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Paris, 12 October 2007

Mr. Mari Amano
Deputy Secretary General for Policy Coherence
OECD
2, rue André Pascal
F-75775 Paris Cedex 16

Dear Mr. Amano,

Re: OECD Council Meeting on Policy Coherence

In advance of Monday's Council meeting at which I understand policy coherence will be discussed, I am writing to advise you of the grave concerns of civil society organizations (CSOs) in OECD countries regarding serious policy incoherence within the OECD with respect to official export credits, an issue which threatens to undermine the credibility of the entire OECD.

ECA Watch members from many OECD countries have been engaging with the Export Credit Working Party (ECG) of the OECD for the past decade and have become increasingly frustrated over the many contradictions between ECG policies and practice and those of other OECD Directorates, for example in the areas of the Common Approaches environmental standards, bribery, environmental performance, investment, the MNC Guidelines, development assistance, debt and sustainable lending. In addition, we are disappointed at the lack of transparency and a credible consultation process in which civil society recommendations with respect to international best practices in these areas are presented to and incorporated into ECG policy negotiations, monitoring and peer review.

Our experiences have included many examples of such incoherence within the OECD. A partial outline of these experiences is provided here:

- OECD Member ECAs have approved large and harmful projects blatantly in violation of the Common Approach environmental and social standards;
- OECD Member ECAs do not charge interest rates or premia so as to break even, as required by the Arrangement and by the WTO Agreement on Subsidies, and the ECG monitoring of this requirement, as well as the requisite peer review to ensure respect for this fundamental tenet of the Arrangement are inadequate;
- A recent OECD Investment Committee report found that "transparency and accountability practices vary widely among the [ECAs] surveyed";
- Best practices for ECAs proposed by the OECD Anti-Bribery Working Group were not communicated to the ECG until ECA Watch members synthesized and forwarded them;
- ECAs are regularly excluded from the mandates of Member Environmental Performance Reviews undertaken by the Environment Directorate;
- A substantial percentage of OECD ECAs do not promote the OECD MNC Guidelines despite undertaking to do so;
- The ECG has no apparent policy instruments, beyond the publication of aggregated project statistics, to ensure compliance with their Statement of Principles on unproductive expenditures for HIPC and IDA only countries

We would appreciate it if you could convey civil society concerns about these serious deficiencies in the policies and practices of the Export Credit Working Party to the Council meeting this coming Monday 15th of November 2007. We would be pleased to provide specific information and details of our concerns to you and OECD officials at a forum you think might be appropriate.

Sincerely,

Bob Thomson

Facilitator