

Aidwatch (Australia) – Both Ends (Netherlands) – Corner House (United Kingdom) – Environmental Defense (U.S.A.) – Eyes on SACE Campaign (Italy) – FERN (Netherlands) – Finnish ECA Reform Campaign (Finland) – Friends of the Earth, Japan (Japan) – Friends of the Earth, U.S. (U.S.A.) – Halifax Initiative (Canada) – Institute for Policy Studies (U.S.A.) – Les Amis de la Terre (France) – Mineral Policy Institute (Australia) – NADI (Indonesia) – Pacific Environment (U.S.A.) – Projecto Eca-Iberia (Portugal) – Proyecto Gato (Belgium) – Urgewald (Germany) – WEED (Germany)

June 3, 2004

Mr. Mike Roberts
Vice-Chairman of the Working Party on Export Credits and Credit Guarantees
And the Participants to the Arrangement of Officially Supported Export Credits
Ms. Janet West
Head, Exports Credits Division
Trade Directorate, Exports Credits Division
OECD
2 Rue Andre-Pascal
75775 Paris Cedex 16, France

Dear Mr. Roberts and Ms. West,

We are writing in response to your letter of May 24 inviting our organizations to participate in an informal consultation on June 25 with the Participants to the Arrangement on Officially Supported Export Credits and with the Members of the Export Credit Group (ECG). We are pleased that this consultation is taking place, given that a number of our organizations had written the Participants on February 3 requesting a consultation concerning renewable energy issues and the Arrangement, as well as writing the Chairman of the Export Credit Group on March 8, 2004 requesting a consultation concerning, *inter alia*, progress in implementing the December 2003 agreement on Common Approaches to the Environment. Approximately ten representatives of our organizations will be attending the consultation on June 25. In the near future we will be in touch with the OECD Secretariat (M. Jean Le Cocguic) concerning which individuals and organizations will attend.

We would like to emphasize, however, that we are disturbed by several aspects of the consultative process. On March 24th we received a letter from Ms. Janet West on behalf of the then Chair of the ECG and the Participants, refusing our respective requests for a consultation this spring with the Participants and with the ECG. The letter noted that renewable energy was not likely to be on the agenda of the April, 2004 meeting of the Participants, without indicating any other time for a possible consultation; and the letter also stated that a likely date for a consultation with the ECG would be in November, 2004. As a result, staff concerned with these issues in our organizations made their plans accordingly. The letter of May 24, little more than four weeks before the proposed consultations, thus came as a total surprise given the content of the letter of March 24th. This is very short notice compared with previous consultations; moreover the letter sent to Mr. Sebastien Godinot of Les Amis de la Terre, France, noted that the participation of our organizations would have to be limited to 7—10 “due to space constraints.” We would note that this has not been a concern in the past. At past ECG consultations,

including the most recent in September, 2003, more than 10 organizations have been present, and we would expect this to be the case in the future where more civil society organizations may want to be represented. Of course we recognize that time limitations naturally pose limits to the number of representatives who can speak on behalf of civil society as well as on the length of their interventions.

We hope that in the future a more coherent, more transparent, and less irregular process could finally be agreed on for consultations between the ECG, Participants to the Arrangement, and civil society. We note that such requests have been made to the OECD ECG and Secretariat in continual correspondence from NGOs for nearly seven years. Although some progress has been made over the years, the latest requests of our organizations for consultations this spring, the rejection of these requests in March, and then the very sudden, short notice announcement of consultations on June 25 reflects the need for a more regular process. It constitutes, in our view, a regression in terms of what is already, in terms of international good practice, a process which still suffers from a serious participation and transparency deficit.

We look forward to a strengthening of environmental procedures and standards in every ECG Member over the coming months and years to comply with the December, 2003 Agreement on Common Approaches to the Environment. We believe that the very development of these new policies, and the review by the ECG of their progress, must be based on a more transparent and substantive consultative process. This is true for both the national level and for the OECD ECG.¹

We suggest that particularly during this period of realization of the December, 2003 Common Approaches, there be consultations with civil society on the progress of their implementation during each of the ECG's semi-annual meetings. A public calendar of ECG and Participant meetings and consultations should be circulated well in advance of all such meetings, identifying issues to be addressed and decisions to be taken. We strongly suggest that NGOs be consulted when Members of the ECG coordinate their positions on individual projects. In both cases, consultations can be formal or informal; they should be based on access to relevant information such as the agenda of the official meetings. NGOs from the recipient countries of OECD export credits and guarantees should also be able to participate in such consultations on a regular basis, both regarding policy issues and specific projects.

At the national level interested civil society organizations, including NGOs, should be involved from the very beginning of changes in environmental guidelines and standards, starting with the design phase of a consultation and policy formulation process. The process at the national level should be transparent and accountable, in that the interested public is informed about the calendar of consultations and other meetings, and in advance about decisions which are begin taken. Sufficient time should be allowed for consultation with civil society organizations.

¹ We note that the Press Release issued by the OECD on December 18, 2003 states that "the agreement is *expected to increase transparency* in government export credit agencies' environment review processes and so to *contribute to a better coherence in public policies in the context of sustainable development and good governance....*" [emphasis added] In the same Press Release the Chair of the ECD "said the agreement will lead *all ECG Members to apply more robust environmental guidelines....*" The agreement is an OECD Recommendation, and "there is an expectation that member countries will *do their utmost to fully implement* a Recommendation." [emphasis added]

We look forward to your response on these issues. Thank you for your attention, and we look forward to the consultation on June 25.

Sincerely,



On Behalf of:

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