

Bruxelles, le 19 November 2004.
DR D (2004) 3803

Dear Ms Neyer,

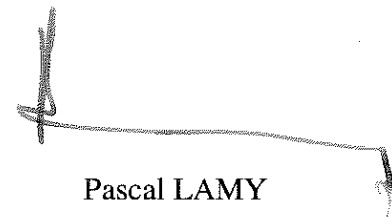
Thank you for letter of 21.10.2004 in which you prove your sincere interest in and uneasiness with the proposal referenced under subject. This demonstrates the importance of the EC initiative, which should be seen as a contribution from export credit agencies to international efforts to meet Johannesburg commitments on water and energy. This initiative is the result of urgent requests of industry, commerce, civil society and other stakeholders to facilitate the granting of export credits for renewable energy and water-related projects...

The initiative has been the subject of an intense and difficult consultative process with Member States and other stakeholders, including NGOs. The outcome of this process, which I consider – taken all elements aboard – fair and balanced, should be seen as a compromise. I acknowledge, however, the problems you signal in your letter in relation to large hydro power and it is mostly for that reason that, taking the information and reasoning provided by the NGOs fully into account, the discussions have been long and difficult.

As a result it has been decided that large hydro power should be included in the proposal under certain conditions. In conformity with the Linking Directive, it has been proposed that such conditionality include respect of the recommendations of the World Commission on Dams (WCD) when developing large hydro power projects. However, literally referring to the WCD recommendations was regarded as not feasible by some stakeholders. The alternative road of a more generic reference – as mentioned in your letter – has been chosen.

Now answering to your specific question of coverage, I confirm that to our opinion the formulation chosen does indeed in an appropriate way include all relevant international standards and, more specifically, the WCD recommendations. By confirming this I hope that your doubts and fears will be alleviated and I really hope that you will give your active support to this EC proposal. Active support from your side will thus be very important for coronating this process with success, as the way ahead of us is still long and challenging. On the other hand we should not forget that every step we take is worthwhile because the environment and energy situation put the stakes very high.

Yours sincerely,



Pascal LAMY

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