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Paris, 5 November 2007

Dear Sir/Madam,

ECA Watch has always been committed to constructive dialogue to improve the environmental and social policies of official export credit agencies. We strongly believe that progress depends on a willingness to share views, explore differences and, through discussion and mutual learning, expand areas of agreement. If it is to bear fruit, dialogue has to be a two way process: by definition, consultation involves an active exchange of differing views. It presupposes transparency, and good faith engagement to discuss real world situations and problems, from which we can all learn.

We recognise and appreciate the efforts that have been made by successive chairs of the Export Credit Group and by staff of the Secretariat to foster dialogue between NGOs and ECG members. We have built good working relations with a number of individual environmental practioners and officials have shown much-welcomed leadership in introducing procedures that opened space for discussions at the national level, as well as attempting to do so within the ECG.

However, despite our best efforts to foster a working relationship with the ECG, the Working Party as a body has shown itself unwilling to engage in substantive exchanges of views on issues we have raised over the years. We have made every effort to ensure that delegates are fully briefed of our concerns, in good time for national governments to reflect on the issues raised and formulate considered responses. Yet, in the consultations, our requests for feedback have always been met with silence, save for sporadic interventions by a handful of delegates, which in almost every case have failed to catalyze any substantive discussion. Written replies from the Working Party have been equally unsubstantive.

Improvements are possible which could change this dynamic and could improve the credibility of the OECD to coherently and effectively address many broad overlapping issues, from environmental and social standards to debt and bribery, in which ECAs are critical players. In particular we believe there is a growing and urgent credibility crisis in the implementation of the Common Approaches. This crisis is a direct consequence of ineffective peer review, inadequate monitoring and inadequate transparency with respect to specific projects, accentuated by the categorical refusal of the ECG to discuss these very issues in specific cases.

This cannot continue. On repeated occasions over the past decade we have proposed specific measures for improving the consultation process in correspondence and documents, and will not repeat them here. We have highlighted the need for the work of the ECG to be more transparent, and subject to the same more public, substantive, and formal peer review processes used in other OECD fora.

These recommendations remain on the table and, if the ECG responds positively to them, and we have evidence that members are committed to making the dialogue process work, then we will willingly seek to build what we hope will be a fruitful partnership.

Until that time however, we see no purpose in continuing to engage in these meetings with the ECG, since they are not consultations in any accepted, substantive sense of the term. We greatly regret that we have been forced to take this decision. In the meantime we will aim for meaningful consultations concerning guidelines and regulations for ECAs for the cross cutting issues we have identified in other relevant international and regional bodies.

Sincerely,

*- Berne Declaration,
Switzerland
- Both Ends, Netherlands
- CRBM, Italy
- ECA Watch Austria
- Environmental Defense,
USA
- FERN, Belgium
- Friends of the Earth France*

*- Friends of the Earth Japan
- Halifax Initiative, Canada
- Observatori del Deute en la
Globalitzacio, Barcelona
- Pacific Environment, USA
- The Corner House, UK
- urgewald, Germany
- WEED, Germany*