

DECISIONS

COUNCIL DECISION (EU) 2023/1573

of 14 July 2023

establishing the position to be taken on behalf of the European Union regarding the decision of the Participants to the Arrangement on Officially Supported Export Credits on amendments to the Sector Understanding on Export Credits for Renewable Energy, Climate Change Mitigation and Adaptation, and Water Projects contained in Annex IV to that Arrangement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), first subparagraph, in conjunction with Article 218(9) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The guidelines contained in the Arrangement on Officially Supported Export Credits (the 'Arrangement'), developed within the framework of the Organisation for Economic Cooperation and Development ('OECD'), including the Sector Understanding on Export Credits for Renewable Energy, Climate Change Mitigation and Adaptation, and Water Projects (the 'Climate Change Sector Understanding') contained in Annex IV to the Arrangement, have been transposed and thus been made legally binding in the Union by Regulation (EU) No 1233/2011 of the European Parliament and of the Council ⁽¹⁾.
- (2) The Participants to the Arrangement (the 'Participants') are to agree on amendments to the Climate Change Sector Understanding with the objective of enlarging its scope and reviewing Appendix III thereto. Any amendments should be in line with the Union's international commitments pursuant to the Paris Agreement and the Union's climate policy.
- (3) At present, the Climate Change Sector Understanding, which was last updated in 2014, focuses only on some sectors of energy generation and transmission. The scope of the Climate Change Sector Understanding limits the impact of the Climate Change Sector Understanding and does not effectively support the Participants' commitments under the Paris Agreement or the Union's ambitions as expressed in the European Green Deal.
- (4) The proposed amendments to the Climate Change Sector Understanding would enlarge its scope to include exports from industry sectors which are not currently covered by it. Accordingly, the amendments would allow exports meeting the applicable criteria from a broader range of industry sectors to benefit from the terms and conditions established under the Climate Change Sector Understanding. This would, in turn, enable export credit agencies from the Union and other Participants to play a greater role in supporting the green transition and to contribute to the achievement of the objectives of the Paris Agreement.
- (5) Pursuant to Article 9 of the Climate Change Sector Understanding, the Participants are to undertake a review of Appendix III by the end of 2020, with a view to assessing the international initiatives related to adaptation, market conditions, and the body of experience developed from the notification process to determine if the definitions, project criteria, terms and conditions should be continued and/or amended. As part of the review, it became

⁽¹⁾ Regulation (EU) No 1233/2011 of the European Parliament and of the Council of 16 November 2011 on the application of certain guidelines in the field of officially supported export credits and repealing Council Decisions 2001/76/EC and 2001/77/EC (OJ L 326, 8.12.2011, p. 45).

apparent that the criteria for identifying adaptation projects, which currently require adaptation to be the principal objective of the project, are not suitable for export credit transactions, which usually also involve commercial activities to generate a cash flow. Consequently, it is appropriate to amend the criteria for adaptation projects set out in Appendix III to the Climate Change Sector Understanding by aligning them more closely with the standards used by development banks.

- (6) It is appropriate to establish the position to be taken on the Union's behalf regarding the decision of the Participants on amendments to the Climate Change Sector Understanding, as the decision will be binding on the Union and capable of decisively influencing the content of Union law, by virtue of Article 2 of Regulation (EU) No 1233/2011.
- (7) The position of the Union should therefore be to support the amendments based on the attached draft consolidated version of the Climate Change Sector Understanding,

HAS ADOPTED THIS DECISION:

Article 1

The position to be taken on the Union's behalf regarding the decision of the Participants to the Arrangement on Officially Supported Export Credits on amendments to the Sector Understanding on Export Credits for Renewable Energy, Climate Change Mitigation and Adaptation, and Water Projects contained in Annex IV to the Arrangement shall be to support the amendments based on the draft consolidated version of the Climate Change Sector Understanding attached to this Decision ^(?).

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 14 July 2023.

For the Council
The President
N. CALVIÑO SANTAMARÍA

^(?) See document ST 10121/23 ADD1 on <http://register.consilium.europa.eu>