



Council of the  
European Union

Brussels, 13 April 2021  
(OR. en)

7202/21

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**Interinstitutional File:  
2021/0059 (NLE)**

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CCG 15

## **LEGISLATIVE ACTS AND OTHER INSTRUMENTS**

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Subject: PROPOSAL of the European Union to the Participants to the Arrangement on Officially Supported Export Credits as regards the adoption of a decision to increase official support for export credits in the form of local costs

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PROPOSAL OF THE EUROPEAN UNION  
TO THE PARTICIPANTS TO THE ARRANGEMENT  
ON OFFICIALLY SUPPORTED EXPORT CREDITS  
AS REGARDS THE ADOPTION OF A DECISION TO INCREASE OFFICIAL SUPPORT  
FOR EXPORT CREDITS IN THE FORM OF LOCAL COSTS

CHAPTER II: FINANCIAL TERMS AND CONDITIONS FOR EXPORT CREDITS

10. DOWN PAYMENT, MAXIMUM OFFICIAL SUPPORT AND LOCAL COSTS

- d) The Participants may provide official support for local costs under the following conditions:
- 1) The maximum amount of official support for local costs shall not exceed:
    - for Category I countries, 40 % of the export contract value,
    - for Category II countries, 50 % of the export contract value.
  - 2) Official support for local costs shall not be provided on terms more favourable/less restrictive than those agreed for the related exports.
  - 3) Where official support for local cost exceeds 15 % of the export contract value, such official support shall be subject to prior notification, in accordance with Article 46, specifying the nature of the local costs being supported.

65. REVIEW OF OFFICIAL SUPPORT FOR LOCAL COSTS

The Participants shall review the provisions on support for local costs by no later than three years from the formal approval.

ANNEX IV to the Arrangement on Officially Supported Export Credits

SECTOR UNDERSTANDING ON EXPORT CREDITS FOR RENEWABLE ENERGY,  
CLIMATE CHANGE MITIGATION AND ADAPTATION, AND WATER PROJECTS<sup>1</sup>

~~7. LOCAL COSTS~~

- ~~a) For officially supported export credits relating to contracts of a value of at least SDR 10 million, official support provided for local costs shall not exceed 30% of the export contract value.~~
- ~~b) For officially supported export credits relating to contracts of a value of less than SDR 10 million:
  - ~~1) For the sectors listed in Appendix I of this Sector Understanding, official support provided for local costs shall not exceed 45% of the export contract value.~~~~

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<sup>1</sup> The provisions on local costs in this Sector Understanding will be aligned with those in Article 10 of Chapter II (Financial terms and conditions for export credits) of the Arrangement.

- ~~2) For the sectors listed in Appendix II and for water projects defined in Article 4 of this Sector Understanding, official support provided for local costs shall not exceed 30% of the export contract value.~~
- ~~e) Where official support for local cost exceeds 15% of the export contract value, such official support shall be subject to prior notification, pursuant to Article 8 of this Sector Understanding, specifying the nature of the local costs being supported.~~
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