BPIFRANCE	Maëlia Dufour, Elsa Pancek
DZ BANK	Ralph Lerch
EDC	DJ Kim
EKN	Karin Wessman, Susanne With

*Apologies from: Leah Gilbert Morris, Marlena Hurley, Meg Nicolaysen, Olga Sclovscia, Chris Mitman*

## SUMMARY

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### FEEDBACK FROM BU SPRING MEETING IN ISTANBUL

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We kicked off the meeting with some feedback from the BU Spring Meeting and the discussion with members around the workplan presented by Leah during the plenary meeting.

Overall feedback was positive.

#### ***Content creation and neutral presentation of information is the priority***

Members asked about priorities, given the ambitious set of deliverables, and potential sensitivities around WS3 regarding policy alignment. The response was that the number one priority is around creating information resources, and that the focus will be on WS1 and 2 in the first instance. Around WS3, they were reassured that the proposal is a summary of interpretations of joint policy commitments and progress of individual implementation of this, without any value judgement.

#### ***Interaction is an important objective and everyone is encouraged to participate***

Other questions related to who should / can be involved in the work of the CWG, and whether there is any intention to organise in-person meetings. On this, we clarified that all parts of the industry (both BU members and otherwise) are welcome to contribute ideas and content towards the various workstreams and invited those with interest in being involved with the innovation showcase or transition seedbed videos to get in touch. Although we do not plan in-person meetings, interaction and peer-to-peer exchange will be built in to the transition showcase through the form of webinars.

In follow up, with a dedicated email, we will remind BU Members about the initiative, sharing a link to the recording of Leah's presentation and encourage them to visit the CWG home page on the BU website, as well as inviting them to submit ideas for the workstreams.

## ADDING CONTENT TO PIPELINE FOR INNOVATION AND TRANSITION STREAMS

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Thanks to all those who have added content to the pipeline already.

We reminded the group to keep adding information, and in particular to indicate by which date you would be able to prepare the relevant content, so that we can bring to put together a schedule for the coming months.

## BPIFRANCE PRESENTATION OF CLIMATE STRATEGY

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Bpifrance presented their climate strategy to the group, including the climate bonus and carbon accounting methodology.

The climate bonus allows application of raised cover and green incentives for projects involving climate change mitigation and adaptation, although there are currently plans to expand this to other areas of the EU taxonomy, with approval expected by the end of the year.

The carbon accounting involves assessing the full scope of emissions connected to bpifrance's portfolio, developed with the support of an external consultant. In the latest iteration of the report they are looking at the evolution of this between 2019 and 2021. They are currently evaluating the use of additional data (on carbon intensity) for the next report.

Finally, bpifrance is currently conducting a benchmark of green incentives, and expecting to complete this by July / August.

On E3F there are hopes to expand the membership further including increasing non EU Members.

The presentation slides will be added to the CWG web page.

### *Follow up discussion related to the methodology of the carbon portfolio accounting*

Bpifrance clarified that this methodology was developed in house and is not currently publicly available. They take steps to avoid double-counting for the same project supported with instruments for finance, investment and export credit,

For now the exposure is calculated on the basis of specific transactions, rather than also looking at additional aspects of the carbon footprint of the end borrowers, but in future they would like to look at expanding to a wider set of criteria.

One issue is the availability of reliable data, which can vary considerably sector by sector. However, since this kind of undertaking is becoming increasingly common, in future availability of this kind of data is likely to increase.

## TOUR DE TABLE AND UPDATE FROM OTHER NETWORKS

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### ***ICC sustainability group***

Ralph reported encouraging discussions from the BU Spring Meeting, which was attended by Chris Mitman, representing the ICC Banks' Sustainability Working Group. A copy of the slides presented by Chris will be added to the website.

An important focus for the banks right now is discussions around incentives. As more ECAs start looking at this topic, the banks are keen to see a degree of harmonisation across different countries to ensure that the end system does not become needlessly complex.

The Sustainability group is continuing to promote the export finance sustainability white paper and has completed the short version of this, which will also be shared via the CWG web page.

## **EKN**

EKN has updated its policy on restriction to fossil energy projects, reducing the exceptional period of adjustment for low income countries / fragile states from 2 to 1 year for the policy which otherwise requires a PA1.5 transition plan for the project.

In the latest (3rd) meeting of the Scientific Council, the question was raised as to what a credible transition plan for a project could look like? The response was that overall, it is complex, but some key points to consider are:

- Gas is not a transition fuel, and can only really be seen this way in a very limited set of circumstances (i.e. backup power for a RE-powered system)
- Up to date economic analysis is revealing. With declining prices for RE projects and the increasing price of fossil fuels, a lot of projects involving fossil fuels may not longer look so good financially. If the analysis of technical and economic alternatives is up to date, this will be more obvious.
- It is important to distinguish between projects with transition plan which are 'Paris aligned' – i.e. in line with the principles of the Paris Agreement, versus one specifically aligned with PA1.5 scenarios.

## **FOLLOW UP AND NEXT MEETING**

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We hope to launch the first innovation showcase webinar in June. AXA is tentatively lined up for this, presenting their technology risk solutions.

In the meantime, at the upcoming TXF Global event in Lisbon, those attending / speaking will try to give a shout out for the work of this group.

**We agreed to pencil in 21st June for the next call**, with a calendar invitation to be circulated.

The agenda will remain the same as for this one, with an opportunity for WG members to submit topics to address in advance, as well as a general tour de table, update on other networks and a summary of progress on the workstreams.