

HOW TO USE THE CLIMATE ACTION PLAN FOR EXPORT FINANCING

APRIL 2024

CLIMATE ACTION PLAN FOR EXPORT FINANCING

GOVERNMENT REPORT TO THE PARLIAMENT



Report to the Parliament issued
12th October 2020

Climate Action
Plan for Export
Finance

1

Support transition trajectory for hydrocarbon development projects

2

Performance standards for thermal power plants

3

Incentive mechanisms for sustainable projects

1.

END OF SUPPORT FOR OIL AND GAS PROJECTS

END OF SUPPORT FOR OIL AND GAS PROJECTS

FINANCE LAW FOR 2023

Article 152: End of support for oil and gas projects

"The third to seventh paragraphs of Article L. 432-1 of the Insurance Code are replaced by the following provisions: "The State guarantee provided for in this article may not be granted with a view to the export of goods and services for operations whose **direct purpose** is the exploration, production, transport, storage, refining or distribution of coal or liquid or gaseous hydrocarbons, or the production of energy from coal, with the exception of operations aimed at reducing the negative environmental impact, improving the safety of existing installations or their impact on health without increasing their lifespan or production capacity, or aimed at dismantling or converting these installations. "



[LOI n° 2022-1726 du 30 décembre 2022 de finances pour 2023 \(1\) - Légifrance \(legifrance.gouv.fr\)](#)

A case-by-case approach will be favored for gas-fired power plants that enhance the host country's electricity mix.



2.

ENVIRONNEMENTAL BONUS

ENVIRONNEMENTAL BONUS

1



Which benefits ?

2



How to be eligible ?

3



Which instruction ?

CLIMATE BONUS FOR THE TREASURY DIRECT FINANCINGS

FASEP

- 1 Doubling the envelope compared with 2020, bringing it to €50m to finance green projects
- 2 Possibility of carrying out more FASEP-studies upstream of major green infrastructure projects

Treasury loans

- 1 French share for concessional loans reduced from 70% to 60%.
- 2 French share for direct loans reduced from 50% to 35
- 3 400m increase in Treasury loan envelope

These products can only benefit from the Climate Bonus (for climate change mitigation and adaptation objectives only).

ENVIRONMENTAL BONUS FOR EXPORT INSURANCE

Credit Insurance

1

The maximum threshold for the share financed set at twice the French share, applied to (i) major accounts, (ii) major projects and (iii) project financing, is raised to 85% of the export value of the contract - the minimum threshold of 20% French share is maintained.

2

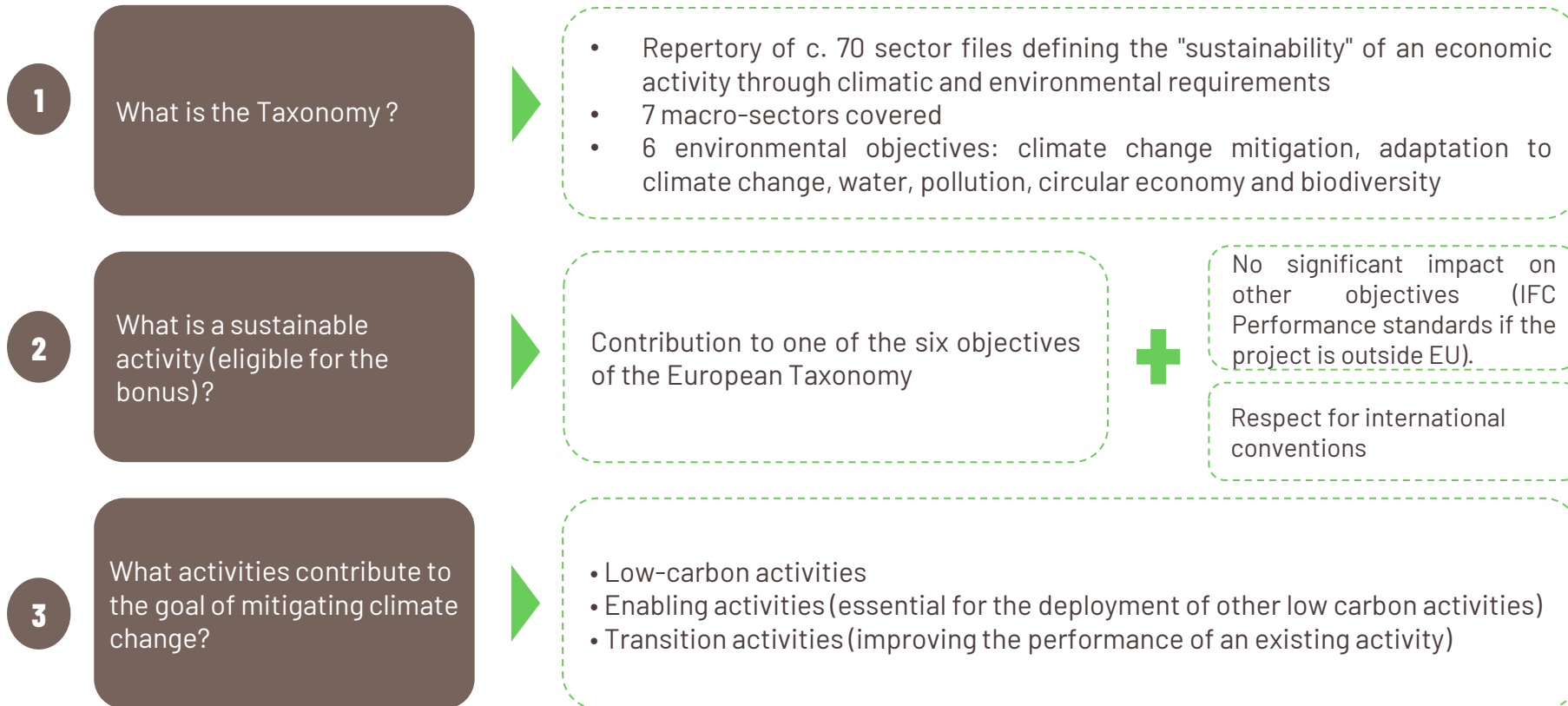
The advance on the premium in the case of limited-recourse project financing has been discontinued for contracts worth €50m or less or carried out by mid-caps or SMEs.

3

Granting of an enhanced stabilised rate for applications relating to sustainable projects in the shipbuilding sector to offset the abatement costs of the greenest technologies.

The Climate Bonus became the Environmental Bonus on January 1st 2024.

ENVIRONMENTAL BONUS INSTRUCTION



The Climate Bonus became the Environmental Bonus on January 1st 2024.

ENVIRONNEMENTAL BONUS

EU TAXONOMY - EXAMPLE OF PROJECTS

Offshore wind projects

1

Mitigation of climate change - Threshold of 100 gCO₂, eq / kWh but eligibility in principle

2

Compliance with other environmental objectives

✓ Water: Compliance with EU regulations on water (case of a project in the EU)

✓ Circular economy: Indication of the ambition to maximize end-of-life recycling (declarative)

✓ Pollution: n.a.

✓ Biodiversity: Study (EIA) and mitigation plan for impacts on biodiversity - not yet submitted (classic case - conditions the granting of the policy beyond the only climate bonus)

Rolling stock export

1

Mitigation of climate change - Electric train therefore without direct emissions: eligible

2

Compliance with other environmental objectives

✓ Water: n.a.

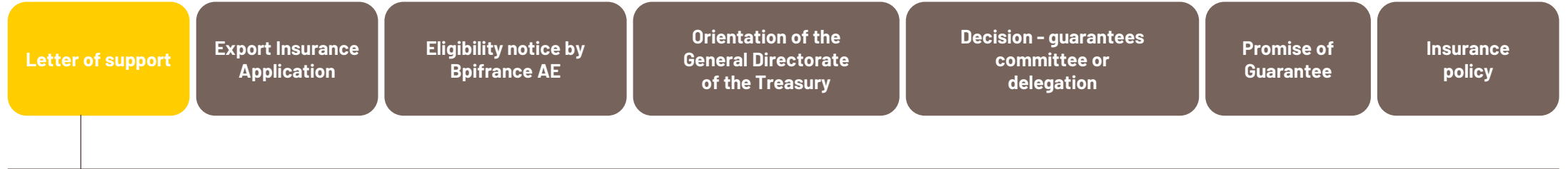
✓ Circular economy: Correct management of waste in use and end of life in accordance with local regulations

✓ Pollution: Minimize noise ex. less than 99 dB at 250 km / h

✓ Biodiversity: n.a.

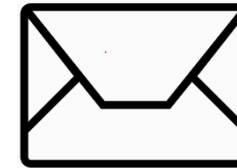
ENVIRONNEMENTAL BONUS

LETTER OF SUPPORT



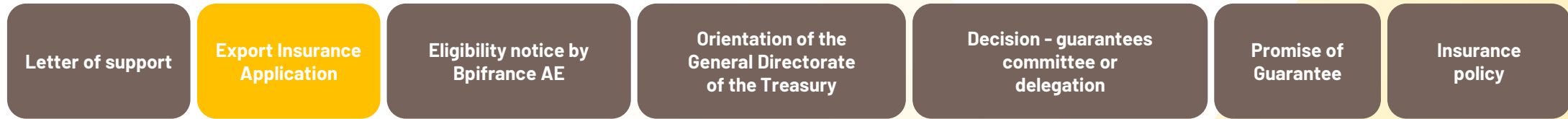
Possibility of issuing a letter of support mentioning eligibility for the environmental bonus subject to instruction

- Request from the company to its account manager as part of a classic letter of support
- Opinion of the services of Bpifrance Assurance Export and the General Directorate of the Treasury considering information transmitted, at least the detailed purpose of the project and the identity of the exporter



ENVIRONNEMENTAL BONUS

APPLICATION FOR CREDIT INSURANCE



Annex to the credit insurance application

Argument paper

- 1 Specify the sector (s) of activity (NACE classification) of the project
 - 2 How does the project contribute to one of the six objectives of the European Taxonomy (Mitigation of climate change, Adaptation to climate change, Water, Pollution, Circular economy, Biodiversity)?
 - 3 What are the expected climate and environmental performances for the project ?
- ▶ Give details of the answers to the questions, including the assumptions and calculations used in the climate performance analysis, and provide any other information needed to assess eligibility (including DNSH if available at this stage).

ENVIRONMENTAL BONUS

CREDIT INSURANCE



1

Eligibility notice by Bpifrance AE

The project's climate and environmental performance (compliance with the substantial contribution to one of the six objectives according to the Taxonomy thresholds) must be confirmed. The Bpifrance AE ESC team will then draw up an opinion to validate or reject the Environmental Bonus.

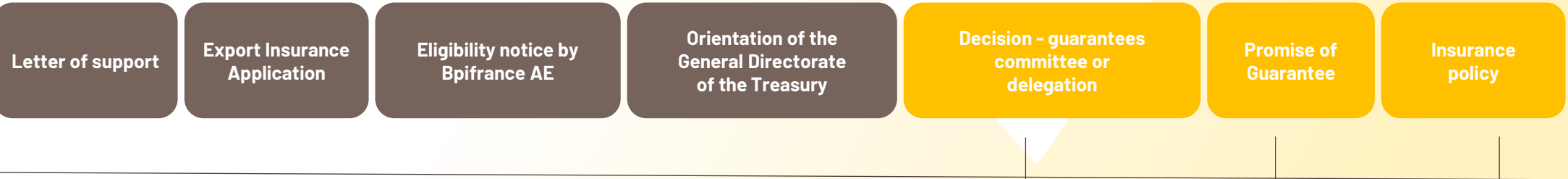
2

Orientation of the General Directorate of the Treasury

For the most complex projects, it may be necessary for the Guardian authority to provide guidance based on Bpifrance AE's opinion and on the project's climate and environmental performance. For other projects, Bpifrance AE may accept the Environmental Bonus on a delegated basis.

ENVIRONNEMENTAL BONUS

DECISION AND SUPPORT FOR CREDIT INSURANCE



- Decision making based on the climate and environmental criteria
- Issue of a guarantee promise with the possibility of reserves on the granting of the environmental bonus depending on the level of detail of the instruction (see E&S reserves in a classic instruction)
- The guarantee promise is valid on un-bonified terms
- The reserves are waived in order to be able to issue the policy

ENVIRONNEMENTAL BONUS

EXAMPLE OF DETERMINING ELIGIBILITY FOR CREDIT INSURANCE

Hydroelectric dam

Exporter

- 1 Identify the activity sector of the project
Electricity production from hydraulic energy D.35.1.1
- 2 Define the climate objective motivating the request
Climate change mitigation
- 3 Identify in the Taxonomy the technical criteria corresponding to the activity sector and the climate objective
Carbon intensity <100 gCO₂, eq / kWh
- 4 Evaluate the performance of the project
Carbon intensity of 25gCO₂, eq / kWh
- 5 Complete the Climate Bonus Annex
Write the argument paper

Bpifrance Assurance Export

- 1 Check the completeness of the information
Well-filled appendix & argued note
- 2 Compare the performances announced with the reference values indicated in the Taxonomy
Eligibility in principle, and carbon intensity <100 gCO₂, eq / kWh
- 3 Write an eligibility notice for the attention of the Treasury
In favor of eligibility

ENVIRONNEMENTAL BONUS

EXAMPLE OF DETERMINING ELIGIBILITY FOR CREDIT INSURANCE

Bpifrance AE Delegation

Promise of Guarantee with conditions

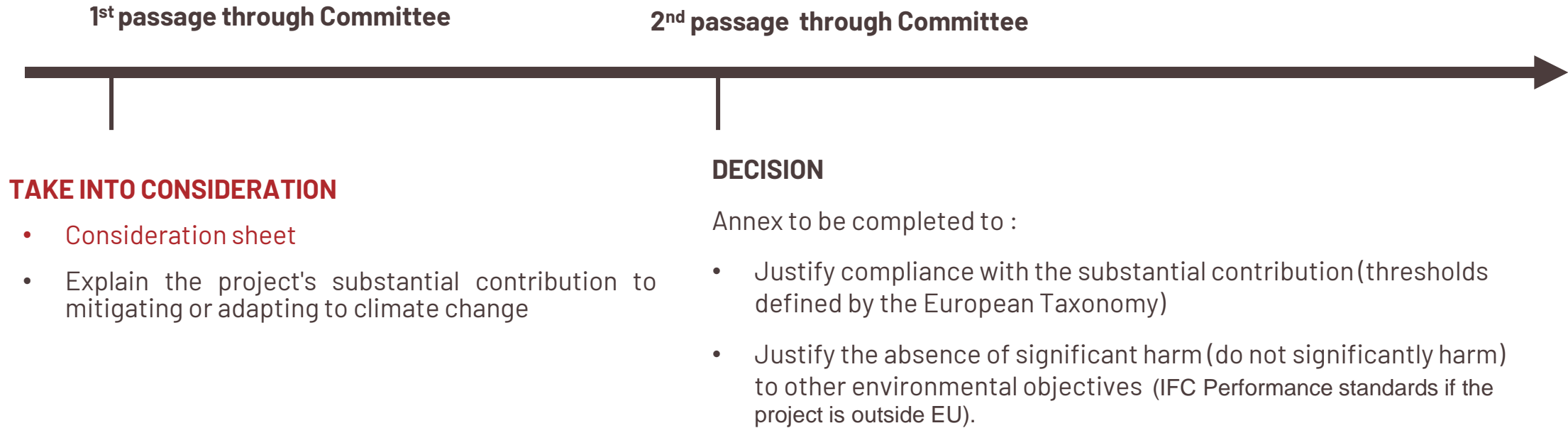
1 Position in principle – **Favorable**

- 2 Analysis of compliance with other environmental objectives:
- ✓ Water: **River basin management plan in line with standards**
 - ✓ Pollution: **River basin management plan in line with standards**
 - ✓ Circular economy: n.a.
 - ✗ Study (EIA) and mitigation plan for impacts on biodiversity – not yet submitted (classic case – conditions the granting of the policy beyond the only climate bonus)

Receipt of the finalized E&S documentation, validation and inclusion in the financial documentation (necessary for the completion of the transaction)
Favorable

Waiving the conditions and issuing the policy

CLIMATE BONUS FOR DIRECT TREASURY FINANCING



These products can only benefit from the Climate Bonus (for climate change mitigation and adaptation objectives only).

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Bpifrance Assurance Export

Acting on behalf, on the account and under the supervision of the State – April 2024

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