



2b rue Jules Ferry, 93100 Montreuil, France
Tel. +33 1 48 51 18 90, Fax +33 1 48 51 95 12
Email : facilitator@eca-watch.org

Paris, 20 April 2007

Ms. Janet West
Director, Export Credit Secretariat
OECD
2, rue André Pascal
75775 Paris Cedex 16
Fax 01 44 30 61 58
Email: Xcred.Secretariat@oecd.org

Dear Janet,

Thank you for your letter of 6 April 2007 with the attached copy of the nearly final discussion draft of the revised Recommendation on Common Approaches on Environment and Officially Supported Export Credits.

Over the past 17 months we have engaged in good faith with the Secretariat and members of the Export Credit Working Group on this matter. A list of the important documents and our recommendations is attached as an annex to this letter.

We regret that the ECG has not taken on board more than a small fraction of the comments made by civil society, whose experience on the ground would, we had hoped, be taken seriously by ECG's members. As partners in the dialogue initiated by the ECG, we request that the Secretariat detail the reasons why our comments have not been incorporated. We believe that this would help clarify the purpose of the Common Approaches and improve any future engagement.

It is our opinion that this near final draft of the Recommendation fails to meet the stated objectives outlined in the preamble to the Recommendation.

The fact that the retention of the derogation clause in paragraph 13 of the draft Recommendation, allowing any member to opt out of applying any standards at all, with no effective peer review and no public justification, renders the Recommendation ineffective as an instrument for improving standards and brings the OECD into disrepute as a standard setting body. The flexibility provided through a derogation clause in the 2003 Recommendation might have been appropriate for the trial period envisioned from 2003 to 2006. That period is over and no justification exists for allowing members to derogate from the moderate standards they have set for themselves. The prevention and mitigation of adverse environmental impacts of projects demand a far higher level of standards than represented by this document.

We are all the more alarmed by the revision of the wording of paragraph 13 between the 20 October 2006 and 6 April 2007 drafts, effectively encouraging ECAs to decide on their own, rather than to justify derogation based on necessity. This is itself a significant

weakening of the Recommendation and is unquestionably a backward step from the 2003 version.

Taken in the context of the recent German, Austrian and Swiss approval of support for the Ilisu dam in Turkey, where no EIA fit for purpose exists, where baseline data is essentially non-existent, where World Bank Safeguard Policies have not been met and where reliable sources indicate that Turkey has not yet consulted with other Tigris riverain nations contrary to international law, it is clear that OECD ECAs do not consider the Recommendation on Common Approaches as an important safeguard of the public interest, but rather as an unnecessary and expendable obstacle to their clients' private commercial interests.

The message that this has sent to non-member economies from the OECD is clear - environmental standards are not a priority and deviation from even minimal standards brings no fear of sanctions or even reproach from other OECD members. This is the wrong message at a time when large infrastructure projects threaten not only locally affected communities, but also the environmental and social health of the entire planet.

A truly transparent and thorough peer review process which encourages public accountability must be coupled with mandatory standards which permit international norms to be upheld in all material respects. This is the only proper response of the 2006 Review if the OECD Working Group on Export Credits is to retain any credibility whatsoever as a forum for discussion of environmental and social standards.

Sincerely,

Bob Thomson

Bob Thomson
for ECA Watch

The Corner House, UK
Environmental Defense, USA
World Resources Institute, USA
Both Ends, Netherlands
FERN, UK
Pacific Environment, USA
urgewald, Germany
WEED, Germany
Finnish NGO Campaign to Reform the ECAs
Observatorio de la Deuda en la Globalización, Spain
The Halifax Initiative, Canada
Friends of the Earth Japan
Proyecto Gato, Belgium
Campagna per la Riforma della Banca Mondiale, Italy
Projecto Eca-Iberia / Euronatura, Portugal

Annex

- letter of 24 November 2005 from Nicole Bollen inviting comments
<http://www.oecd.org/dataoecd/3/2/35734285.pdf>
- 6 January 2006 ECA Watch letter with comments on the lack of coherence with CA objectives
<http://www.oecd.org/dataoecd/25/47/37052191.pdf>
- 12 May 2006 ECA Watch letter with suggestions for 29 May 2006 CSO consultation agenda
<http://www.oecd.org/dataoecd/25/3/37052796.pdf>
- 29 May 2006 ECA Watch consultation room documents
http://www.oecd.org/document/49/0,2340,en_2649_34205_37053681_1_1_1_1,00.html
- 9 June 2006 ECA Watch letter with points of concern and suggested language for the Recommendation
<http://www.oecd.org/dataoecd/53/6/37022298.pdf>
- 6 September 2006 ECA Watch letter to OECD ECA environmental practitioners with summary of papers on monitoring and participation
http://www.eca-watch.org/secure/docs/OECD_Docs/OECD_CA/letter_to_practitioners_6sep06.pdf
- 20 October 2006 letter from OECD ECG with negotiating draft of Common Approaches seeking comments
http://www.eca-watch.org/secure/docs/OECD_Docs/OECD_CA/CA_draft_text_6apr07.pdf
- 9 November 2006 ECA Watch letter to ECG with extensive comments on CA negotiating draft
http://www.eca-watch.org/secure/docs/OECD_Docs/OECD_CA/ECA_Watch_comments_ECG_text_10nov06.pdf
- 10 November 2006 ECA Watch letter to OECD Secretary-General with request to intervene in negotiations
<http://www.oecd.org/dataoecd/36/21/37767659.pdf>
- 23 November 2006 OECD reply to ECA Watch letter to OECD Secretary-General
<http://www.oecd.org/dataoecd/36/22/37767682.pdf>
- 6 April 2007 letter from ECG with nearly final negotiating draft of CA Recommendation
http://www.eca-watch.org/secure/docs/OECD_Docs/OECD_CA/CA_draft_text_6apr07.pdf