

Ms. Birgitta Nygren
Chair
Working Party on Export Credits and Credit Guarantees
O.E.C.D.
2, rue André Pascal
75775 Paris cedex 16

June 17, 2000

Re: Jakarta Declaration for Reform of Official Export Credit and Investment Insurance Agencies

Dear Ms. Nygren,

Attached please find the recently launched Jakarta Declaration, endorsed by over 340 organizations representing millions of citizens in 45 countries. The Declaration was drafted in a recent meeting of some 50 NGOs held in Jakarta and South Sumatra, Indonesia, May 1-7, 2000, and reflects the growing international concern with the continued lack of common environmental, social and human rights guidelines and standards for ECAs. It reflects mounting attention to this issue among civil society and non-governmental organizations in recipient, non-OECD countries such as Indonesia. We and the other endorsers request the Secretariat of the OECD Working Party on Export Credits and Credit Guarantees to circulate the Declaration to all members of the Working Party for consideration at the meeting of the Working Party this week.

We note that despite well-intentioned efforts to date, the OECD Export Credit Agency Working Party environmental policy process has produced very little of substance and has lacked transparency and meaningful consultation with civil society, particularly from non-OECD countries, at the policy or project level. The lack of transparency of the Working Party in refusing to make public the Work Plan which will guide its efforts to fulfill the environmental mandate of the OECD Ministers and G8 is most unfortunate, and undermines the international public credibility of the entire process.

We urge the Working Party and the OECD to realize that the Jakarta Declaration reflects growing international concern about the future role of ECAs, which the Working Party Process to date has not adequately addressed.

Sincerely,

Bruce Rich
Environmental Defense
U.S.A.

Titi Soentoro
Bioforum
Indonesia

Peter Bosshard
Berne Declaration
Switzerland

Helene Ballande
Les Amis de la Terre
France

Nicholas Hildyard
Corner House
United Kingdom

Douglas Norlen
Pacific Environment and Resources
Center
U.S.A.

cc. Ms. Janet West,
Head, Export Credits Division,
OECD Trade Directorate

Steve Cutts
OECD Working Party on Export Credits and Credit Guarantees

June 13, 2000

Jakarta Declaration for Reform of Official Export Credit and Investment Insurance Agencies

Over 50 representatives of Indonesian and international non-governmental organizations (NGOs), and social movements convened in Jakarta and South Sumatra 1-7 May, 2000 for a strategy meeting on official export credit and investment insurance agencies (ECAs). They agreed on the following Declaration, endorsed by 347 NGOs from 45 countries.

Introduction

Non-governmental organizations around the world call the attention of governments and international institutions to the mounting adverse environmental, social, human rights and economic consequences of ECA activities. We have directly witnessed the unconscionable human suffering and environmental devastation that ECAs have produced in Indonesia, which is only one of many country examples. ECAs have supported many projects—e.g. in the mining, pulp and paper, oil and power sectors—which have had devastating social and environmental impacts. ECAs have supported the export of arms used for human rights abuses by the Suharto government. In 1996, ECA exposure in Indonesia was \$28 billion, an amount equivalent to 24% of Indonesia's external debt. The Indonesian ECA debt places an unacceptable burden on the Indonesian people, crippling their future development. As a 22 September 1999 "Financial Times" article pointed out, careless industrialized country export credit agencies share a major responsibility for "violence in East Timor and economic disaster in Indonesia."

Official Export Credit and Investment Insurance Agencies have become the largest source of public international finance, supporting in 1998 over eight percent of world exports. In 1998, ECAs supported \$391 billion in private sector business and investment, of which \$60 billion was for middle- and long-term guarantees and loans, mainly supporting large-scale project finance in developing countries. This exceeds all bilateral and multilateral development assistance combined, which has averaged some \$50 billion over the past decade. ECAs account for 24 percent of all developing country debt, and 56 percent of the debt owed to official governmental agencies.

In April, 1998 163 NGOs from 46 countries sent to the finance and foreign ministries of the major industrialized OECD countries a "Call of National and International Non-Governmental Agencies for the Reform of Export Credit and Investment Insurance Agencies." The NGOs called for transparency in ECA decision making, environmental assessment and screening of ECA financial commitments, including participation of affected populations, social sustainability (equity and human rights concerns) in appraisal of ECA commitments, and for an international agreement in the OECD and/or G8 on common environmental and social standards for ECAs.

Over the past two years the major industrialized countries have only made the minimal commitment to work towards common environmental approaches and guidelines in the OECD. The lack of transparency and meaningful public consultation in the OECD Working Party on Export Credits and Credit Guarantees, particularly the lack of any consultation with representatives of affected groups and organizations from non-OECD recipient countries, has rendered this process a travesty. ECAs have consistently learned no lessons from the past and continue to approve financing for environmentally and socially destructive operations.

The social and environmental negligence, support for human rights violations, and lack of transparency of ECAs must come to a halt. ECA financing for major arms transactions, for obsolete technologies rejected or illegal in their home countries, and for economically unproductive investments is a scandal of global proportions.

Call for Reform

Based on the experiences of Indonesia and many other countries, NGOs from around the world reiterate the April, 1998 international Call for Reform of Export Credit and Investment Insurance Agencies. We call upon OECD governments, ministers and national legislatures to undertake with due dispatch the following reform measures for their ECAs:

1. Transparency, public access to information and consultation with civil society and affected people in both OECD and recipient countries at three levels: in the assessment of ongoing and future investments and projects supported by individual ECAs; in the preparation within national ECAs of new procedures and standards; and in the negotiation within the OECD and other fora of common approaches and guidelines.
2. Binding common environmental and social guidelines and standards no lower and less rigorous than existing international procedures and standards for public international finance such as those of the World Bank Group and OECD Development Assistance Committee. These guidelines and standards need to be coherent with other ongoing international social and environmental commitments and treaties, for example, the conventions of the International Labor Organization and the United Nations Convention on Biological Diversity. In addition ECAs must conduct full, transparent accounting for climate change impacts and move to increase investments in sustainable renewable energy. So far, some governments have established, or are establishing, environmental and social policies which substantially deviate from, and are below these internationally recognized standards and guidelines.
3. The adoption of explicit human rights criteria guiding the operations of ECAs. This should be done in consultation with affected people and civil society, and based on existing regional and international human rights conventions. In Indonesia and elsewhere ECAs have not only supported arms exports directly linked to egregious human rights abuses, their support for mining, paper and pulp mills and other major infrastructure investments often has been accompanied by destruction of indigenous and local peoples' rights to land and livelihood resources, armed suppression of dissent, and suppression of press freedom to criticize such abuses.

4. The adoption of binding criteria and guidelines to end ECAs' abetting of corruption. According to Transparency International, the continued lack of action by ECAs to address this issue is bringing some ECA practices "close to complicity with a criminal offense." We endorse the recommendations of Transparency International submitted to the OECD and European Union in September 1999, on how ECAs should avoid continued complicity in corruption. These include, *inter alia*, recommendations that export credit applicants must state in writing that no illegal payments related to a contract were made, and that any contravention of the ban on illegal payment should entail cancellation of the state's obligation to pay. Companies found guilty of corruption should be banned from further support for five years, and export credit agencies should not underwrite commissions as part of the contracts they support.
5. ECAs must cease financing non-productive investments. The massive ECA support for military purchases and white elephant projects, such as nuclear power plants, that would be rejected by OECD bilateral aid agencies and multilateral development agencies such as the World Bank must end.
6. The cancellation of ECA debt for the poorest countries, much of which has been incurred for economically unproductive purposes. We support the call of the Indonesian anti-debt coalition for the cancellation of Indonesian ECA obligations, now placing an insupportable burden on the Indonesian people.

Conclusion

The OECD Development Assistance Committee declared in 1996 that " we should aim for nothing less than to assure that the entire range of relevant industrialized country policies are consistent with and do not undermine development objectives." The OECD ECAs, and the OECD Export Credit Working Party, completely disrespect this call. These ECAs have so far refused to accept any responsibility for their past mistakes, and to draw any meaningful lessons from them. The current practices of the ECAs embody a form of corrupt, untransparent, environmentally and socially destructive globalization as serious and reprehensible as the concerns raised by civil society and activists around the world about the World Trade Organization, the proposed Multilateral Agreement on Investment, and the International Monetary Fund and World Bank.

We call upon concerned citizens and organizations around the world to turn their attention to ECAs and their negotiating forum, the OECD, and to press their governments to undertake reform without further delay.

Undersigned Non-Governmental Organizations and Individuals:

AUSTRALIA:

Action for World Development NSW Inc.

AID/WATCH

Australian Council for Overseas Aid

Bougainville Freedom Movement

Campaign Against Corporate Tyranny in Unity and Solidarity (CACTUS)

Community Aid Abroad (Oxfam Australia)

Economic Reform Australia

Friends of the Earth Australia

Information for Action

Jubilee 2000 Australia

Mineral Policy Institute

Native Forest Network/Southern Hemisphere

People for Nuclear Disarmament

Public Interest Advocacy Centre

Rainforest Information Centre

TEAR Australia (Christian Action with the World's Poor)

The Bathurst Justice Group

The LEAD Group Inc.

Wordwit International (Australia and China)

World Vision Australia (WVA)

AUSTRIA:

Erlaßjahr 2000 Österreich

NATURFREUNDE INTERNATIONALE

BANGLADESH:

Like-Minded Environmental Activists Group (LMEAG)

BELGIUM:

Eurodad

Fern

International NGO Forum on Indonesian Development(INFID)

BOLIVIA:

Plan de Desarrollo Indigena (PDI)

BRAZIL:

Conselho Indigenista Missionario (Espiritu Santo)

Ecoa

Movimento dos Atingidos por Barragens-Brasil (MAB)

Rios Vivos Coalition (America Latina/Europa/USA)

CAMEROON:

Partnership, Management And Support Programme

CANADA:

Alternatives

Canadian Auto Workers

Canadian Council for International Cooperation

Canadian Friends of Burma

Canadian Labour Congress

Canadian Lawyers Association for International Human Rights

Democracy Watch

East Timor Alert Network

Falls Brook Centre

Halifax Initiative

MiningWatch Canada

Project Ploughshares

RESULTS Canada

Social Justice Committee of Montreal

Society Promoting Environmental Conservation

Steelworkers Humanity Fund

Sweet Land Collective

West Coast Environmental Law Association

COSTA RICA:

Asociación Latinoamericana de Organizaciones de Promoción (NGO association with 45 members in 20 countries)

FoE International's Campaign on the Environmental and Social Impacts of Mining

DENMARK:

Danish Association for International Co-operation

FINLAND:

Coalition for Environment and Development

Finnish Asiatic Society

Finnish Association for Nature Conservation

Finnish Energy Political Association/Alternative to Nuclear Power

Finnish Nature League/Forest Group

FRANCE:

Agir ici pour un monde solidaire
Amis de la Terre
Attac France
Fédération Artisans du Monde
France-Libertés Fondation Danielle Mitterrand
HELIO INTERNATIONAL
Info Birmanie
L'Observatoire des Transferts d'Armements
Reseau d'information sur le Tiers Monde (RITIMO)
Reseau Jeunes Solidaires
Survie

GABON:

Les Amis du Pangolin

GEORGIA:

Sakartvelos Mtsvaneta Mozraoba/Friends of the Earth Georgia

GERMANY:

Aktionszentrum 3. Welt e.V.
Berliner Landesarbeitsgemeinschaft Umwelt und Entwicklung (Blue 21)
EarthLink/The People & Nature Network
ECOROPA Europe
EURONATUR
Forum Umwelt & Entwicklung
IMBAS
Institute of Interdisciplinary Study and Research (IfSF)
Naturschutzbund Deutschland (NABU) e.V.,
Rettet den Regenwald e.V.
Society for Threatened Peoples
Umwelt-AG der Anne-Frank-Gesamtschule
Urgewald
Weltwirtschaft, Oekologie & Entwicklung e.V. (WEED)

GUATAMALA:

Maya Pedal (Guatamala and Canada)
Tropico Verde

HONDURAS:

Comité para la Defensa y Desarrollo de la Flora y Fauna del Golfo de Fonseca
(CODDEFFAGOLF)

INDIA:

Adivasi Mahila Manch/Indigenous Women's Platform
Bindrai Institute for Research Study & Action
Environment Support Group
Jharkhandis Organisation Against Radiation (JOAR)
Jharkhandis Organisation for Human Rights (JOHAR)
KALPAVRIKSH
North and North East Mines Minerals & People
South Asia Network on Dams, Rivers and People

INDONESIA:

Aliansi Masyarakat Adat Kalbar
Aliansi Masyarakat Adat Nusantara
Aliansi Perempuan Adat Nusantara
Bioforum
BP-Konsorsium Pembaruan Agraria
debtWATCH Indonesia
Elsam
FOKER LSM PAPUA (Forum Kerjasama LSM Papua)
FPMP-Sulsel
Gabungan Anak Seni Sriwijaya
Gita Pertiwi
ICEL
Indonesian Prosperity Trade Union
Institute Dayakology
Institute of Development and Economic Analysis (IDEA)
Jagat-NTT
JARI Indonesia
Jaringan Kerja Masyarakat Adat
Jaringan Organisasi Independen untuk Penguatan Rakyat(JOIPaRa)
Jatam
Konsorsium Pendukung Sistem Hutan Kemasyarakatan
KSKP Lahat
KSPPM
LBH Palembang Indonesia
Lembaga Advokasi Rakyat
Lembaga Bela Benua Talino
Lembaga Gemawan
Lembaga Konsumen Hijau
Lembaga Olah Hidup
Lembaga Pemetaan Aset Produksi Rakyat
Lembaga Pendukung dan Pemberdayaan Sosial Ekonomi Petani Karet
Leskap
LORIES
NADI

National Development Fund
NGO'S CAFÉ
NRM
Oman Women's Committee
Palembang Legal Aid Institution
PERBBUNI
Persatuan Perempuan Sama/The Women's Union For Equality
PIAR/NTT
Pijar Indonesia
PLASMA
PPSDAK/Yayasan pancur Kasih
Pusat Informasi dan Komunikasi Perempuan (PIKP)
Puti Jaji
RMI - Institute for Forest and Environment
Sahabat Persada Alam
Sarekat Nelayan Sumatra Utara
SEN/LPIST
Serikat Demokrasi Sosial
Solidamor
Solidaritas Perempuan
Telapak
Urban Poor Consortium
Wadah Pengembangan Alternatif Pesisir (WPAP)
Walda
Walhi Aceh
Walhi Jawa Barat
Walhi Jawa Timur
Walhi Kalimantan Tengah
Walhi Sulawesi Selatan
Walhi Sulawesi Tengah
Walhi Sulawesi Utara
Walhi Sultra
Walhi Sumatera Selatan
Walhi Sumatera Utara
WALHI/National Secretariat
WWF Sahul
Yappika
Yascita
Yasinta
Yayasan Asri
Yayasan Bantaya
Yayasan Bina Potensi Desa
Yayasan Gemi Nastiti
Yayasan HAPSARI Perbaungan
Yayasan IMPALM

Yayasan KAPPALA Indonesia
Yayasan Kelola Menado
Yayasan Lembaga Bantuan Hukum Indonesia
Yayasan Pelangi Indonesia
Yayasan pengembangan Masyarakat Desa (Papua)
Yayasan Peran
Yayasan tahananungan Tarung Palangkaraya
YLK-Sulsel
YPBB

ISRAEL:

GreenAction - for Social Ecological Change
Israeli Association for Earthday Events

ITALY:

Amici della Terra
Associazione Nuova Solidarieta/Bottega del Mondo di Finale Ligure
Campagna per la Riforma della Banca Mondiale
Centro Internazionale Crocevia
Circolo di San Salvo del Partito della Rifondazione Comunista
COCIS
Coordinamento Lombardo Nord/Sud del Mondo
GEVAM/ONLUS
Operatore nella cooperazione Internazionale
Partito della Rifondazione Comunista (PRC)
Rete Italiana botcottaggio Nestle
Rete Romana sul Consumo Critico
Riforma mondiale della SACE
Service Civil International/Branca Italiana
Un Ponte per...
Xaverian Missionaries (Italy and many other countries)
Fausto Bertinotti (Dep. and Member of the European Parliament) PRC
Ugo Boghetta (Dep.), PRC
Franco Bonato (Dep.) PRC
Luca Cangemi (Dep.) PRC
Aurelio Crippa (Sen.) PRC Fausto Co' (Sen.) PRC
Walter De Cesaris (Dep.) PRC
Giuseppe Di Lello Finuoli, Member of European Parliament PRC
Franco Giordano (Dep.) PRC
Maria Lenti (Dep.) PRC
Giorgio Melentacchi (Dep.) PRC
Ramon Mantovani (Dep.) PRC
Luisa Morgantini, Member of European Parliament, PRC
Maria Celeste Nardini (Dep.) PRC
Edo Rossi (Dep.) PRC

Giovanni Russo Spina (Sen.) PRC
Tiziana Valpiana (Dep.) PRC
Nicola Vendola (Dep.) PRC
Luigi Vinci (Capogruppo), Member of European Parliament, PRC

JAPAN:

A SEED JAPAN
Campaign for Future of Filipino Children (CFFC)
Friends of the Earth Japan
Green Energy "Law" Network
Japan Center for a Sustainable Environment and Society (JACSES)
Japan NGO Network on Indonesia
Japan Tropical Action Network (JATAN)
Mekong Watch
People's Forum 2001
Society for Creation of Future of Yoshino River

KENYA:

Forest Action Network
Relief and Environmental Care Africa (RECA)

KYRGYZSTAN:

Bureau on Human Rights and Rule of Law

MALAYASIA:

Centre for Orang Asli Concerns (COAC).
Partners of Community Organisations (PACOS).

MEXICO:

Grupo Mesófilo A.C.
Red Mexicana de Accion frente al Libre Comercio (RMALC)
Trasparencia, S.C.

NETHERLANDS:

Both ENDS
Campagne tegen Wapenhandel
Corporate Europe Observatory
Friends of the Earth International
Greenpeace International
Komitee Indonesia
The Northern Alliance for Sustainability
The Transnational Institute
World Information Service on Energy (WISE)

NEW ZEALAND:

The Pacific Institute of Resource Management

NIGERIA:

African Network for Environmental and Economic Justice
Ecowas Network on Debt and Development (ECONDAD)
The Flood and Erosion Victims Association (FEVA)

NORWAY:

FIVAS, Association for International Water and Forest Studies
Forum for Environment and Development
Regnskogsfondet/Rainforest Foundation Norway

PAKISTAN:

Pakistan Network of Rivers, Dams, and People

PAPUA NEW GUINEA:

NGO Environmental Watch Group

PHILIPPINES:

Cordillera Peoples Alliance
NUCLEAR FREE PHILIPPINES COALITION

RUSSIA:

Agency for Public Ecological Reviews
Altai State University Ecoclub
Angara-Yenisei Rescue Association
ASMO-Press Association of Young Journalists of Tomsk Region
Baltic Resource and Information Center
Bayangol Ethno-Ecological Center
Bureau for Public Regional Campaigning
Buryat Regional Union for Baikal
ECODEFENSE! Int'l
Fund for 21st Century Altai
Green Light Environmental Center
ISAR-Siberia
Kamchatka League of Endependent Experts
Krasnoyarsk Regional Public Fund for Forest Protection
Magadan Center for the Environment
Public Ecological Center "Dauria"
Public Ecological Charitable Fund "Baikal"
Republic of Sakha (Yakutia) Center for Ecological Education
Republic of Sakha (Yakutia) Public Ecological Center
Republic Public Environmental Fund "Baikal"
Sakhalin Environment Watch

Siberian Association for NTFP Use
Siberian Environmental Center
Socio-Ecological Union/Antinuclear Campaign
St. Petersburg Society of Naturalists
Taiga Rangers
Taiga Research and Protection Agency
Tele-radio Company "Katun"
Tomsk Ecological Student Inspection
Toyeon Ecological Center
Transbaikal Center for Biodiversity Conservation
World Information Service on Energy Russia

SLOVAKIA:

Center for Environmental Public Advocacy/Friends of the Earth Slovakia

SOUTH AFRICA:

Alternative Information & Development Centre (AIDC)
Timberwatch Coalition

SWEDEN:

Fältbiologerna
Miljöförbundet Jordens Vänner/Friends of the Earth Sweden
Swedish Society for Nature Conservation
Peter Söderbaum, Professor i ekonomi med inriktning på ekologisk ekonomi
Mälardalens högskola, Sweden

SWITZERLAND:

Aktion Finanzplatz Schweiz
Arbeitskreis Tourismus & Entwicklung
Basel Mission
Berne Declaration
Bruecke-Cecotret/Development Agency of Swiss Confederation of Christian Trade Unions
Caritas Switzerland
Green Party Switzerland
Honduras Group Switzerland
Netzwerk für sozial verantwortliche Wirtschaft NSW/RSE
Solifonds
Swiss Coalition of Development Organizations
Swiss Energy Foundation
Swiss Labour Assistance
Swissaid

TAIWAN:

Taiwan Environmental Protection Union

THAILAND:

EarthRights International
Mangrove Action Project
Northern Development Foundation
Towards Ecological Recovery & Regional Alliance (TERRA)
Yadfon Association

UGANDA:

Uganda Debt Network

UNITED KINGDOM:

Campaign Against Arms Trade
Centre For Alternative Technology (Wales)
Christian Aid
Down to Earth
Fern/WRM Northern Office
Forest Peoples Programme
Forests Monitor
Friends of the Earth (England, Wales and Northern Ireland)
GLOBE UK All Party Parliamentary Group
Green Party of England & Wales
Ilisu Dam Campaign
Indonesian Human Rights Campaign (TAPOL)
Jubilee 2000UK
Kurdish Human Rights Project
Minewatch
Partizans (People Against Rio Tinto and Subsidiaries)
Rights and Accountability in Development (University of Oxford)
The Corner House
Wales Green Party/Plaid Werdd Cymru
World Development Movement
Jean Lambert MEP, Green Party Member of the European Parliament (London Region)

UNITED STATES:

50 Years Is Enough: U.S. Network for Global Economic
Amazon Watch
Center for International Environmental Law
Environmental Defense
First Peoples Worldwide
Friends of the Earth
Global Response
Institute for Policy Studies
International Primate Protection League
International Rivers Network
Leavenworth Audubon Adopt-a-Forest

Mangrove Action Project
Native Forest Council
Natural Resources Defense Council
Oxfam America
Pacific Environmental Resource Center
Preamble Center
Project Underground
Rainforest Action Network
Rainforest Foundation USA
Rainforest Relief
Rockefeller Brothers Fund
Worldview, Ltd.
Dennis V. Brutus, Professor Emeritus, University of Pittsburgh
Terence Turner, Professor, Cornell University

URUGUAY:

Instituto del Tercer Mundo
World Rainforest Movement

ZIMBABWE:

African Forum and Network on Debt and Development