



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Development

2006/0167(COD)

12.10.2010

AMENDMENTS

10 - 14

Draft opinion

Bart Staes

(PE448.927v01-00)

on the proposal for a decision of the European Parliament and of the Council
on the application of certain guidelines in the field of officially supported
export credits

Proposal for a decision

(COM(2006)0456 – C7-0050/2010 – 2006/0167(COD))

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Amendment 10
Gay Mitchell

Proposal for a decision
Recital 3 e (new)

Text proposed by the Commission

Amendment

(3e) EU principles and standards, derived from EU policy and law, and supplemented by other examples of international good practice, should be the guide for all projects financed by ECAs, and include a social and environmental impact assesment, which includes human rights and the standards incorporated in the body of EU environmental and social legislation relevant to the sectors and projects financed by ECAs.

Or. en

Justification

The original text is vague and leaves too much room for interpretation. A social and environmental impact assessment would be far clearer.

Amendment 11
Gay Mitchell

Proposal for a decision
Recital 3 f (new)

Text proposed by the Commission

Amendment

(3f) ECAs should apply environmental and social impact assessment methodology throughout the project cycle to ensure the sustainability of all the projects they finance. Social and environmental risk calculation should be included in the assessments.

Or. en

Justification

'Requirements' is vague and the amendment clarifies exactly what needs to be applied. Mandatory environmental and social risk calculation is unduly onerous.

Amendment 12

Gay Mitchell

Proposal for a decision

Recital 3 g (new)

Text proposed by the Commission

Amendment

(3g) Environmental and Social Impact Assessment methodology that ensures compliance with ECA requirements should be fully consistent with the principles of the EU Sustainable Development Strategy, the Cotonou Agreement and the European Consensus on Development and should reflect the EU's commitment and obligations under the UN Framework Convention on Climate Change (UNFCCC), the UN Convention on Biological Diversity (CBD) as well as the attainment of the UN Millennium Development Goals (MDGs and the social, labour and environmental standards as embodied in international agreements.

Or. en

Justification

The amendment is more precise as "standards" is quite vague.

Amendment 13
Gay Mitchell

Proposal for a decision
Annex a (new)

Text proposed by the Commission

Amendment

Annex a

COHERENCE AND TRANSPARENCY

***PART A) Consultation, Transparency,
and Public Access to Information***

The Commission undertakes to share information with the European Parliament on the implementation of the OECD Arrangement on Officially Supported Export Credits. It shall therefore provide an annual report on all official support provided by or on behalf of a government for the export of goods and/or services within the scope of the Arrangement. The report shall provide the following information on each individual transaction:

- Name of export credit agency***
- Date of transaction***
- Country***
- Debtor***
- Exporter/Investor***
- Guarantor***
- Financier***
- Type of official support
(classification as used in the
OECD Arrangement)***
- Type of transaction***

Additional information shall be provided on the coherence with EU policies on development cooperation. The European Union provides a strong legal basis for development cooperation in the Treaty on the Functioning of the European Union. In accordance with Article 208(1) TFEU, the Union “shall take account of the objectives of development cooperation in the policies that it implements which are

likely to affect developing countries.” The Union and the Member States, as laid down in Article 208(2) TFEU, “shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations.” Additional information on each individual transaction shall include:

- In the case of unproductive expenditure in HIPC countries (generally refers to transactions that are not consistent with these countries' poverty reduction and debt sustainability strategies and do not contribute to their social and/or economic development): arguments that the official export credit does not contribute to the country's overall debt burden;*
- In the case of tied aid credits: form of tied aid (classification as used in the OECD Arrangement) and overall concessionality level of the tied aid;*
- Information on the client's compliance with the national human rights and environmental legislation of the host country. This will include a statement from the client that it will respect the national human rights and environmental legislation of the host country;*
- Information on the client's compliance with the international environmental and human rights commitments of the host country. This will include a statement from the client that it will respect the international human rights and environmental commitments of the host country;*
- Information on compliance with international and the home country's criminal law. This will include a statement from the client that it will respect international and the home country's criminal law;*

•Identification of no clause in the client's agreement/ contract which gives legal immunity for violations of the law in the host or home country;

•In the case of dam projects: compliance with the Guidelines of the World Commission on Dams;

•In the case of extractive Industries projects: compliance with the World Bank's extractive Industries Review's recommendations.

ECAs shall make project assessment information readily available to affected communities, NGOs and other interested parties in advance of an application being approved. This information shall include the sustainable development impact assessment for all projects, and the names of the companies involved.

PART B) Climate change

ECA's will contribute to the EU's commitment and obligations under the UN Framework Convention on Climate Change (UNFCCC), in line with Article 208 TFEU.

The integration of European climate policies in its operations where applicable, may include:

• Annual detailed reporting regarding the full carbon footprint of ECA supported projects, or the localised and regional effects of individual projects;

• An analysis of the carbon footprint to be included in the environmental assessment procedure to determine whether project proposals maximise energy-efficiency improvements;

• The introduction of an exclusion list of types of projects/technologies they will not support, including the phasing out of financial transactions for fossil fuel projects;

- *The definition of clear CO2 emission reduction targets for both the long term and the short term and an annual emissions cap;*
- *The definition of appraisal procedures to take account of the needs of developing countries in relation to climate change and development, as identified in UNFCCC National Adaptation Programmes of Action (NAPAs), and EU Regional and Country Strategy Papers (RSPs/CSPs);*
- *The definition of objectives on renewable energy, in line with the regional/country strategy plans.*

Or. en

Justification

The timeframe of 120 days to make project assessments available is unrealistic and unfair. There is also repetition within the text. The environmental standards to be imposed are even more onerous than European standards and are grossly unfair for developing nations.

Amendment 14

Bart Staes

Proposal for a decision

Annex a (new)

Text proposed by the Commission

Amendment

Annex a

COHERENCE AND TRANSPARENCY

PART A) Consultation, Transparency, and Public Access to Information

The European Commission undertakes to share information with the European Parliament on the implementation of the OECD Arrangement on Officially Supported Export Credits. It shall therefore provide an annual 'transparency report' on the

implementation of the Arrangement. This transparency report shall provide a list of each individual transaction approved, per country that provides the support, in the following matter:

- Name of country that provides the official support;*
- Name of export credit agency;*
- Destination of goods; location of services;*
- Date of transaction approved by the agency;*
- Name of exporter or provider of services;*
- Type of the transaction: supply of goods or equipment; performance of research or design; performance of works; provision of services;*
- Name of intervening bank;*
- Name of debtor;*
- Name of guarantor;*

Type of official support (OECD Arrangement's classification): 1/ Export credit guarantee or insurance (pure cover); 2/ Official financing support: a. direct credit/financing and refinancing, or b. interest rate support.

Additional information shall be provided on the implementation of the TFEU:

- Article 208 (1) TFEU stipulates that the Union “shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.”*
- Article 208 (2) TFEU stipulates that the Union and the Member States “shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations.”*

In order to ensure full compliance with the TFEU and with the OECD Arrangement, the EU requests that the Member States provide additional

information on certain individual transactions. That information will be added in the annual transparency report. This relates to the following:

- In the case of transactions in Heavily Indebted Poor Countries: ECAs shall report on the number and value of projects to IDA countries and provide the methodology for applying the country specific debt sustainability framework and for ensuring that expenditure is for productive purposes only. This will include a client's statement that no illegal payments related to a contract were made. Any contravention of the ban on illegal payment should entail cancellation of the state's obligation to pay;*
- In the case of tied aid credits: ECAs shall report on the number and value of tied aid projects using the classification in the OECD and on the methodology used to ensure compliance with the Arrangement;*
- In the case of implementation of projects: ECAs shall provide information on the measures taken by the applicant to respect the applicable environmental, social and human rights legislation in the host country and international best practices, including EU principles and standards, as derived from EU policy and law. This will include a client's statement that it will respect the applicable law of the host country and international best practices;*
- ECAs shall provide information on clients' respect for international and national criminal law. This will include a client's statement that it will respect international and national criminal law;*
- In the case of dam projects: ECAs shall provide information on clients' compliance with the Guidelines of the World Commission on Dams;*
- In the case of extractive Industries*

projects: ECAs shall provide information on clients' compliance with the World Bank's extractive Industries Review's recommendations;

ECAs shall make project assessment information readily available to affected communities, NGOs and other interested parties at least 120 days in advance of an application being approved. This information shall include environmental and social impact assessments for all projects, and the names of the companies involved.

Furthermore, public disclosure of sustainable development impact assessments shall be done before ECA support is granted.

PART B) Climate change

ECA's will contribute to the EU's commitment and obligations under the UN Framework Convention on Climate Change (UNFCCC), in line with Article 208 TFEU.

The integration of European climate policies in its operations shall include:

- Annual detailed reporting regarding the full carbon footprint of ECA supported projects, or the localised and regional effects of individual projects;*
- An analysis of the carbon footprint to be included in the environmental assessment procedure to determine whether project proposals maximise energy-efficiency improvements;*
- The introduction of an exclusion list of types of projects/technologies they will not support, including the phasing out of financial transactions for fossil fuel projects;*
- The definition of clear CO2 emission reduction targets for both the long term and the short term and an annual emissions cap;*

- ***The definition of appraisal procedures to take account of the needs of developing countries in relation to climate change and development, as identified in UNFCCC National Adaptation Programmes of Action (NAPAs), and EU Regional and Country Strategy Papers (RSPs/CSPs);***
- ***The definition of objectives on renewable energy, in line with the regional/country strategy plans.***

Or. en

Justification

The annex includes a wide range of issues aimed at complying with Article 208 TFEU and plug important gaps such as the absence of any reference to human rights standards within the Common Approaches. The annex also seeks to establish an arrangement by which the EU should provide an annual report on transactions by or on behalf of a government for export of goods and/or services within the scope of the Arrangement. Also, the scope of the Common Approaches must be widened to ensure that all official support provided by ECAs is covered, not only transactions with a repayment term of two years or more. Finally, the part devoted to climate change highlights the EU's international commitments on climate change in order to phase out fossil fuel subsidies over the medium term and provide targeted support to enable the poorest countries adapt to climate change.