

What you can do!

1. Learn more about the issues and ECA Watch

Join ECA-Action, an action-alert mailing list which features critical updates and announcements about ECAs from ECA Watch members around the world. Go to the ECA Watch website to sign up, and simply enter your email address!

Frequent the ECA Watch website to see the latest updates posted on the website.

2. Find an ECA Watch member NGO near you

Lookup the list of member NGOs in this report;

Go to www.eca-watch.org/members.html;
or

Contact us at info@eca-watch.org

3. Endorse the Jakarta Declaration on ECA Reform

The text is available in English, Espanol, Français, på svenska, and Japanese at www.eca-watch.org/jakarta_engl.html

4. Last but not least, join the ECA reform campaign!



www.eca-watch.org

CONTACT US!

By postal mail

c/o Pacific Environment
1440 Broadway St., Ste. 306
Oakland, CA 94612 USA

By phone

+1 510 251 8800, ext. 314

By fax

+1 510 251 8838

By email

info@eca-watch.org

All Member NGOs by email

www.eca-watch.org/members.html

Export Credit Agencies Explained

The Dirtiest Secret of Globalization

What are ECAs?

How do they impact...

...development?
...the environment?
...and human rights?

And what is the international reform campaign doing about it?



What are ECAs?

Export Credit Agencies and Investment Insurance Agencies, commonly known as ECAs, are public agencies that provide government-backed loans and insurance to private corporations from their home country to do business abroad, particularly in the financially and politically risky developing world. Most industrialized nations have at least one ECA, which is usually an official or quasi-official branch of their government.

ECAs are collectively the largest sources of public financial support for foreign corporate investment in industrial projects in the developing world. It is estimated that ECAs support about twice the amount of oil, gas and mining projects as do all Multilateral Development Banks such as the World Bank Group combined. Half of all new greenhouse gas-emitting industrial projects in developing countries have some form of ECA support.

ECAs often back such projects even though the World Bank Group and other multilateral banks find them too risky and potentially harmful to support.

What are their Impacts?

Fueling a Race to the Bottom...

ECAs are some of the biggest sources of public financing for projects with harmful environmental and social impacts in the developing world.

ECAs account for between US\$50 - \$70 billion annually in support for large industrial and infrastructure projects in these countries.

ECAs finance greenhouse gas-emitting power plants, large scale dams, mining projects, road development in pristine tropical forests, oil pipelines, chemical and industrial facilities, and forestry and plantation schemes, to name a few. Many of these projects displace communities and destroy livelihoods, leaving affected people with little or no recourse.

Because most of these projects are highly risky due to their environmental, political, social and cultural impacts, most would not come to life without the support and financial backing of ECAs.

Hence, ECAs are strategic development linchpins that play an enormous part in the harmful impacts of corporate globalization.

Crushing Debt...

ECAs account for the single biggest component of developing country debt. In recent years they accounted for some 24% of total debt and 56% of debt owed to official agencies.

ECA financing often pushes countries to create debt to pay back loans for projects that are inconsistent with the goals of sustainable development. Thus, to the extent that excessive or inappropriate developing country debt loads shackles the sustainable development process in these countries, ECAs are in large part responsible.

Arms Trade and Global Conflict...

ECAs are frequently involved in supporting the export of arms and military equipment to war-torn countries. For example, UK-made Hawk fighter jets and US-made Black Hawk helicopters are exported to Indonesia, Columbia and other countries known for their repressive regimes. These sales are facilitated by ECAs.

Once these deadly weapons are out of the control of the exporters' hands and into the control of the government, these arms can

be used to intimidate and kill innocent people. This not only creates human rights nightmares, but increases the likelihood of conflict, the risk of war.

ECA Watch: The NGO Campaign

Since 1996, NGOs from many countries have joined forces in an international campaign to reform ECAs. The goals and demands of the campaign are best described in the Jakarta Declaration for Reform of Official Export Credit and Investment Insurance Agencies, endorsed by over 300 NGOs following a May 2000 international ECA reform strategy session in Jakarta, Indonesia (see www.eca-watch.org/jakarta_engl.html). While focusing on the impacts of ECAs in Indonesia, the Jakarta Declaration has a global "call for reform" that includes:

- Transparency, public access to information and consultation by ECAs and the OECD ECA Working Party;
- Binding common environmental and social guidelines and standards that are no lower and less rigorous as those of the World Bank Group and OECD Development Assistance Committee;
- The adoption of explicit human rights criteria guiding the operations of ECAs;
- The adoption of binding criteria and guidelines to end ECA abetting of corruption;
- The adoption of a commitment only to finance economically productive investments;
- The adoption of comprehensive relief for developing countries for ECA debt.

See the back side this brochure on what you can do!