



Room Document No. 7

9TH INFORMAL CONSULTATION BETWEEN THE OECD WORKING PARTY ON EXPORT CREDITS AND CREDIT GUARANTEES AND CIVIL SOCIETY ORGANISATIONS

ENSURING A COHERENT APPROACH TOWARDS ENVIRONMENTALLY-FRIENDLY PROJECTS

BIAC

29 (morning) May 2006 (starting at 10.00)

Salle des Nations, Tour Europe, La Défense, Paris

29 May 2006

**BIAC Submission to
OECD Consultation on the Review of the Recommendation on the Common
Approaches for Export Credits and the Environment**

Ensuring a Coherent Approach Towards Environmentally-Friendly Projects

1. As stated in a separate paper that we submitted for this consultation¹, BIAC believes that the Recommendation on the Common Approaches have proved effective in deterring Export Credit Agencies (ECAs) from supporting projects that have significantly adverse environmental impacts.

2. However, in our view the Participants to the Arrangement on Officially Supported Export Credits and the Export Credit Group should go beyond the Common Approaches to help facilitating the export of internationally leading environmentally friendly technology that can make a positive difference to environmental protection in emerging and developing countries.

3. In addition to promoting stable, transparent and unbureaucratic Common Approaches to Export Credits and Environment, which do not adversely impact the competitiveness of OECD based exporters compared to international competitors, the Participants and the ECG should in our view consider changes in the Arrangement in order to bring the repayment terms for environmentally-friendly projects into line with those that are now available for renewable energy projects.

4. BIAC suggests a coherent approach towards environmentally friendly projects by making all environmentally friendly projects subject to the extended repayment terms and financial conditions for renewable energies. There are numerous projects which are not renewable energies but have demonstrably a positive impact on the environment. In our view there is no good reason to restrict such projects to a ten or twelve year credit term while renewable energies can benefit from 15 year credit terms.

5. Examples of environmentally friendly projects that should be put on par with renewable energies and thus qualify for the same credit terms include the following:

- Waste-to-Energy (WTE) projects (municipal and industrial waste);
- Power for desalination projects;
- Projects to clean up existing plants (e.g. removing SO_x and NO_x);
- Any project resulting in a significant improvement on national efficiency baselines established according to the Kyoto Protocol.

¹ BIAC Views on the Review of the Recommendation, 29 May 2006

6. In addition, BIAC would support other initiatives which would help to promote environmentally friendly projects, for example by recommending that ECAs accept Certificates for Emission Reduction (CER) as project securities.