



Arrangement on Officially Supported Export Credits

Renewable Energies and Water Projects

Renewable Energies and Water Projects

- Objective
 - To promote the use of renewable energy resources and help increase access to safe drinking water
 - In line with Members' commitments made at the 2002 Johannesburg World Summit on Sustainable Development and to the Millennium Development Goals
 - Enhancing the financial terms and conditions to make renewable energies more competitive with conventional energy sources
 - Narrowing the cost gap to help reduce tariffs and improve access to water and sanitation

Renewable Energies and Water Projects

- Scope
 - Renewable Energies Sectors
 - Wind Energy
 - Geothermal Energy
 - Tidal and Tidal Stream Power
 - Wave Power
 - Solar Photovoltaic Power
 - Solar Thermal Energy
 - Ocean Thermal Energy
 - Bio-Energy
 - Hydro-power Projects
 - Water Sectors
 - Supply of Drinking Water
 - Wastewater Collection and Treatment Facilities

Renewable Energies and Water Projects

- Financial Terms and Conditions
 - Repayment Terms and Conditions
 - Extended to 15-years (from current 12-years for conventional power projects and 8.5/10-years for water projects)
 - Interest Rates

- ≤12 years (CIRR)	Commercial Interest Reference Rate
- >12 years ≤ 14 years	CIRR + 20 basis points
- >14 years	CIRR + 75 basis points (40 for JPY)
 - Premium Rates and Minimum Interest Rates
 - As per the Arrangement

Renewable Energies and Water Projects

- Implementation
 - New Annex IV to the 2005 Arrangement [TD/PG(2005)38/FINAL]

- Trial Period
 - Two years from 1 July 2005
 - On-going review of impact of the Agreement, its scope and whether the trial period should be continued or amended
 - 2007 review on future of the Agreement

- Hydro-power Projects
 - Implementation subject to additional criteria agreed by the Participants in November 2005; effective from 1 December 2005.
 - Meeting the requirements of the relevant aspects of all the World Bank Group Safeguard Policies and recognizing value of the relevant aspects of international sources of guidance, such as the draft Sustainability Guidelines produced by the International Hydropower Association and the Core Values and Strategic Priorities of the World Commission on Dams Report .