Key issues
for project management

Export Credit Agency financing

Investing in Energy Transition Projects
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Index

Executive summary

Purpose

This briefing paper examines how export credit agency (**ECA**) financing may be applicable to developers in relation to renewable energy projects. This paper can be used to feed into the broader project, including in relation to offtake and development strategies, arrangements and timelines. From the early stages of a project, it is important that the ECA, capital raise and development strategies and timelines are closely aligned, in particular, the selection of investor(s) and understanding their ECA connections.

Note that any early ECA strategies may require further consideration in light of the project's tax and corporate structure to ensure these strategies align. Any discussions or applications to any of the ECAs will need to reflect this overall structure. Further consideration will also be required in relation to tax implications, for example, the availability of interest withholding tax exemptions under some double tax treaties or alternatively the making of offers under section 128F of the Income *Tax Assessment Act 1936* (Cth).

Summary

Project developers should investigate a number of ECA financing options, as follows:

- direct ECA financing, in the form of facility agreements, in the following forms:
  - untied financing from a number of different ECAs, including potential funding from the Australian ECA
  - untied financing in relation to particular delivery partner model contracts, and during any capital raise phase of the project to support foreign direct investments
  - tied financing in relation to contracts with manufacturers and suppliers
- indirect ECA financing, provided to commercial lenders (if required)
- insurance provided by ECAs to manage both commercial and political risk.

It may be possible for participating ECAs to form a debt syndicate alongside commercial lenders (if required) prior to financial close and operate as a group, rather than individually.

Structure

This paper is structured as follows:

- **Section 1** outlines the common forms of ECA financing and contains a high-level summary of the key features or requirements that will be relevant for any application by developers to obtain funding.
- **Section 2** covers the specific ECA financing options that may be available to developers, including in relation to both untied and tied financing options.
- **Section 3** outlines the typical benefits and drawbacks of ECA financing, along with a summary of the current landscape, which indicates a focus by ECAs on projects that satisfy ESG objectives.
- **Section 4** identifies possible action items for developers that we have flagged throughout this paper, which may help to direct timing and next steps in an ECA financing work stream.
- **Section 5** summarises several case studies of projects that have successfully secured ECA financing, identified in this paper due to the common elements of scale, risk and complexity that they share with major renewable energy projects. These case studies serve to illustrate certain takeaways for developers identified in this paper.

Introduction

Export credit financing refers to financing provided by states (either directly by governments, or by government-owned or affiliated entities) to promote the sale and export of products and provide employment domestically, to increase the wealth of the country from which they originate.

Many countries offer export credit financing via the establishment of government mandated export credit agencies (**ECAs**). The number of official ECAs was 115 in 2021, with a significant variance in export credit volumes between them. In 2021, the top five countries providing official medium to long term export credit support (in US billion dollars) were China (US$11 billion), Italy (US$10.9 billion), Germany (US$7.2 billion), France (US$5.9 billion), and Sweden (US$5.4 billion). Refer to Appendix A for a full list of major ECAs.

Each ECA is given a mandate by its government outlining what support it can provide. The mandates of the ECAs can differ markedly and can change from time to time. For example, the Australian government has recently changed the mandate of Export Finance Australia and the Canadian government has changed the mandate of Export Development Canada. Export Finance Australia was previously known as the Export Finance and Insurance Corporation. Its involvement with Ichthys lead to a review of its mandate and, for a period of time, an effective prohibition in relation to these types of large deals.

The products offered by most ECAs include the following:

- direct finance (tied and untied)
- guarantees and bonds
- insurance products, including credit insurance and political risk insurance (the latter of which is either unobtainable or prohibitively expensive in the commercial marketplace).

ECA financing can provide many benefits for developers, as outlined further in section 3. Primarily, ECAs are a stable source of financing and can help to avoid certain risks particularly in complex and multi-jurisdictional project. ECA involvement sends a clear and positive investment signal which can help build momentum for a capital raise.

1 Categories of ECA financing

Forms of ECA financing

This section provides further details about the various financing options that ECAs can provide. For context, it is possible that all applicable ECA lenders for a project will form a debt syndicate alongside commercial lenders (if they are required) prior to financial close. The amounts and products that each individual ECA contributes will depend on the particular circumstances of the project.

Direct ECA financing

Financing by an ECA is 'direct' when the ECA lends money directly pursuant to a facility agreement.

Tied financing

'Tied financing' describes direct financing from an ECA that is tied to a particular contract for goods or services supplied by a contractor from that ECA's home country. For example, an ECA may provide direct financing to manufacturers in their home country, or to purchasers of the equipment manufactured by resident companies, where there is an underlying supply contract for such equipment. For tied financing, ECAs will generally fund the home country portion of the goods being financed, but their ability to finance foreign content within the exporter's contract varies. Financing will sometimes be conditional upon the sourcing of a set value of works and services (the eligible content) from the ECA's home country.

For renewable energy projects, tied financing will often be relevant at the point in the development timeline when the developer is undertaking procurement and entering into contracts with suppliers for each works package. Refer to section 2 for further details.

Untied financing

'Untied financing' describes direct financing from an ECA that is not conditional on the procurement of goods or services from the ECA's home country. Untied financing is instead offered on the basis that the transaction is strategically in the national interest of the ECA's home country, securing broader benefits for the country. For example, untied loans may be granted to support foreign direct investments; to help secure a stable supply of energy and resources or to finance projects having significant positive effects on global environmental preservation.

For renewable energy projects, untied financing will often be relevant during the capital raise phase of the project to support foreign direct investments from institutional equity investors. In addition, developers should consider whether they may be eligible to apply for ECA financing from the ECA in the jurisdiction where the project will provide the most benefit, such as providing a source of renewable energy. Developers may be able to further increase untied financing by linking this to particular contracts involving the performance of delivery partner services (albeit these do not relate to the purchase of specific equipment or materials). Refer to section 3 of this paper for further detail with respect to ESG considerations of ECA financing.

Indirect ECA financing

ECA financing can also occur through indirect lending or interest rate support. 'Indirect' financing involves the ECA lending funds to a financial intermediary (usually a commercial bank), which in turn lends to the project company at a low fixed interest rate. The ECA may also pay for the difference between the relevant commercial interest reference rate (**CIRR**) and the rate at which the banks fund themselves, plus a margin. This allows the project company to take advantage of an interest rate equal to the CIRR and ensures that the bank sees a commercial return on their loan.

One type of indirect financing is ECA guarantees. ECA guarantees can take a number of forms. Credit guarantee facilities are commonly used, whereby ECAs provide guarantees to lenders in their home country for loans to foreign banks which are then on-lent to foreign purchasers of the home country goods or services.

Loan guarantees and direct loans are different approaches that ECAs may take but the underlying product (buyer credit, project finance) is the same. Not all ECAs offer direct lending, some prefer to work with a bank that funds the transaction, but they otherwise underwrite the transaction in the same way.

If developers are able to secure significant direct ECA financing, indirect ECA financing may not play a very large role in the financing strategy for the project. Indirect financing will likely only be relevant if commercial lenders consider that the risks of the project necessitate further indirect support.

Insurance

Some ECAs also provide insurance products that cover commercial risk, political risk (such as imposition of foreign exchange controls, war, expropriation, rescission of licences etc), or a combination of both. Political risk insurance is often difficult to obtain, or prohibitively expensive in the commercial insurance marketplace, which makes this insurance offered by an ECA particularly useful. Political risk insurance typically involves the following limitations:

1. eligibility of the investment (specific asset or equity interest) to be insured
2. tenor of policy (most often from one to 20 years)
3. percentage of eligible investment that the policy will cover (generally, the policy provider will only cover 85 to 90 per cent of the risk and the policyholder is required to risk-share the remaining percentage of the risk of loss)
4. specific claims procedures requiring submission of documentation in specified time frames, exclusions to cover and, as a condition of payment, transfer or subrogation (or both) to the insurer of the insured's covered investment.

ECA insurance may be relevant to the financing strategy for projects if project lenders or equity investors of the project consider there is a heightened likelihood of political risk events that may adversely affect delivery of the project, and in turn the developer's ability to make debt service payments. Refer to section 2 for further details as to political risk implications.

General features of ECA support

OECD compliance

Most ECAs work within a regulated environment where they are obliged to comply with a set of OECD guidelines, called the Arrangement on Officially Supported Export Credits (**OECD Arrangement**) (although it is worth noting that untied financing falls outside of the scope of the OECD Arrangement). The OECD Arrangement is aimed at avoiding unfair competition as a result of certain ECAs offering particularly generous financing conditions and sets out:

- minimum interest rates for fixed rate loans defined as the CIRR. The CIRR depends on the currency of the transaction, and is adjusted by the OECD on a monthly basis
- the maximum repayment tenor for both standard exports, as well as for specified industries through special sector understandings
- an allowance for the financing of a percentage of local costs associated with the exported items
- compliance obligations associated with the Equator Principles' social and environmental standards.

The OECD Arrangement has been updated to include sector specific annexes called 'Sector Understandings'. This includes the Renewable Energy, Climate Change Mitigation and Adaptation and Water Projects Sector Understanding (Annex IV of the OECD Arrangement) (**Annex IV**) which is aimed at promoting good practice in terms of scaling up and better targeting public and private finance that supports climate-friendly investment. Annex IV provides more flexible conditions for the provision of export credits relating to renewable energy projects or climate change mitigation projects (see below for further discussion on the financing conditions contained in Annex IV for renewable energy projects). This contrasts with the Coal-Fired Electricity Generation Sector Understanding (Annex VI of the Arrangement), which provides stricter conditions for the provision of export credits relating to coal-fired electricity generation projects.

Required contractual terms

To be eligible for ECA financing, a developer will need to satisfy the requirements of each of the individual ECAs it approaches, in addition to the requirements under the OECD Arrangement. For example, ECAs that are participants under the OECD Arrangement will require applicants to demonstrate compliance with certain environmental and social policies.

A developer may need to demonstrate compliance with these conditions by incorporating relevant contractual terms into its future agreements. This will be particularly relevant when procuring and contracting works packages. Contracts that will be used for the works packages should include clauses to address this and related ECA requirements. Additionally, developers may wish to select successful tenderers on the basis of value for money, which metric may relate not only to the overall price offered by a tenderer, but to the ability of the tenderer to offer financing from their home country ECA, along with the pricing and tenor of that financing that can be secured by that tenderer.

As a matter of course, ECAs will also want to focus on traditional credit issues and corresponding structures, such as offtake periods greater than the life of the loan, completion wraps, et cetera. Note, it is generally much more procedural to go through an ECA and secure an ECA loan than it is to go through a commercial lender. Developers should seek further advice on the exact process and any required contractual terms once engagement with ECAs commences.

Amount financed

The amount of financing that is available from any one ECA will depend on several factors, including its own mandate, the contract structure, volume of value creation in the exporting country, country and sector limits and risk appetite of the ECA and, in the case of ECA insurance, the availability of re-insurance. The evaluation of how these matters may be satisfied varies from ECA to ECA. While the amounts available to developers from individual ECAs will differ, ECAs are well versed in providing finance solutions on projects that involve multiple countries and multiple ECAs and will be accustomed to working collaboratively to form a cohesive debt syndicate.

Tied financing

In relation to tied financing, the amount of financing is linked to the country of origin of the exported goods and services. ECAs typically lend up to 85% of eligible export contract (home country content requirements vary), with the buyer required to fund the balance of the contract value. ECAs can also cover 40% of the exported contract amounts to fund local costs, for a high income country borrower, which are related to the project where the exported goods or services are used.

Further, the ECA will take into consideration the OECD Arrangement when evaluating a requested loan or guarantee and considering the various financial terms that will apply to such financing. To this end, Annex IV will directly benefit renewable energy projects in relation to any tied financing, given that Annex IV is aimed at promoting climate friendly investment and renewable energy projects.

Untied financing

As the OECD Arrangement does not apply to untied funding, where a company from the ECA's country has an ownership interest in, or manages the relevant project, the terms of funding from the ECA may be more flexible. Most ECAs will link the available amount of untied financing to the overall strategic benefit of the project. This is relevant for both capital raise phases of the project.

How repayment works

Most ECAs have specific project financing programmes that are tailored to meet the needs of a project and its commercial lenders. These programmes combine the various forms of financing into specific packages which meet the specialised requirements of a limited recourse project financing. Repayment schedules will be customised according to the expected cash flow of the project and sometimes may not require repayments to be made until the completion of construction or commissioning of the relevant facility.

For tied project financing in relation to repayment and interest for renewable energy projects that fall within the scope of Annex IV (which will most likely apply to most renewable energy projects), the OECD Arrangement stipulates the following conditions:

- a maximum repayment term of 18 years (this is both legal and notional tenor)
- a profile of repayment of principal and payment of interest as specified below:
  - repayment of principal made in equal instalments
  - repayment of principal and payment of interest combined made in equal instalments
- principal must be repaid and interest shall be paid no less frequently than every six months and the first instalment of principal and interest must be made no later than six months after the starting point of credit.

Annex IV states that, on an 'exceptional and duly justified basis', official support may be provided on terms other than those set out above. The provision of such support shall be explained by an imbalance in the timing of the funds available to the obligor and the debt service profile available under an equal, semi-annual repayment schedule, and must comply with the following terms:

- No single repayment of principal or series of principal payments within a six-month period can exceed 25% of the principal sum.
- Principal must be repaid no less frequently than every 12 months. The first repayment of principal must be made no later than 18 months after the starting point of credit and no less than 2% of the principal sum will have been repaid 18 months after the starting point of credit.
- Interest must be paid no less frequently than every 12 months and the first interest payment must be made no later than six months after the starting point of credit.
- The maximum weighted average life of the repayment period shall not exceed 60% of the maximum available tenor.

To be clear, there will likely be a construction facility as part of the ECA financing package. Project financing is paid back out of revenue that is generated by the project, whether under offtake agreements or spot or merchant sales. The difference with ECA financing, as per the OECD Arrangement, rather than commercial debt financing is that it implies that interest payments would have to be physical payments rather than just capitalisation. These interest payments would be paid out of debt and/or equity drawdowns.

Note while not legally binding, the OECD Arrangement effectively places limitations on the financing terms and conditions that ECAs can offer. As such, any ECAs that developers engage with that are Participants under the OECD Arrangement may consider that they are limited to these terms. The above repayment arrangements and terms and any flexibility developers require will be a particularly important part of early engagement conversations with ECAs.

2
ECA financing options for renewable energy projects

Formation of a consortium of lenders

The section 2 outlines the financing options that may present opportunities for developers to engage with individual ECAs. For many renewable energy projects, it may be possible that all applicable ECA lenders will form a debt syndicate alongside commercial lenders (if they are required) prior to financial close. As such, it is important to note that the options outlined in this section will operate in aggregate.

ECAs commonly provide finance solutions on projects that involve multiple countries and are accustomed to working collaboratively to form a cohesive debt syndicate. Refer to section 5 for examples of projects involving multiple ECAs as part of a syndicate of lenders. It is possible for the lending consortium to have a majority of ECA debt and the balance will be commercial debt.

Developers could look at appointing an ECA as the lead arranger and as the technical bank (albeit, for a range of potential reasons, a commercial bank may need to be appointed for those roles). As an example, the German export finance bank KfW IPEX-Bank GmbH was appointed as a lead arranger for the financing of the Bosch Siemens refrigerator production plant in China and as a joint lead arranger for the Tugaske potash mining project in Canada for the project's senior debt facility.

Tied financing

The following section lists various opportunities for developers to secure tied ECA financing. In the development timeline, tied financing will often provide an early opportunity for developers to engage with ECAs in relation to its contracts with delivery partners. After discussions in relation to contracts with delivery partners, Engaging with ECAs regarding tied financing will be relevant later for the point in the development timeline when the developer is undertaking procurement and entering into contracts for specific goods or services. However, it is important to note that, while tied financing may provide an early point of contact, all ECA financing will come together at Financial Close.

Tied financing to support partnership procurement models

Tied financing may be available to developers that will be engaging another entity as a delivery partner in relation to the project. These contracts do not relate to the purchase of specific equipment or materials but do involve a partner entity participating in and providing services to an overseas project. The home country of the contracting entity of the delivery partner will be relevant, as will the residency status of the individuals working for that contracting entity on the project. ECAs typically aim to assist companies that support jobs in their own country but it is becoming more usual to see ECAs work with international businesses or affiliate companies.

As noted above, however, this will typically form part of an overall ECA financing strategy in aggregate and the delivery partner contracts will not provide the only opportunity for developers to engage with ECAs.

Example: Partnering with an American company

Where a developer is partnering with an American entity, that entity may, subject to certain conditions, be able to apply to the Export-Import Bank of the United States (**US EXIM**) for export finance as an American company exporting its services to an overseas developer, albeit depending on the contracting entity and residency considerations. There are several US EXIM financing mechanisms available, including the options summarised below.

Direct loans

US EXIM can provide direct loans to creditworthy international purchasers in both the public and private sector. According to US EXIM, it generally provides direct loans and loan guarantees to international purchasers of US capital equipment and services. Prior to approving certain transactions, US EXIM will consider the economic and environmental impact of the particular transaction. US EXIM can provide fixed-rate financing with the interest rate set at the CIRR for up to 18 years for projects that operate in the renewable energy sector. US EXIM will currently finance local costs up to 30%, but it expects to adopt the new OECD policy on local costs shortly, which in this case would be 40%. However, US EXIM will finance only the US originated goods and services.

To apply for a direct loan or loan guarantee, one option is for the US company exporting services to apply to US EXIM for a letter of interest prior to contract award. A letter of interest from US EXIM is not required in order for the developer to apply for a final commitment, but it is useful in the context of early engagement. The letter is processed within seven working days, is valid for 12 months, and can be renewed. Once the contract is awarded, the developer as the international purchaser who intends to borrow from US EXIM can submit a final commitment application to US EXIM.

Note, as flagged above, this will link back to overall tax and corporate structuring to ensure the correct entity is the relevant party to the transaction. It may ultimately be a subsidiary of the project company or a related party under a project contract who borrows from US EXIM.

Project finance

Another product that US EXIM provides is limited recourse project financing to support US exporters and their international customers, including in Australia. As part of a broader aggregated ECA financing strategy, developers may wish to investigate whether it as the customer, and/or the American entity, working with other American exporters, could seek a project finance loan from US EXIM for the project.

US EXIM will consider limited recourse project financing in most countries and has no financing limits. However, the OECD limits official credit in high income countries. US EXIM has two primary goals in relation to its project and structured financing and developers would need to establish that these goals will be met by the project. Namely, developers would need to demonstrate that the project will:

- maximise US company participation in the transaction to support US jobs
- be a creditworthy project that will protect the interests of US taxpayers.

Financing for exporters

For US exporters, US EXIM can provide either a direct loan or a 100% loan-backing guarantee to the lender of a US exporter. The loan guarantee backs the borrower's debt in the event something goes awry, thereby decreasing repayment risk and increasing the lender's willingness to extend a loan. Additionally, US exporters can apply to US EXIM for a working capital loan guarantee in relation to transaction-specific facilities. Developers may wish to investigate this with potential partner entities.

Action item: Refer to item 4 in section 4.

Example: Partnering with a Canadian entity

Where a developer is partnering with a Canadian entity, that entity may, subject to certain conditions, be able to apply to Export Development Canada (**EDC**) for export finance as a Canadian company exporting its services to an overseas developer. As with American entities (see above), considerations as to the contracting entity and the tax residency status of its personnel may apply.

As an example, EDC lists the Australian market as 'open', meaning that EDC is actively pursuing business in Australia, and all EDC solutions are available in this particular market.

Buyer financing

One financing solution that EDC provides is buyer financing, which it provides to the international customers of Canadian exporters. This is essentially like vendor financing, except EDC provides the loan. To capitalise on this, the Canadian exporter would need to provide EDC with the export contract and credit information on the project and on the developer as the foreign buyer with a request that EDC undertake a credit review and approval process. Once approved, EDC would issue the loan agreement to the developer. EDC would then hold responsibility for collecting payment from the developer.

Project finance

Another financial solution that EDC can provide is project financing, designed for limited recourse financing of long-term, capital intensive projects. EDC lists its sector expertise as including renewables and sustainable technologies, energy, infrastructure, and extractive industries.

Developers may be eligible to apply for financing if it can be established that the project:

- will generate revenues of over US$50 million
- will have export activities outside of Canada, that it requires structured financing to execute a large-scale global project in the power, utilities, infrastructure or industrial sector
- clearly demonstrates economic benefits to Canada.

Action item: Refer to item 4 in section 4.

Procuring the works packages

Commencement of procurement of the works packages for a project will provide developers with another opportunity to engage with ECAs to secure tied financing. Developers can approach individual ECAs in relation to each works package for the project, but ultimately it is likely that all participating ECAs will aggregate under a common facility agreement (which will require liaising with the ECAs to handle any potential conflicts between the individual requirements of each ECA). Figures 1 and 2 below illustrate the potential structures this financing can take.

Figure 1. Example of ECA direct tied loan structure

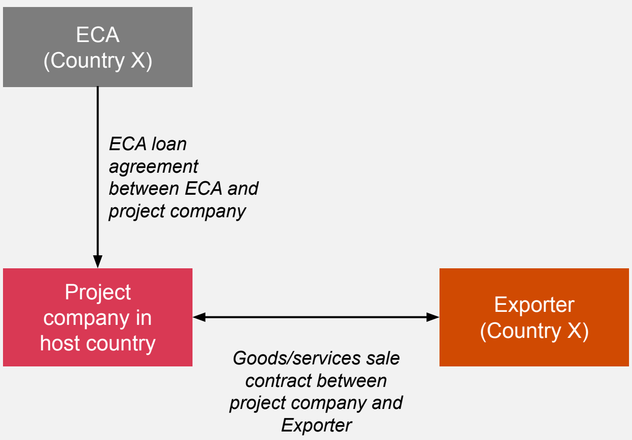
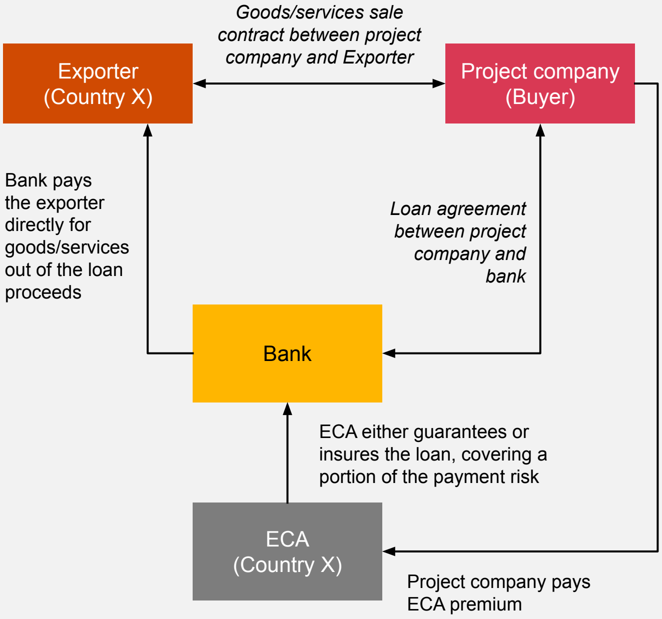


Figure 2. Example of ECA indirect tied buyer credit structure



When approaching the market for procurement, developers should consider requesting tenderers or prospective suppliers to identify their ability to introduce ECA funding. For example, in the returnable tender schedule as part of an invitation to tender, developers may request that tenderers provide details about their experience and expertise assisting projects to reach financial close, including working with ECAs.

Where relevant for future procurement processes, developers may also request that prospective suppliers in eligible jurisdictions include letters of interest or support from the ECA of their home country. The prospective supplier will then need to liaise with the relevant ECA to procure the letter of interest. Either the prospective supplier or the buyer (requirements vary) will then submit a formal application for financing, including all relevant project information. The ECA will then conduct a detailed due diligence process in relation to the project.

Action item: Refer to item 7 in section 4.

Tied financing for developers that are Australian export businesses

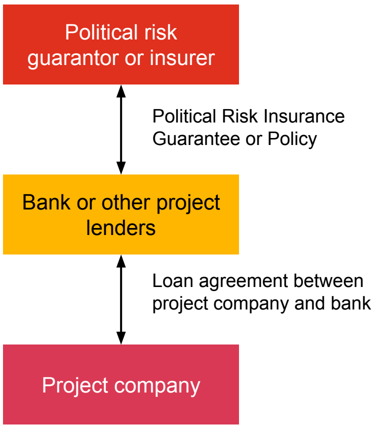
If developers from Australia will be securing international export contracts, they may be eligible to apply to Export Finance Australia (**EFA**), the Australian ECA for tied financing. EFA can provide flexible loan structures aligned to business cash flow that can be drawn for export-related transactions. EFA loans start from US$100,000 and are available for companies that have an export contract in place. However, EFA will not compete with commercial banks and only provides finance when a bank is unwilling or unable to do so.

ECA insurance

ECAs insurance can cover both commercial risk and political risk. For example, Australia's ECA provides political risk insurance to Australian investors, contractors and their lenders to mitigate potential losses due to certain political events, as well as export payment insurance to Australian exporters to protect against the risk of non-payment due to certain commercial and political risks. Given the global nature of some renewable energy projects, certain developers may benefit from the ability to secure political risk insurance, particularly as it can be difficult and costly to obtain in the commercial insurance market. ECAs that provide political risk insurance are subject to the OECD Arrangement's terms, as discussed above.

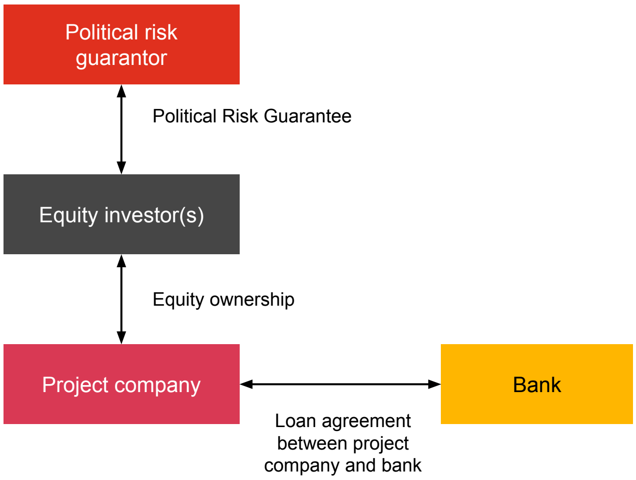
As set out in Figure 3 below, project lenders may be eligible to secure political risk insurance to provide credit support for the repayment of their principal and interest in the event of covered political risk events adversely affecting the project company's ability to make debt service payments.

Figure 3. Political risk guarantee or insurance provided to project lenders



Alternatively, equity investors may be eligible to secure political risk insurance to protect their equity investment and the enterprise value of the project in the event of covered political risk events affecting the value of their equity investment in the project.

Figure 4. Political risk guarantee or insurance provided to equity investor(s)



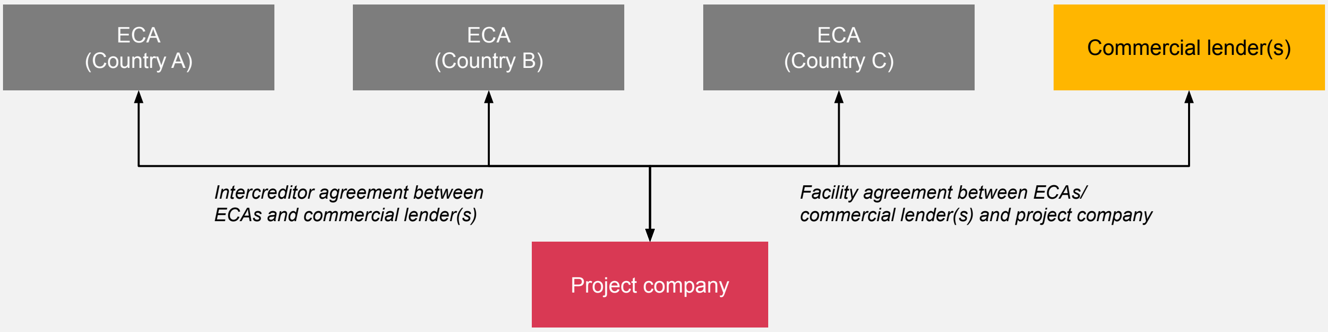
Action item: Refer to item 8 in section 4.

Untied financing options

This section summarises various opportunities for developers to secure direct untied ECA financing. In the project development timeline, untied financing will often provide another early opportunity for a developer to engage with ECAs, given that it is not dependent on having contracts in place involving procurement of goods or services from the ECA's home country (however, as noted above, while untied financing may provide one means for seeking ECA support, all of the ECA financing will come together at financial close). Figure 5 below illustrates this type of structure.

Note, the figures below are for illustration purposes only. The ultimate ECA financing structure will need to align with the tax and ownership structure of the project. It is possible that a finance vehicle will be the borrower with guarantees from the project company or companies.

Figure 5. Direct untied financing to project company



Untied financing where a developer is an Australian export business

EFA is the Australian government's ECA. If a developer is an Australian business that will be exporting overseas, the developer may be eligible to apply directly to EFA for financing. Loans, bonds, guarantees and project financing are available for Australian businesses that are exporting directly, part of an export supply chain, or setting up a presence in an overseas location. To be eligible for most products, the developer would need to demonstrate that it is an Australian registered company established for at least 2 years. For some products, it must demonstrate that it has an annual revenue of over AUD$250,000 in the last financial year.

Untied financing is available from EFA to support overseas infrastructure projects in areas including energy. Financing limits per project or country are determined on a case-by-case basis assessed according to EFA's risk appetite, EFA capital base and the level of Australian benefit in a project. For the EFA to support an overseas infrastructure project, there must be an Australian benefit (this could be a future or indirect benefit). For larger projects, EFA often shares the risk with partners and encourages investment from other financiers to ensure that viable projects receive the finance required to proceed.

EFA's criteria for providing financing to overseas infrastructure projects is that the underlying project must:

- provide the necessary level of Australian benefit
- be commercially viable
- meet the EFA's social and environmental due diligence standards
- be appropriate for the relevant country
- ensure sound project procurement governance.

EFA introduced two new financing capabilities in 2021. In June, EFA was given the ability to provide equity finance in certain circumstances to finance transactions that serve Australia's national interests and priorities. EFA has stated that an equity power will enable it to better support overseas infrastructure development and export-linked Australian businesses in sectors of economic significance. In September, the Australian government established an EFA-managed AUD$2 billion loan facility for Australian critical minerals projects.

It should be noted that EFA financing may not play a large role in the overall financing strategy for certain renewable energy projects for several reasons. It is predominantly focused on supporting small and medium-sized enterprises (**SMEs**) and the amount EFA can lend from its own balance sheet is comparatively small for projects that are large in size. Its funding of offshore projects is often politically driven, with its current mandate in regard to large offshore infrastructure projects being to prioritise infrastructure projects in the Pacific and broader Indo-Pacific region that result in positive outcomes for Australia and the region, both now and in the future and with a heavy developing market focus – a recent example being the AUD$2 billion of EFA funding provided to Telstra to buy a minority stake in Pacific based telecommunications operated Digicel. The Federal Government guarantees the due payment by EFA of any money that becomes payable, including its borrowings from third parties. It draws on the prudential standards set by the Australian Prudential Regulation Authority and the Bank for International Settlements through the Basel Committee on Banking Supervision.

Action item: Refer to item 1 in section 4.

Untied financing from relevant jurisdictions that are significantly linked to the project

Developers may be eligible to apply for ECA financing from ECAs in other countries that are significantly linked to the project. For example, ECICS, the Singaporean ECA, may provide financing to renewables projects that will be of national significance and will be providing a means for Singapore to secure a stable supply of renewable energy. However, ECICS is largely focused on providing insurance products to SMEs and may play a limited role in the financing of major projects as compared to other, larger ECAs like the Japanese and Korean ECAs, which have both recently been providing more prominent financing in relation to major infrastructure projects (see, for example, the Roy Hill iron ore project described in section 5).

Action item: Refer to item 2 in section 4.

Untied financing based on the nature of the project

Untied financing may be available to developers based on the nature of the project. As explained further in section 3, there is a growing interest amongst ECAs to support environmentally sustainable projects. This is particularly important given that, in the past, many ECAs have received criticism from organisations such as the international NGO 'ECA Watch' for overwhelmingly providing support to fossil fuel industry projects.

For example, JBIC provides untied finance to projects that will:

- use capital to secure stable supplies of energy and mineral resources for Japan
- promote the business activities of Japanese companies
- maintain and expand trade and direct investment from Japan
- have significant effects on global environmental preservation, or
- maintain order in international financing.

JBIC specifies that its untied loans are not conditional on investments or procurement of equipment and materials from Japan. Therefore, JBIC may be willing to provide financing to developers purely on the basis of the nature of the project and the environmental benefits linked to the project, rather than in connection with the specific procurement of equipment.

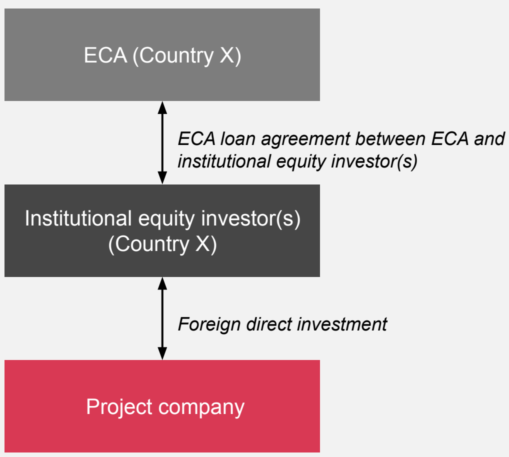
Other ECAs may also provide untied loans for this purpose. While US EXIM has not expressly announced whether its untied support is available for renewable energy projects, it is focused on providing competitive financing, as discussed further in section 3. In its 2021 competitiveness report, US EXIM stated that 'in 2021, ECAs were increasingly focused on implementing climate-related programmes in response to the COVID-19 pandemic to help build up their economy's industrial base in climate-focused industries or green their economy more broadly.' The President and Chair also stated that climate finance remains a top priority, with US EXIM ramping up support for clean energy technology to 'substantially increase our authorisations for exports across clean and renewable energies and environmentally beneficial goods and services'. This may indicate a willingness to provide untied financing for sustainable renewable energy projects.

Action item: Refer to item 3 in section 4.

Untied financing from the capital raise phase

Untied financing may be available as a result of, or in connection with, capital raise phases, for example, to support foreign direct investments which may occur from international institutional equity investors. Many ECAs offer overseas investment loans to companies in their home country making foreign direct investments. As an example, Japan's ECA, JBIC, prioritises overseas investment loans to Japanese foreign direct investors to assist the investor in funding its equity investment in projects that are developing or securing interests in overseas resources that are strategically important to Japan. Figure 6 below illustrates this type of structure.

Figure 6. Direct untied financing to equity investors



Action item: Refer to item 5 in section 4.

Untied financing in connection with offtake

Developers may be able to secure untied financing in connection with the project offtake. Untied financing can be provided on the basis of an offtake arrangement, such as a power purchase agreement, where the buyer is from the home country of the ECA. For example, if an American company that owns a data centre enters into a power purchase agreement in relation to electricity produced by a renewable energy project, this may provide another source of untied financing from US EXIM. Untied financing is worth investigating in relation to any agreements with offtakers.

Action item: Refer to item 6 in section 4.

3
The current landscape of ECA financing

Benefits of ECA financing and insurance products

The main benefits of ECA financing and insurance products are as follows:

- a large scale, complex, multi-jurisdictional project is most likely to succeed with ECA involvement
- a clear and positive investment signal is sent from ECA countries, helping build momentum for any capital raise phase
- ECAs often assume more risk than commercial financiers and can have a much larger appetite for exposure on a single project compared to commercial financiers
- ECA financing is very stable and reliable, as ECAs are proficient at dealing in challenging risk environments
- developers may enjoy a longer tenor and a fixed or subsidised interest rate compared to the commercial market
- direct tied financing means developers would not have to meet the full cost of the contract with the supplier upfront
- unlike the commercial market, ECAs insure against political risks such as non-payment, bankruptcy, political instability, currency inconvertibility, etcetera
- ECA financing by its very nature involves implicit political risk reduction owing to the ECA country's involvement in the transaction (for example, ECAs and their host governments may seek to be involved in renewable energy projects for wider political or reputational reasons), allowing developers to mitigate political risks associated with international trade.

Drawbacks of ECA financing and insurance products

The main drawbacks of ECA financing and insurance products are as follows:

- as stated under section 1, developers may need to comply with specific requirements, including due diligence or reporting requirements set by individual ECAs, which may be substantially more onerous than the requirements of commercial financiers
- as stated under section 1, in relation to any tied financing where an ECA covered by the OECD Arrangement is involved, the transaction will need to comply with the OECD Arrangement
- dealing with multiple ECAs may be burdensome (although ECAs and banks are well versed in arranging export finance).

ESG considerations

Anti-corruption and bribery

In recent years, ECAs have been reinforcing their focus on avoiding corruption and bribery. This is particularly important given the use of public funding and the fact that ECAs will often finance projects that multilateral banks (such as the World Bank) would not accept. Operations benefitting from ECA support are typically under increased scrutiny by NGOs, and there is now an international ECA watch network. For example, a report by Spotlight on Corruption issued in 2020 condemned the UK Export Finance agency for its outdated remit for fighting corruption and called for greater transparency in relation to its operations.

The OECD Arrangement was amended in 2006 to address this, and now requires more rigorous legal and business due diligence where there have been previous corruption issues with any of the entities involved. Applicants for ECA support have, amongst others, to declare that neither they, nor anyone acting on their behalf (agents), have been engaged or will engage in bribery.

Sustainable development

The environmental and social impact of projects has become a focus of ECAs as they seek to support sustainable development. The OECD Arrangement requires participant ECAs to undertake environmental and social due diligence to identify, consider and address the potential environmental and social impacts and risks relating to applicant Members' decision-making and risk management systems. The UK's ECA, for example, is vigilant in relation to its modern slavery due diligence processes to ensure that the deals it supports include protections for the rights of workers.

Key takeaways for renewable energy projects: *Due to the public nature of ECA funding, the developer itself, and any third parties that are engaged, will be under scrutiny in relation to their handling of social, environmental and governance issues. However, given that ECAs are seeking to support sustainable development, renewable energy projects will be an attractive option for ECAs. Developers should also be mindful that its modern slavery due diligence processes could be a focus for OECD-compliant ECAs.*

Trends in ECA financing

US competition with China

US EXIM has introduced a programme called the China and Transformational Exports Program (**CTEP**). CTEP is a mandate for US EXIM to help US exporters facing competition from the People's Republic of China and ensure the US leads in ten 'Transformational Export Areas', which include the areas of renewable energy, energy storage and energy efficiency. To support US companies in these areas, US EXIM through CTEP may provide reduced fees, extended repayment tenors and exceptions from other EXIM policies. For example, this has included lowering the minimum US content required in a deal from 85% to 51%.

In its 2021 competitiveness report, US EXIM stated that CTEP authorised more than US$140 million in its first year of being fully operational and, of that, it had authorised US$90 million over five medium to long term transactions in transformational export sectors in 2021. US EXIM also stated that since the transformational export industries are priorities for Chinese government subsidies, transactions in these sectors do not need to have a specific competing Chinese bid to qualify for US EXIM support under the CTEP programme.

Note, in contrast with traditional US EXIM finance offerings, if a developer seeks to secure financing via CTEP, US EXIM may prohibit the developer from accessing US EXIM financing in relation to any Chinese content.

Reduced long term ECA project financing following COVID-19

The effects of COVID-19 have led to a reduction in spending. According to the Global Investment Trends Monitor, Global Foreign Direct Investment in 2020 fell by 42% and is likely to remain weak in 2021. In 2020, OECD Arrangement activity generally trended downward due to decreased support from major countries providing official export credits under the Arrangement, including Germany, Italy, Korea, the United Kingdom, and the United States.

According to the OECD, short term ECA financing in relation to working capital has increased as governments attempt to support companies facing liquidity challenges. However, medium to long term export credit transactions decreased by 34% in volume and 15% in number in 2020, which indicates a drop in large projects.

Untied financing down in 2020

Untied financing is a means to promote the provider country's national interests (for example, an ECA supports energy-project development involving offtake contracts that benefit the provider's country). This provides a competitive offering that gives buyers more flexibility. In line with other business areas, untied financing saw decreased volumes in 2020. However, Korea's untied support remained high in 2020 (it provided around US$4 billion) and was still almost double that provided by the next highest (Canada), albeit not as high as its peak in 2015 (US$7.7 billion). Canada provided slightly over US$2 billion through its Pull loan programme, but still only half of what it provided in 2019.

Increased support for environmentally beneficial projects

In addition to the OECD Arrangement requirement for participant ECAs to undertake environmental and social due diligence, the following developments indicate growing support for renewable energy projects:

- US EXIM this year announced the establishment of a Chair's Council on Climate to better prioritise funding for US exports that promote environmentally beneficial renewable energy.
- EDC, Canada's ECA, has announced that 'cleantech' is one of its priority areas and that it is dedicated to helping Canadian companies in the clean technology space.
- Japan's overseas investment loans are designed to support Japanese foreign direct investments (as opposed to the export of goods or services). These untied loans help to secure stable supplies of energy and resources for Japan and to finance projects maintaining order in international financing or having significant effects on global environmental preservation. JBIC is focused on 'quality infrastructure' projects which invest in Japanese technology.
- The UK's ECA provides direct loans within an overall limit of £8 billion to overseas buyers. Of that limit, £2 billion has been allocated to support 'clean growth projects' which are 'growing [the] national income while cutting greenhouse gas emissions'.

Key takeaway for renewable energy projects: *Many ECAs have announced specific initiatives to support renewable energy projects, indicating that ECA funding may more readily be available for a developer if it otherwise meets the criteria of the ECAs.*

4
Information gaps/next steps

The following is a list of possible action items for developers to consider, arising from the analysis outlined in this paper:

No.	Source of potential ECA financing	Relevant phase	Suggested further action
1	Home country ECA	Early development and procurement phases	Developers should contact and liaise with the ECA in their own home country to discuss available financing options.
2	ECAs in any other key jurisdictions for the project	Procurement phase	Developers should contact and liaise with ECAs in any other jurisdictions that are significant to the project to discuss available financing options.
3	In relation to the nature of the project	Early development and procurement phases	Developers should contact and liaise with ECAs in jurisdictions that may offer support based on the sustainable nature of the project.
4	In relation to partnership procurement model contracts	Procurement and negotiations phases	Developers should raise potential ECA financing options when procuring and negotiating with potential delivery partners.
5	In relation to foreign direct investment during capital raise phases	Capital raise phases	Developers should consider and assess whether foreign investors may be able to secure additional funding from ECAs.
6	In relation to offtake	Offtake negotiations phase	Developers should contact and liaise with ECAs in the home countries of potential offtakers.
7	In relation to contracts for goods and services	Procurement of works packages	Developers should request that potential suppliers provide details of ECA funding options in their tender submissions or responses. Developers should liaise with their home country ECA in relation to funding for any contracts with home country suppliers.
8	Various ECA insurance options	Procurement phase	Developers should consider the use of and potential benefit posed by ECA insurances.

5
Case studies: Projects funded by ECA financing

Australia Pacific LNG: Financing from various ECAs

Australia Pacific LNG (**APLNG**) is a joint venture between three oil and gas companies: Origin (37.5%), ConocoPhillips (37.5%) and Sinopec (25%). APLNG is a liquefied natural gas project in Queensland.

The project sponsors reached financial close on the project on 23 May 2012, after a final investment decision on the first phase of the project occurred in July 2011 when they began to seek debt to support a 70-30 debt-equity profile.

APLNG executed a US$8.5 billion project finance facility in May 2012, providing funding for the LNG Facility component of the Australia Pacific LNG project. This involved:

- a US$2.866 billion direct loan from US EXIM with a 17-year tenor expiring on 23 May 2029
- a US$2.759 billion direct loan from China EXIM with a 16-year tenor expiring on 23 May 2028
- a US$2.875 syndicated bank loan with a 16-year tenor expiring on 23 May 2028 from a consortium of 15 Australian and international banks.

APLNG completed a refinancing of a portion of its existing project financing on 29 March 2019, entering into a new term loan with a syndicate of commercial banks and also completed a private placement of US$600 million aggregate principal amount of 4.85% senior secured notes due 2030.

Key takeaway for renewable energy projects: *Large scale LNG projects are complex interfacing infrastructure projects that provide a very strong point of comparison for large renewable energy projects. Large projects of this kind often necessitate multiple ECAs and commercial lenders working together to finance the project and, as demonstrated by this project, the timeline for starting engagement with ECAs to financial close can take a year or more.*

Ichthys LNG: Financing from various ECAs

Ichthys LNG is ranked among the most significant oil and gas projects in the world. The energy development is a joint venture between INPEX group companies (the Operator), major partner Total, and the Australian subsidiaries of CPC Corporation Taiwan, Tokyo Gas, Osaka Gas, Kansai Electric Power, JERA and Toho Gas. A Final Investment Decision for Ichthys LNG was reached in 2012 and production commenced in July 2018.

On 18 December 2012, INPEX announced that it had secured US$20 billion in project finance loans including with eight ECAs and 24 commercial banks. This involved:

- US$5.8 billion in ECA direct loans from ECAs (JBIC, KEXIM and EFA Australia) (including US$5 billion direct loans from Japan’s ECA and US$2.75 billion loans insured by Japan’s NEXI)
- US$5.4 billion in ECA insured/guaranteed commercial loans (comprising of Japan, Korea, the Netherlands, Germany and France)
- US$4.8 billion in commercial loans
- US$4 billion in project sponsor loans.

At the time, the Ichthys project financing was the biggest project financing ever arranged in the international financial market.

Key takeaway for renewable energy projects: *This project provides another example of a complex interfacing infrastructure project where a large number of ECAs and commercial banks were required to achieve financial close.*

Total Mozambique onshore LNG project: Financing from various ECAs

The Total Mozambique onshore LNG project is a large project entailing the design, build, and operation of an integrated liquefied natural gas plant including offshore extraction, underwater pipeline, an onshore processing plant and ancillary support facilities.

The project secured financing in mid-2020 in the form of direct loans from four ECAs (US, Japan, UK and Thailand), 19 commercial banks and the African Development Bank (AfDB) with part of that private financing being guaranteed/insured by four ECAs (Japan, UK, Italy and SA), amounting to an aggregate of US$14.4 billion of debt and support. The US EXIM reported that private financing was not available for this project given its size, complexity, and risk, therefore necessitating support from ECAs such as US EXIM.

The project was suspended in April 2021 due to violence in Mozambique, with Total declaring Force Majeure. ECAs and lending parties are reportedly working together to consider next steps.

***Key takeaway for renewable energy projects:** As flagged under the two projects above, similarly large infrastructure projects will likely necessitate early engagement with ECAs and will require multiple ECAs and commercial lenders working together to finance the project.*

PNG LNG: Financing from various ECAs

Australia's EFA provided a US$350 million loan to the ExxonMobil-led liquefied natural gas project in the Southern Highlands of Papua New Guinea. The EFA was part of a syndicate of international export credit agencies and commercial lenders that participated in the project.

The PNG LNG project is an integrated LNG facility, including gas gathering and a conditioning plant, overland and subsea pipeline, a two-train LNG plant and an export terminal near Port Moresby.

According to EFA, it provided financing to the project to help Australian exporters pursue contracts for the construction phase of the project and ensure Australia's involvement in a 'world class project'. EFA says it provided project finance 'well beyond the capacity of the private market'. EFA's commitment made up part of the total ECA financial support provided to the project, which came to approximately US$5.65 billion, as part of the overall project debt of approximately US$10 billion.

However, it should be noted that while EFA executed this loan, this was part of an overall political decision to provide economic support to Papua New Guinea.

***Key takeaway for renewable energy projects:** EFA may be able to provide a direct loan to Australian developers if the developer is able to demonstrate that the project will contract with Australian exporters of goods or services. As noted above, EFA's current mandate in regard to large offshore infrastructure projects is to prioritise infrastructure projects in the Pacific and broader Indo-Pacific region.*

Roy Hill iron ore project: Financing from ECAs and commercial banks

Project background

Gina Rinehart's Roy Hill iron ore mine is located in the Chichester Range in the Pilbara region of Western Australia. When it was built, it was one of the biggest mining construction projects in Australia. Roy Hill currently delivers 60 million tonnes per annum (**Mtpa**) of iron ore to international markets and employs over 2,800 employees, plus a number of contract suppliers and service providers.

Hancock Prospecting Pty Ltd is the majority shareholder and owner of Roy Hill Holdings Pty Ltd with a 70 per cent equity interest. The remaining 30 per cent equity interest is held through a consortium comprising Marubeni Corporation, holding 15 per cent, POSCO, holding 12.5 per cent, and China Steel Corporation, holding 2.5 per cent. As part of the ownership agreement, the minority partners purchase 28.75 million tonnes of iron ore at the current full production rate of 60Mtpa from Roy Hill.

Financing strategy

On 20 March 2014, the sponsors signed a long-term financing agreement for the project and reached financial close when the final conditions precedent were fulfilled on 22 April.[1] The project raised US$7.2 billion in debt with a consortium of lenders, including ECAs and commercial banks. At the time, it was the largest project financing deal in the world for a land-based mining project. The financing deal won a number of awards, including Project Finance International Magazine's Asia Pacific Deal of the Year.

The long-term finance agreement completed a funding package totalling US$10 billion, following equity commitments by the shareholders, who provided US$2.8 billion in equity. This was used to fund the early stages of construction including some of the more risky aspects, such as dredging work.

The finance deal was made up of direct, tied and untied and covered loans from five export credit agencies (the US, two ECAs from Japan and two from Korea) and uncovered direct and hedging loans from a consortium of 19 commercial banks from Australia, Japan, Europe, China, Korea and Singapore (including the big four Australian banks, National Australia Bank, ANZ, Westpac and the Commonwealth Bank).

The finance carries a tenor of about 10.5 years and features several tranches:[2]

- US$2.565 billion uncovered term loan
- US$635 million direct loan from US EXIM
- US$900 million direct loan from JBIC
- US$700 million term loan guaranteed by NEXI
- US$450 million term loan guaranteed by KEXIM
- US$1.2 billion term loan guaranteed by K-SURE
- US$550 million direct loan from KEXIM
- US$200 million foreign exchange facility.

There were also several ancillary facilities, including a US$300 million working capital facility, a US$100 million performance bond facility, and a US$200 million letter of credit facility carrying a legal maturity of 10.5 years.

The pricing on the long-term uncovered debt was said to be around 300 basis points (although this has not been confirmed by the borrower).

Contracting and procurement strategy

In March 2013, Roy Hill signed a US$5.6 billion engineering, procurement and construction (**EPC**) contract with South Korea's Samsung Group. The performance-based fixed price and time EPC contract was for all project works covering iron ore mine, rail and port development.

The Korean conglomerate POSCO, minority shareholder in Roy Hill, also submitted a tender bid but was unsuccessful. The EPC contract was expected to be announced in late 2012, but Roy Hill delayed the process and sent bidders back to the drawing board to find additional savings.

In order to help secure financing, the contract shifted much of the completion risk from the owners and lenders onto the EPC contractor. Under the contract, Samsung was liable for liquidated damages of about US$55.9 million a month, applied on daily for each day the first shipment was delayed after the end of October. Samsung had a 30-day grace period beyond an initial 30 September deadline before the financial penalties begun. After a delay, the first two cargoes from Roy Hill were dispatched in December. In 2017, Roy Hill and Samsung settled a US$1 billion construction dispute, with the two sides contesting a broad range of claims over significant sums.

1 https://ijglobal.com/articles/91662/roy-hill-australia

2 Ibid.

The 19 commercial banks that participated in the deal were tiered based on their ticket allocations. Key roles were as follows:

- **Mandated lead arrangers:** ANZ, BNP Paribas, Bank of China, BTMU, CBA, HSBC, ICBC, Korea Finance Corp, Mizuho, NAB, OCBC, SMBC, Societe Generale and Westpac.
- **Lead arrangers:** Caterpillar Financial, China Construction Bank, Natixis and Sumitomo Mitsui Trust.
- **Intercreditor agent:** ANZ.
- **ECA coordinator:** SMBC.
- **Roy Hill legal advisors:** Latham and Watkins and Herbert Smith Freehills.
- **Roy Hill financial advisors:** BNP Paribas and NAB.
- **Debt legal advisors:** Allen & Overy.

In October 2020, Roy Hill's CEO announced that the mining operation had paid off the US$7.2 billion debt funding package.

Samsung has been involved in a number of disputes with its subcontractors. Forge and Duro Felguera were subcontractors for the processing plant but Forge's subsequent collapse meant that Samsung stepped in to fulfil its obligations. Samsung was also involved in a dispute with civil and mining contractor NRW holdings over the rail formation contract, originally valued at more than US$620 million. In a November 2015 settlement, Samsung agreed to pay the contractor US$30 million and NRW will withdraw all litigation actions through the WA courts and the Singapore arbitration process.

Samsung awarded McConnell Dowell an EPC Contract for the design and construction of the Port Marine Works, valued at approximately US$455 million.

Key takeaway for renewable energy projects: *As flagged above, similarly large infrastructure projects will likely necessitate multiple ECAs and commercial lenders working together to finance the project. As was the case for Roy Hill, large renewable energy projects will likely involve a variety of financial products, including tied and untied loans.*

Senegal Renewable Energy Project: US EXIM (US) funding

In 2020, US EXIM approved approximately US$91.5 million in loan guarantee financing that supports US exports of design engineering and construction services to the Republic of Senegal. The transaction will increase access to reliable electricity for rural communities throughout Senegal while supporting an estimated 500 US jobs.

The Senegal National Electricity Agency will be the borrower in the transaction and the buyer of the exports. Senegal's Ministry of Economy, Planning and Cooperation will provide a sovereign guarantee of the financing. JP Morgan Chase is the lead arranger and mandated lender. The total cost of the project is estimated to be US$100 million, with EXIM supplying 81.5 percent of the funding.

***Key takeaway for renewable energy projects:** One potential opportunity for funding from US EXIM is a direct loan, if the developer is able to demonstrate that the project will contract with American exporters of goods or services. This case study also demonstrates the availability of funding for renewable energy projects.*

Gemini Wind Farm: EDC (Canada) funding to Northland Power

EDC provided financing of EUR125 million for Toronto-based clean energy company Northland Power to purchase a 60 per cent ownership stake in Project Gemini, a 600-megawatt offshore wind farm in the Dutch North Sea off the coast of the Netherlands.

EDC stated that it supported Northland as a company with 'the potential to become world leaders in the cleantech space, and these are the type of companies that EDC wants to invest in. When Northland grows, the potential of the entire Canadian cleantech sector grows along with it, which is an important economic benefit, but the environmental benefit of these technologies is an investment that will pay meaningful global dividends for decades to come'.

Financial close for the project occurred in May 2014 and included €2bn senior debt, €600m equity investment and €200m (US$220m) subordinated debt. The debt facilities were provided by 12 commercial banks, the European Investment Bank and export credit agencies, including from Germany, Denmark and Belgium.

Final commissioning of the project occurred in 2017. At the time of completion, Gemini was the second largest offshore wind farm in the world.

***Key takeaway for renewable energy projects:** EDC is committed to helping Canadian companies in the clean technology space. The focus on environmental benefits may be useful for renewable energy projects if the project can establish that it will be helping the Canadian economy as an environmentally beneficial project. This also demonstrates EDC's willingness to fund companies for the purposes of direct foreign investment.*

How to contact us

If you have any questions about this paper, please contact the below:

Damian McNair

Partner, Energy Transition,
Advisory, PwC Middle East
M: +971 56 862 7335
E: damian.m.mcnair@pwc.com
LinkedIn

Danny Touma

Partner, Energy Transition,
Advisory, PwC Middle East
M: +971 50 964 5101
E: danny.c.touma@pwc.com
LinkedIn

Appendix A

Key ECAs

Country	Export Credit Agency	Export Credits provided under the OECD Arrangement?
Australia	Export Finance Australia	Yes
Austria	Oesterreichische Kontrollbank AG	Yes
Belgium	Credendo – Export Credit Agency	Yes
Brazil	Brazilian Guarantees Agency	No
	Banco Nacional de Desenvolvimento Econômico e Social	
Canada	Export Development Canada	Yes
Czech Republic	Česká Exportní Banka, a.s.	Yes
	Export Guarantee and Insurance Corporation	
China	The Export-Import Bank of China	No
	China Export and Credit Insurance Corporation (SINOSURE)	Yes
Denmark	Eksport Kredit Fonden	Yes
Finland	Finnish Fund for Industrial Cooperation Ltd.	Yes
	Finnvera plc	
France	Bpifrance Assurance Export SFIL	Yes
Germany	Euler Hermes	Yes
	KfW (refinancing entity for Hermes covered loans)	
	KfW IPEX-Bank (support entity through ERP Export Financing Programme and Shipping CIRR Programme)	
Hungary	Hungarian Export-Import Bank plc	Yes
India	ECGC Limited	No
	Export-Import Bank of India	
Indonesia	Indonesia Eximbank (LPEI)	No
Israel	Ashra – The Israel Foreign Trade Risks Insurance Corp. Ltd.	No
Italy	SACE spa	Yes

Appendix A

Key ECAs (cont'd)

Country	Export Credit Agency	Export Credits provided under the OECD Arrangement?
Japan	Japan Bank for International Cooperation	Yes
	Nippon Export and Investment Insurance	
Korea	Korea Eximbank (KEXIM)	Yes
	Korea Trade Insurance Corporation	
Mexico	Banco Nacional de Comercio Exterior	No
Netherlands	Atradius Dutch State Business NV	Yes
Norway	Garanti-instituttet for eksportkreditt	Yes
	EksportKreditt Norway	
Russia	Export Insurance Agency of Russia	No
	Eximbank of Russia	
Singapore	ECICS Limited	No
South Africa	Export Credit Insurance Corporation	No
Spain	Compañía Española de Seguros de Crédito a la Exportación	Yes
Sweden	Exportkreditnämnden	Yes
	Svensk Exportkredit	
Switzerland	Swiss Export Risk Insurance	Yes
Turkey	Export Credit Bank of Turkey	Yes
United Kingdom	UK Export Finance	Yes
United States	Export-Import Bank of the United States	Yes

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