

On 20 and 21 October over 60 participants from Export Credit Agencies, Finance Institutions, Renewable Energy Industry and NGOs gathered to explore ways to strengthen support to renewable energy technology projects in developing countries and to exchange experience in applying environmental screening and assessment procedures.

Renewable energy projects will play an increasingly important role in the future - be it due to joint government commitments at last year's World Summit on Sustainable Development, specific national government announcements to strengthen the share of support going to RETs in response to Kyoto commitments, or a fast growing market for RETs coupled with an increasing demand for energy services in developing countries.

In discussions related to two of the Kyoto Mechanisms, Emissions Trading and the Clean Development Mechanism, it became clear that ECAs can play an important role to help promote the uptake of RETs by providing new products, e.g. cover for political and commercial risk related to Certified Emission Reductions. However, to help promote new RET markets both the public and private sectors need to work together, with back up and guidance from ECAs' guardian authorities.

Project bundling can be one means to help reduce transaction costs for ECA cover for small-scale projects, thereby furthering the uptake of RET exports. Lessons can be learnt from existing research and experience under the CDM and made by the private sector.

RET projects also require environmental due diligence assessment. Draft guidelines for environmental due diligence assessment were proposed to ease this assessment in practice.

In order to move forward on RET support, it was suggested to create smaller working groups to sketch out some ideas for new products and to do a number of projects on a demonstration basis.

It was apparent that ECAs have gained a lot of good experience with **implementing environmental screening procedures** put into place following the common approaches negotiated under the auspices of the OECD. Certain issues, however, seem to be more difficult to tackle than others, e.g. transparency and monitoring. ECA involvement at an early stage to ensure that environmental issues are addressed appropriately through adaptation of the project proposal emerged as a crucial element to ease business operations. There were concrete suggestions to disclose (at least practically) the ESMP and to use local communities as "eyes and ears" for ECAs to hear about problems related to projects.

Exchange of experience amongst the ECA practitioners and with NGOs based on a case study approach was seen as being very helpful to further ease the implementation of the environmental screening procedures and shape the review of the common approaches under way.

Next steps (based on results of feedback forms):

- UNEP will make available presentations on the UNEP website and on a workshop CD Rom.
- UNEP offers to set up a working group with interested representatives of ECAs, RET industry associations and NGOs to jointly work on renewable energy finance needs and new products that ECAs could offer to promote RET projects. Results could feed into next year's RET conference in Bonn/Germany.
- UNEP was asked to continue this work taking up several topics suggested in the feedback forms. Interest in hosting the Forth Workshop on the Environment was already expressed.