

PARTICIPANTS' STATEMENT

On 31 March 2023, the Participants to the Arrangement on Officially Supported Export Credits reached an agreement in principle to modernise the Arrangement after several years of negotiations.

The aim of the agreement in principle is to make Arrangement financing flexible enough to better face challenges posed by the economic and financial needs of projects as well as the increasingly competitive landscape and to create further incentives for supporting a wider range of climate friendly and green transactions.

Specifically, the Participants agreed in principle on the expansion of the scope of green or climate friendly projects eligible for longer repayment terms (*i.e.* eligible under the Climate Change Sector Understanding or CCSU) to those related to (i) environmentally sustainable energy production, (ii) CO₂ capture, storage, and transportation, (iii) transmission, distribution and storage of energy, (iv) clean hydrogen and ammonia, (v) low emissions manufacturing, (vi) zero and low emissions transport and (vi) clean energy minerals and ores.

They also decided to provide more flexible financing terms and conditions for projects eligible for the CCSU as well as for all other transactions supported according to the Arrangement by:

- increasing the maximum repayment term up to 22 years for CCSU-eligible projects and 15 years for most other projects,
- introducing further repayment flexibilities and adjusting the minimum premium rates for credit risk for longer repayment terms.

In addition to providing additional flexibilities, these changes will lead to a simplification of the Arrangement text through streamlined provisions, as well as a more robust transparency regime and review procedures.

This reform is expected to come into effect later this year, once Participants complete their formal internal decision-making processes and agree to the new Arrangement text. The Participants to the Arrangement are Australia, Canada, the European Union, Japan, Korea, New Zealand, Norway, Switzerland, Türkiye, the United Kingdom, and the United States.