



OECD GLOBAL FORUM ON INTERNATIONAL INVESTMENT
Conference on Foreign Direct Investment and the Environment
Lessons to be Learned from the Mining Sector

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**INFORMATION NOTE ON EXPORT CREDIT AGENCIES AND COMMON
APPROACHES TO THE ENVIRONMENT**

Officially supported export credits are an important tool used by governments to support and promote national exports. As such, this activity has come to be one of the main issues in the field of international trade negotiations. In addition, Export credit policy can contribute positively to sustainable development and should be consistent with that objective, while creating a level playing field for healthy international competition.

Against this background, in order to respond to increasing demands from Members and from Civil Society for due consideration of "qualitative" factors when extending officially supported export credits and in support of the overarching goal of sustainable development, negotiations have been proceeding at the OECD in the Working Party on Export Credits and Credit Guarantees (Export Credit Group - ECG) on common approaches to officially supported export credits and the environment.

In a press statement issued on 4 December 2001, the OECD Secretary-General declared that "Much progress has been made to date, and I foresee discussions continuing towards further improvements. The current proposal of common approaches, after fifteen months of negotiation, has also taken into account consultations with civil society organisations. The implementation of this proposal by most members from January 2002 will mean that all major exporting countries of the OECD will now be applying environmental review mechanisms. This results in the first common "greening" of export credits and should be seen as a major accomplishment. This proposal is an important first step. I believe the countries of the OECD will, through ongoing negotiations and review, improve the level playing field for export credits and the environment."

[The main elements of the proposal of common approaches which have been negotiated to date are:

- Screening of all projects with a repayment term of 2 years or more.
- Classification of projects in one of three categories, according to their potential effect on the environment, in order to indicate the extent of the information required for the subsequent environmental review.
- Review of projects, including scrutiny of Environmental Impact Assessments in sensitive sectors and locations, in order for Members to evaluate whether to cover or decline official support and, if support is to be provided, the extent of any mitigation requirements.
- Benchmarking of projects against international standards such as those contained in the guidelines of the World Bank Group.
- Exchange and disclosure of information with relevant stakeholders and with other Members.
- Reporting and monitoring and a review no later than the end of 2003.]

There is not a full consensus to implement the common approaches as an OECD Recommendation; nevertheless, most Member countries have unilaterally agreed to implement them. Discussions will continue in the ECG with the aim of securing consensus to a Recommendation.